

**M.C.S. Steel Public Company Limited
and its Subsidiaries**

Condensed interim financial statements
for the three-month periods ended 31 March 2023
and
Independent auditor's review report

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of M.C.S. Steel Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of M.C.S. Steel Public Company Limited and its subsidiaries, and of M.C.S. Steel Public Company Limited, respectively as at 31 March 2023; the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2023; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 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 Thai 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 34, "Interim Financial Reporting".

(Banthit Tangpakorn)
Certified Public Accountant
Registration No. 8509

KPMG Phoomchai Audit Ltd.
Bangkok
15 May 2023

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
Assets		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current assets					
Cash and cash equivalents		217,943	197,655	141,953	131,650
Trade and other current receivables	2, 3	1,064,390	870,674	1,383,390	1,339,923
Current portion of long-term loans to related party		-	-	25,285	25,734
Current portion of long-term loans to employees		7,831	7,831	7,831	7,831
Inventories	4	<u>3,289,317</u>	<u>3,883,494</u>	<u>3,102,874</u>	<u>3,449,723</u>
Total current assets		<u>4,579,481</u>	<u>4,959,654</u>	<u>4,661,333</u>	<u>4,954,861</u>
Non-current assets					
Investments in subsidiaries		-	-	169,935	172,957
Long-term loans to related party	2	-	-	391,810	398,777
Long-term loans to employees		70,127	71,356	70,127	71,356
Property, plant and equipment		1,346,228	1,379,476	873,043	895,649
Right-of-use assets		133,346	134,799	5,290	5,976
Goodwill		19,061	19,178	-	-
Other intangible assets		14,457	15,290	7,026	7,436
Deferred tax assets		-	910	3,662	5,306
Contract cost assets		241,605	216,282	241,605	216,282
Other non-current assets		<u>574</u>	<u>545</u>	<u>35</u>	<u>35</u>
Total non-current assets		<u>1,825,398</u>	<u>1,837,836</u>	<u>1,762,533</u>	<u>1,773,774</u>
Total assets		<u>6,404,879</u>	<u>6,797,490</u>	<u>6,423,866</u>	<u>6,728,635</u>

The accompanying notes form an integral part of the interim financial statements.

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
	2023	2022	2023	2022	
Liabilities and equity		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current liabilities					
Short-term loans from financial institution	5	125,712	120,071	-	-
Trade and other current payables	2	2,283,103	2,595,110	2,876,213	3,166,080
Current portion of lease liabilities		2,728	2,759	2,582	2,633
Income tax payable		19,254	20,010	-	-
Total current liabilities		2,430,797	2,737,950	2,878,795	3,168,713
Non-current liabilities					
Lease liabilities		3,724	4,191	3,531	4,146
Deferred tax liabilities		35,699	35,489	-	-
Non-current provisions for employee benefits		29,597	28,986	29,597	28,986
Provision for product warranty		60,887	47,371	56,418	42,826
Total non-current liabilities		129,907	116,037	89,546	75,958
Total liabilities		2,560,704	2,853,987	2,968,341	3,244,671
Equity					
Share capital:					
Authorised share capital					
<i>(477 million ordinary shares, par value at Baht 1 per share)</i>		477,000	477,000	477,000	477,000
Issued and paid-up share capital					
<i>(477 million ordinary shares, par value at Baht 1 per share)</i>		477,000	477,000	477,000	477,000
Share premium		140,000	140,000	140,000	140,000
Retained earning					
Appropriated					
Legal reserve		50,000	50,000	50,000	50,000
Unappropriated		4,464,362	4,479,515	4,128,590	4,099,022
Other components of equity		(1,437,529)	(1,369,071)	(1,340,065)	(1,282,058)
Equity attributable to owners of the parent		3,693,833	3,777,444	3,455,525	3,483,964
Non-controlling interests		150,342	166,059	-	-
Total equity		3,844,175	3,943,503	3,455,525	3,483,964
Total liabilities and equity		6,404,879	6,797,490	6,423,866	6,728,635

The accompanying notes form an integral part of the interim financial statements.

