

**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 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 30 September 2022; the consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended 30 September 2022; the consolidated and separate statements of changes in equity and cash flows for the nine-month period ended 30 September 2022; 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
11 November 2022

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

Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 September 2022 (Unaudited)	31 December 2021	30 September 2022 (Unaudited)	31 December 2021
<i>(in thousand Baht)</i>					
Assets					
Current assets					
Cash and cash equivalents		166,050	566,375	54,605	509,004
Trade and other accounts receivables	3, 4	1,051,030	1,788,650	1,784,128	2,268,331
Current portion of long-term loans to employees		7,831	7,831	7,831	7,831
Inventories	5	2,920,779	1,990,925	2,268,054	1,579,308
Total current assets		4,145,690	4,353,781	4,114,618	4,364,474
Non-current assets					
Investments in subsidiaries		-	-	184,186	204,062
Long-term loans to related parties	3	-	-	427,189	430,252
Long-term loans to employees		72,184	73,097	72,184	73,097
Property, plant and equipment		1,414,957	1,457,311	908,752	912,497
Right-of-use assets		146,220	148,534	6,603	8,133
Goodwill		19,299	21,382	-	-
Other intangible assets		16,621	18,510	7,785	8,140
Deferred tax assets		4,148	3,618	8,570	8,519
Contract cost assets		233,079	131,960	233,079	131,960
Other non-current assets		548	2,916	35	35
Total non-current assets		1,907,056	1,857,328	1,848,383	1,776,695
Total assets		6,052,746	6,211,109	5,963,001	6,141,169

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 September 2022 (Unaudited)	31 December 2021	30 September 2022 (Unaudited)	31 December 2021
<i>(in thousand Baht)</i>					
Liabilities and equity					
Current liabilities					
Trade and other accounts payables	3	1,724,792	1,361,416	2,272,112	1,822,198
Current portion of lease liabilities		2,770	2,834	2,630	2,678
Short-term loan from related party	3	-	-	5,809	5,809
Short-term loan from financial institutions	6	69,476	39,843	-	-
Current income tax payable		22,464	55,326	-	28,481
Total current liabilities		1,819,502	1,459,419	2,280,551	1,859,166
Non-current liabilities					
Lease liabilities		4,877	5,885	4,809	5,693
Deferred tax liabilities		38,848	40,259	-	-
Non-current provisions for employee benefits		29,493	27,529	29,493	27,529
Provision for product warranty		59,111	54,404	54,973	49,821
Total non-current liabilities		132,329	128,077	89,275	83,043
Total liabilities		1,951,831	1,587,496	2,369,826	1,942,209

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	
	30 September 2022 (Unaudited)	31 December 2021	30 September 2022 (Unaudited)	31 December 2021
Liabilities and equity				
	<i>(in thousand Baht)</i>			
Equity				
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	4,484,110	4,596,990	4,159,227	4,327,527
Other components of equity	(1,234,197)	(796,686)	(1,233,052)	(795,567)
Equity attributable to owners of the parent	3,916,913	4,467,304	3,593,175	4,198,960
Non-controlling interests	184,002	156,309	-	-
Total equity	4,100,915	4,623,613	3,593,175	4,198,960
Total liabilities and equity	6,052,746	6,211,109	5,963,001	6,141,169

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>	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended		Three-month period ended	
		30 September		30 September	
		2022	2021	2022	2021
<i>(in thousand Baht)</i>					
Revenue					
Revenue from sales of goods and rendering of services	7	615,213	1,975,630	610,729	1,950,435
Contract revenue	7	-	2,683	-	2,683
Other income		4,234	5,312	3,367	4,667
Total revenue		619,447	1,983,625	614,096	1,957,785
Expenses					
Cost of sales of goods and rendering of services		539,721	1,144,961	590,927	1,244,957
Contract costs		-	2,059	-	2,059
Distribution costs		49,908	241,971	49,908	241,971
Administrative expenses		71,111	105,841	49,354	83,295
Net foreign exchange loss		7,727	6,760	4,211	5,817
Total expenses		668,467	1,501,592	694,400	1,578,099
Profit (loss) from operating activities		(49,020)	482,033	(80,304)	379,686
Finance costs		2,900	3,573	2,594	3,507
Profit (loss) before income tax expense		(51,920)	478,460	(82,898)	376,179
Tax expense		11,086	46,033	4,505	25,104
Profit (loss) for the period		(63,006)	432,427	(87,403)	351,075

