

Bangsaphan Barmill Public Company Limited
Review report and interim financial information
For the three-month periods ended 31 March 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 31 March 2023, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the three-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: 8 May 2023

Bangsaphan Barmill Public Company Limited**Statement of financial position****As at 31 March 2023**

(Unit: Thousand Baht)

| | <u>Note</u> | <u>31 March 2023</u> (Unaudited but reviewed) | <u>31 December 2022</u> (Audited) |
|----------------------------------------------------------------------------|-------------|-----------------------------------------------------|--------------------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 564,288 | 597,160 |
| Trade receivables | 3 | 226,335 | 173,035 |
| Inventories | 4 | 347,738 | 354,141 |
| Advance payment for purchase of raw materials, supplies and spare parts | | 2,769 | 2,293 |
| Input tax refundable | | 4,072 | 6,154 |
| Other current assets | | 9,596 | 8,479 |
| Total current assets | | <u>1,154,798</u> | <u>1,141,262</u> |
| Non-current assets | | | |
| Property, plant and equipment | 5 | 738,824 | 744,282 |
| Right-of-use assets | | 2,768 | 3,163 |
| Non-operating asset | 6 | - | - |
| Deferred tax assets | | 3,119 | 2,464 |
| Other non-current assets | | 725 | 725 |
| Total non-current assets | | <u>745,436</u> | <u>750,634</u> |
| Total assets | | <u>1,900,234</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 31 March 2023

(Unit: Thousand Baht)

| | <u>Note</u> | <u>31 March 2023</u> (Unaudited but reviewed) | <u>31 December 2022</u> (Audited) |
|-----------------------------------------------------|-------------|-----------------------------------------------------|--------------------------------------|
| Liabilities and shareholders' equity | | | |
| Current liabilities | | | |
| Trade and other payables | 2, 7 | 19,566 | 5,318 |
| Advance received from customer | | 4,365 | 5,263 |
| Current portion of long-term lease liabilities | | 1,639 | 1,627 |
| Other current liabilities | | 630 | 2,649 |
| Total current liabilities | | <u>26,200</u> | <u>14,857</u> |
| Non-current liabilities | | | |
| Long-term lease liabilities, net of current portion | | 1,261 | 1,675 |
| Provision for long-term employee benefits | | 8,936 | 8,740 |
| Total non-current liabilities | | <u>10,197</u> | <u>10,415</u> |
| Total liabilities | | <u>36,397</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 31 March 2023

(Unit: Thousand Baht)

| | <u>31 March 2023</u> | <u>31 December 2022</u> |
|---------------------------------------------------|-----------------------------|-------------------------|
| | (Unaudited but reviewed) | (Audited) |
| Shareholders' equity | | |
| 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 | | |
| Appropriated - statutory reserve | 113,250 | 113,250 |
| Unappropriated | 6,196 | 8,983 |
| Total shareholders' equity | <u>1,863,837</u> | <u>1,866,624</u> |
| Total liabilities and shareholders' equity | <u>1,900,234</u> | <u>1,891,896</u> |

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

Directors

(Unaudited but reviewed)

Bangsaphan Barmill Public Company Limited

Statement of comprehensive income

For the three-month periods ended 31 March 2023

(Unit: Thousand Baht, except basic earnings per share expressed in Baht)

| | | For the three-month periods ended 31 March | |
|--------------------------------------------------|------|-----------------------------------------------|----------------|
| | Note | <u>2023</u> | <u>2022</u> |
| Profit or loss: | | | |
| Revenues | | | |
| Sales | | 263,737 | 345,437 |
| Other income | | 282 | 786 |
| Total revenues | | <u>264,019</u> | <u>346,223</u> |
| Expenses | | | |
| Cost of sales | | 250,993 | 323,146 |
| Selling and distribution expenses | | 3,713 | 3,191 |
| Administrative expenses | | 6,110 | 6,251 |
| Other expenses | | | |
| Factory overheads during production halt | | 6,609 | - |
| Total expenses | | <u>267,425</u> | <u>332,588</u> |
| Operating profit (loss) | | <u>(3,406)</u> | <u>13,635</u> |
| Finance cost | | (36) | (44) |
| Profit (loss) before income tax expenses | | <u>(3,442)</u> | <u>13,591</u> |
| Income tax revenues (expenses) | 8 | 655 | (2,733) |
| Profit (loss) for the period | | <u>(2,787)</u> | <u>10,858</u> |
| | | | |
| Other comprehensive income for the period | | <u>-</u> | <u>-</u> |
| | | | |
| Total comprehensive income for the period | | <u>(2,787)</u> | <u>10,858</u> |
| | | | |
| Earnings per share | | | |
| Basic earnings (loss) per share | | <u>(0.002)</u> | <u>0.010</u> |

