

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

Condensed interim financial statements
for the three-month and nine-month periods ended
30 September 2023
and
Independent auditor's review report



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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 30 September 2023; the consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended 30 September 2023; the consolidated and separate statements of changes in equity and cash flows for the nine-month period ended 30 September 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".

(Ekkasit Chuthamsatid)
Certified Public Accountant
Registration No. 4195

KPMG Phoomchai Audit Ltd.
Bangkok
10 November 2023

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

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
Assets	Note	2023	2022	2023	2022
		(Unaudited)		(Unaudited)	
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		249,420	197,655	97,631	131,650
Trade and other current receivables	2, 3	1,545,579	870,674	2,033,293	1,339,923
Current portion of long-term loans to related party	2	-	-	-	25,734
Current portion of long-term loans to employees		8,017	7,831	8,017	7,831
Inventories	4	<u>2,449,381</u>	<u>3,883,494</u>	<u>1,936,906</u>	<u>3,449,723</u>
Total current assets		<u>4,252,397</u>	<u>4,959,654</u>	<u>4,075,847</u>	<u>4,954,861</u>
Non-current assets					
Investments in subsidiaries		-	-	160,099	172,957
Long-term loans to related party	2	-	-	398,963	398,777
Long-term loans to employees		66,140	71,356	66,140	71,356
Property, plant and equipment		1,275,938	1,379,476	822,200	895,649
Right-of-use assets		131,224	134,799	3,962	5,976
Goodwill		18,558	19,178	-	-
Other intangible assets		14,195	15,290	7,394	7,436
Deferred tax assets		-	910	3,882	5,306
Contract cost assets		254,593	216,282	254,593	216,282
Other non-current assets		<u>571</u>	<u>545</u>	<u>35</u>	<u>35</u>
Total non-current assets		<u>1,761,219</u>	<u>1,837,836</u>	<u>1,717,268</u>	<u>1,773,774</u>
Total assets		<u>6,013,616</u>	<u>6,797,490</u>	<u>5,793,115</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

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
		2023	2022	2023	2022
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
Current liabilities					
Short-term loans from financial institutions	5	1,185,739	120,071	1,094,874	-
Trade and other current payables	2	1,047,319	2,595,110	1,296,144	3,166,080
Current portion of lease liabilities		2,432	2,759	2,330	2,633
Corporate income tax payable		73	20,010	-	-
Total current liabilities		2,235,563	2,737,950	2,393,348	3,168,713
Non-current liabilities					
Lease liabilities		2,579	4,191	2,444	4,146
Deferred tax liabilities		34,483	35,489	-	-
Non-current provisions for employee benefits		30,716	28,986	30,716	28,986
Provisions for product warranties		35,841	47,371	31,568	42,826
Total non-current liabilities		103,619	116,037	64,728	75,958
Total liabilities		2,339,182	2,853,987	2,458,076	3,244,671
Equity					
Share capital:					
Authorised share capital					
(477 million ordinary shares, par value at Baht 1 per share)		477,000	477,000	477,000	477,000
Issued and paid-up share capital					
(477 million ordinary shares, par value at Baht 1 per share)		477,000	477,000	477,000	477,000
Share premium		140,000	140,000	140,000	140,000
Retained earnings					
Appropriated					
Legal reserve		50,000	50,000	50,000	50,000
Unappropriated		4,409,554	4,479,515	4,144,347	4,099,022
Other components of equity		(1,546,676)	(1,369,071)	(1,476,308)	(1,282,058)
Equity attributable to owners of the parent		3,529,878	3,777,444	3,335,039	3,483,964
Non-controlling interests		144,556	166,059	-	-
Total equity		3,674,434	3,943,503	3,335,039	3,483,964
Total liabilities and equity		6,013,616	6,797,490	5,793,115	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)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended		Three-month period ended	
	30 September		30 September	
	2023	2022	2023	2022
	(in thousand Baht)			
Income				
Revenue from sale of goods and rendering of services	1,651,512	615,213	1,665,196	610,729
Contract revenue	12,449	-	12,449	-
Other income	10,936	4,234	18,244	3,367
Total income	1,674,897	619,447	1,695,889	614,096
Expenses				
Costs of sale of goods and rendering of services	1,367,074	539,721	1,391,131	590,927
Contract costs	7,680	-	7,680	-
Distribution costs	164,981	49,908	164,981	49,908
Administrative expenses	80,363	71,111	50,694	49,354
Net foreign exchange loss	7,730	7,727	9,276	4,211
Total expenses	1,627,828	668,467	1,623,762	694,400
Profit (loss) from operating activities	47,069	(49,020)	72,127	(80,304)
Finance costs	15,559	2,900	14,501	2,594
Profit (loss) before income tax expense	31,510	(51,920)	57,626	(82,898)
Tax expense (income)	(145)	11,086	(679)	4,505
Profit (loss) for the period	31,655	(63,006)	58,305	(87,403)
Other comprehensive income (expense)				
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translating financial statements	37,351	52,818	(7,182)	46,441
Total items that will be reclassified subsequently to profit or loss	37,351	52,818	(7,182)	46,441
Total comprehensive income (expense) for the period	69,006	(10,188)	51,123	(40,962)