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of comprehensive income (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended		Three-month period ended	
		31 March		31 March	
		2023	2022	2023	2022
<i>(in thousand Baht)</i>					
Income					
Revenue from sale of goods and rendering of services	6	1,518,965	1,622,322	1,482,666	1,622,219
Contract revenue	6	95,008	-	95,008	-
Net foreign exchange gain		-	21,615	-	2,150
Other income		10,538	8,859	8,630	7,883
Total income		1,624,511	1,652,796	1,586,304	1,632,252
Expenses					
Cost of sale of goods and rendering of services		1,381,797	1,033,339	1,324,793	1,058,872
Contract costs		55,448	-	55,448	-
Distribution costs		128,802	227,285	128,802	227,285
Administrative expenses		77,987	101,048	42,013	69,591
Net foreign exchange loss		7,731	-	2,376	-
Total expenses		1,651,765	1,361,672	1,553,432	1,355,748
Profit (loss) from operating activities		(27,254)	291,124	32,872	276,504
Finance costs		2,919	1,285	1,636	917
Profit (loss) before income tax expense		(30,173)	289,839	31,236	275,587
Tax expense		2,204	26,540	1,668	22,247
Profit (loss) for the period		(32,377)	263,299	29,568	253,340

The accompanying notes form an integral part of the interim financial statements.

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Profit (loss) for the period	<u>(32,377)</u>	<u>263,299</u>	<u>29,568</u>	<u>253,340</u>
Other comprehensive income (expense)				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	<u>(66,951)</u>	<u>(256,599)</u>	<u>(58,007)</u>	<u>(269,725)</u>
Total items that will be reclassified subsequently to profit or loss	<u>(66,951)</u>	<u>(256,599)</u>	<u>(58,007)</u>	<u>(269,725)</u>
Total comprehensive income (expense) for the period	<u>(99,328)</u>	<u>6,700</u>	<u>(28,439)</u>	<u>(16,385)</u>
Profit (loss) attributable to:				
Owners of parent	(15,153)	262,711	29,568	253,340
Non-controlling interest	<u>(17,224)</u>	<u>588</u>	<u>-</u>	<u>-</u>
	<u>(32,377)</u>	<u>263,299</u>	<u>29,568</u>	<u>253,340</u>
Total comprehensive income (expense) attributable to:				
Owners of parent	(83,611)	5,274	28,439	(16,385)
Non-controlling interest	<u>(15,717)</u>	<u>1,426</u>	<u>-</u>	<u>-</u>
	<u>(99,328)</u>	<u>6,700</u>	<u>28,439</u>	<u>(16,385)</u>
Basic earnings (loss) per share (in Baht)	<u>(0.03)</u>	<u>0.55</u>	<u>0.06</u>	<u>0.53</u>

The accompanying notes form an integral part of the interim financial statements.

M.C.S. Steel Public Company Limited and its subsidiaries
Statement of changes in equity (Unaudited)

		Consolidated financial statements							Total equity		
		Retained earnings	Other components of equity								
			Exchange differences on translating financial statements	Difference from change in shareholding proportion in subsidiary	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests				
			<i>(in thousand Baht)</i>								
Three-month period ended 31 March 2022											
	Issued and paid-up share capital	477,000	140,000	50,000	4,596,990	(781,436)	(15,250)	(796,686)	4,467,304	156,309	4,623,613
	Profit	-	-	-	262,711	-	-	-	262,711	588	263,299
	Other comprehensive income (expense)	-	-	-	-	(257,437)	-	(257,437)	(257,437)	838	(256,599)
	Total comprehensive income (expense) for the period	-	-	-	262,711	(257,437)	-	(257,437)	5,274	1,426	6,700
	Balance at 31 March 2022	477,000	140,000	50,000	4,859,701	(1,038,873)	(15,250)	(1,054,123)	4,472,578	157,735	4,630,313
Three-month period ended 31 March 2023											
	Balance at 1 January 2023	477,000	140,000	50,000	4,479,515	(1,353,821)	(15,250)	(1,369,071)	3,777,444	166,059	3,943,503
	Comprehensive income (expense) for the period										
	Profit (loss)	-	-	-	(15,153)	-	-	-	(15,153)	(17,224)	(32,377)
	Other comprehensive income (expense)	-	-	-	-	(68,458)	-	(68,458)	(68,458)	1,507	(66,951)
	Total comprehensive income (expense) for the period	-	-	-	(15,153)	(68,458)	-	(68,458)	(83,611)	(15,717)	(99,328)
	Balance at 31 March 2023	477,000	140,000	50,000	4,464,362	(1,422,279)	(15,250)	(1,437,529)	3,693,833	150,342	3,844,175

The accompanying notes form an integral part of the interim financial statements.

