

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

Condensed interim financial statements
for the three-month and six-month periods ended
30 June 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 June 2022; the consolidated and separate statements of comprehensive income for the three-month and six-month periods ended 30 June 2022; the consolidated and separate statements of changes in equity and cash flows for the six-month period ended 30 June 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
13 August 2022

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

Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 June 2022 (Unaudited)	31 December 2021	30 June 2022 (Unaudited)	31 December 2021
<i>(in thousand Baht)</i>					
Assets					
Current assets					
Cash and cash equivalents		351,297	566,375	248,979	509,004
Trade and other accounts receivables	3, 4	1,332,120	1,788,650	1,948,487	2,268,331
Current portion of long-term loans to employees		7,831	7,831	7,831	7,831
Inventories	5	2,173,644	1,990,925	1,602,171	1,579,308
Total current assets		3,864,892	4,353,781	3,807,468	4,364,474
Non-current assets					
Investments in subsidiaries		-	-	181,514	204,062
Long-term loans to related parties	3	-	-	420,993	430,252
Long-term loans to employees		72,232	73,097	72,232	73,097
Property, plant and equipment		1,397,005	1,457,311	888,496	912,497
Right-of-use assets		145,345	148,534	7,129	8,133
Goodwill		20,558	21,382	-	-
Other intangible assets		16,612	18,510	7,419	8,140
Deferred tax assets		8,640	3,618	12,999	8,519
Contract cost assets		192,558	131,960	192,558	131,960
Other non-current assets		541	2,916	35	35
Total non-current assets		1,853,491	1,857,328	1,783,375	1,776,695
Total assets		5,718,383	6,211,109	5,590,843	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

		Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
Liabilities and equity	Note	2022	2021	2022	2021
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<i>Current liabilities</i>					
Trade and other accounts payables	3	1,436,785	1,361,416	1,860,798	1,822,198
Current portion of lease liabilities		2,799	2,834	2,661	2,678
Short-term loan from related party	3	-	-	5,809	5,809
Short-term loan from financial institutions	6	15,169	39,843	-	-
Current income tax payable		22,074	55,326	-	28,481
Total current liabilities		1,476,827	1,459,419	1,869,268	1,859,166
<i>Non-current liabilities</i>					
Lease liabilities		5,618	5,885	5,517	5,693
Deferred tax liabilities		38,833	40,259	-	-
Non-current provisions for employee benefits		28,922	27,529	28,922	27,529
Provision for product warranty		57,080	54,404	52,999	49,821
Total non-current liabilities		130,453	128,077	87,438	83,043
Total liabilities		1,607,280	1,587,496	1,956,706	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 June	31 December	30 June	31 December
	2022	2021	2022	2021
	(Unaudited)		(Unaudited)	
	<i>(in thousand Baht)</i>			
Liabilities and equity				
<i>Equity</i>				
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	4,551,876	4,596,990	4,246,630	4,327,527
Other components of equity	(1,285,876)	(796,686)	(1,279,493)	(795,567)
Equity attributable to owners of the parent	3,933,000	4,467,304	3,634,137	4,198,960
Non-controlling interests	178,103	156,309	-	-
Total equity	4,111,103	4,623,613	3,634,137	4,198,960
Total liabilities and equity	5,718,383	6,211,109	5,590,843	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)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended		Three-month period ended	
	30 June		30 June	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Revenue				
Revenue from sales of goods and rendering of services	665,530	1,879,430	665,051	1,874,955
Contract revenue	-	32,047	-	32,047
Net foreign exchange gain	2,116	-	-	-
Other income	5,371	8,171	3,627	16,998
Total revenue	673,017	1,919,648	668,678	1,924,000
Expenses				
Cost of sales of goods and rendering of services	539,601	1,050,867	592,558	1,229,156
Contract costs	-	33,237	-	33,237
Distribution costs	119,155	236,312	119,155	236,312
Administrative expenses	68,847	84,640	49,817	63,755
Net foreign exchange loss	-	17,078	7,161	15,663
Total expenses	727,603	1,422,134	768,691	1,578,123
Profit (loss) from operating activities	(54,586)	497,514	(100,013)	345,877
Finance costs	1,607	5,617	1,461	5,838
Profit (loss) before income tax expense	(56,193)	491,897	(101,474)	340,039
Tax expense (income)	10,634	58,683	(5,593)	37,206
Profit (loss) for the period	(66,827)	433,214	(95,881)	302,833

