

Bangsaphan Barmill Public Company Limited
Review report and financial information
For the three-month and six-month periods ended
30 June 2024



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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 financial information of Bangsaphan Barmill Public Company Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the related statements of comprehensive income for the three-month and six-month periods then ended, and the related statement 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 "the 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: 13 August 2024

Bangsaphan Barmill Public Company Limited**Statement of financial position****As at 30 June 2024**

		(Unit: Thousand Baht)	
	<u>Note</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents		420,249	645,895
Trade and other receivables	3	226,887	82,476
Inventories	4	444,179	449,991
Input tax refundable		13,430	15,933
Other current assets		9,884	7,999
Total current assets		<u>1,114,629</u>	<u>1,202,294</u>
Non-current assets			
Property, plant and equipment	5	718,270	727,653
Right-of-use assets		791	1,582
Non-operating asset	6	-	-
Deferred tax assets		15,960	14,316
Other non-current assets		725	786
Total non-current assets		<u>735,746</u>	<u>744,337</u>
Total assets		<u><u>1,850,375</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 30 June 2024

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 June 2024</u> (Unaudited but reviewed)	<u>31 December 2023</u> (Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	2, 7	26,775	116,358
Lease liabilities		843	1,675
Other current liabilities		606	748
Total current liabilities		<u>28,224</u>	<u>118,781</u>
Non-current liabilities			
Provision for long-term employee benefits		10,134	9,384
Total non-current liabilities		<u>10,134</u>	<u>9,384</u>
Total liabilities		<u>38,358</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		(45,624)	(39,175)
Total shareholders' equity		<u>1,812,017</u>	<u>1,818,466</u>
Total liabilities and shareholders' equity		<u>1,850,375</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 and six-month periods ended 30 June 2024**

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

	Note	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
		2024	2023	2024	2023
Profit or loss:					
Revenues					
Sales		187,983	133,579	295,704	397,316
Other income					
Revenue from sale of scrap		-	-	6,285	-
Others		4,330	25	4,785	307
Total revenues		<u>192,313</u>	<u>133,604</u>	<u>306,774</u>	<u>397,623</u>
Expenses					
Cost of sales		181,223	143,783	282,252	394,776
Cost of sales of scrap		-	-	4,405	-
Selling and distribution expenses		4,094	2,116	6,008	5,830
Administrative expenses		5,894	6,720	11,646	12,830
Other expenses					
Factory overheads during production halt		5,248	19,138	15,632	25,746
Total expenses		<u>196,459</u>	<u>171,757</u>	<u>319,943</u>	<u>439,182</u>
Operating loss		<u>(4,146)</u>	<u>(38,153)</u>	<u>(13,169)</u>	<u>(41,559)</u>
Finance income		3,500	1,188	5,109	1,188
Finance cost		(15)	(27)	(33)	(64)
Loss before income tax expenses		<u>(661)</u>	<u>(36,992)</u>	<u>(8,093)</u>	<u>(40,435)</u>
Income tax benefits	8	121	7,365	1,644	8,021
Loss for the period		<u>(540)</u>	<u>(29,627)</u>	<u>(6,449)</u>	<u>(32,414)</u>
Other comprehensive income for the period		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>(540)</u>	<u>(29,627)</u>	<u>(6,449)</u>	<u>(32,414)</u>
Loss per share					
Basic loss per share		<u>(0.000)</u>	<u>(0.026)</u>	<u>(0.006)</u>	<u>(0.029)</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 six-month periods ended 30 June 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	-	-	-	-	(32,414)	(32,414)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(32,414)	(32,414)
Balance as at 30 June 2023	1,121,175	621,847	1,369	113,250	(23,431)	1,834,210
Balance as at 1 January 2024	1,121,175	621,847	1,369	113,250	(39,175)	1,818,466
Loss for the period	-	-	-	-	(6,449)	(6,449)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(6,449)	(6,449)
Balance as at 30 June 2024	1,121,175	621,847	1,369	113,250	(45,624)	1,812,017