M.C.S. Steel Public Company Limited and its subsidiaries
Statement of changes in equity (Unaudited)

	Separate financial statements						Total equity	
	Retained earnings	Other components of equity	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated (in thousand Baht)		Exchange differences on translating financial statements
Three-month period ended 31 March 2022								
Balance at 1 January 2022	477,000	140,000	50,000	4,327,527	(795,567)	(795,567)	4,198,960	
Comprehensive income (expense) for the period								
Profit	-	-	-	253,340	-	-	253,340	
Other comprehensive income (expense)	-	-	-	-	(269,725)	(269,725)	(269,725)	
Total comprehensive income (expense) for the period	-	-	-	253,340	(269,725)	(269,725)	(16,385)	
Balance at 31 March 2022	477,000	140,000	50,000	4,580,867	(1,065,292)	(1,065,292)	4,182,575	
Three-month period ended 31 March 2023								
Balance at 1 January 2023	477,000	140,000	50,000	4,099,022	(1,282,058)	(1,282,058)	3,483,964	
Comprehensive income (expense) for the period								
Profit	-	-	-	29,568	-	-	29,568	
Other comprehensive income (expense)	-	-	-	-	(58,007)	(58,007)	(58,007)	
Total comprehensive income (expense) for the period	-	-	-	29,568	(58,007)	(58,007)	(28,439)	
Balance at 31 March 2023	477,000	140,000	50,000	4,128,590	(1,340,065)	(1,340,065)	3,455,525	

The accompanying notes form an integral part of the interim financial statements.

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit (loss) for the period	(32,377)	263,299	29,568	253,340
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	2,204	26,540	1,668	22,247
Finance costs	2,919	1,285	1,636	917
Depreciation and amortisation	36,491	39,872	25,712	28,972
Amortisation of contract cost assets	20,374	14,899	20,374	14,899
Provision for employee benefits expense	837	717	837	717
Unrealised gain on exchange rate	(7,701)	(402)	(7,701)	(402)
Provision for warranty	14,301	5,467	14,301	5,748
Gain on disposal of equipment	(2)	-	(2)	-
Interest income	(346)	(3,055)	(1,402)	(1,497)
	<u>36,700</u>	<u>348,622</u>	<u>84,991</u>	<u>324,941</u>
<i>Changes in operating assets and liabilities</i>				
Trade and other current receivables	(175,730)	(457,148)	(24,419)	(495,817)
Inventories	594,177	379,516	346,849	476,280
Contract cost assets	(49,179)	(25,585)	(49,179)	(25,585)
Other non-current assets	(38)	1,509	-	-
Trade and other current payables	(320,686)	32,440	(298,547)	(227,435)
Exchange rate differences on translating of financial statements	(42,950)	(180,148)	(29,302)	(172,047)
Net cash generated from (used in) operations	<u>42,294</u>	<u>99,206</u>	<u>30,393</u>	<u>(119,663)</u>
Provisions for employee benefit paid	(237)	-	(237)	-
Provision for warranties paid	-	(1,976)	-	(1,976)
Taxes paid	(6,697)	(6,854)	(4,885)	(1,288)
Net cash from (used in) operating activities	<u>35,360</u>	<u>90,376</u>	<u>25,271</u>	<u>(122,927)</u>
<i>Cash flows from investing activities</i>				
Decrease in loans to employees	1,229	818	1,229	818
Loans to related parties	-	-	-	(20,199)
Acquisition of plant and equipment	(22,016)	(41,944)	(17,547)	(37,294)
Proceeds from disposal of equipment	31	-	31	-
Acquisition of intangible assets	-	(740)	-	(740)
Interest received	<u>287</u>	<u>3,421</u>	<u>281</u>	<u>1,862</u>
Net cash used in investing activities	<u>(20,469)</u>	<u>(38,445)</u>	<u>(16,006)</u>	<u>(55,553)</u>

The accompanying notes form an integral part of the interim financial statements.

