

Bangsaphan Barmill Public Company Limited  
Review report and interim financial information  
For the three-month and six-month periods ended  
30 June 2023



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## Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Bangsaphan Barmill Public Company Limited

I have reviewed the accompanying statement of financial position of Bangsaphan Barmill Public Company Limited as at 30 June 2023, the related statements of comprehensive income for the three-month and six-month periods then ended and the related statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim financial statements (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No.34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### Scope of review

I conducted my review in accordance with Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No.34 *Interim Financial Reporting*.

Chonlaros Suntiasvaraporn

Certified Public Accountant (Thailand) No. 4523

EY Office Limited

Bangkok: 7 August 2023

**Bangsaphan Barmill Public Company Limited****Statement of financial position****As at 30 June 2023**

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 June 2023</u> (Unaudited but reviewed)	<u>31 December 2022</u> (Audited)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		726,103	597,160
Trade receivables	3	168,872	173,035
Inventories	4	206,103	354,141
Advance payment for purchase of raw materials, supplies and spare parts		-	2,293
Input tax refundable		-	6,154
Other current assets		10,352	8,479
<b>Total current assets</b>		<u>1,111,430</u>	<u>1,141,262</u>
<b>Non-current assets</b>			
Property, plant and equipment	5	736,368	744,282
Right-of-use assets		2,372	3,163
Non-operating asset	6	-	-
Deferred tax assets		10,485	2,464
Other non-current assets		817	725
<b>Total non-current assets</b>		<u>750,042</u>	<u>750,634</u>
<b>Total assets</b>		<u>1,861,472</u>	<u>1,891,896</u>

The accompanying notes are an integral part of the financial statements.

**Bangsaphan Barmill Public Company Limited****Statement of financial position (continued)****As at 30 June 2023**

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 June 2023</u> (Unaudited but reviewed)	<u>31 December 2022</u> (Audited)
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	2, 7	10,306	5,318
Advance received from customer		1,248	5,263
Current portion of lease liabilities		1,651	1,627
Other current liabilities		3,926	2,649
<b>Total current liabilities</b>		<u>17,131</u>	<u>14,857</u>
<b>Non-current liabilities</b>			
Lease liabilities, net of current portion		843	1,675
Provision for long-term employee benefits		9,288	8,740
<b>Total non-current liabilities</b>		<u>10,131</u>	<u>10,415</u>
<b>Total liabilities</b>		<u>27,262</u>	<u>25,272</u>

The accompanying notes are an integral part of the financial statements.

**Bangsaphan Barmill Public Company Limited**

**Statement of financial position (continued)**

**As at 30 June 2023**

(Unit: Thousand Baht)

	<u>30 June 2023</u>	<u>31 December 2022</u>
	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>		
Share capital		
Registered		
1,121,175,000 ordinary shares of Baht 1 each	1,121,175	1,121,175
Issued and fully paid-up		
1,121,175,000 ordinary shares of Baht 1 each	1,121,175	1,121,175
Ordinary share premium	621,847	621,847
Premium on treasury shares	1,369	1,369
Retained earnings (Deficit)		
Appropriated - statutory reserve	113,250	113,250
Unappropriated	(23,431)	8,983
<b>Total shareholders' equity</b>	<u>1,834,210</u>	<u>1,866,624</u>
<b>Total liabilities and shareholders' equity</b>	<u>1,861,472</u>	<u>1,891,896</u>

The accompanying notes are an integral part of the financial statements.

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Directors

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(Unaudited but reviewed)

## Bangsaphan Barmill Public Company Limited

## Statement of comprehensive income

For the three-month and six-month periods ended 30 June 2023

(Unit: Thousand Baht, except basic earnings per share expressed in Baht)				
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Profit or loss:</b>				
<b>Revenues</b>				
Sales	133,579	347,821	397,316	693,258
Other income				
Revenue from sale of scrap	-	6,608	-	6,608
Others	25	323	307	1,109
<b>Total revenues</b>	<b>133,604</b>	<b>354,752</b>	<b>397,623</b>	<b>700,975</b>
<b>Expenses</b>				
Cost of sales	143,783	312,845	394,776	635,991
Cost of sales of scrap	-	3,447	-	3,447
Selling and distribution expenses	2,116	4,358	5,830	7,549
Administrative expenses	6,720	6,394	12,830	12,645
Other expenses				
Factory overheads during production halt	19,138	7,061	25,746	7,061
<b>Total expenses</b>	<b>171,757</b>	<b>334,105</b>	<b>439,182</b>	<b>666,693</b>
<b>Operating profit (loss)</b>	<b>(38,153)</b>	<b>20,647</b>	<b>(41,559)</b>	<b>34,282</b>
Finance income	1,188	199	1,188	199
Finance cost	(27)	(46)	(64)	(90)
<b>Profit (loss) before income tax expenses</b>	<b>(36,992)</b>	<b>20,800</b>	<b>(40,435)</b>	<b>34,391</b>
Income tax benefits (expenses)	8 7,365	(4,185)	8,021	(6,918)
<b>Profit (loss) for the period</b>	<b>(29,627)</b>	<b>16,615</b>	<b>(32,414)</b>	<b>27,473</b>
<b>Other comprehensive income for the period</b>				
	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(29,627)</b>	<b>16,615</b>	<b>(32,414)</b>	<b>27,473</b>
<b>Earnings per share</b>				
Basic earnings (loss) per share	(0.026)	0.015	(0.029)	0.025

