

Bangsaphan Barmill Public Company Limited
Review report and financial information
For the three-month and nine-month periods ended
30 September 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 September 2024, the related statements of comprehensive income for the three-month and nine-month periods then ended, and the related statement of changes in shareholders' equity and cash flows for the nine-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: 11 November 2024

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

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 September 2024</u> (Unaudited but reviewed)	<u>31 December 2023</u> (Audited)
Assets			
Current assets			
Cash and cash equivalents		590,102	645,895
Trade receivables	3	97,052	82,476
Inventories	4	360,752	449,991
Input tax refundable		9,067	15,933
Other current assets		8,872	7,999
Total current assets		<u>1,065,845</u>	<u>1,202,294</u>
Non-current assets			
Property, plant and equipment	5	716,951	727,653
Right-of-use assets		395	1,582
Non-operating asset	6	-	-
Deferred tax assets		23,397	14,316
Other non-current assets		725	786
Total non-current assets		<u>741,468</u>	<u>744,337</u>
Total assets		<u>1,807,313</u>	<u>1,946,631</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 September 2024

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 September 2024</u> (Unaudited but reviewed)	<u>31 December 2023</u> (Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	2, 7	9,229	116,358
Advance received from customer		5,142	-
Lease liabilities		423	1,675
Other current liabilities		635	748
Total current liabilities		<u>15,429</u>	<u>118,781</u>
Non-current liabilities			
Provision for long-term employee benefits		9,886	9,384
Total non-current liabilities		<u>9,886</u>	<u>9,384</u>
Total liabilities		<u>25,315</u>	<u>128,165</u>
Shareholders' equity			
Share capital			
Registered			
1,121,175,000 ordinary shares of Baht 1 each		<u>1,121,175</u>	<u>1,121,175</u>
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
Deficit		(75,643)	(39,175)
Total shareholders' equity		<u>1,781,998</u>	<u>1,818,466</u>
Total liabilities and shareholders' equity		<u>1,807,313</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 nine-month periods ended 30 September 2024

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

	Note	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
		2024	2023	2024	2023
Profit or loss:					
Revenues					
Sales		67,045	130,812	362,749	528,128
Other income					
Revenue from sale of scrap		-	95	6,285	95
Others		334	167	5,119	474
Total revenues		67,379	131,074	374,153	528,697
Expenses					
Cost of sales		82,598	125,923	364,850	520,699
Cost of sales of scrap		-	56	4,405	56
Selling and distribution expenses		1,634	2,075	7,642	7,905
Administrative expenses		5,558	5,915	17,204	18,745
Other expenses					
Factory overheads during production halt		16,920	6,050	32,552	31,796
Total expenses		106,710	140,019	426,653	579,201
Operating loss		(39,331)	(8,945)	(52,500)	(50,504)
Finance income		1,889	-	6,998	1,188
Finance cost		(14)	(26)	(47)	(90)
Loss before income tax expenses		(37,456)	(8,971)	(45,549)	(49,406)
Income tax benefits	8	7,437	1,761	9,081	9,782
Loss for the period		(30,019)	(7,210)	(36,468)	(39,624)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		(30,019)	(7,210)	(36,468)	(39,624)
Loss per share					
Basic loss per share		(0.027)	(0.006)	(0.033)	(0.035)

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 nine-month periods ended 30 September 2024

(Unit: Thousand Baht)

	Issued and paid-up share capital	Shares premium	Premium on treasury shares	Retained earnings (Deficit)		Total
				Appropriated - statutory reserve	Deficit	
Balance as at 1 January 2023	1,121,175	621,847	1,369	113,250	8,983	1,866,624
Loss for the period	-	-	-	-	(39,624)	(39,624)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(39,624)	(39,624)
Balance as at 30 September 2023	1,121,175	621,847	1,369	113,250	(30,641)	1,827,000
Balance as at 1 January 2024	1,121,175	621,847	1,369	113,250	(39,175)	1,818,466
Loss for the period	-	-	-	-	(36,468)	(36,468)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(36,468)	(36,468)
Balance as at 30 September 2024	1,121,175	621,847	1,369	113,250	(75,643)	1,781,998

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

(Unaudited but reviewed)