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	
	30 September		30 September	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	52,818	206,176	46,441	204,464
Total items that will be reclassified subsequently to profit or loss	52,818	206,176	46,441	204,464
Total comprehensive income (expense) for the period	(10,188)	638,603	(40,962)	555,539
Profit attributable to:				
Owners of parent	(67,766)	422,204	(87,403)	351,075
Non-controlling interest	4,760	10,223	-	-
Profit (loss) for the period	(63,006)	432,427	(87,403)	351,075
Total comprehensive income attributable to:				
Owners of parent	(16,087)	619,333	(40,962)	555,539
Non-controlling interest	5,899	19,270	-	-
Total comprehensive income (expense) for the period	(10,188)	638,603	(40,962)	555,539
Basic earnings (loss) per share (in Baht)	(0.14)	0.89	(0.18)	0.74

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>	Consolidated		Separate	
		financial statements		financial statements	
		Nine-month period ended		Nine-month period ended	
		30 September		30 September	
		2022	2021	2022	2021
<i>(in thousand Baht)</i>					
Revenue					
Revenue from sales of goods and rendering of services	7	2,903,065	5,000,089	2,897,999	4,963,624
Contract revenue	7	-	62,045	-	62,045
Net foreign exchange gain		16,004	-	-	-
Other income		18,464	21,001	14,877	29,601
Total revenue		2,937,533	5,083,135	2,912,876	5,055,270
Expenses					
Cost of sales of goods and rendering of services		2,112,661	2,884,043	2,242,357	3,200,858
Contract costs		-	32,522	-	32,522
Distribution costs		396,348	578,877	396,348	578,877
Administrative expenses		241,006	268,119	168,762	202,598
Net foreign exchange loss		-	43,139	9,222	40,506
Total expenses		2,750,015	3,806,700	2,816,689	4,055,361
Profit from operating activities		187,518	1,276,435	96,187	999,909
Finance costs		5,792	16,290	4,972	16,772
Profit before income tax expense		181,726	1,260,145	91,215	983,137
Tax expense		48,260	153,706	21,159	101,125
Profit for the period		133,466	1,106,439	70,056	882,012

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	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	(417,808)	233,845	(437,485)	202,637
Total items that will be reclassified subsequently to profit or loss	(417,808)	233,845	(437,485)	202,637
Total comprehensive income (expense) for the period	(284,342)	1,340,284	(367,429)	1,084,649
Profit attributable to:				
Owners of parent	125,476	1,064,455	70,056	882,012
Non-controlling interest	7,990	41,984	-	-
Profit for the period	133,466	1,106,439	70,056	882,012
Total comprehensive income attributable to:				
Owners of parent	(312,035)	1,282,849	(367,429)	1,084,649
Non-controlling interest	27,693	57,435	-	-
Total comprehensive income (expense) for the period	(284,342)	1,340,284	(367,429)	1,084,649
Basic earnings per share (in Baht)	0.26	2.23	0.15	1.85

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)