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	
	30 September		30 September	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Profit (loss) attributable to:				
Owners of parent	30,289	(67,766)	58,305	(87,403)
Non-controlling interest	1,366	4,760	-	-
	<u>31,655</u>	<u>(63,006)</u>	<u>58,305</u>	<u>(87,403)</u>
Total comprehensive income (expense) attributable to:				
Owners of parent	65,487	(16,087)	51,123	(40,962)
Non-controlling interest	3,519	5,899	-	-
	<u>69,006</u>	<u>(10,188)</u>	<u>51,123</u>	<u>(40,962)</u>
Basic earnings (loss) per share <i>(in Baht)</i>	<u>0.06</u>	<u>(0.14)</u>	<u>0.12</u>	<u>(0.18)</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 comprehensive income (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
		Nine-month period ended		Nine-month period ended	
		30 September		30 September	
	Note	2023	2022	2023	2022
		(in thousand Baht)			
Income					
Revenue from sale of goods and rendering of services	6	4,214,268	2,903,065	4,201,243	2,897,999
Contract revenue	6	162,989	-	162,989	-
Net foreign exchange gain		-	16,004	-	-
Other income		32,211	18,464	36,708	14,877
Total income		4,409,468	2,937,533	4,400,940	2,912,876
Expenses					
Costs of sale of goods and rendering of services		3,590,293	2,112,661	3,552,994	2,242,357
Contract costs		98,502	-	98,502	-
Distribution costs		417,954	396,348	417,954	396,348
Administrative expenses		245,773	241,006	149,669	168,762
Net foreign exchange loss		25,901	-	15,413	9,222
Total expenses		4,378,423	2,750,015	4,234,532	2,816,689
Profit from operating activities		31,045	187,518	166,408	96,187
Finance costs		27,974	5,792	24,225	4,972
Profit before income tax expense		3,071	181,726	142,183	91,215
Tax expense		3,067	48,260	1,459	21,159
Profit for the period		4	133,466	140,724	70,056
Other comprehensive income (expense)					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translating financial statements		(173,674)	(417,808)	(194,250)	(437,485)
Total items that will be reclassified subsequently to profit or loss		(173,674)	(417,808)	(194,250)	(437,485)
Total comprehensive income (expense) for the period		(173,670)	(284,342)	(53,526)	(367,429)

