

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

Condensed interim financial statements  
for the three-month periods ended 31 March 2022  
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 2022; the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2022; and condensed notes (“interim financial information”) of M.C.S. Steel Public Company Limited and its subsidiaries, and of M.C.S. Steel Public Company Limited, respectively. 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  
13 May 2022

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

## Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March 2022 (Unaudited)	31 December 2021	31 March 2022 (Unaudited)	31 December 2021
<i>(in thousand Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents		593,098	566,375	329,502	509,004
Trade and other accounts receivables	3, 4	2,257,446	1,788,650	2,775,796	2,268,331
Current portion of long-term loans to employees		7,831	7,831	7,831	7,831
Inventories	5	1,611,409	1,990,925	1,103,028	1,579,308
<b>Total current assets</b>		<b>4,469,784</b>	<b>4,353,781</b>	<b>4,216,157</b>	<b>4,364,474</b>
<b>Non-current assets</b>					
Investments in subsidiaries		-	-	191,548	204,062
Long-term loans to related parties	3	-	-	424,065	430,252
Long-term loans to employees		72,279	73,097	72,279	73,097
Property, plant and equipment		1,385,568	1,457,311	867,493	912,497
Right-of-use assets		146,785	148,534	7,546	8,133
Goodwill		20,070	21,382	-	-
Other intangible assets		17,846	18,510	8,118	8,140
Deferred tax assets		4,376	3,618	8,976	8,519
Contract cost assets		135,361	131,960	135,361	131,960
Other non-current assets		1,369	2,916	35	35
<b>Total non-current assets</b>		<b>1,783,654</b>	<b>1,857,328</b>	<b>1,715,421</b>	<b>1,776,695</b>
<b>Total assets</b>		<b>6,253,438</b>	<b>6,211,109</b>	<b>5,931,578</b>	<b>6,141,169</b>

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

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

## Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
<b>Liabilities and equity</b>	<i>Note</i>	2022	2021	2022	2021
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<b><i>Current liabilities</i></b>					
Trade and other accounts payables	3	1,407,142	1,361,416	1,607,144	1,822,198
Current portion of lease liabilities		2,722	2,834	2,576	2,678
Short-term loan from related party	3	-	-	5,809	5,809
Short-term loan from financial institutions	6	15,098	39,843	-	-
Current income tax payable		69,746	55,326	49,045	28,481
<b>Total current liabilities</b>		<b>1,494,708</b>	<b>1,459,419</b>	<b>1,664,574</b>	<b>1,859,166</b>
<b><i>Non-current liabilities</i></b>					
Lease liabilities		5,800	5,885	5,656	5,693
Deferred tax liabilities		39,542	40,259	-	-
Non-current provisions for employee benefits		28,226	27,529	28,226	27,529
Provision for product warranty		54,849	54,404	50,547	49,821
<b>Total non-current liabilities</b>		<b>128,417</b>	<b>128,077</b>	<b>84,429</b>	<b>83,043</b>
<b>Total liabilities</b>		<b>1,623,125</b>	<b>1,587,496</b>	<b>1,749,003</b>	<b>1,942,209</b>

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

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

## Statement of financial position

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
	(Unaudited)		(Unaudited)	
	<i>(in thousand Baht)</i>			
<b>Liabilities and equity</b>				
<b>Equity</b>				
Share capital:				
Authorised share capital	477,000	477,000	477,000	477,000
Issued and paid-up share capital	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	4,859,701	4,596,990	4,580,867	4,327,527
Other components of equity	(1,054,123)	(796,686)	(1,065,292)	(795,567)
<b>Equity attributable to owners of the parent</b>	<b>4,472,578</b>	<b>4,467,304</b>	<b>4,182,575</b>	<b>4,198,960</b>
Non-controlling interests	157,735	156,309	-	-
<b>Total equity</b>	<b>4,630,313</b>	<b>4,623,613</b>	<b>4,182,575</b>	<b>4,198,960</b>
<b>Total liabilities and equity</b>	<b>6,253,438</b>	<b>6,211,109</b>	<b>5,931,578</b>	<b>6,141,169</b>