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 June		30 June	
	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	<u>(214,027)</u>	<u>103,473</u>	<u>(214,201)</u>	<u>97,895</u>
Total items that will be reclassified subsequently to profit or loss	<u>(214,027)</u>	<u>103,473</u>	<u>(214,201)</u>	<u>97,895</u>
Total comprehensive income (expense) for the period	<u>(280,854)</u>	<u>536,687</u>	<u>(310,082)</u>	<u>400,728</u>
Profit (loss) attributable to:				
Owners of parent	(69,469)	408,680	(95,881)	302,833
Non-controlling interest	<u>2,642</u>	<u>24,534</u>	<u>-</u>	<u>-</u>
Profit (loss) for the period	<u>(66,827)</u>	<u>433,214</u>	<u>(95,881)</u>	<u>302,833</u>
Total comprehensive income (expense) attributable to:				
Owners of parent	(301,222)	509,737	(310,082)	400,728
Non-controlling interest	<u>20,368</u>	<u>26,950</u>	<u>-</u>	<u>-</u>
Total comprehensive income (expense) for the period	<u>(280,854)</u>	<u>536,687</u>	<u>(310,082)</u>	<u>400,728</u>
Basic earnings (loss) per share (in Baht)	<u>(0.15)</u>	<u>0.86</u>	<u>(0.20)</u>	<u>0.63</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 comprehensive income (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Six-month period ended		Six-month period ended	
		30 June		30 June	
		2022	2021	2022	2021
<i>(in thousand Baht)</i>					
Revenue					
Revenue from sales of goods and rendering of services	7	2,287,852	3,024,459	2,287,270	3,013,189
Contract revenue	7	-	59,362	-	59,362
Net foreign exchange gain		23,731	-	-	-
Other income		14,230	15,689	11,510	24,934
Total revenue		2,325,813	3,099,510	2,298,780	3,097,485
Expenses					
Cost of sales of goods and rendering of services		1,572,940	1,718,268	1,651,430	1,935,087
Contract costs		-	51,277	-	51,277
Distribution costs		346,440	336,906	346,440	336,906
Administrative expenses		169,895	162,278	119,408	119,303
Net foreign exchange loss		-	36,379	5,011	34,689
Total expenses		2,089,275	2,305,108	2,122,289	2,477,262
Profit from operating activities		236,538	794,402	176,491	620,223
Finance costs		2,892	12,717	2,378	13,265
Profit before income tax expense		233,646	781,685	174,113	606,958
Tax expense		37,174	107,673	16,654	76,021
Profit for the period		196,472	674,012	157,459	530,937

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	
	Six-month period ended		Six-month period ended	
	30 June		30 June	
	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	(470,626)	27,669	(483,926)	(1,827)
Total items that will be reclassified subsequently to profit or loss	(470,626)	27,669	(483,926)	(1,827)
Total comprehensive income (expense) for the period	(274,154)	701,681	(326,467)	529,110
Profit attributable to:				
Owners of parent	193,242	642,251	157,459	530,937
Non-controlling interest	3,230	31,761	-	-
Profit for the period	196,472	674,012	157,459	530,937
Total comprehensive income (expense) attributable to:				
Owners of parent	(295,948)	663,516	(326,467)	529,110
Non-controlling interest	21,794	38,165	-	-
Total comprehensive income (expense) for the period	(274,154)	701,681	(326,467)	529,110
Basic earnings per share (in Baht)	0.41	1.35	0.33	1.11

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						
	Note	Issued and paid-up share capital	Shares premium	Legal reserve	Unappropriated	Difference from					Total equity
						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	
<i>(in thousand Baht)</i>											
Six-month period ended 30 June 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	9	-	-	-	(286,199)	-	-	-	(286,199)	-	(286,199)
Total contributions by and distributions to owners of the parent		-	-	-	(286,199)	-	-	-	(286,199)	-	(286,199)
Comprehensive income for the period											
Profit		-	-	-	642,251	-	-	-	642,251	31,761	674,012
Other comprehensive income		-	-	-	-	21,265	-	21,265	21,265	6,404	27,669
Total comprehensive income for the period		-	-	-	642,251	21,265	-	21,265	663,516	38,165	701,681
Balance at 30 June 2021		477,000	140,000	50,000	4,190,746	(780,469)	(15,250)	(795,719)	4,062,027	135,828	4,197,855

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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	Shares premium	Legal reserve	Unappropriated	Difference from					Total equity
						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	
<i>(in thousand Baht)</i>											
Six-month period ended 30 June 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	9	-	-	-	(238,356)	-	-	-	(238,356)	-	(238,356)
Total contributions by and distributions to owners of the parent		-	-	-	(238,356)	-	-	-	(238,356)	-	(238,356)
Comprehensive income for the period											
Profit		-	-	-	193,242	-	-	-	193,242	3,230	196,472
Other comprehensive income		-	-	-	-	(489,190)	-	(489,190)	(489,190)	18,564	(470,626)
Total comprehensive income for the period		-	-	-	193,242	(489,190)	-	(489,190)	(295,948)	21,794	(274,154)
Balance at 30 June 2022		477,000	140,000	50,000	4,551,876	(1,270,626)	(15,250)	(1,285,876)	3,933,000	178,103	4,111,103