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	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Profit (loss) attributable to:				
Owners of parent	25,438	125,476	140,724	70,056
Non-controlling interest	<u>(25,434)</u>	<u>7,990</u>	<u>-</u>	<u>-</u>
	<u>4</u>	<u>133,466</u>	<u>140,724</u>	<u>70,056</u>
Total comprehensive income (expense) attributable to:				
Owners of parent	(152,167)	(312,035)	(53,526)	(367,429)
Non-controlling interest	<u>(21,503)</u>	<u>27,693</u>	<u>-</u>	<u>-</u>
	<u>(173,670)</u>	<u>(284,342)</u>	<u>(53,526)</u>	<u>(367,429)</u>
Basic earnings per share <i>(in Baht)</i>	<u>0.05</u>	<u>0.26</u>	<u>0.30</u>	<u>0.15</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										
Retained earnings					Other components of equity					
Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Difference from			Equity	Non-controlling interests	Total equity
					Exchange differences on translating financial statements	change in shareholding proportion in subsidiary	Total other components of equity	attributable		
								to owners of the parent		
(in thousand Baht)										
Nine-month period ended 30 September 2022										
Balance at 1 January 2022	477,000	140,000	50,000	4,596,990	(781,436)	(15,250)	(796,686)	4,467,304	156,309	4,623,613
Transaction with owners, recorded directly in equity										
Distribution to owners of the parent										
Dividend	7	-	-	(238,356)	-	-	-	(238,356)	-	(238,356)
Total transaction with owners, recorded directly in equity		-	-	(238,356)	-	-	-	(238,356)	-	(238,356)
Comprehensive income (expense) for the period										
Profit	-	-	-	125,476	-	-	-	125,476	7,990	133,466
Other comprehensive income (expense)	-	-	-	-	(437,511)	-	(437,511)	(437,511)	19,703	(417,808)
Total comprehensive income (expense) for the period	-	-	-	125,476	(437,511)	-	(437,511)	(312,035)	27,693	(284,342)
Balance at 30 September 2022	477,000	140,000	50,000	4,484,110	(1,218,947)	(15,250)	(1,234,197)	3,916,913	184,002	4,100,915

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										
Retained earnings					Other components of equity					
	Issued and	Share	Legal		Difference from			Equity		
	paid-up				Exchange differences	change in shareholding	Total other	attributable	Non-	
Note	share capital	premium	reserve	Unappropriated	on translating	proportion in	components	to owners of	controlling	Total
					financial statements	subsidiary	of equity	the parent	interests	equity
(in thousand Baht)										
Nine-month period ended 30 September 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
Transaction with owners, recorded directly in equity										
Distribution to owners of the parent										
Dividend	7	-	-	(95,399)	-	-	-	(95,399)	-	(95,399)
Total transaction with owners, recorded directly in equity		-	-	(95,399)	-	-	-	(95,399)	-	(95,399)
Comprehensive income (expense) for the period										
Profit (loss)	-	-	-	25,438	-	-	-	25,438	(25,434)	4
Other comprehensive income (expense)	-	-	-	-	(177,605)	-	(177,605)	(177,605)	3,931	(173,674)
Total comprehensive income (expense) for the period	-	-	-	25,438	(177,605)	-	(177,605)	(152,167)	(21,503)	(173,670)
Balance at 30 September 2023	477,000	140,000	50,000	4,409,554	(1,531,426)	(15,250)	(1,546,676)	3,529,878	144,556	3,674,434

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					
		Retained earnings			Other component of equity		
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Exchange differences on translating financial statements	Total other component of equity	Total equity
Note							
(in thousand Baht)							
Nine-month period ended 30 September 2022							
Balance at 1 January 2022	477,000	140,000	50,000	4,327,527	(795,567)	(795,567)	4,198,960
Transaction with owners, recorded directly in equity							
Distribution to owners							
Dividend	7	-	-	-	(238,356)	-	(238,356)
Total transaction with owners, recorded directly in equity		-	-	-	(238,356)	-	(238,356)
Comprehensive income (expense) for the period							
Profit		-	-	-	70,056	-	70,056
Other comprehensive income (expense)		-	-	-	-	(437,485)	(437,485)
Total comprehensive income (expense) for the period		-	-	-	70,056	(437,485)	(367,429)
Balance at 30 September 2022		477,000	140,000	50,000	4,159,227	(1,233,052)	3,593,175