The accompanying notes are 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>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Three-month period ended		Three-month period ended	
		31 March		31 March	
		2022	2021	2022	2021
<i>(in thousand Baht)</i>					
<b>Revenue</b>					
Revenue from sales of goods and rendering of services	7	1,622,322	1,145,029	1,622,219	1,138,234
Contract revenue	7	-	27,315	-	27,315
Net foreign exchange gain		21,615	-	2,150	-
Other income		8,859	7,518	7,883	7,936
<b>Total revenue</b>		<b>1,652,796</b>	<b>1,179,862</b>	<b>1,632,252</b>	<b>1,173,485</b>
<b>Expenses</b>					
Cost of sales of goods and rendering of services		1,033,339	667,401	1,058,872	705,931
Contract costs		-	18,040	-	18,040
Distribution costs		227,285	100,594	227,285	100,594
Administrative expenses		101,048	77,638	69,591	55,548
Net foreign exchange loss		-	19,301	-	19,026
<b>Total expenses</b>		<b>1,361,672</b>	<b>882,974</b>	<b>1,355,748</b>	<b>899,139</b>
<b>Profit from operating activities</b>		<b>291,124</b>	<b>296,888</b>	<b>276,504</b>	<b>274,346</b>
Finance costs		1,285	7,100	917	7,427
<b>Profit before income tax expense</b>		<b>289,839</b>	<b>289,788</b>	<b>275,587</b>	<b>266,919</b>
Tax expense		26,540	48,990	22,247	38,815
<b>Profit for the period</b>		<b>263,299</b>	<b>240,798</b>	<b>253,340</b>	<b>228,104</b>

The accompanying notes are 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	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Other comprehensive income (expense)</b>				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	<u>(256,599)</u>	<u>(75,804)</u>	<u>(269,725)</u>	<u>(99,722)</u>
<b>Total items that will be reclassified subsequently to profit or loss</b>	<b><u>(256,599)</u></b>	<b><u>(75,804)</u></b>	<b><u>(269,725)</u></b>	<b><u>(99,722)</u></b>
<b>Total comprehensive income (expense) for the period</b>	<b><u>6,700</u></b>	<b><u>164,994</u></b>	<b><u>(16,385)</u></b>	<b><u>128,382</u></b>
<b>Profit attributable to:</b>				
Owners of parent	262,711	233,571	253,340	228,104
Non-controlling interest	<u>588</u>	<u>7,227</u>	<u>-</u>	<u>-</u>
<b>Profit for the period</b>	<b><u>263,299</u></b>	<b><u>240,798</u></b>	<b><u>253,340</u></b>	<b><u>228,104</u></b>
<b>Total comprehensive income (expense) attributable to:</b>				
Owners of parent	5,274	153,779	(16,385)	128,382
Non-controlling interest	<u>1,426</u>	<u>11,215</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income (expense) for the period</b>	<b><u>6,700</u></b>	<b><u>164,994</u></b>	<b><u>(16,385)</u></b>	<b><u>128,382</u></b>
<b>Basic earnings per share (in Baht)</b>	<b><u>0.55</u></b>	<b><u>0.49</u></b>	<b><u>0.53</u></b>	<b><u>0.48</u></b>