		Consolidated financial statements										
		Retained earnings			Other components of equity							
					Difference from							
		Issued and	Shares	Legal	Exchange differences	change in shareholding	Total	Equity attributable	Non-	Total		
<i>Note</i>	paid-up	premium	reserve	Unappropriated	on translating	proportion in	other components	to owners of	controlling	Total		
	share capital		reserve		financial statements	subsidiary	of equity	the parent	interests	equity		
<i>(in thousand Baht)</i>												
Nine-month period ended 30 September 2021												
	Balance at 1 January 2021	477,000	140,000	50,000	3,834,694	(801,734)	(15,250)	(816,984)	3,684,710	97,663	3,782,373	
Transactions with owners, recorded directly in equity												
<i>Contributions by and distributions to owners of the parent</i>												
	Dividends	8	-	-	-	(476,998)	-	-	-	(476,998)	-	(476,998)
	Total contributions by and distributions to owners of the parent	-	-	-	(476,998)	-	-	-	(476,998)	-	(476,998)	
Comprehensive income for the period												
	Profit	-	-	-	1,064,455	-	-	-	1,064,455	41,984	1,106,439	
	Other comprehensive income	-	-	-	-	218,394	-	218,394	218,394	15,451	233,845	
	Total comprehensive income for the period	-	-	-	1,064,455	218,394	-	218,394	1,282,849	57,435	1,340,284	
	Balance at 30 September 2021	477,000	140,000	50,000	4,422,151	(583,340)	(15,250)	(598,590)	4,490,561	155,098	4,645,659	

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)

		Consolidated financial statements									
		Retained earnings			Other components of equity						
					Difference from						
		Issued and	Shares	Legal	Exchange differences	change in shareholding	Total	Equity attributable	Non-	Total	
<i>Note</i>	paid-up	premium	reserve	Unappropriated	on translating	proportion in	other components	to owners of	controlling	Total	
	share capital		reserve		financial statements	subsidiary	of equity	the parent	interests	equity	
<i>(in thousand Baht)</i>											
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
Transactions with owners, recorded directly in equity											
<i>Contributions by and distributions to owners of the parent</i>											
	Dividends	8	-	-	(238,356)	-	-	-	(238,356)	-	(238,356)
	Total contributions by and distributions to owners of the parent		-	-	(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 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)

	Note	Separate financial statements						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>								
Nine-month period ended 30 September 2021								
Balance at 1 January 2021		477,000	140,000	50,000	3,778,478	(808,883)	(808,883)	3,636,595
Transactions with owners, recorded directly in equity								
<i>Contributions by and distributions to owners</i>								
Dividends	8	-	-	-	(476,998)	-	-	(476,998)
<i>Total contributions by and distributions to owners</i>		<u>-</u>	<u>-</u>	<u>-</u>	<u>(476,998)</u>	<u>-</u>	<u>-</u>	<u>(476,998)</u>
Comprehensive income for the period								
Profit		-	-	-	882,012	-	-	882,012
Other comprehensive income		-	-	-	-	202,637	202,637	202,637
Total comprehensive income for the period		<u>-</u>	<u>-</u>	<u>-</u>	<u>882,012</u>	<u>202,637</u>	<u>202,637</u>	<u>1,084,649</u>
Balance at 30 September 2021		<u>477,000</u>	<u>140,000</u>	<u>50,000</u>	<u>4,183,492</u>	<u>(606,246)</u>	<u>(606,246)</u>	<u>4,244,246</u>

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)

	Note	Separate financial statements						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>								
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
Transactions with owners, recorded directly in equity								
<i>Contributions by and distributions to owners</i>								
Dividends	8	-	-	-	(238,356)	-	-	(238,356)
Total contributions by and distributions to owners		-	-	-	(238,356)	-	-	(238,356)
Comprehensive income (expense) for the period								
Profit		-	-	-	70,056	-	-	70,056
Other comprehensive income (expense)		-	-	-	-	(437,485)	(437,485)	(437,485)
Total comprehensive income (expense) for the period		-	-	-	70,056	(437,485)	(437,485)	(367,429)
Balance at 30 September 2022		477,000	140,000	50,000	4,159,227	(1,233,052)	(1,233,052)	3,593,175

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)