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						
				Retained earnings		Other component of equity		
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Exchange differences on translating financial statements	Total other component of equity	Total equity
Note								
(in thousand Baht)								
Nine-month period ended 30 September 2023								
Balance at 1 January 2023		477,000	140,000	50,000	4,099,022	(1,282,058)	(1,282,058)	3,483,964
Transaction with owners, recorded directly in equity								
<i>Distribution to owners</i>								
Dividend		7	-	-	(95,399)	-	-	(95,399)
Total transaction with owners, recorded directly in equity			-	-	(95,399)	-	-	(95,399)
Comprehensive income (expense) for the period								
Profit			-	-	140,724	-	-	140,724
Other comprehensive income (expense)			-	-	-	(194,250)	(194,250)	(194,250)
Total comprehensive income (expense) for the period			-	-	140,724	(194,250)	(194,250)	(53,526)
Balance at 30 September 2023			477,000	140,000	50,000	4,144,347	(1,476,308)	3,335,039

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	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2023	2022	2023	2022
	(in thousand Baht)			
Cash flows from operating activities				
Profit for the period	4	133,466	140,724	70,056
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax expense	3,067	48,259	1,459	21,159
Finance costs	27,974	5,791	24,225	4,972
Depreciation and amortisation	108,473	117,024	76,416	83,857
Amortisation of contract cost assets	62,355	31,427	62,355	31,427
Provisions for employee benefits expense	2,523	2,112	2,523	2,112
Unrealised gain on exchange rate	(13,563)	(3,364)	(13,562)	(3,364)
(Reversal of) provisions for warranty	(8,706)	15,526	(8,706)	15,970
Reversal of expected credit loss	-	-	(16,779)	-
Impairment loss on investment in subsidiary	-	-	2,448	-
Loss (gain) on disposal of equipment	10,718	(5)	(8,677)	(5)
Interest income	(802)	(8,297)	(4,256)	(3,771)
	192,043	341,939	258,170	222,413
Changes in operating assets and liabilities				
Trade and other current receivables	(654,067)	748,127	(644,023)	495,555
Inventories	1,434,114	(929,854)	1,512,817	(688,746)
Contract cost assets	(111,737)	(143,726)	(111,737)	(143,726)
Other non-current assets	(57)	2,350	-	-
Trade and other current payables	(1,555,925)	348,679	(1,878,065)	435,126
Exchange rate differences on translating of financial statements	(86,858)	(292,261)	(97,955)	(279,679)
Net cash generated from (used in) operations	(782,487)	75,254	(960,793)	40,943
Provisions for employee benefits paid	(815)	(125)	(815)	(125)
Provisions for product warranties paid	-	(5,995)	-	(5,995)
Taxes paid	(29,145)	(83,232)	(8,104)	(53,428)
Net cash used in operating activities	(812,447)	(14,098)	(969,712)	(18,605)
Cash flows from investing activities				
Decrease in loans to employees	5,029	913	5,029	913
Increase in loans to related party	-	-	-	(38,845)
Acquisition of plant and equipment	(89,224)	(185,006)	(53,141)	(162,435)
Proceeds from sale of equipment	1,416	104	1,416	58
Acquisition of intangible assets	(1,245)	(1,267)	(1,245)	(1,267)
Interest received	804	8,759	3,252	4,233
Net cash used in investing activities	(83,220)	(176,497)	(44,689)	(197,343)