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

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

**Statement of changes in equity (Unaudited)**

	<b>Consolidated financial statements</b>									
	Retained earnings				Other components of equity					
	Issued and paid-up share capital	Shares premium	Legal reserve	Unappropriated	Difference from					
					Exchange differences on translating financial statements	change in shareholding proportion in subsidiary	Total other components of equity	Equity attributable to owners of the parent	Non- controlling interests	Total equity
<i>(in thousand Baht)</i>										
<b>Three-month period ended 31 March 2021</b>										
<b>Balance at 1 January 2021</b>	<b>477,000</b>	<b>140,000</b>	<b>50,000</b>	<b>3,834,694</b>	<b>(801,734)</b>	<b>(15,250)</b>	<b>(816,984)</b>	<b>3,684,710</b>	<b>97,663</b>	<b>3,782,373</b>
<b>Comprehensive income (expense) for the period</b>										
Profit	-	-	-	233,571	-	-	-	233,571	7,227	240,798
Other comprehensive income (expense)	-	-	-	-	(79,792)	-	(79,792)	(79,792)	3,988	(75,804)
<b>Total comprehensive income (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>233,571</b>	<b>(79,792)</b>	<b>-</b>	<b>(79,792)</b>	<b>153,779</b>	<b>11,215</b>	<b>164,994</b>
<b>Balance at 31 March 2021</b>	<b>477,000</b>	<b>140,000</b>	<b>50,000</b>	<b>4,068,265</b>	<b>(881,526)</b>	<b>(15,250)</b>	<b>(896,776)</b>	<b>3,838,489</b>	<b>108,878</b>	<b>3,947,367</b>
<b>Three-month period ended 31 March 2022</b>										
<b>Balance at 1 January 2022</b>	<b>477,000</b>	<b>140,000</b>	<b>50,000</b>	<b>4,596,990</b>	<b>(781,436)</b>	<b>(15,250)</b>	<b>(796,686)</b>	<b>4,467,304</b>	<b>156,309</b>	<b>4,623,613</b>
<b>Comprehensive income (expense) for the period</b>										
Profit	-	-	-	262,711	-	-	-	262,711	588	263,299
Other comprehensive income (expense)	-	-	-	-	(257,437)	-	(257,437)	(257,437)	838	(256,599)
<b>Total comprehensive income (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>262,711</b>	<b>(257,437)</b>	<b>-</b>	<b>(257,437)</b>	<b>5,274</b>	<b>1,426</b>	<b>6,700</b>
<b>Balance at 31 March 2022</b>	<b>477,000</b>	<b>140,000</b>	<b>50,000</b>	<b>4,859,701</b>	<b>(1,038,873)</b>	<b>(15,250)</b>	<b>(1,054,123)</b>	<b>4,472,578</b>	<b>157,735</b>	<b>4,630,313</b>

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



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

**Statement of changes in equity (Unaudited)**

	<b>Separate financial statements</b>						Total equity
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity		
			Legal reserve	Unappropriated	Exchange differences on translating financial statements	Total other components of equity	
<i>(in thousand Baht)</i>							
<b>Three-month period ended 31 March 2021</b>							
<b>Balance at 1 January 2021</b>	<b>477,000</b>	<b>140,000</b>	<b>50,000</b>	<b>3,778,478</b>	<b>(808,883)</b>	<b>(808,883)</b>	<b>3,636,595</b>
<b>Comprehensive income (expense) for the period</b>							
Profit	-	-	-	228,104	-	-	228,104
Other comprehensive income (expense)	-	-	-	-	(99,722)	(99,722)	(99,722)
<b>Total comprehensive income (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>228,104</b>	<b>(99,722)</b>	<b>(99,722)</b>	<b>128,382</b>
<b>Balance at 31 March 2021</b>	<b>477,000</b>	<b>140,000</b>	<b>50,000</b>	<b>4,006,582</b>	<b>(908,605)</b>	<b>(908,605)</b>	<b>3,764,977</b>
<b>Three-month period ended 31 March 2022</b>							
<b>Balance at 1 January 2022</b>	<b>477,000</b>	<b>140,000</b>	<b>50,000</b>	<b>4,327,527</b>	<b>(795,567)</b>	<b>(795,567)</b>	<b>4,198,960</b>
<b>Comprehensive income (expense) for the period</b>							
Profit	-	-	-	253,340	-	-	253,340
Other comprehensive income (expense)	-	-	-	-	(269,725)	(269,725)	(269,725)
<b>Total comprehensive income (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>253,340</b>	<b>(269,725)</b>	<b>(269,725)</b>	<b>(16,385)</b>
<b>Balance at 31 March 2022</b>	<b>477,000</b>	<b>140,000</b>	<b>50,000</b>	<b>4,580,867</b>	<b>(1,065,292)</b>	<b>(1,065,292)</b>	<b>4,182,575</b>