	Consolidated		Separate	
	financial statements		financial statements	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	133,466	1,106,439	70,056	882,012
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	48,259	153,706	21,159	101,125
Finance costs	5,791	16,290	4,972	16,772
Depreciation and amortisation	117,024	98,245	83,857	65,211
Amortisation of contract cost assets	31,427	84,824	31,427	84,824
Provision for employee benefits	2,112	2,002	2,112	2,002
Unrealised loss on exchange rate	(3,364)	(3,278)	(3,364)	(3,278)
Provision for warranty	15,526	14,027	15,970	14,027
Gain on disposal of equipment	(5)	(8,742)	(5)	(8,503)
Interest income	(8,297)	(2,239)	(3,771)	(5,890)
	<u>341,939</u>	<u>1,461,274</u>	<u>222,413</u>	<u>1,148,302</u>
<i>Changes in operating assets and liabilities</i>				
Trade and other accounts receivables	748,127	(429,843)	495,555	(338,657)
Inventories	(929,854)	219,615	(688,746)	177,216
Contract cost assets	(143,726)	(84,522)	(143,726)	(84,522)
Other non-current assets	2,350	357	-	-
Trade and other accounts payables	348,679	(681,840)	435,126	(397,878)
Exchange rate differences on translating of financial statements	(292,261)	121,324	(279,679)	130,329
Cash from operating activities	75,254	606,365	40,943	634,790
Provision for employee benefit	(125)	(287)	(125)	(287)
Provision for product warranty paid	(5,995)	(14,815)	(5,995)	(14,815)
Taxes paid	(83,232)	(156,128)	(53,428)	(130,729)
Net cash from (used in) operating activities	<u>(14,098)</u>	<u>435,135</u>	<u>(18,605)</u>	<u>488,959</u>

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)

	Consolidated		Separate	
	financial statements		financial statements	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Decrease in loans to employees	913	3,710	913	3,710
Loans to related parties	-	-	(38,845)	-
Proceeds from capital reduction in a subsidiary	-	-	-	72,298
Acquisition of property, plant and equipment	(185,006)	(113,961)	(162,435)	(101,262)
Proceeds from disposal of property, plant and equipment	104	9,243	58	8,528
Acquisition of intangible assets	(1,267)	(10,273)	(1,267)	(1,731)
Interest received	8,759	2,195	4,233	7,357
Net cash used in investing activities	<u>(176,497)</u>	<u>(109,086)</u>	<u>(197,343)</u>	<u>(11,100)</u>
<i>Cash flows from financing activities</i>				
Proceeds from short-term loans from financial institutions	54,808	13,260	-	-
Payment of short-term loans from financial institutions	(25,175)	-	-	-
Payment of short-term loan from related party	-	-	-	(74,191)
Payment of lease liabilities	(2,309)	(1,979)	(2,309)	(1,847)
Dividend paid	(238,356)	(476,998)	(238,356)	(476,998)
Interest paid	(4,868)	(16,287)	(3,956)	(15,872)
Net cash used in financing activities	<u>(215,900)</u>	<u>(482,004)</u>	<u>(244,621)</u>	<u>(568,908)</u>
Net increase in cash and cash equivalents, before effect of exchange rate changes	(406,495)	(155,955)	(460,569)	(91,049)
Effect of exchange rate changes on cash and cash equivalents	6,170	(2,151)	6,170	(2,151)
Net decrease in cash and cash equivalents	<u>(400,325)</u>	<u>(158,106)</u>	<u>(454,399)</u>	<u>(93,200)</u>
Cash and cash equivalents at 1 January	566,375	378,289	509,004	175,816
Cash and cash equivalents at 30 September	<u>166,050</u>	<u>220,183</u>	<u>54,605</u>	<u>82,616</u>
Non-cash transactions				
Purchase of fixed assets under lease liabilities	-	4,170	-	4,170

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 and nine-month periods ended 30 September 2022 (Unaudited)

Note	Contents
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	Dividends
9	Commitments with non-related parties
10	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 and nine-month periods ended 30 September 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 11 November 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 30 September 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 10.

