

Bangsaphan Barmill Public Company Limited
Review report and interim financial information
For the three-month period ended 31 March 2024

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 2024, 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: 7 May 2024

Bangsaphan Barmill Public Company Limited**Statement of financial position****As at 31 March 2024**

(Unit: Thousand Baht)

	<u>Note</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents		623,527	645,895
Trade and other receivables	3	98,446	82,476
Inventories	4	357,714	449,991
Input tax refundable		8,634	15,933
Other current assets		10,226	7,999
Total current assets		<u>1,098,547</u>	<u>1,202,294</u>
Non-current assets			
Property, plant and equipment	5	723,653	727,653
Right-of-use assets		1,186	1,582
Non-operating asset	6	-	-
Deferred tax assets		15,839	14,316
Other non-current assets		770	786
Total non-current assets		<u>741,448</u>	<u>744,337</u>
Total assets		<u><u>1,839,995</u></u>	<u><u>1,946,631</u></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 2024

(Unit: Thousand Baht)

	<u>Note</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	2, 7	15,799	116,358
Lease liabilities		1,261	1,675
Other current liabilities		619	748
Total current liabilities		<u>17,679</u>	<u>118,781</u>
Non-current liabilities			
Provision for long-term employee benefits		9,759	9,384
Total non-current liabilities		<u>9,759</u>	<u>9,384</u>
Total liabilities		<u>27,438</u>	<u>128,165</u>
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 (Deficits)			
Appropriated - statutory reserve		113,250	113,250
Deficits		(45,084)	(39,175)
Total shareholders' equity		<u>1,812,557</u>	<u>1,818,466</u>
Total liabilities and shareholders' equity		<u>1,839,995</u>	<u>1,946,631</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 period ended 31 March 2024

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

	For the three-month periods ended 31 March	
Note	2024	2023
Profit or loss:		
Revenues		
Sales	107,721	263,737
Other income		
Revenue from sale of scrap	6,285	-
Others	455	282
Total revenues	114,461	264,019
Expenses		
Cost of sales	101,029	250,993
Cost of sales of scrap	4,405	-
Selling and distribution expenses	1,914	3,713
Administrative expenses	5,752	6,110
Other expenses		
Factory overheads during production halt	10,384	6,609
Total expenses	123,484	267,425
Operating loss	(9,023)	(3,406)
Finance income	1,609	-
Finance cost	(18)	(36)
Loss before income tax expenses	(7,432)	(3,442)
Income tax benefits	8 1,523	655
Loss for the period	(5,909)	(2,787)
Other comprehensive income for the period	-	-
Total comprehensive income for the period	(5,909)	(2,787)
Loss per share		
Basic loss per share	(0.005)	(0.002)

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 2024

(Unit: Thousand Baht)

	Issued and paid-up share capital	Shares premium	Premium on treasury shares	Retained earnings (Deficits)		Total
				Appropriated - statutory reserve	Unappropriated	
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	<u>1,121,175</u>	<u>621,847</u>	<u>1,369</u>	<u>113,250</u>	<u>6,196</u>	<u>1,863,837</u>
Balance as at 1 January 2024	1,121,175	621,847	1,369	113,250	(39,175)	1,818,466
Loss for the period	-	-	-	-	(5,909)	(5,909)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(5,909)	(5,909)
Balance as at 31 March 2024	<u>1,121,175</u>	<u>621,847</u>	<u>1,369</u>	<u>113,250</u>	<u>(45,084)</u>	<u>1,812,557</u>

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 2024

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Loss before income tax	(7,432)	(3,442)
Adjustment to reconcile loss before tax to net cash provided by (paid from) operating activities:		
Depreciation	4,613	6,040
Reversal of reduction of inventory to net realisable value	(1,994)	(3,441)
Unrealised loss (gains) on exchange	(29)	10
Provision for long-term employee benefits	375	352
Finance income	(1,609)	-
Finance cost	11	23
Loss from operating activities before changes in operating assets and liabilities	(6,065)	(458)
Operating assets (increase) decrease		
Trade receivables	(15,970)	(53,300)
Inventories	94,072	9,657
Advance payment for purchase of raw materials, supplies and spare parts	-	(476)
Other current assets	6,681	965
Other non-current assets	16	-
Operating liabilities increase (decrease)		
Trade and other payables	(100,559)	14,248
Advance received from customer	-	(898)
Other current liabilities	(129)	(2,019)
Cash paid for long-term employee benefits	-	(156)
Net cash flows used in operating activities	<u>(21,954)</u>	<u>(32,437)</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 2024