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

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

### Statement of cash flows (Unaudited)

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit for the period	263,299	240,798	253,340	228,104
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	26,540	48,990	22,247	38,815
Finance costs	1,285	7,100	917	7,427
Depreciation and amortisation	39,872	29,408	28,972	19,609
Amortisation of contract cost assets	14,899	18,279	14,899	18,279
Provision for employee benefits	717	697	717	697
Unrealised (gain) loss on exchange rate	(402)	7,530	(402)	7,530
(Reversal of) provision for warranty	5,467	(5,190)	5,748	(5,137)
Gain on disposal of equipment	-	(4)	-	(4)
Interest income	(3,055)	(916)	(1,497)	(2,024)
	<u>348,622</u>	<u>346,692</u>	<u>324,941</u>	<u>313,296</u>
<i>Changes in operating assets and liabilities</i>				
Trade and other accounts receivables	(457,148)	109,001	(495,817)	116,145
Inventories	379,516	(194,063)	476,280	(218,121)
Contract cost assets	(25,585)	-	(25,585)	-
Other non-current assets	1,509	108	-	-
Trade and other accounts payables	32,440	(33,167)	(227,435)	50,676
Exchange rate differences on translating of financial statements	(180,148)	(66,191)	(172,047)	(56,708)
Cash generated from (used in) operating activities	99,206	162,380	(119,663)	205,288
Provision for product warranty paid	(1,976)	(574)	(1,976)	(574)
Taxes paid	(6,854)	(1,863)	(1,288)	(1,863)
<b>Net cash from (used in) operating activities</b>	<b><u>90,376</u></b>	<b><u>159,943</u></b>	<b><u>(122,927)</u></b>	<b><u>202,851</u></b>

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

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

### Statement of cash flows (Unaudited)

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Decrease in loans to employees	818	1,242	818	1,242
Loans to related parties	-	-	(20,199)	-
Acquisition of property, plant and equipment	(41,944)	(37,305)	(37,294)	(36,645)
Proceeds from disposal of property, plant and equipment	-	28	-	28
Acquisition of intangible assets	(740)	(280)	(740)	(280)
Interest received	3,421	803	1,862	3,567
<b>Net cash used in investing activities</b>	<b>(38,445)</b>	<b>(35,512)</b>	<b>(55,553)</b>	<b>(32,088)</b>
<b><i>Cash flows from financing activities</i></b>				
Proceeds from (repayment of) short-term loans from financial institutions	(24,719)	12,065	-	-
Payment of lease liabilities	(880)	(599)	(880)	(546)
Interest paid	(355)	(6,539)	(888)	(6,456)
<b>Net cash from (used in) financing activities</b>	<b>(25,954)</b>	<b>4,927</b>	<b>(1,768)</b>	<b>(7,002)</b>
Net increase (decrease) in cash and cash equivalents, before effect of exchange rate changes	25,977	129,358	(180,248)	163,761
Effect of exchange rate changes on cash and cash equivalents	746	(2,413)	746	(2,413)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>26,723</b>	<b>126,945</b>	<b>(179,502)</b>	<b>161,348</b>
Cash and cash equivalents at 1 January	566,375	378,289	509,004	175,816
<b>Cash and cash equivalents at 31 March</b>	<b>593,098</b>	<b>505,234</b>	<b>329,502</b>	<b>337,164</b>
<b><i>Non-cash transactions</i></b>				
Purchase of fixed assets under lease liabilities	-	1,315	-	1,315

The accompanying notes are 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 2022 (Unaudited)**

<b>Note</b>	<b>Contents</b>
1	General information
2	Basis of preparation of the interim financial statements
3	Related parties
4	Trade and other accounts receivables
5	Inventories
6	Short-term loan from financial institutions
7	Segment information and disaggregation of revenue
8	Income tax expense
9	Dividends
10	Commitments with non-related parties
11	Events after the reporting period
12	Functional currency 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 2022 (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 13 May 2022.

**1 General information**

M.C.S. Steel Public Company Limited, (the “Company”), is incorporated in Thailand since 1992 and registered in the Stock Exchange of Thailand since February 2005 with its registered office at 70 Moo 2, Changyai, Bangsai, Ayutthaya. As at 31 March 2022, the Company’s major shareholders are Thai NVDR Co., Ltd. (12.48% shareholding), registered in Thailand, and Group of Mr. Surachai Ratitong (7.95% shareholding), Thai nationality.

The principal activities of the Company and its subsidiaries (“the Group”) are production and distribution of structural steel products for building construction, and residential development project for sale.

**2 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 2021.

*(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 2021.