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Cash flows from financing activities</i>				
Proceeds from short-term loans from financial institution	5,641	-	-	-
Repayment of short-term loans from financial institution	-	(24,719)	-	-
Payment of lease liabilities	(665)	(880)	(665)	(880)
Interest paid	(2,918)	(355)	(1,636)	(888)
Net cash from (used in) financing activities	2,058	(25,954)	(2,301)	(1,768)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rate changes	16,949	25,977	6,964	(180,248)
Effect of exchange rate changes on cash and cash equivalents	3,339	746	3,339	746
Net increase (decrease) in cash and cash equivalents	20,288	26,723	10,303	(179,502)
Cash and cash equivalents at 1 January	197,655	566,375	131,650	509,004
Cash and cash equivalents at 31 March	217,943	593,098	141,953	329,502

The accompanying notes form an integral part of the interim financial statements.

M.C.S. Steel Public Company Limited and its subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2023 (Unaudited)

Note	Contents
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M.C.S. Steel Public Company Limited and its subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2023 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorised for issue by the Board of Directors on 15 May 2023.

1 Basis of preparation of the interim financial statements

(a) *Statement of compliance*

The condensed interim financial statements are presented in the same format as the annual financial statements together with notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The interim financial statements focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2022.

(b) *Use of judgements, estimates and accounting policies*

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2022.

(c) *Functional and presentation currency*

Item included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). These interim financial statements are presented in Thai Baht which is different from the functional currency of the Company, which is Japanese Yen. The presentation currency in Thai Baht is in accordance with the regulatory requirements in Thailand. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated. The interim financial statements in Japanese Yen, which is the Company’s functional currency, are disclosed in Note 10.

2 Related parties

<i>Significant transactions with related parties</i> <i>Three-month periods ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Subsidiaries				
Interest income	-	-	1,098	1,135
Cost of service	-	-	540,107	311,442
Technical assistance expense	-	-	4,195	4,656
Interest expense	-	-	-	29
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	9,321	14,928	7,328	12,766
Post-employment benefits	41	55	41	55
Total key management personnel compensation	<u>9,362</u>	<u>14,983</u>	<u>7,369</u>	<u>12,821</u>

M.C.S. Steel Public Company Limited and its subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2023 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
<i>Balances with related parties as at</i>				
	<i>(in thousand Baht)</i>			
Other current receivables				
Subsidiaries	-	-	395,182	545,546
Less allowance for expected credit loss	-	-	(16,486)	(16,779)
Net	-	-	378,696	528,767

Movement of long-term loans to related party

	Interest rate (% per annum)	Separate financial statements			At 31 March/ 31 December	
		At 1 January	Increase	Decrease		
				Translation adjustment		
					<i>(in thousand Baht)</i>	
2023						
Subsidiary	1.00	446,488	-	-	(7,800)	438,688
Less allowance for expected credit loss		(21,977)	-	-	384	(21,593)
Net		424,511				417,095
2022						
Subsidiary	1.00	454,754	38,601	-	(46,867)	446,488
Less allowance for expected credit loss		(24,502)	-	-	2,525	(21,977)
Net		430,252				424,511

	Consolidated financial statements		Separate financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
<i>Balances with related parties as at</i>				
	<i>(in thousand Baht)</i>			
Trade accounts payable				
Subsidiaries	-	-	703,711	861,923
Total	-	-	703,711	861,923
Other current payables				
Subsidiaries	-	-	98,927	63,047
Total	-	-	98,927	63,047

M.C.S. Steel Public Company Limited and its subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2023 (Unaudited)

3 Trade and other current receivables

	Consolidated financial statements		Separate financial statements		
	<i>Note</i>	31 March 2023	31 December 2022	31 March 2023	31 December 2022
		<i>(in thousand Baht)</i>			
Trade accounts receivable					
Other parties					
Within credit terms		624,596	446,789	575,454	397,969
Overdue:					
Less than 3 months		61,375	16,454	61,375	16,454
3 - 6 months		11,319	54,014	11,319	54,014
6 - 12 months		53,070	26,329	53,070	26,329
More than 12 months		128,542	102,537	25,869	-
Total		878,902	646,123	727,087	494,766
Less allowance for expected credit loss		(102,673)	(102,537)	-	-
Net		776,229	543,586	727,087	494,766
Net - Trade accounts receivable		776,229	543,586	727,087	494,766
Other current receivables					
Related parties					
Product and service advance payment	2	-	-	390,626	542,052
Others		-	-	4,556	3,494
Total		-	-	395,182	545,546
Less allowance for expected credit loss		-	-	(16,486)	(16,779)
Net		-	-	378,696	528,767
Other parties					
Retention receivables		107,472	133,490	107,472	133,490
Contract assets		-	7,480	-	7,480
Product and service advance payment		120,218	112,546	91,217	101,303
Revenue department receivables		65,869	84,294	53,456	51,328
Others		42,826	37,438	25,462	22,789
Total		336,385	375,248	277,607	316,390
Less allowance for expected credit loss		(48,224)	(48,160)	-	-
Net		228,161	327,088	277,607	316,390
Net - other current receivables		228,161	327,088	656,303	845,157
Net - trade and other current receivables		1,064,390	870,674	1,383,390	1,339,923