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 2022 (Unaudited)

3 Related parties

Significant transactions for the nine-month period ended 30 September with related parties were as follows:

<i>Significant transactions with related parties</i> <i>Nine-month periods ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Subsidiaries				
Interest income	-	-	3,430	4,756
Cost of service	-	-	1,365,037	1,211,823
Technical assistance expense	-	-	13,302	13,228
Finance costs	-	-	87	905
Sales assets	-	-	-	8,496
Key management personnel				
Key management personnel compensation				
Short-term benefits	36,491	50,613	30,176	44,417
Post-employment benefits	162	158	162	158
Total key management personnel compensation	<u>36,653</u>	<u>50,771</u>	<u>30,338</u>	<u>44,57</u>

Balances as at 30 September 2022 and 31 December 2021 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
<i>Trade and other account receivable</i>	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	902,726	629,771
Less allowance for expected credit loss	-	-	(16,885)	(18,707)
Total	<u>-</u>	<u>-</u>	<u>885,841</u>	<u>611,064</u>

	Interest rate			Separate financial statements			
	31 December 2021	30 September 2022	31 December 2021	Increase	Decrease	Translation adjustment	30 September 2022
<i>Loans to</i>	<i>(% per annum)</i>						
A subsidiary	1.83	1.00	454,754	20,199	-	(25,648)	449,305
Less allowance for expected credit loss			(24,502)	-	-	2,386	(22,116)
Net			<u>430,252</u>				<u>427,189</u>

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 2022 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
<i>Trade account payable</i>				
Subsidiaries	-	-	833,413	647,695
Total	-	-	833,413	647,695
<i>Other account payable</i>				
Subsidiaries	-	-	41,774	43,151
Total	-	-	41,774	43,151

	Interest rate		Separate financial statements			
	31 December 2021	30 September 2022	31 December 2021	Increase	Decrease	30 September 2022
<i>Loans from</i>						
A subsidiary	2.00	2.00	5,809	-	-	5,809
Total			5,809			5,809

4 Trade and other accounts receivables

	Consolidated financial statements		Separate financial statements	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
<i>Trade accounts receivables</i>				
<i>Other parties</i>				
Within credit terms	458,359	833,848	343,869	754,736
Overdue:				
Less than 3 months	191,270	267,664	191,270	267,664
6 - 12 months	26,495	1,382	26,495	1,382
Over 12 months	110,315	109,475	3	-
Total	786,439	1,212,369	561,637	1,023,782
Less allowance for expected credit loss	(110,312)	(109,475)	-	-
Net	676,127	1,102,894	561,637	1,023,782
<i>Other accounts receivables</i>				
<i>Related parties</i>				
Product and service advance payment	-	-	899,225	616,770
Others	-	-	3,501	13,001
Less allowance for expected credit loss	-	-	(16,885)	(18,707)
	-	-	885,841	611,064

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 2022 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
<i>Note</i>	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Other parties</i>				
Retention receivables	175,906	549,501	175,906	549,501
Contract assets	7,480	7,480	7,480	7,480
Product and service advance payment	127,282	52,540	79,435	6,328
Revenue department receivables	89,045	73,087	51,644	36,296
Others	34,482	61,617	29,665	41,360
	<u>434,195</u>	<u>744,225</u>	<u>344,130</u>	<u>640,965</u>
<i>Less</i> allowance for expected credit loss	(59,292)	(58,469)	(7,480)	(7,480)
Net	<u>374,903</u>	<u>685,756</u>	<u>336,650</u>	<u>633,485</u>
Total	<u>374,903</u>	<u>685,756</u>	<u>1,222,491</u>	<u>1,244,549</u>
Net - trade and other accounts receivables	<u>1,051,030</u>	<u>1,788,650</u>	<u>1,784,128</u>	<u>2,268,331</u>

5 Inventories

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Work in process	945,476	750,625	666,790	532,692
Raw materials	1,562,927	945,473	1,434,756	792,124
Spare parts and factory supplies	418,689	210,513	172,821	170,178
Goods in transit	3,954	95,689	3,954	95,689
Total	<u>2,931,046</u>	<u>2,002,300</u>	<u>2,278,321</u>	<u>1,590,683</u>
<i>Less</i> allowance for decline in value of inventories	(10,267)	(11,375)	(10,267)	(11,375)
Net	<u>2,920,779</u>	<u>1,990,925</u>	<u>2,268,054</u>	<u>1,579,308</u>

6 Short-term loan from financial institutions

At 30 September 2022, a subsidiary has outstanding short-term loan from the financial institutions, amounting to Baht 69.48 million at an interest rate of 4.20% - 4.55% per annum, which will become due within March 2024. The short-term loan was guaranteed by right-of-use assets of the subsidiary.