*(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 12.

**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 2022 (Unaudited)**

**3 Related parties**

Significant transactions for the three-month period ended 31 March with related parties were as follows:

<i>Significant transactions with related parties</i> <i>Three-month periods ended 31 March</i>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Interest income	-	-	1,135	1,543
Cost of service	-	-	311,442	388,326
Technical assistance expense	-	-	4,656	4,118
Finance costs	-	-	29	412
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term benefits	14,928	14,233	12,766	12,218
Post-employment benefits	55	53	55	53
Total key management personnel compensation	<u>14,983</u>	<u>14,286</u>	<u>12,821</u>	<u>12,271</u>

Balances as at 31 March 2022 and 31 December 2021 with related parties were as follows:

<i>Trade and other account receivable</i>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	1,070,235	629,771
Less allowance for expected credit loss	-	-	(17,560)	(18,707)
<b>Total</b>	<u>-</u>	<u>-</u>	<u>1,052,675</u>	<u>611,064</u>

<i>Loans to</i>	<b>Interest rate</b>		31 December 2021	<b>Separate financial statements</b>			31 March 2022
	31 December 2021	31 March 2022		Increase	Decrease	Translation adjustment	
	<i>(% per annum)</i>						
A subsidiary	1.83	1.00	454,754	20,199	-	(27,888)	447,065
Less allowance for expected credit loss			(24,502)	-	-	1,502	(23,000)
<b>Net</b>			<u>430,252</u>				<u>424,065</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 2022 (Unaudited)**

**4 Trade and other accounts receivables**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		31 March 2022	31 December 2021	31 March 2022	31 December 2021
<i>(in thousand Baht)</i>					
<b>Trade accounts receivables</b>					
<b>Other parties</b>					
Within credit terms		1,468,161	833,848	995,219	754,736
Overdue:					
Less than 3 months		85,516	267,664	85,516	267,664
6 - 12 months		-	1,382	-	1,382
Over 12 months		108,430	109,475	3	-
<b>Total</b>		<b>1,662,107</b>	<b>1,212,369</b>	<b>1,080,738</b>	<b>1,023,782</b>
Less allowance for expected credit loss		(108,427)	(109,475)	-	-
<b>Net</b>		<b>1,553,680</b>	<b>1,102,894</b>	<b>1,080,738</b>	<b>1,023,782</b>
<b>Other accounts receivables</b>					
<b>Related parties</b>					
Product and service advance payment	3	-	-	809,353	616,770
Others		-	-	256,769	13,001
Less allowance for expected credit loss		-	-	(17,560)	(18,707)
		-	-	1,048,562	611,064
<b>Other parties</b>					
Retention receivables		551,901	549,501	551,901	549,501
Contract assets		7,480	7,480	7,480	7,480
Product and service advance payment		89,746	52,540	17,370	6,328
Revenue department receivables		91,979	73,087	38,586	36,296
Others		21,067	61,617	38,639	41,360
		762,173	744,225	653,976	640,965
Less allowance for expected credit loss		(58,407)	(58,469)	(7,480)	(7,480)
<b>Net</b>		<b>703,766</b>	<b>685,756</b>	<b>646,496</b>	<b>633,485</b>
<b>Total</b>		<b>703,766</b>	<b>685,756</b>	<b>1,695,058</b>	<b>1,244,549</b>
<b>Net - trade and other accounts receivables</b>		<b>2,257,446</b>	<b>1,788,650</b>	<b>2,775,796</b>	<b>2,268,331</b>



**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 2022 (Unaudited)**

**5 Inventories**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	<i>(in thousand Baht)</i>			
Work in process	475,445	750,625	131,234	532,692
Raw materials	945,106	945,473	796,700	792,124
Spare parts and factory supplies	201,535	210,513	185,771	170,178
Goods in transit	-	95,689	-	95,689
<b>Total</b>	<b>1,622,086</b>	<b>2,002,300</b>	<b>1,113,705</b>	<b>1,590,683</b>
Less allowance for decline in value of inventories	(10,677)	(11,375)	(10,677)	(11,375)
<b>Net</b>	<b>1,611,409</b>	<b>1,990,925</b>	<b>1,103,028</b>	<b>1,579,308</b>

**6 Short-term loan from financial institutions**

At 31 March 2022, a subsidiary has outstanding short-term loan from the financial institutions, amounting to Baht 15.10 million at an interest rate of 4.55 % per annum, which will become due within January 2023. The short-term loan was guaranteed by right-of-use assets of the subsidiary.