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	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Cash flows from financing activities</i>				
Increase in short-term loans from financial institutions	1,065,668	29,633	1,094,874	-
Payment of lease liabilities	(1,730)	(2,309)	(1,730)	(2,309)
Dividend paid to owners of the Company	(95,399)	(238,356)	(95,399)	(238,356)
Interest paid	(27,969)	(4,868)	(24,225)	(3,956)
Net cash from (used in) financing activities	940,570	(215,900)	973,520	(244,621)
Net increase (decrease) in cash and cash equivalents,				
before effect of exchange rate changes	44,903	(406,495)	(40,881)	(460,569)
Effect of exchange rate changes on cash and cash equivalents	6,862	6,170	6,862	6,170
Net increase (decrease) in cash and cash equivalents	51,765	(400,325)	(34,019)	(454,399)
Cash and cash equivalents at 1 January	197,655	566,375	131,650	509,004
Cash and cash equivalents at 30 September	249,420	166,050	97,631	54,605
Non-cash transactions				
Other current receivables from sale of equipment	-	-	8,628	-

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 and nine-month periods ended 30 September 2023 (Unaudited)

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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 and nine-month periods ended 30 September 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 10 November 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 9.

2 Related parties

<i>Significant transactions with related parties</i> <i>Nine-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Subsidiaries				
Interest income	-	-	3,249	3,430
Purchase goods and services	-	-	947,154	1,365,037
Technical assistance expense	-	-	12,285	13,302
Interest expense	-	-	-	87
Gain from sale of machinery and factory equipment	-	-	8,628	-

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Significant transactions with related parties Nine-month period ended 30 September	Consolidated		Separate		
	financial statements		financial statements		
	2023	2022	2023	2022	
	(in thousand Baht)				
Key management personnel					
Key management personnel compensation					
Short-term benefits	29,636	36,491	23,586	30,176	
Post-employment benefits	123	162	123	162	
Total key management personnel compensation	29,759	36,653	23,709	30,338	
	Consolidated		Separate		
	financial statements		financial statements		
	30 September	31 December	30 September	31 December	
	2023	2022	2023	2022	
	(in thousand Baht)				
Balances with related parties as at					
Other current receivables					
Subsidiaries	-	-	604,734	545,546	
Less allowance for expected credit loss	-	-	-	(16,779)	
Net	-	-	604,734	528,767	
Movement of long-term loans to related party					
		Separate financial statements			
	Interest rate	At	Increase	Decrease	At
	(% per annum)	1 January			30 September
			(in thousand Baht)		
2023					
Subsidiary	1.00	446,488	-	-	(26,871)
Less allowance for expected credit loss		(21,977)	-	-	1,323
Net		424,511			398,963
	Interest rate	At	Increase	Decrease	At
	(% per annum)	1 January			31 December
			(in thousand Baht)		
2022					
Subsidiary	1.00	454,754	38,601	-	(46,867)
Less allowance for expected credit loss		(24,502)	-	-	2,525
Net		430,252			424,511
	Consolidated		Separate		
	financial statements		financial statements		
	30 September	31 December	30 September	31 December	
	2023	2022	2023	2022	
	(in thousand Baht)				
Balances with related parties as at					
Trade accounts payable					
Subsidiaries	-	-	331,856	861,923	
Total	-	-	331,856	861,923	
Other current payables					
Subsidiaries	-	-	104,342	63,047	
Total	-	-	104,342	63,047	

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3 Trade and other current receivables

	Consolidated financial statements		Separate financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
<i>Note</i>				
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Other parties				
Within credit terms	677,437	446,789	597,171	397,969
Overdue:				
Less than 3 months	545,882	16,454	545,882	16,454
3 - 6 months	-	54,014	-	54,014
6 - 12 months	2,154	26,329	2,154	26,329
More than 12 months	103,574	102,537	-	-
Total	1,329,047	646,123	1,145,207	494,766
Less allowance for expected credit loss	(103,574)	(102,537)	-	-
Net	1,225,473	543,586	1,145,207	494,766
Net - Trade accounts receivable	1,225,473	543,586	1,145,207	494,766
Other current receivables				
Related parties	2			
Product and service advance payment	-	-	591,958	542,052
Others	-	-	12,776	3,494
Total	-	-	604,734	545,546
Less allowance for expected credit loss	-	-	-	(16,779)
Net	-	-	604,734	528,767
Other parties				
Retention receivables	160,042	133,490	160,042	133,490
Contract assets	-	7,480	-	7,480
Product and service advance payment	92,283	112,546	40,894	101,303
Revenue department receivables	66,744	84,294	53,656	51,328
Others	49,684	37,438	28,760	22,789
Total	368,753	375,248	283,352	316,390
Less allowance for expected credit loss	(48,647)	(48,160)	-	-
Net	320,106	327,088	283,352	316,390
Net - Other current receivables	320,106	327,088	888,086	845,157
Net - Trade and other current receivables	1,545,579	870,674	2,033,293	1,339,923