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 2022 (Unaudited)

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 and nine-month periods ended 30 September 2022 (Unaudited)

Consolidated financial statements

<i>Nine-month period ended 30 September</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>									
Information about reportable segments										
External revenues	2,897,999	5,025,669	4,484	-	582	36,465	-	-	2,903,065	5,062,134
Inter-segment revenue	-	-	983,823	788,250	407,894	283,783	(1,391,717)	(1,072,033)	-	-
Total	<u>2,897,999</u>	<u>5,025,669</u>	<u>988,307</u>	<u>788,250</u>	<u>408,476</u>	<u>320,248</u>	<u>(1,391,717)</u>	<u>(1,072,033)</u>	<u>2,903,065</u>	<u>5,062,134</u>
Disaggregation of revenue										
Primary geographical markets										
Thailand	-	62,045	983,823	788,250	407,894	283,783	(1,391,717)	(1,072,033)	-	62,045
China	-	-	4,484	-	-	-	-	-	4,484	-
Japan	2,897,999	4,963,624	-	-	582	36,465	-	-	2,898,581	5,000,089
Total	<u>2,897,999</u>	<u>5,025,669</u>	<u>988,307</u>	<u>788,250</u>	<u>408,476</u>	<u>320,248</u>	<u>(1,391,717)</u>	<u>(1,072,033)</u>	<u>2,903,065</u>	<u>5,062,134</u>
Major products/service lines										
Fabrication and sell of structural steel	2,648,272	4,557,544	988,307	788,250	408,476	320,248	(1,391,717)	(1,072,033)	2,653,338	4,594,009
Fabrication including installation of structural steel	-	62,045	-	-	-	-	-	-	-	62,045
Rendering of services	249,727	406,080	-	-	-	-	-	-	249,727	406,080
Total	<u>2,897,999</u>	<u>5,025,669</u>	<u>988,307</u>	<u>788,250</u>	<u>408,476</u>	<u>320,248</u>	<u>(1,391,717)</u>	<u>(1,072,033)</u>	<u>2,903,065</u>	<u>5,062,134</u>
Timing of revenue recognition										
At a point in time	2,648,272	4,557,544	988,307	788,250	408,476	320,248	(1,391,717)	(1,072,033)	2,653,338	4,594,009
Over time	249,727	468,125	-	-	-	-	-	-	249,727	468,125
Total	<u>2,897,999</u>	<u>5,025,669</u>	<u>988,307</u>	<u>788,250</u>	<u>408,476</u>	<u>320,248</u>	<u>(1,391,717)</u>	<u>(1,072,033)</u>	<u>2,903,065</u>	<u>5,062,134</u>
Segment profit before income tax	<u>91,028</u>	<u>983,755</u>	<u>54,853</u>	<u>204,923</u>	<u>9,124</u>	<u>31,631</u>	<u>26,721</u>	<u>39,836</u>	<u>181,726</u>	<u>1,260,145</u>
Segment assets as at 30 September/ 31 December	<u>5,983,258</u>	<u>6,111,423</u>	<u>1,014,212</u>	<u>763,333</u>	<u>721,650</u>	<u>760,643</u>	<u>(1,666,374)</u>	<u>(1,454,741)</u>	<u>6,052,746</u>	<u>6,180,658</u>
Segment liabilities as at 30 September/ 31 December	<u>2,371,278</u>	<u>1,848,253</u>	<u>426,828</u>	<u>229,078</u>	<u>725,876</u>	<u>767,516</u>	<u>(1,572,151)</u>	<u>(1,309,848)</u>	<u>1,951,831</u>	<u>1,534,999</u>