**7 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.

**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 2022 (Unaudited)**

**Consolidated financial statements**

<i>Three-month period ended 31 March</i>	Thailand		China		Japan		Elimination of inter-segment revenues		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>									
<b>Information about reportable segments</b>										
External revenues	1,622,219	1,165,549	-	2,650	103	4,145	-	-	1,622,322	1,172,344
Inter-segment revenue	-	-	143,810	218,214	170,580	80,926	(314,390)	(299,140)	-	-
<b>Total</b>	<b><u>1,622,219</u></b>	<b><u>1,165,549</u></b>	<b><u>143,810</u></b>	<b><u>220,864</u></b>	<b><u>170,683</u></b>	<b><u>85,071</u></b>	<b><u>(314,390)</u></b>	<b><u>(299,140)</u></b>	<b><u>1,622,322</u></b>	<b><u>1,172,344</u></b>
<b>Disaggregation of revenue</b>										
<b>Primary geographical markets</b>										
Thailand	-	27,315	143,810	218,214	170,580	80,926	(314,390)	(299,140)	-	27,315
China	-	-	-	2,650	-	-	-	-	-	2,650
Japan	<u>1,622,219</u>	<u>1,138,234</u>	-	-	<u>103</u>	<u>4,145</u>	-	-	<u>1,622,322</u>	<u>1,142,379</u>
<b>Total</b>	<b><u>1,622,219</u></b>	<b><u>1,165,549</u></b>	<b><u>143,810</u></b>	<b><u>220,864</u></b>	<b><u>170,683</u></b>	<b><u>85,071</u></b>	<b><u>(314,390)</u></b>	<b><u>(299,140)</u></b>	<b><u>1,622,322</u></b>	<b><u>1,172,344</u></b>
<b>Major products/service lines</b>										
Fabrication and sell of structural steel	1,518,238	1,011,259	143,810	220,864	170,683	85,071	(314,390)	(299,140)	1,518,341	1,018,054
Fabrication including installation of structural steel	-	27,315	-	-	-	-	-	-	-	27,315
Rendering of services	<u>103,981</u>	<u>126,975</u>	-	-	-	-	-	-	<u>103,981</u>	<u>126,975</u>
<b>Total</b>	<b><u>1,622,219</u></b>	<b><u>1,165,549</u></b>	<b><u>143,810</u></b>	<b><u>220,864</u></b>	<b><u>170,683</u></b>	<b><u>85,071</u></b>	<b><u>(314,390)</u></b>	<b><u>(299,140)</u></b>	<b><u>1,622,322</u></b>	<b><u>1,172,344</u></b>
<b>Timing of revenue recognition</b>										
At a point in time	1,518,238	1,011,259	143,810	220,864	170,683	85,071	(314,390)	(299,140)	1,518,341	1,018,054
Over time	<u>103,981</u>	<u>154,290</u>	-	-	-	-	-	-	<u>103,981</u>	<u>154,290</u>
<b>Total</b>	<b><u>1,622,219</u></b>	<b><u>1,165,549</u></b>	<b><u>143,810</u></b>	<b><u>220,864</u></b>	<b><u>170,683</u></b>	<b><u>85,071</u></b>	<b><u>(314,390)</u></b>	<b><u>(299,140)</u></b>	<b><u>1,622,322</u></b>	<b><u>1,172,344</u></b>
Segment profit (loss) before income tax	<u>275,279</u>	<u>267,138</u>	<u>4,524</u>	<u>27,798</u>	<u>7,171</u>	<u>6,937</u>	<u>2,865</u>	<u>(12,085)</u>	<u>289,839</u>	<u>289,788</u>
Segment assets as at 31 March 2022/ 31 December 2021	<u>5,952,013</u>	<u>6,161,612</u>	<u>1,135,591</u>	<u>782,231</u>	<u>784,364</u>	<u>828,065</u>	<u>(1,618,530)</u>	<u>(1,560,799)</u>	<u>6,253,438</u>	<u>6,211,109</u>
Segment liabilities as at 31 March 2022/ 31 December 2021	<u>1,750,753</u>	<u>1,943,660</u>	<u>591,195</u>	<u>243,319</u>	<u>790,340</u>	<u>839,368</u>	<u>(1,509,163)</u>	<u>(1,438,851)</u>	<u>1,623,125</u>	<u>1,587,496</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 2022 (Unaudited)**