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4 Inventories

	Consolidated financial statements		Separate financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	<i>(in thousand Baht)</i>			
Work in progress	1,125,933	1,229,930	725,313	1,063,415
Raw materials	1,044,297	1,990,035	994,271	1,950,567
Spare parts and factory supplies	233,573	406,707	171,743	178,919
Goods in transit	45,578	256,822	45,579	256,822
Total	2,449,381	3,883,494	1,936,906	3,449,723

5 Short-term loans from financial institutions

At 30 September 2023, a subsidiary has outstanding short-term loans from a financial institution, amounting to Yuan 17.85 million or equivalent to Baht 90.87 million which bear interest rate between 3.90% to 4.20% per annum, which will become due within August 2024. The short-term loan was guaranteed by right-of-use assets of the subsidiary.

At 30 September 2023, the Company had trust receipts amounting to Baht 1,094.87 million which bear interest rate between 4.95% to 5.35% per annum. The ownership of merchandise purchased from the contract performance of trust receipts are still belonged to the financial institution until there will be repayment of trust receipt to the financial institution.

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>Nine-month period ended 30 September</i>	Consolidated financial statements									
	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	4,364,232	2,897,999	12,574	4,484	451	582	-	-	4,377,257	2,903,065
Inter-segment revenue	-	-	516,960	983,823	485,974	407,894	(1,002,934)	(1,391,717)	-	-
Total revenue	4,364,232	2,897,999	529,534	988,307	486,425	408,476	(1,002,934)	(1,391,717)	4,377,257	2,903,065
Disaggregation of revenue										
Primary geographical markets										
Thailand	162,989	-	516,960	983,823	485,974	407,894	(1,002,934)	(1,391,717)	162,989	-
China	-	-	12,574	4,484	-	-	-	-	12,574	4,484
Japan	4,201,243	2,897,999	-	-	451	582	-	-	4,201,694	2,898,581
Total revenue	4,364,232	2,897,999	529,534	988,307	486,425	408,476	(1,002,934)	(1,391,717)	4,377,257	2,903,065
Major products/service lines										
Fabrication and sell of structural steel	3,926,044	2,648,272	529,534	988,307	486,425	408,476	(1,002,934)	(1,391,717)	3,939,069	2,653,338
Fabrication including installation of structural steel	162,989	-	-	-	-	-	-	-	162,989	-
Rendering of services	275,199	249,727	-	-	-	-	-	-	275,199	249,727
Total revenue	4,364,232	2,897,999	529,534	988,307	486,425	408,476	(1,002,934)	(1,391,717)	4,377,257	2,903,065
Timing of revenue recognition										
At a point in time	3,926,044	2,648,272	529,534	988,307	486,425	408,476	(1,002,934)	(1,391,717)	3,939,069	2,653,338
Over time	438,188	249,727	-	-	-	-	-	-	438,188	249,727
Total revenue	4,364,232	2,897,999	529,534	988,307	486,425	408,476	(1,002,934)	(1,391,717)	4,377,257	2,903,065
Segment profit (loss) before income tax	140,974	91,028	(96,254)	54,853	(8,697)	9,124	(32,952)	26,721	3,071	181,726
Segment assets as at 30 September/ 31 December	5,802,408	6,738,914	715,745	1,029,145	853,413	711,266	(1,357,950)	(1,681,835)	6,013,616	6,797,490
Segment liabilities as at 30 September/ 31 December	2,459,851	3,246,222	260,438	491,133	868,698	712,725	(1,249,805)	(1,596,093)	2,339,182	2,853,987