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 2022 (Unaudited)

8 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>2022</i>				
Annual dividend	7 April 2022	5 May 2022	0.50	238,356
				238,356
<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
				653,474

9 Commitments with non-related parties

	Consolidated financial statements (in thousand Baht)	Separate financial statements
<i>At 30 September 2022</i>		
Capital commitments		
Buildings and other constructions	2,572	2,572
Total	2,572	2,572
Other commitments		
Unused letters of credit for goods and supplies	1,049,912	1,049,912
Purchase orders for goods and supplies	4,956	4,956
Bank guarantees	1,078,769	1,078,769
Other agreements	1,506	1,506
Total	2,135,143	2,135,143

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.

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 2022 (Unaudited)

10 Functional currency financial statements

The statements of financial position as at 30 September 2022 and 31 December 2021 and statements of comprehensive income for the three-month and nine-month periods ended 30 September 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:

	Consolidated financial statements		Separate financial statements	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
<i>Statement of financial position</i>				
	<i>(in thousand Yen)</i>			
Assets				
Current assets				
Cash and cash equivalents	641,205	1,974,044	210,858	1,774,084
Trade and other accounts receivables	4,058,578	6,234,164	6,889,455	7,906,044
Current portion of long-term loans to employees	30,240	27,295	30,240	27,295
Inventories	11,278,661	6,939,172	8,758,149	5,504,523
Total current assets	16,008,684	15,174,675	15,888,702	15,211,946
Non-current assets				
Investments in subsidiaries	-	-	711,238	711,238
Long-term loans to related parties	-	-	1,649,600	1,499,600
Long-term loans to employees	278,742	254,774	278,742	254,774
Property, plant and equipment	5,463,892	5,079,315	3,509,168	3,180,417
Right-of-use assets	564,632	517,701	25,496	28,348
Goodwill	74,523	74,523	-	-
Other intangible assets	64,183	64,515	30,064	28,369
Deferred tax assets	16,016	12,611	33,096	29,691
Contract costs assets	900,042	459,933	900,042	459,933
Other non-current assets	2,116	10,161	135	121
Total non-current assets	7,364,146	6,473,533	7,137,581	6,192,491
Total assets	23,372,830	21,648,208	23,026,283	21,404,437

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 2022 (Unaudited)

<i>Statement of financial position</i>	Consolidated financial statements		Separate financial statements	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	<i>(in thousand Yen)</i>			
Liabilities and equity				
Current liabilities				
Trade and other accounts payables	6,487,350	4,624,909	8,545,952	6,190,244
Current portion of lease liabilities	10,420	9,626	9,890	9,097
Short-term loan from related party	-	-	21,851	19,735
Short-term loan from financial institutions	261,315	135,354	-	-
Current income tax payable	84,493	187,949	-	96,752
Total current liabilities	6,843,578	4,957,838	8,577,693	6,315,828
Non-current liabilities				
Lease liabilities	18,344	19,993	18,089	19,341
Deferred tax liabilities	146,118	136,764	-	-
Non-current provisions for employee benefits	110,932	93,521	110,932	93,521
Provision for product warranty	222,334	184,817	206,766	169,248
Total non-current liabilities	497,728	435,095	335,787	282,110
Total liabilities	7,341,306	5,392,933	8,913,480	6,597,938
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	13,075,039	13,619,793	12,318,873	13,012,569
Other components of equity	493,540	302,121	-	-
Equity attributable to owners of the parent	15,362,509	15,715,844	14,112,803	14,806,499
Non-controlling interests	669,015	539,431	-	-
Total equity	16,031,524	16,255,275	14,112,803	14,806,499
Total liabilities and equity	23,372,830	21,648,208	23,026,283	21,404,437

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 2022 (Unaudited)