**8 Income tax expense**

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period. The Group's consolidated effective tax rate in respect of continuing operations for the three-month period ended 31 March 2022 was 9% (2021: 17%).

**9 Dividends**

The dividends paid by the Group to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in thousand Baht)
<i>2021</i>				
Annual dividend	7 April 2021	28 April 2021	0.60	286,199
Interim dividend	20 August 2021	15 September 2021	0.40	190,799
Interim dividend	12 November 2021	9 December 2021	0.37	176,476
				<b>653,474</b>

**10 Commitments with non-related parties**

<i>At 31 March 2022</i>	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b>Capital commitments</b>		
Buildings and other constructions	12,173	12,173
Machinery and equipment	5,550	5,550
<b>Total</b>	<b>17,723</b>	<b>17,723</b>
<b>Other commitments</b>		
Unused letters of credit for goods and supplies	371,731	371,731
Purchase orders for goods and supplies	14,378	14,378
Bank guarantees	1,160,784	1,160,784
Other agreements	22,387	22,387
<b>Total</b>	<b>1,569,280</b>	<b>1,569,280</b>

*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.

**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 2022 (Unaudited)**

*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.

**11 Events after the reporting period**

At the Annual General Meeting of Shareholders held on 7 April 2022, the Shareholders approved the appropriation cash dividends based on the operating profit for the year 2021 of Baht 0.50 per share, totaling Baht 238.50 million, which was paid to the Shareholders on 5 May 2022.

**12 Functional currency financial statements**

The statements of financial position as at 31 March 2022 and 31 December 2021 and statements of comprehensive income for the three-month period ended 31 March 2022 and 2021 presented in JPY currency which is used in its operations as major sales and purchases transactions are denominated in JPY currency. The detail are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
<i>Statement of financial position</i>				
	<i>(in thousand Yen)</i>			
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	2,202,239	1,974,044	1,223,479	1,774,084
Trade and other accounts receivables	8,382,144	6,234,164	10,306,836	7,906,044
Current portion of long-term loans to employees	29,078	27,295	29,078	27,295
Inventories	5,983,338	6,939,172	4,095,665	5,504,523
<b>Total current assets</b>	<b>16,596,799</b>	<b>15,174,675</b>	<b>15,655,058</b>	<b>15,211,946</b>
<b>Non-current assets</b>				
Investments in subsidiaries	-	-	711,238	711,238
Long-term loans to related parties	-	-	1,574,600	1,499,600
Long-term loans to employees	268,380	254,774	268,380	254,774
Property, plant and equipment	5,144,768	5,079,315	3,221,097	3,180,417
Right-of-use assets	545,031	517,701	28,020	28,348
Goodwill	74,523	74,523	-	-
Other intangible assets	66,262	64,515	30,143	28,369
Deferred tax assets	16,248	12,611	33,328	29,691
Contract costs assets	502,609	459,933	502,609	459,933
Other non-current assets	5,083	10,161	130	121
<b>Total non-current assets</b>	<b>6,622,904</b>	<b>6,473,533</b>	<b>6,369,545</b>	<b>6,192,491</b>
<b>Total assets</b>	<b>23,219,703</b>	<b>21,648,208</b>	<b>22,024,603</b>	<b>21,404,437</b>