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Bangsaphan Barmill Public Company Limited**  
**Statement of changes in shareholders' equity**  
**For the six-month periods ended 30 June 2023**

(Unit: Thousand Baht)

	Issued and paid-up share capital	Shares premium	Premium on treasury shares	Retained earnings (Deficit)		Total
				Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2022</b>	1,121,175	621,847	1,369	113,250	28,654	1,886,295
Profit for the period	-	-	-	-	27,473	27,473
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-
<b>Balance as at 30 June 2022</b>	<b>1,121,175</b>	<b>621,847</b>	<b>1,369</b>	<b>113,250</b>	<b>56,127</b>	<b>1,913,768</b>
<b>Balance as at 1 January 2023</b>	1,121,175	621,847	1,369	113,250	8,983	1,866,624
Loss for the period	-	-	-	-	(32,414)	(32,414)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(32,414)	(32,414)
<b>Balance as at 30 June 2023</b>	<b>1,121,175</b>	<b>621,847</b>	<b>1,369</b>	<b>113,250</b>	<b>(23,431)</b>	<b>1,834,210</b>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Bangsaphan Barmill Public Company Limited**

**Cash flow statement**

**For the six-month periods ended 30 June 2023**

(Unit: Thousand Baht)

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities</b>		
Profit (loss) before income tax	(40,435)	34,391
Adjustment to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:		
Depreciation	9,828	13,682
Reduction of inventory to net realisable value	8,281	6,860
Realised gains on exchange	-	(15)
Unrealised gains on exchange	(10)	(189)
Provision for long-term employee benefits	704	733
Finance income	(1,188)	(199)
Finance cost	43	66
Profit (loss) from operating activities before changes in operating assets and liabilities	(22,777)	55,329
Operating assets (increase) decrease		
Trade receivables	4,163	(178,572)
Inventories	138,767	(160,206)
Advance payment for purchase of raw materials, supplies and spare parts	2,293	(8,746)
Other current assets	4,281	(7,932)
Other non-current assets	(92)	(20)
Operating liabilities increase (decrease)		
Trade and other payables	4,988	(54,009)
Advance received from customer	(4,015)	-
Other current liabilities	1,277	(87)
Cash paid for long-term employee benefits	(156)	(214)
<b>Cash flows from (used in) operating activities</b>	<u>128,729</u>	<u>(354,457)</u>
Cash received from interest income	1,188	199
Cash paid for income tax	-	(688)
<b>Net cash flows from (used in) operating activities</b>	<u>129,917</u>	<u>(354,946)</u>

The accompanying notes are an integral part of the financial statements.



(Unaudited but reviewed)

**Bangsaphan Barmill Public Company Limited**

**Cash flow statement (continued)**

**For the six-month periods ended 30 June 2023**

(Unit: Thousand Baht)

	<u>2023</u>	<u>2022</u>
<b>Cash flows from investing activities</b>		
Acquisition of equipment	(133)	(104)
<b>Net cash flows used in investing activities</b>	<u>(133)</u>	<u>(104)</u>
<b>Cash flows from financing activities</b>		
Cash paid for lease liabilities	(851)	(851)
<b>Net cash flows used in financing activities</b>	<u>(851)</u>	<u>(851)</u>
<b>Effect of exchange rate on cash and cash equivalents</b>	<u>10</u>	<u>189</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>128,943</u>	<u>(355,712)</u>
Cash and cash equivalents at beginning of period	<u>597,160</u>	<u>678,164</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>726,103</u></u>	<u><u>322,452</u></u>
 <b>Supplemental cash flows information</b>		
Non-cash transaction		
Transfer inventories to equipment	990	3,983

The accompanying notes are an integral part of the financial statements.

**Bangsaphan Barmill Public Company Limited**

**Notes to interim financial statements**

**For the three-month and six-month periods ended 30 June 2023**

**1. General information**

**1.1 Corporate information**

Bangsaphan Barmill Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of deformed and round steel bars. The registered office of the Company is at 28/1 Prapawit building, 8<sup>th</sup> Floor, Surasak Road, Kwang Silom, Khet Bangrak, Bangkok. Its plant is located at 8 Moo 7, Ban Klang Na-Yai-Ploy Road, Mae Rumphueng Sub-district, Bangsaphan District, Prachuabkirikhan.

**1.2 Basis of preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No.34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial information in English language have been translated from the Thai language financial statements.