<i>Statement of comprehensive income</i>	Consolidated financial statements		Separate financial statements	
	Three-month period ended 30 September		Three-month period ended 30 September	
	2022	2021	2022	2021
	<i>(in thousand Yen)</i>			
Revenue				
Revenue from sales of goods and rendering of services	2,361,449	6,602,315	2,318,326	6,517,675
Contract revenue	-	8,967	-	8,967
Other income	16,075	17,748	12,782	15,595
Total revenue	2,377,524	6,629,030	2,331,108	6,542,237
Expenses				
Cost of sales of goods and rendering of services	2,032,447	3,824,773	2,243,155	4,160,219
Contract costs	-	6,879	-	6,879
Distribution costs	189,451	808,581	189,451	808,581
Administrative expenses	269,939	353,680	187,350	278,343
Net foreign exchange loss	29,331	22,591	15,988	19,438
Total expenses	2,521,168	5,016,504	2,635,944	5,273,460
Profit (loss) from operating activities	(143,644)	1,612,526	(304,836)	1,268,777
Finance costs	11,011	11,943	9,847	11,719
Profit (loss) before income tax expense	(154,655)	1,600,583	(314,683)	1,257,058
Tax expense	42,082	153,826	17,100	83,888
Profit (loss) for the period	(196,737)	1,446,757	(331,783)	1,173,170
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	(196,356)	(43,975)	-	-
Total items that will be reclassified subsequently to profit or loss	(196,356)	(43,975)	-	-
Total comprehensive income (expense) for the period	(393,093)	1,402,782	(331,783)	1,173,170
Profit attributable to:				
Owners of parent	(214,806)	1,412,590	(331,783)	1,173,170
Non-controlling interest	18,069	34,167	-	-
Profit (loss) for the period	(196,737)	1,446,757	(331,783)	1,173,170
Total comprehensive income attributable to:				
Owners of parent	(408,290)	1,357,478	(331,783)	1,173,170
Non-controlling interest	15,197	45,304	-	-
Total comprehensive income (expense) for the period	(393,093)	1,402,782	(331,783)	1,173,170
Basic earnings (loss) per share (in Yen)	(0.45)	2.96	(0.70)	2.46

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 2022 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Nine-month period ended 30 September		Nine-month period ended 30 September	
<i>Statement of comprehensive income</i>	2022	2021	2022	2021
	<i>(in thousand Yen)</i>			
Revenue				
Revenue from sales of goods and rendering of services	10,566,433	17,161,655	10,521,143	17,036,762
Contract revenue	-	216,242	-	216,242
Net foreign exchange gain	54,553	-	-	-
Other income	67,420	72,531	54,131	102,627
Total revenue	10,688,406	17,450,428	10,575,274	17,355,631
Expenses				
Cost of sales of goods and rendering of services	7,794,967	9,888,941	8,194,409	10,987,358
Contract costs	-	113,284	-	113,284
Distribution costs	1,436,597	1,985,139	1,436,597	1,985,139
Administrative expenses	884,203	920,336	619,442	694,925
Net foreign exchange loss	-	149,639	35,417	140,590
Total expenses	10,115,767	13,057,339	10,285,865	13,921,296
Profit from operating activities	572,639	4,393,089	289,409	3,434,335
Finance costs	21,574	56,357	18,571	58,049
Profit before income tax expense	551,065	4,336,732	270,838	3,376,286
Tax expense	175,353	529,786	74,159	349,367
Profit for the period	375,712	3,806,946	196,679	3,026,919
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	137,207	42,146	-	-
Total items that will be reclassified subsequently to profit or loss	137,207	42,146	-	-
Total comprehensive income for the period	512,919	3,849,092	196,679	3,026,919
Profit attributable to:				
Owners of parent	345,622	3,661,947	196,679	3,026,919
Non-controlling interest	30,090	144,999	-	-
Profit for the period	375,712	3,806,946	196,679	3,026,919
Total comprehensive income attributable to:				
Owners of parent	353,335	3,671,790	196,679	3,026,919
Non-controlling interest	159,584	177,302	-	-
Total comprehensive income for the period	512,919	3,849,092	196,679	3,026,919
Basic earnings per share (in Yen)	0.72	7.68	0.41	6.35