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7 Dividends

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in thousand Baht)
2023				
2022 Annual dividend	17 April 2023	8 May 2023	0.20	95,399
				<u>95,399</u>
2022				
2021 Annual dividend	7 April 2022	5 May 2022	0.50	238,356
				<u>238,356</u>

8 Commitments with non-related parties

	Consolidated and Separate financial statements (in thousand Baht)
<i>At 30 September 2023</i>	
Other commitments	
Unnegotiated letters of credits for goods and supplies	287,609
Purchase orders for goods and supplies	4,300
Bank guarantees	1,007,948
Other agreements	6,226
Total	<u>1,306,083</u>

Steel-frame product service agreement

The Company entered into a steel frame product service agreement with a logistic company 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 a company. 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.

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9 Functional currency financial statements

The statements of financial position as at 30 September 2023 and 31 December 2022 and statements of comprehensive income for the three-month and nine-month periods ended 30 September 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	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	<i>(in thousand Yen)</i>			
Assets				
<i>Current assets</i>				
Cash and cash equivalents	1,031,282	768,065	403,676	511,575
Trade and other current receivables	6,390,544	3,383,335	8,407,108	5,206,781
Current portion of long-term loans to related party	-	-	-	100,000
Current portion of long-term loans to employees	33,150	30,431	33,150	30,431
Inventories	10,127,518	15,090,791	8,008,577	13,405,209
Total current assets	17,582,494	19,272,622	16,852,511	19,253,996
<i>Non-current assets</i>				
Investments in subsidiaries	-	-	661,967	672,090
Long-term loans to related party	-	-	1,649,600	1,549,600
Long-term loans to employees	273,471	277,279	273,471	277,279
Property, plant and equipment	5,275,658	5,360,478	3,399,572	3,480,386
Right-of-use assets	542,573	523,813	16,380	23,221
Goodwill	74,523	74,523	-	-
Other intangible assets	58,690	59,414	30,573	28,895
Deferred tax assets	-	3,538	16,052	20,618
Contract cost assets	1,052,673	840,444	1,052,673	840,444
Other non-current assets	2,361	2,117	144	135
Total non-current assets	7,279,949	7,141,606	7,100,432	6,892,668
Total assets	24,862,443	26,414,228	23,952,943	26,146,664

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<i>Statement of financial position</i>	Consolidated financial statements		Separate financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	<i>(in thousand Yen)</i>			
Liabilities and equity				
Current liabilities				
Short-term loans from financial institutions	4,767,346	453,980	4,402,015	-
Trade and other current payables	4,210,817	9,811,900	5,211,239	11,970,691
Current portion of lease liabilities	9,778	10,433	9,367	9,954
Corporate income tax payable	292	75,657	-	-
Total current liabilities	8,988,233	10,351,970	9,622,621	11,980,645
Non-current liabilities				
Lease liabilities	10,371	15,846	9,825	15,674
Deferred tax liabilities	138,671	134,183	-	-
Non-current provisions for employee benefits	123,497	109,592	123,497	109,592
Provisions for product warranties	144,102	179,104	126,921	161,923
Total non-current liabilities	416,641	438,725	260,243	287,189
Total liabilities	9,404,874	10,790,695	9,882,864	12,267,834
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 earnings				
Appropriated				
Legal reserve	153,579	153,579	153,579	153,579
Unappropriated	12,855,231	13,073,000	12,276,149	12,084,900
Other components of equity	227,977	116,399	-	-
Equity attributable to owners of the parent	14,877,138	14,983,329	14,070,079	13,878,830
Non-controlling interests	580,431	640,204	-	-
Total equity	15,457,569	15,623,533	14,070,079	13,878,830
Total liabilities and equity	24,862,443	26,414,228	23,952,943	26,146,664