M.C.S. Steel Public Company Limited and its subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2023 (Unaudited)

4 Inventories

	Consolidated financial statements		Separate financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	<i>(in thousand Baht)</i>			
Work in progress	1,189,346	1,229,930	1,044,915	1,063,415
Raw materials	1,849,745	1,990,035	1,810,929	1,950,567
Spare parts and factory supplies	200,281	406,707	197,085	178,919
Goods in transit	49,945	256,822	49,945	256,822
Total	<u>3,289,317</u>	<u>3,883,494</u>	<u>3,102,874</u>	<u>3,449,723</u>
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Three-month period ended 31 March				
Inventories recognised in 'cost of sale of goods and rendering of services' and 'contract costs':				
- Cost	<u>1,437,245</u>	<u>1,033,339</u>	<u>1,380,241</u>	<u>1,058,872</u>
Net	<u>1,437,245</u>	<u>1,033,339</u>	<u>1,380,241</u>	<u>1,058,872</u>

5 Short-term loan from financial institutions

At 31 March 2023, a subsidiary has outstanding short-term loan from the financial institutions, amounting to Baht 125.71 million at an interest rate of 4.20 per annum, which will become due within July 2024. The short-term loan was guaranteed by right-of-use assets of the subsidiary.

6 Segment information and disaggregation of revenue

The Group has three reportable segments on the basis of geographical of the entities, as described below, which are the Group's strategic divisions. The strategic divisions offer different operations separately. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Thailand
- Segment 2 China
- Segment 3 Japan

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit, as included in the internal management reports that are reviewed by the Group's CODM. Segment operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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<i>Three-month period ended 31 March</i>	Thailand		China		Japan		Elimination of inter-segment revenues		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	<i>(in thousand Baht)</i>									
Information about reportable segments										
External revenues	1,577,674	1,622,219	-	-	36,299	103	-	-	1,613,973	1,622,322
Inter-segment revenue	-	-	387,890	143,810	148,878	170,580	(536,768)	(314,390)	-	-
Total revenue	<u>1,577,674</u>	<u>1,622,219</u>	<u>387,890</u>	<u>143,810</u>	<u>185,177</u>	<u>170,683</u>	<u>(536,768)</u>	<u>(314,390)</u>	<u>1,613,973</u>	<u>1,622,322</u>
Disaggregation of revenue										
Primary geographical markets										
Thailand	95,008	-	387,890	143,810	148,878	170,580	(536,768)	(314,390)	95,008	-
Japan	1,482,666	1,622,219	-	-	36,299	103	-	-	1,518,965	1,622,322
Total revenue	<u>1,577,674</u>	<u>1,622,219</u>	<u>387,890</u>	<u>143,810</u>	<u>185,177</u>	<u>170,683</u>	<u>(536,768)</u>	<u>(314,390)</u>	<u>1,613,973</u>	<u>1,622,322</u>
Major products/service lines										
Fabrication and sell of structural steel	1,381,916	1,518,238	387,890	143,810	185,177	170,683	(536,768)	(314,390)	1,418,215	1,518,341
Fabrication including installation of structural steel	95,008	-	-	-	-	-	-	-	95,008	-
Rendering of services	100,750	103,981	-	-	-	-	-	-	100,750	103,981
Total revenue	<u>1,577,674</u>	<u>1,622,219</u>	<u>387,890</u>	<u>143,810</u>	<u>185,177</u>	<u>170,683</u>	<u>(536,768)</u>	<u>(314,390)</u>	<u>1,613,973</u>	<u>1,622,322</u>
Timing of revenue recognition										
At a point in time	1,381,916	1,518,238	387,890	143,810	185,177	170,683	(536,768)	(314,390)	1,418,215	1,518,341
Over time	195,758	103,981	-	-	-	-	-	-	195,758	103,981
Total revenue	<u>1,577,674</u>	<u>1,622,219</u>	<u>387,890</u>	<u>143,810</u>	<u>185,177</u>	<u>170,683</u>	<u>(536,768)</u>	<u>(314,390)</u>	<u>1,613,973</u>	<u>1,622,322</u>
Segment profit (loss) before income tax	<u>30,076</u>	<u>275,279</u>	<u>(65,724)</u>	<u>4,524</u>	<u>(5,466)</u>	<u>7,171</u>	<u>10,941</u>	<u>2,865</u>	<u>(30,173)</u>	<u>289,839</u>
Segment assets as at 31 March/ 31 December	<u>6,432,985</u>	<u>6,738,914</u>	<u>841,847</u>	<u>1,029,145</u>	<u>740,210</u>	<u>711,266</u>	<u>(1,610,163)</u>	<u>(1,681,835)</u>	<u>6,404,879</u>	<u>6,797,490</u>
Segment liabilities as at 31 March/ 31 December	<u>2,969,893</u>	<u>3,246,222</u>	<u>364,286</u>	<u>491,133</u>	<u>749,024</u>	<u>712,725</u>	<u>(1,522,499)</u>	<u>(1,596,092)</u>	<u>2,560,704</u>	<u>2,853,988</u>