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 2024

(Unit: Thousand Baht)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Loss before income tax expenses	(8,093)	(40,435)
Adjustment to reconcile loss before tax to net cash provided by (paid from) operating activities:		
Depreciation	10,548	9,828
Reduction of inventory to net realisable value (reversal)	(3,378)	8,281
Unrealised gains on exchange	(34)	(10)
Provision for long-term employee benefits	750	704
Finance income	(5,109)	(1,188)
Finance cost	19	43
Loss from operating activities before changes in operating assets and liabilities	(5,297)	(22,777)
Operating assets (increase) decrease		
Trade and other receivables	(144,411)	4,163
Inventories	8,847	138,767
Advance payment for purchase of raw materials, supplies and spare parts	-	2,293
Other current assets	618	4,281
Other non-current assets	61	(92)
Operating liabilities increase (decrease)		
Trade and other payables	(89,583)	4,988
Advance received from customer	-	(4,015)
Other current liabilities	(142)	1,277
Cash paid for long-term employee benefits	-	(156)
Cash flows from (used in) operating activities	<u>(229,907)</u>	<u>128,729</u>
Cash received from interest income	5,109	1,188
Net cash flows from (used in) operating activities	<u>(224,798)</u>	<u>129,917</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 2024

(Unit: Thousand Baht)

	<u>2024</u>	<u>2023</u>
Cash flows from investing activities		
Acquisition of equipment	(31)	(133)
Net cash flows used in investing activities	<u>(31)</u>	<u>(133)</u>
Cash flows from financing activities		
Cash paid for lease liabilities	(851)	(851)
Net cash flows used in financing activities	<u>(851)</u>	<u>(851)</u>
Net increase (decrease) in cash and cash equivalents	(225,680)	128,933
Effect of exchange rate on cash and cash equivalents	34	10
Cash and cash equivalents at beginning of period	645,895	597,160
Cash and cash equivalents at end of period	<u><u>420,249</u></u>	<u><u>726,103</u></u>
Supplemental cash flows information		
Non-cash transaction		
Transfer inventories to equipment	343	990

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

Bangsaphan Barmill Public Company Limited
Condensed notes to interim financial statements
For the three-month and six-month periods ended 30 June 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 presenting condensed interim financial statements. 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 and has presented notes to the interim financial statements on a condensed basis.

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 30 June		For the six-month periods ended 30 June	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Transactions with related companies</u>				
Utilities expenses	8.1	2.0	12.4	12.0
Service expenses	0.7	0.7	1.3	1.3
Rental expenses	0.5	0.5	1.1	1.1
Management fee	0.1	0.1	0.3	0.3

As at 30 June 2024 and 31 December 2023, the balances of the accounts between the Company and related parties are as follows:

	(Unit: Thousand Baht)	
	<u>30 June 2024</u>	<u>31 December 2023</u>
		(Audited)
<u>Trade payables - related parties (Note 7)</u>		
Related companies		
Sahaviriya Steel Industries Plc.	4,095	498
SVL Corporation Co., Ltd.	11	11
Western Security Guard Co., Ltd.	219	212
Total trade payables - related parties	<u>4,325</u>	<u>721</u>

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>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	2,049	2,331	4,098	4,602
Post-employment benefits	55	49	110	97
Total	<u>2,104</u>	<u>2,380</u>	<u>4,208</u>	<u>4,699</u>

3. Trade and other receivables

	(Unit: Thousand Baht)	
	30 June 2024	31 December 2023
		(Audited)
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	219,961	76,216
Past due		
Up to 3 months	6,926	4,565
Total trade receivables	<u>226,887</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>226,887</u>	<u>82,476</u>

As at 30 June 2024, the outstanding balances included post-dated cheques and notes receivable amounting to Baht 216 million (31 December 2023: Baht 77 million).

4. Inventories

	(Unit: Thousand Baht)	
	30 June 2024	31 December 2023
		(Audited)
Inventories - cost	446,517	455,707
Less: Reduce cost to net realisable value	(2,338)	(5,716)
Inventories - net	<u>444,179</u>	<u>449,991</u>

5. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2024 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2024	727,653
Acquisitions during period - at cost	31
Transfers in during period	343
Depreciation for period	(9,757)
Net book value as at 30 June 2024	<u>718,270</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)	
	30 June 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)	
	30 June 2024	31 December 2023
		(Audited)
Trade payables - related parties (Note 2)	4,325	721
Trade payables - unrelated parties	15,098	113,855
Accrued expenses	7,352	1,782
Total	<u>26,775</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.

Income tax benefits for the three-month and six-month periods ended 30 June 2024 and 2023 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>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current income tax:				
Interim corporate income tax charge	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(121)</u>	<u>(7,365)</u>	<u>(1,644)</u>	<u>(8,021)</u>
Income tax benefits reported in profit or loss	<u>(121)</u>	<u>(7,365)</u>	<u>(1,644)</u>	<u>(8,021)</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

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

11. Approval of interim financial information

This interim financial information was authorised for issue by the Company's Board of Directors on 13 August 2024.