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>								
Six-month period ended 30 June 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	9	-	-	-	(286,199)	-	-	(286,199)
Total contributions by and distributions to owners		-	-	-	(286,199)	-	-	(286,199)
Comprehensive income (expense) for the period								
Profit		-	-	-	530,937	-	-	530,937
Other comprehensive income (expense)		-	-	-	-	(1,827)	(1,827)	(1,827)
Total comprehensive income (expense) for the period		-	-	-	530,937	(1,827)	(1,827)	529,110
Balance at 30 June 2021		477,000	140,000	50,000	4,023,216	(810,710)	(810,710)	3,879,506

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>								
Six-month period ended 30 June 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	9	-	-	-	(238,356)	-	-	(238,356)
Total contributions by and distributions to owners		-	-	-	(238,356)	-	-	(238,356)
Comprehensive income (expense) for the period								
Profit		-	-	-	157,459	-	-	157,459
Other comprehensive income (expense)		-	-	-	-	(483,926)	(483,926)	(483,926)
Total comprehensive income (expense) for the period		-	-	-	157,459	(483,926)	(483,926)	(326,467)
Balance at 30 June 2022		477,000	140,000	50,000	4,246,630	(1,279,493)	(1,279,493)	3,634,137

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
	Six-month period ended		Six-month period ended
	30 June		30 June
	2022	2021	2022
	<i>(in thousand Baht)</i>		
<i>Cash flows from operating activities</i>			
Profit for the period	196,472	674,012	157,459
<i>Adjustments to reconcile profit to cash receipts (payments)</i>			
Tax expense	37,174	107,673	16,654
Finance costs	2,892	12,717	2,378
Depreciation and amortisation	78,210	58,909	56,362
Amortisation of contract cost assets	21,029	51,277	21,029
Provision for employee benefits	1,422	1,375	1,422
Unrealised (gain) loss on exchange rate	(1,120)	4,528	(1,120)
Provision for warranty	14,032	13,568	14,533
Gain on fair value of derivatives	(336)	-	(336)
(Gain) loss on disposal of equipment	(2)	(239)	(2)
Interest income	(5,768)	(1,692)	(2,607)
	<u>344,005</u>	<u>922,128</u>	<u>265,772</u>
<i>Changes in operating assets and liabilities</i>			
Trade and other accounts receivables	468,720	(249,603)	332,645
Inventories	(182,720)	(46,009)	(22,863)
Contract cost assets	(94,427)	-	(94,427)
Other non-current assets	2,322	225	-
Trade and other accounts payables	58,902	(78,547)	22,072
Exchange rate differences on translating of financial statements	(321,784)	3,467	(304,836)
Cash from operating activities	275,018	551,661	198,363
Provision for employee benefit	-	(287)	-
Provision for product warranty paid	(5,913)	(12,591)	(5,913)
Taxes paid	(79,273)	(84,849)	(53,194)
Net cash from operating activities	<u>189,832</u>	<u>453,934</u>	<u>139,256</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
	Six-month period ended 30 June		Six-month period ended 30 June
	2022	2021	2022
	<i>(in thousand Baht)</i>		
<i>Cash flows from investing activities</i>			
Decrease in loans to employees	866	2,454	866
Loans to related parties	-	-	(38,281)
Acquisition of property, plant and equipment	(149,126)	(82,522)	(127,259)
Proceeds from disposal of property, plant and equipment	76	327	30
Acquisition of intangible assets	(701)	(1,471)	(701)
Interest received	6,272	1,696	3,111
Net cash used in investing activities	(142,613)	(79,516)	(162,234)
<i>Cash flows from financing activities</i>			
Proceeds from short-term loans from financial institutions	-	12,563	-
Payment of short-term loans from financial institutions	(24,674)	-	-
Payment of lease liabilities	(1,605)	(1,230)	(1,605)
Dividend paid	(238,356)	(286,199)	(238,356)
Interest paid	(1,967)	(12,722)	(1,391)
Net cash from (used in) financing activities	(266,602)	(287,588)	(241,352)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rate changes	(219,383)	86,830	(264,330)
Effect of exchange rate changes on cash and cash equivalents	4,305	(2,360)	4,305
Net increase in cash and cash equivalents	(215,078)	84,470	(260,025)
Cash and cash equivalents at 1 January	566,375	378,289	509,004
Cash and cash equivalents at 30 June	351,297	462,759	248,979
Non-cash transactions			
Purchase of fixed assets under lease liabilities	-	1,315	-