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7 Dividends

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in thousand Baht)
2022				
2021 Annual dividend	7 April 2022	5 May 2022	0.50	238,356
				238,356

8 Commitments with non-related parties

	Consolidated financial statements	Separate financial statements
	(in thousand Baht)	
<i>At 31 March 2023</i>		
Capital commitments		
Buildings and other constructions	370	370
Total	370	370
Other commitments		
Unused letters of credit for goods and supplies	871,778	871,778
Purchase orders for goods and supplies	2,480	2,480
Bank guarantees	1,054,546	1,054,546
Other agreements	4,468	4,468
Total	1,933,272	1,933,272

Steel-frame product service agreement

The Company entered into a steel frame product service agreement with MIHAMA STEEL LOGISTICS CO., LTD. to obtain the logistic services for shipping the goods to port in Japan, which included coordination with the customer, loading and storage until delivery. As well as the inspection services, additional repair any damage on ship. The service fee is based on weight or project volume as the condition in agreements and relevant market considerations. On the condition, unless either party thereto gives written notice to the other of its intention to terminate this agreement not later than 6 months prior to the expiration date.

Hiring job search agent agreement

On 1 December 2018, the Company entered into job search agreement with Creation Import Distribution Inc. Such company will be an agent in negotiating with the new customers under the rate of service fee specified in 2 years agreement. If either party does not give the advance notice not less than 3 months, it considers as the extension of this agreement.

9 Events after the reporting period

At the Annual General Meeting of Shareholders held on 17 April 2023, the Shareholders approved the appropriation cash dividends based on the operating profit for the year 2022 of Baht 0.20 per share, totaling Baht 95.40 million, which was paid to the Shareholders on 8 May 2023.

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10 Functional currency financial statements

The statements of financial position as at 31 March 2023 and 31 December 2022 and statements of comprehensive income for the three-month periods ended 31 March 2023 and 2022 presented in Japanese Yen currency which is used in its operations as major sales and purchases transactions are denominated in Japanese Yen currency. The detail are as follows:

<i>Statement of financial position</i>	Consolidated financial statements		Separate financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	<i>(in thousand Yen)</i>			
Assets				
Current assets				
Cash and cash equivalents	861,958	768,065	561,420	511,575
Trade and other current receivables	4,209,636	3,383,335	5,471,276	5,206,781
Current portion of long-term loans to related party	-	-	100,000	100,000
Current portion of long-term loans to employees	30,972	30,431	30,972	30,431
Inventories	13,009,173	15,090,791	12,271,795	13,405,209
Total current assets	18,111,739	19,272,622	18,435,463	19,253,996
Non-current assets				
Investments in subsidiaries	-	-	672,090	672,090
Long-term loans to related party	-	-	1,549,600	1,549,600
Long-term loans to employees	277,349	277,279	277,349	277,279
Property, plant and equipment	5,324,302	5,360,478	3,452,866	3,480,386
Right-of-use assets	527,379	523,813	20,921	23,221
Goodwill	74,523	74,523	-	-
Other intangible assets	57,178	59,414	27,787	28,895
Deferred tax assets	-	3,538	14,484	20,618
Contract cost assets	955,541	840,444	955,541	840,444
Other non-current assets	2,270	2,117	138	135
Total non-current assets	7,218,542	7,141,606	6,970,776	6,892,668
Total assets	25,330,281	26,414,228	25,406,239	26,146,664
Liabilities and equity				
Current liabilities				
Trade and other current payables	8,777,690	9,811,900	11,057,974	11,970,691
Current portion of lease liabilities	10,490	10,433	9,928	9,954
Short-term loans from financial institution	483,317	453,980	-	-
Income tax payable	74,022	75,657	-	-
Total current liabilities	9,345,519	10,351,970	11,067,902	11,980,645
Non-current liabilities				
Lease liabilities	14,315	15,846	13,576	15,674
Deferred tax liabilities	137,323	134,183	-	-
Non-current provisions for employee benefits	113,791	109,592	113,791	109,592
Provision for product warranty	234,086	179,104	216,905	161,923
Total non-current liabilities	499,515	438,725	344,272	287,189
Total liabilities	9,845,034	10,790,695	11,412,174	12,267,834