**1.3 Significant accounting policies**

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Company's financial statements.

## 2. Related party transactions

During the periods, the Company had significant business transactions with its related parties. Such transactions, which are summarised below, arose the ordinary course of business and were conclude on commercial terms and based agreed upon by the Company and those parties. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

	(Unit: Million Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Transactions with related companies</u>				
Utilities expenses	2.0	8.0	12.0	17.7
Transportation expenses	-	4.3	-	5.1
Service expenses	0.7	0.6	1.3	1.2
Rental expenses	0.5	0.5	1.1	1.1
Management fee	0.1	0.1	0.3	0.3

As at 30 June 2023 and 31 December 2022, the balances of the accounts between the Company and related parties are as follows:

	(Unit: Thousand Baht)	
	<u>30 June 2023</u>	<u>31 December 2022</u>
		(Audited)
<b><u>Trade payables - related parties (Note 7)</u></b>		
Related companies		
Sahaviriya Steel Industries Plc.	686	624
SVL Corporation Co., Ltd.	12	11
Western Security Guard Co., Ltd.	211	211
<b>Total trade payables - related parties</b>	<b><u>909</u></b>	<b><u>846</u></b>

**Directors and management's benefits**

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	2,331	2,551	4,602	4,822
Post-employment benefits	49	45	97	89
<b>Total</b>	<b><u>2,380</u></b>	<b><u>2,596</u></b>	<b><u>4,699</u></b>	<b><u>4,911</u></b>

**3. Trade receivables**

	(Unit: Thousand Baht)	
	<u>30 June 2023</u>	<u>31 December 2022</u>
		(Audited)
<b>Trade receivables - unrelated parties</b>		
Aged on the basis of due dates		
Not yet due	166,640	161,080
Past due		
Up to 3 months	2,232	11,955
<b>Total trade receivables</b>	<b><u>168,872</u></b>	<b><u>173,035</u></b>

As at 30 June 2023, the outstanding balances included post-dated cheques and notes receivable amounting to Baht 132 million (31 December 2022: Baht 149 million).

**4. Inventories**

	(Unit: Thousand Baht)	
	<u>30 June 2023</u>	<u>31 December 2022</u>
		(Audited)
Inventories - cost	217,825	357,582
Less: Reduce cost to net realisable value	(11,722)	(3,441)
<b>Inventories - net</b>	<b><u>206,103</u></b>	<b><u>354,141</u></b>

**5. Property, plant and equipment**

Movements of the property, plant and equipment account during the six-month period ended 30 June 2023 are summarised below.

	(Unit: Thousand Baht)
<b>Net book value as at 1 January 2023</b>	744,282
Acquisitions during period - at cost	133
Transfers in during period	990
Depreciation for period	<u>(9,037)</u>
<b>Net book value as at 30 June 2023</b>	<u><u>736,368</u></u>

All land, buildings and machinery are mortgaged/pledged as collateral for credit facilities obtained from a bank. The beneficiary rights under the insurance policies for these mortgaged/pledged assets have also been transferred to the bank.

**6. Non-operating asset**

	(Unit: Thousand Baht)	
	<u>30 June 2023</u>	<u>31 December 2022</u>
		(Audited)
Non-operating asset - land	4,154	4,154
Less: Allowance for impairment	<u>(4,154)</u>	<u>(4,154)</u>
Non-operating asset - net	<u><u>-</u></u>	<u><u>-</u></u>

Presently, all legal cases relating to non-operating assets - land of the Company disclosed in the financial statements for the year ended 31 December 2022 are under consideration by the Court.

However, the management of the Company believes that the result of the litigation will not have any significant impact on the Company's operations and financial statements.

**7. Trade and other payables**

	(Unit: Thousand Baht)	
	30 June 2023	31 December 2022
		(Audited)
Trade payables - related parties (Note 2)	909	846
Trade payables - unrelated parties	2,399	3,327
Accrued expenses	6,998	1,145
<b>Total</b>	<b>10,306</b>	<b>5,318</b>

**8. Income tax**

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year. Amounts accrued for income tax expenses in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimated of the annual income tax rate changes.

Income tax expenses (benefits) for the three-month and six-month periods ended 30 June 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	-	5,631	-	8,395
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(7,365)	(1,446)	(8,021)	(1,477)
<b>Income tax expenses (benefits) reported in profit or loss</b>	<b>(7,365)</b>	<b>4,185</b>	<b>(8,021)</b>	<b>6,918</b>

**9. Segment information**

The Company is principally engaged in the manufacture and distribution of deformed and round steel bars. Its operation is carried on exclusively in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits or loss and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographic area.

**10. Financial Instrument**

**Fair value of financial instrument**

Most of the Company's financial instruments are classified as short-term or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments is estimated to approximate their fair value.

**11. Approval of interim financial information**

This interim financial information was authorised for issue by the Company's Board of Directors on 7 August 2023.