(Unit: Thousand Baht)

	<u>2024</u>	<u>2023</u>
Cash flows from investing activities		
Acquisition of equipment	(18)	-
Net cash flows used in investing activities	<u>(18)</u>	<u>-</u>
Cash flows from financing activities		
Cash paid for lease liabilities	(425)	(425)
Net cash flows used in financing activities	<u>(425)</u>	<u>(425)</u>
Net decrease in cash and cash equivalents	<u>(22,397)</u>	<u>(32,862)</u>
Effect of exchange rate on cash and cash equivalents	29	(10)
Cash and cash equivalents at beginning of period	645,895	597,160
Cash and cash equivalents at end of period	<u><u>623,527</u></u>	<u><u>564,288</u></u>
Supplemental cash flows information		
Non-cash transaction		
Transfer inventories to equipment	199	187

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 2024

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 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 2023.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024, 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>2024</u>	<u>2023</u>
<u>Transactions with related companies</u>		
Utilities expenses	4.3	10.0
Service expenses	0.6	0.6
Rental expenses	0.6	0.6
Management fee	0.2	0.2

As at 31 March 2024 and 31 December 2023, the balances of the accounts between the Company and related parties are as follows:

	(Unit: Thousand Baht)	
	<u>31 March 2024</u>	<u>31 December 2023</u>
		(Audited)
<u>Trade payables - related parties (Note 7)</u>		
Related companies		
Sahaviriya Steel Industries Plc.	3,589	498
SVL Corporation Co., Ltd.	10	11
Western Security Guard Co., Ltd.	220	212
Total trade payables - related parties	<u>3,819</u>	<u>721</u>

Directors and management's benefits

	(Unit: Thousand Baht)	
	For the three-month periods ended	
	31 March	
	<u>2024</u>	<u>2023</u>
Short-term employee benefits	2,049	2,271
Post-employment benefits	55	49
Total	<u>2,104</u>	<u>2,320</u>

3. Trade and other receivables

	(Unit: Thousand Baht)	
	31 March 2024	31 December 2023
		(Audited)
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	92,885	76,216
Past due		
Up to 3 months	5,561	4,565
Total trade receivables	<u>98,446</u>	<u>80,781</u>
<u>Other receivables</u>		
Other receivables - unrelated party	-	1,695
Total other receivables	-	1,695
Total trade and other receivables	<u>98,446</u>	<u>82,476</u>

As at 31 March 2024, the outstanding balances included post-dated cheques and notes receivable amounting to Baht 70 million (31 December 2023: Baht 77 million).

4. Inventories

	(Unit: Thousand Baht)	
	31 March 2024	31 December 2023
		(Audited)
Inventories - cost	361,436	455,707
Less: Reduce cost to net realisable value	(3,722)	(5,716)
Inventories - net	<u>357,714</u>	<u>449,991</u>

5. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2024 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2024	727,653
Acquisitions during period - at cost	18
Transfers in during period	199
Depreciation for period	<u>(4,217)</u>
Net book value as at 31 March 2024	<u>723,653</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 2024	31 December 2023
		(Audited)
Non-operating asset - land	4,154	4,154
Less: Allowance for impairment	(4,154)	(4,154)
Non-operating asset - net	<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 2023 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 2024	31 December 2023
		(Audited)
Trade payables - related parties (Note 2)	3,819	721
Trade payables - unrelated parties	6,055	113,855
Accrued expenses	5,925	1,782
Total	<u>15,799</u>	<u>116,358</u>

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.

(Unaudited but reviewed)

Income tax benefits for the three-month periods ended 31 March 2024 and 2023 are made up as follows:

(Unit: Thousand Baht)

For the three-month periods ended
31 March

	<u>2024</u>	<u>2023</u>
Current income tax:		
Interim corporate income tax charge	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(1,523)	(655)
Income tax benefits reported in profit or loss	<u>(1,523)</u>	<u>(655)</u>

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 May 2024.