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	Consolidated financial statements		Separate financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
<i>(in thousand Yen)</i>				
Statement of financial position				
Equity				
Share capital:				
Authorised share capital	1,269,343	1,269,343	1,269,343	1,269,343
Issued and paid-up share capital	1,269,343	1,269,343	1,269,343	1,269,343
Share premium	371,008	371,008	371,008	371,008
Retained earning				
Appropriated				
Legal reserve	153,579	153,579	153,579	153,579
Unappropriated	12,949,869	13,073,000	12,200,135	12,084,900
Other components of equity	156,692	116,399	-	-
Equity attributable to owners of the parent	14,900,491	14,983,329	13,994,065	13,878,830
Non-controlling interests	584,756	640,204	-	-
Total equity	15,485,247	15,623,533	13,994,065	13,878,830
Total liabilities and equity	25,330,281	26,414,228	25,406,239	26,146,664
	Consolidated financial statements		Separate financial statements	
	Three-month period ended 31 March 2023	Three-month period ended 31 March 2022	Three-month period ended 31 March 2023	Three-month period ended 31 March 2022
<i>(in thousand Yen)</i>				
Statement of comprehensive income				
Income				
Revenue from sales of goods and rendering of services	5,856,457	5,697,474	5,778,355	5,697,113
Contract revenue	370,272	-	370,272	-
Net foreign exchange gain	-	75,909	-	7,547
Other income	41,071	31,110	33,631	27,684
Total income	6,267,800	5,804,493	6,182,258	5,732,344
Expenses				
Cost of sale of goods and rendering of services	5,385,951	3,627,261	5,163,080	3,718,676
Contract costs	216,095	-	216,095	-
Distribution costs	501,977	798,208	501,977	798,208
Administrative expenses	303,935	354,873	163,737	244,402
Net foreign exchange loss	30,134	-	9,259	-
Total expenses	6,438,092	4,780,342	6,054,148	4,761,286
Profit (loss) from operating activities	(170,292)	1,024,151	128,110	971,058
Finance costs	11,377	4,509	6,375	3,219
Profit (loss) before income tax expense	(181,669)	1,019,642	121,735	967,839
Tax expense	8,589	93,207	6,500	78,129
Profit (loss) for the period	(190,258)	926,435	115,235	889,710

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	Consolidated financial statements		Separate financial statements	
	Three-month period ended 31 March		Three-month period ended 31 March	
<i>Statement of comprehensive income</i>	2023	2022	2023	2022
	<i>(in thousand Yen)</i>			
Profit (loss) for the period	(190,258)	926,435	115,235	889,710
Other comprehensive income (expense)				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	51,972	249,812	-	-
Total items that will be reclassified subsequently to profit or loss	51,972	249,812	-	-
Total comprehensive income (expense) for the period	(138,286)	1,176,247	115,235	889,710
Profit (loss) attributable to:				
Owners of parent	(123,131)	924,372	115,235	889,710
Non-controlling interest	(67,127)	2,063	-	-
	(190,258)	926,435	115,235	889,710
Total comprehensive income (expense) attributable to:				
Owners of parent	(82,838)	1,132,119	115,235	889,710
Non-controlling interest	(55,448)	44,128	-	-
	(138,286)	1,176,247	115,235	889,710
Basic earnings (loss) per share (in Yen)	(0.26)	1.94	0.24	1.87