Bangsaphan Barmill Public Company Limited

Cash flow statement

For the nine-month periods ended 30 September 2024

(Unit: Thousand Baht)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Loss before income tax	(45,549)	(49,406)
Adjustment to reconcile loss before tax to net cash provided by (paid from) operating activities:		
Depreciation	14,174	15,718
Reduction of inventory to net realisable value	11,865	3,359
Unrealised loss (gains) on exchange	26	(22)
Provision for long-term employee benefits	1,126	1,055
Finance income	(6,998)	(1,188)
Finance cost	24	59
Loss from operating activities before changes in operating assets and liabilities	(25,332)	(30,425)
Operating assets (increase) decrease		
Trade receivables	(14,576)	25,957
Inventories	76,580	45,011
Advance payment for purchase of raw materials, supplies and spare parts	-	2,293
Other current assets	5,993	(857)
Other non-current assets	61	(77)
Operating liabilities increase (decrease)		
Trade and other payables	(107,129)	9,673
Advance received from customer	5,142	(4,015)
Other current liabilities	(113)	(2,045)
Cash paid for long-term employee benefits	(624)	(452)
Cash flows from (used in) operating activities	(59,998)	45,063
Cash received from interest income	6,998	1,188
Net cash flows from (used in) operating activities	(53,000)	46,251

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 nine-month periods ended 30 September 2024

(Unit: Thousand Baht)

	<u>2024</u>	<u>2023</u>
Cash flows from investing activities		
Acquisition of equipment	(1,491)	(396)
Net cash flows used in investing activities	<u>(1,491)</u>	<u>(396)</u>
Cash flows from financing activities		
Cash paid for lease liabilities	(1,276)	(1,275)
Net cash flows used in financing activities	<u>(1,276)</u>	<u>(1,275)</u>
Effect of exchange rate on cash and cash equivalents	<u>(26)</u>	<u>22</u>
Net increase (decrease) in cash and cash equivalents	(55,793)	44,602
Cash and cash equivalents at beginning of period	645,895	597,160
Cash and cash equivalents at end of period	<u><u>590,102</u></u>	<u><u>641,762</u></u>
Supplemental cash flows information		
Non-cash transaction		
Transfer inventories to equipment	794	1,273

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 nine-month periods ended 30 September 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.

1.4 New financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2025

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2025. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users.

The management of the Company believes that adoption of these amendments will 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 September		For the nine-month periods ended 30 September	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Transactions with related companies</u>				
Utilities expenses	1.6	8.0	14.0	20.0
Service expenses	0.6	0.6	1.9	1.9
Rental expenses	0.6	0.6	1.7	1.7
Management fee	0.2	0.2	0.5	0.5

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

	(Unit: Thousand Baht)	
	<u>30 September 2024</u>	<u>31 December 2023</u>
		(Audited)
<u>Trade payables - related parties (Note 7)</u>		
Related companies		
Sahaviriya Steel Industries Plc.	539	498
SVL Corporation Co., Ltd.	10	11
Western Security Guard Co., Ltd.	219	212
Total trade payables - related parties	<u>768</u>	<u>721</u>

(Unaudited but reviewed)

Directors and management's benefits

	(Unit: Thousand Baht)			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	2,049	2,037	6,147	6,639
Post-employment benefits	55	49	165	146
Total	<u>2,104</u>	<u>2,086</u>	<u>6,312</u>	<u>6,785</u>

3. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>30 September 2024</u>	<u>31 December 2023</u>
		(Audited)
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	80,046	76,216
Past due		
Up to 3 months	<u>17,006</u>	<u>4,565</u>
Total trade receivables	<u>97,052</u>	<u>80,781</u>
<u>Other receivables</u>		
Other receivables - unrelated party	-	1,695
Total other receivables	-	<u>1,695</u>
Total trade and other receivables	<u>97,052</u>	<u>82,476</u>

As at 30 September 2024, the outstanding balances included post-dated cheques and notes receivable amounting to Baht 94 million (31 December 2023: Baht 77 million).

4. Inventories

	(Unit: Thousand Baht)	
	<u>30 September 2024</u>	<u>31 December 2023</u>
		(Audited)
Inventories - cost	378,333	455,707
Less: Reduce cost to net realisable value	<u>(17,581)</u>	<u>(5,716)</u>
Inventories - net	<u>360,752</u>	<u>449,991</u>

5. Property, plant and equipment

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

	(Unit: Thousand Baht)
Net book value as at 1 January 2024	727,653
Acquisitions during period - at cost	1,491
Transfers in during period	794
Depreciation for period	<u>(12,987)</u>
Net book value as at 30 September 2024	<u><u>716,951</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 September 2024</u>	<u>31 December 2023</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>

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)	
	<u>30 September 2024</u>	<u>31 December 2023</u>
		(Audited)
Trade payables - related parties (Note 2)	768	721
Trade payables - unrelated parties	1,133	113,855
Accrued expenses	<u>7,328</u>	<u>1,782</u>
Total	<u><u>9,229</u></u>	<u><u>116,358</u></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 nine-month periods ended 30 September 2024 and 2023 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<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>(7,437)</u>	<u>(1,761)</u>	<u>(9,081)</u>	<u>(9,782)</u>
Income tax benefits reported in profit or loss	<u>(7,437)</u>	<u>(1,761)</u>	<u>(9,081)</u>	<u>(9,782)</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 11 November 2024.