**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 2022 (Unaudited)**

<i>Statement of financial position</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	<i>(in thousand Yen)</i>			
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Trade and other accounts payables	5,091,443	4,624,909	5,815,106	6,190,244
Current portion of lease liabilities	9,850	9,626	9,320	9,097
Short-term loan from related party	-	-	21,020	19,735
Short-term loan from financial institutions	54,624	135,354	-	-
Current income tax payable	252,362	187,949	177,457	96,752
<b>Total current liabilities</b>	<b>5,408,279</b>	<b>4,957,838</b>	<b>6,022,903</b>	<b>6,315,828</b>
<b>Non-current liabilities</b>				
Lease liabilities	20,985	19,993	20,466	19,341
Deferred tax liabilities	143,076	136,764	-	-
Non-current provisions for employee benefits	102,129	93,521	102,129	93,521
Provision for product warranty	198,463	184,817	182,895	169,248
<b>Total non-current liabilities</b>	<b>464,653</b>	<b>435,095</b>	<b>305,490</b>	<b>282,110</b>
<b>Total liabilities</b>	<b>5,872,932</b>	<b>5,392,933</b>	<b>6,328,393</b>	<b>6,597,938</b>
<b>Equity</b>				
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	14,544,165	13,619,793	13,902,280	13,012,569
Other components of equity	423,054	302,121	-	-
<b>Equity attributable to owners of the parent</b>	<b>16,761,149</b>	<b>15,715,844</b>	<b>15,696,210</b>	<b>14,806,499</b>
Non-controlling interests	585,622	539,431	-	-
<b>Total equity</b>	<b>17,346,771</b>	<b>16,255,275</b>	<b>15,696,210</b>	<b>14,806,499</b>
<b>Total liabilities and equity</b>	<b>23,219,703</b>	<b>21,648,208</b>	<b>22,024,603</b>	<b>21,404,437</b>

**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 2022 (Unaudited)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Three-month period ended 31 March		Three-month period ended 31 March	
<i>Statement of comprehensive income</i>	2022	2021	2022	2021
	<i>(in thousand Yen)</i>			
<b>Revenue</b>				
Revenue from sales of goods and rendering of services	5,697,474	4,004,431	5,697,113	3,979,784
Contract revenue	-	95,504	-	95,504
Net foreign exchange gain	75,909	-	7,547	-
Other income	31,110	26,286	27,684	27,743
<b>Total revenue</b>	<b>5,804,493</b>	<b>4,126,221</b>	<b>5,732,344</b>	<b>4,103,031</b>
<b>Expenses</b>				
Cost of sales of goods and rendering of services	3,627,261	2,328,316	3,718,676	2,467,406
Contract costs	-	63,075	-	63,075
Distribution costs	798,208	352,570	798,208	352,570
Administrative expenses	354,873	271,458	244,402	194,220
Net foreign exchange loss	-	67,485	-	66,525
<b>Total expenses</b>	<b>4,780,342</b>	<b>3,082,904</b>	<b>4,761,286</b>	<b>3,143,796</b>
<b>Profit from operating activities</b>	<b>1,024,151</b>	<b>1,043,317</b>	<b>971,058</b>	<b>959,235</b>
Finance costs	4,509	24,825	3,219	25,969
<b>Profit before income tax expense</b>	<b>1,019,642</b>	<b>1,018,492</b>	<b>967,839</b>	<b>933,266</b>
Tax expense	93,207	171,290	78,129	135,713
<b>Profit for the period</b>	<b>926,435</b>	<b>847,202</b>	<b>889,710</b>	<b>797,553</b>
<b>Other comprehensive income (expense)</b>				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	249,812	837,220	-	-
<b>Total items that will be reclassified subsequently to profit or loss</b>	<b>249,812</b>	<b>837,220</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>1,176,247</b>	<b>1,684,422</b>	<b>889,710</b>	<b>797,553</b>
<b>Profit attributable to:</b>				
Owners of parent	924,372	821,932	889,710	797,553
Non-controlling interest	2,063	25,270	-	-
<b>Profit for the period</b>	<b>926,435</b>	<b>847,202</b>	<b>889,710</b>	<b>797,553</b>
<b>Total comprehensive income attributable to:</b>				
Owners of parent	1,132,119	1,638,916	889,710	797,553
Non-controlling interest	44,128	45,506	-	-
<b>Total comprehensive income for the period</b>	<b>1,176,247</b>	<b>1,684,422</b>	<b>889,710</b>	<b>797,553</b>
<b>Basic earnings per share (in Yen)</b>	<b>1.94</b>	<b>1.72</b>	<b>1.87</b>	<b>1.67</b>