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 three-month periods ended 31 March 2023

(Unit: Thousand Baht)

| | Issued and paid-up share capital | Shares premium | Premium on treasury shares | Retained earnings | | Total |
|-------------------------------------------|----------------------------------|----------------|----------------------------|----------------------------------|----------------|------------------|
| | | | | Appropriated - statutory reserve | Unappropriated | |
| Balance as at 1 January 2022 | 1,121,175 | 621,847 | 1,369 | 113,250 | 28,654 | 1,886,295 |
| Profit for the period | - | - | - | - | 10,858 | 10,858 |
| Other comprehensive income for the period | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | 10,858 | 10,858 |
| Balance as at 31 March 2022 | 1,121,175 | 621,847 | 1,369 | 113,250 | 39,512 | 1,897,153 |
| Balance as at 1 January 2023 | 1,121,175 | 621,847 | 1,369 | 113,250 | 8,983 | 1,866,624 |
| Loss for the period | - | - | - | - | (2,787) | (2,787) |
| Other comprehensive income for the period | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | (2,787) | (2,787) |
| Balance as at 31 March 2023 | 1,121,175 | 621,847 | 1,369 | 113,250 | 6,196 | 1,863,837 |

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

(Unaudited but reviewed)

Bangsaphan Barmill Public Company Limited

Cash flow statement

For the three-month periods ended 31 March 2023

(Unit: Thousand Baht)

| | <u>2023</u> | <u>2022</u> |
|-----------------------------------------------------------------------------------------------------|-----------------|------------------|
| Cash flows from operating activities | | |
| Profit (loss) before income tax | (3,442) | 13,591 |
| Adjustment to reconcile profit before tax to net cash provided by (paid from) operating activities: | | |
| Depreciation | 6,040 | 7,296 |
| Reversal of reduction of inventory to net realisable value | (3,441) | - |
| Unrealised loss on exchange | 10 | 17 |
| Provision for long-term employee benefits | 352 | 367 |
| Finance cost | 23 | 35 |
| Profit (loss) from operating activities before changes in operating assets and liabilities | (458) | 21,306 |
| Operating assets (increase) decrease | | |
| Trade receivables | (53,300) | (123,350) |
| Inventories | 9,657 | (319,358) |
| Advance payment for purchase of raw materials, supplies and spare parts | (476) | (2,077) |
| Other current assets | 965 | 1,568 |
| Other non-current assets | - | (20) |
| Operating liabilities increase (decrease) | | |
| Trade and other payables | 14,248 | (43,835) |
| Advance received from customer | (898) | - |
| Other current liabilities | (2,019) | (167) |
| Cash paid for long-term employee benefits | (156) | (215) |
| Net cash flows used in operating activities | <u>(32,437)</u> | <u>(466,148)</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 three-month periods ended 31 March 2023

(Unit: Thousand Baht)

| | <u>2023</u> | <u>2022</u> |
|-------------------------------------------------------------|----------------|----------------|
| Cash flows from investing activities | | |
| Acquisition of equipment | - | (96) |
| Net cash flows used in investing activities | - | (96) |
| Cash flows from financing activities | | |
| Cash paid for lease liabilities | (425) | (425) |
| Net cash flows used in financing activities | (425) | (425) |
| Effect of exchange rate on cash and cash equivalents | (10) | (17) |
| Net decrease in cash and cash equivalents | (32,872) | (466,686) |
| Cash and cash equivalents at beginning of period | 597,160 | 678,164 |
| Cash and cash equivalents at end of period | <u>564,288</u> | <u>211,478</u> |
| Supplemental cash flows information | | |
| Non-cash transaction | | |
| Transfer inventories to equipment | 187 | 269 |