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	Consolidated financial statements		Separate financial statements	
	Three-month period ended 30 September		Three-month period ended 30 September	
<i>Statement of comprehensive income</i>	2023	2022	2023	2022
	<i>(in thousand Yen)</i>			
Income				
Revenue from sale of goods and rendering of services	6,848,663	2,361,449	6,838,088	2,318,326
Contract revenue	51,121	-	51,121	-
Other income	44,911	16,075	74,919	12,782
Total income	6,944,695	2,377,524	6,964,128	2,331,108
Expenses				
Costs of sale of goods and rendering of services	5,561,924	2,032,447	5,712,644	2,243,155
Contract costs	31,538	-	31,538	-
Distribution costs	677,487	189,451	677,487	189,451
Administrative expenses	330,009	269,939	208,174	187,350
Net foreign exchange loss	44,435	29,331	38,092	15,988
Total expenses	6,645,393	2,521,168	6,667,935	2,635,944
Profit (loss) from operating activities	299,302	(143,644)	296,193	(304,836)
Finance costs	64,144	11,011	59,552	9,847
Profit (loss) before income tax expense	235,158	(154,655)	236,641	(314,683)
Tax expense (income)	(591)	42,082	(2,789)	17,100
Profit (loss) for the period	235,749	(196,737)	239,430	(331,783)
Other comprehensive income (expense)				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	90,529	(196,356)	-	-
Total items that will be reclassified subsequently to profit or loss	90,529	(196,356)	-	-
Total comprehensive income (expense) for the period	326,278	(393,093)	239,430	(331,783)
Profit (loss) attributable to:				
Owners of parent	233,440	(214,806)	239,430	(331,783)
Non-controlling interest	2,309	18,069	-	-
	235,749	(196,737)	239,430	(331,783)
Total comprehensive income (expense) attributable to:				
Owners of parent	206,314	(408,290)	239,430	(331,783)
Non-controlling interest	119,964	15,197	-	-
	326,278	(393,093)	239,430	(331,783)
Basic earnings (loss) per share (in Yen)	0.49	(0.45)	0.50	(0.70)

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	Consolidated financial statements		Separate financial statements	
	Nine-month period ended 30 September		Nine-month period ended 30 September	
<i>Statement of comprehensive income</i>	2023	2022	2023	2022
	<i>(in thousand Yen)</i>			
Income				
Revenue from sale of goods and rendering of services	16,858,894	10,566,433	16,809,005	10,521,143
Contract revenue	642,657	-	642,657	-
Net foreign exchange gain	-	54,553	-	-
Other income	128,710	67,420	147,693	54,131
Total income	17,630,261	10,688,406	17,599,355	10,575,274
Expenses				
Costs of sale of goods and rendering of services	14,292,048	7,794,967	14,207,554	8,194,409
Contract costs	388,425	-	388,425	-
Distribution costs	1,673,679	1,436,597	1,673,679	1,436,597
Administrative expenses	981,768	884,203	598,625	619,442
Net foreign exchange loss	116,167	-	62,398	35,417
Total expenses	17,452,087	10,115,767	16,930,681	10,285,865
Profit from operating activities	178,174	572,639	668,674	289,409
Finance costs	113,064	21,574	98,117	18,571
Profit before income tax expense	65,110	551,065	570,557	270,838
Tax expense	12,005	175,353	5,584	74,159
Profit for the period	53,105	375,712	564,973	196,679
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	154,655	137,207	-	-
Total items that will be reclassified subsequently to profit or loss	154,655	137,207	-	-
Total comprehensive income for the period	207,760	512,919	564,973	196,679
Profit (loss) attributable to:				
Owners of parent	155,955	345,622	564,973	196,679
Non-controlling interest	(102,850)	30,090	-	-
	53,105	375,712	564,973	196,679
Total comprehensive income attributable to:				
Owners of parent	164,683	353,335	564,973	196,679
Non-controlling interest	43,077	159,584	-	-
	207,760	512,919	564,973	196,679
Basic earnings per share (in Yen)	0.33	0.72	1.18	0.41