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 periods ended 31 March 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, 8th 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 | |
| | 31 March | |
| | <u>2022</u> | <u>2021</u> |
| <u>Transactions with related companies</u> | | |
| Utilities expenses | 10.0 | 9.7 |
| Transportation expenses | - | 0.8 |
| Service expenses | 0.6 | 0.6 |
| Rental expenses | 0.6 | 0.6 |
| Management fee | 0.2 | 0.2 |

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

| | (Unit: Thousand Baht) | |
|--------------------------------------------------|-----------------------|-------------|
| | 31 March | 31 December |
| | <u>2023</u> | <u>2022</u> |
| | | (Audited) |
| <u>Trade payables - related parties (Note 7)</u> | | |
| Related companies | | |
| Sahaviriya Steel Industries Plc. | 5,518 | 624 |
| SVL Corporation Co., Ltd. | 11 | 11 |
| Western Security Guard Co., Ltd. | 212 | 211 |
| Total trade payables - related parties | <u>5,741</u> | <u>846</u> |

(Unaudited but reviewed)

Directors and management's benefits

(Unit: Thousand Baht)

For the three-month
periods ended 31 March

| | <u>2023</u> | <u>2022</u> |
|------------------------------|--------------|--------------|
| Short-term employee benefits | 2,271 | 2,271 |
| Post-employment benefits | 49 | 45 |
| Total | <u>2,320</u> | <u>2,316</u> |

3. Trade receivables

(Unit: Thousand Baht)

| | 31 March <u>2023</u> | 31 December <u>2022</u> |
|----------------------------------------------|-------------------------|----------------------------|
| | | (Audited) |
| Trade receivables - unrelated parties | | |
| Aged on the basis of due dates | | |
| Not yet due | 223,816 | 161,080 |
| Past due | | |
| Up to 3 months | <u>2,519</u> | <u>11,955</u> |
| Total trade receivables | <u>226,335</u> | <u>173,035</u> |

As at 31 March 2023, the outstanding balances included post-dated cheques and notes receivable amounting to Baht 159 million (31 December 2022: Baht 149 million).

4. Inventories

(Unit: Thousand Baht)

| | 31 March <u>2023</u> | 31 December <u>2022</u> |
|-------------------------------------------|-------------------------|----------------------------|
| | | (Audited) |
| Inventories - cost | 347,738 | 357,582 |
| Less: Reduce cost to net realisable value | - | (3,441) |
| Inventories - net | <u>347,738</u> | <u>354,141</u> |

5. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2023 are summarised below.

| | (Unit: Thousand Baht) |
|--------------------------------------------|-----------------------|
| Net book value as at 1 January 2023 | 744,282 |
| Transfers in during period | 187 |
| Depreciation for period | <u>(5,645)</u> |
| Net book value as at 31 March 2023 | <u><u>738,824</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) | |
|--------------------------------|-----------------------|---------------------|
| | 31 March 2023 | 31 December 2022 |
| | | (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) | |
|-------------------------------------------|-----------------------|--------------|
| | 31 March | 31 December |
| | 2023 | 2022 |
| | | (Audited) |
| Trade payables - related parties (Note 2) | 5,741 | 846 |
| Trade payables - unrelated parties | 7,163 | 3,327 |
| Accrued expenses | 6,662 | 1,145 |
| Total | 19,566 | 5,318 |

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 (revenues) for the three-month periods ended 31 March 2023 and 2022 are made up as follows:

| | (Unit: Thousand Baht) | |
|------------------------------------------------------------------|-----------------------------------|--------------|
| | For the three-month periods ended | |
| | 31 March | |
| | <u>2023</u> | <u>2022</u> |
| Current income tax: | | |
| Interim corporate income tax charge | - | 2,764 |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | (655) | (31) |
| Income tax expenses (revenues) reported in profit or loss | (655) | 2,733 |

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 8 May 2023.