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

rate
tatements
riod ended
une

2021

530,937

76,021

13,265

39,301

51,277

1,375

4,528

13,568

-

(8,502)

(3,860)

717,910

(195,688)

(84,510)

-

-

101,715

437

539,864

(287)

(12,591)

(59,449)

467,537

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

rate
tatements
riod ended
une

2021

2,454

-

(74,670)

8,526

(1,471)

5,465

(59,696)

-

-

(1,140)

(286,199)

(12,472)

(299,811)

108,030

(2,360)

105,670

175,816

281,486

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 and six-month periods ended 30 June 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	Income tax expense
9	Dividends
10	Commitments with non-related parties
11	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 six-month periods ended 30 June 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 August 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 June 2022, the Company’s major shareholders are Thai NVDR Co., Ltd. (11.79% shareholding), registered in Thailand, and Nomura Securities Company Limited (4.72% shareholding), registered in Japan.

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 11.

M.C.S. Steel Public Company Limited and its subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

3 Related parties

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

<i>Significant transactions with related parties</i> <i>Six-month periods ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Subsidiaries				
Interest income	-	-	2,278	3,106
Cost of service	-	-	873,806	826,298
Technical assistance expense	-	-	8,995	8,434
Finance costs	-	-	58	801
Key management personnel				
Key management personnel compensation				
Short-term benefits	27,439	31,894	23,192	27,838
Post-employment benefits	109	105	109	105
Total key management personnel compensation	<u>27,548</u>	<u>31,999</u>	<u>23,301</u>	<u>27,943</u>

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

	Consolidated financial statements		Separate financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
<i>Trade and other account receivable</i>	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	875,511	629,771
Less allowance for expected credit loss	-	-	(16,640)	(18,707)
Total	<u>-</u>	<u>-</u>	<u>858,871</u>	<u>611,064</u>

	Interest rate		31 December 2021	Separate financial statements			30 June 2022
	31 December 2021	30 June 2022		Increase	Decrease	Translation adjustment	
<i>Loans to</i>	<i>(% per annum)</i>						
A subsidiary	1.83	1.00	454,754	38,281	-	(50,247)	442,788
Less allowance for expected credit loss			(24,502)	-	-	2,707	(21,795)
Net			<u>430,252</u>				<u>420,993</u>

M.C.S. Steel Public Company Limited and its subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
<i>Trade account payable</i>				
		<i>(in thousand Baht)</i>		
Subsidiaries	-	-	720,265	647,695
Total	-	-	720,265	647,695
<i>Other account payable</i>				
Subsidiaries	-	-	48,216	43,151
Total	-	-	48,216	43,151
<i>Loans from</i>			Separate financial statements	
			30 June 2022 and 31 December 2021	
			Interest rate	<i>(in</i>
			<i>(% per annum)</i>	<i>thousand Baht)</i>
A subsidiary			2.00	5,809
Total				5,809

M.C.S. Steel Public Company Limited and its subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

4 Trade and other accounts receivables

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
<i>(in thousand Baht)</i>					
Trade accounts receivables					
<i>Other parties</i>					
Within credit terms		765,605	833,848	573,416	754,736
Overdue:					
Less than 3 months		59,742	267,664	59,742	267,664
3 - 6 months		26,111	-	26,111	-
6 - 12 months		-	1,382	-	1,382
Over 12 months		109,021	109,475	3	-
Total		960,479	1,212,369	659,272	1,023,782
Less allowance for expected credit loss		(109,018)	(109,475)	-	-
Net		851,461	1,102,894	659,272	1,023,782
<i>Other accounts receivables</i>					
<i>Related parties</i>	3				
Product and service advance payment		-	-	872,327	616,770
Others		-	-	3,184	13,001
Less allowance for expected credit loss		-	-	(16,640)	(18,707)
		-	-	858,871	611,064
<i>Other parties</i>					
Retention receivables		314,317	549,501	314,317	549,501
Contract assets		7,480	7,480	7,480	7,480
Product and service advance payment		93,932	52,540	34,144	6,328
Revenue department receivables		69,932	73,087	43,440	36,296
Others		53,683	61,617	38,443	41,360
		539,344	744,225	437,824	640,965
Less allowance for expected credit loss		(58,685)	(58,469)	(7,480)	(7,480)
Net		480,659	685,756	430,344	633,485
Total		480,659	685,756	1,289,215	1,244,549
Net - trade and other accounts receivables		1,332,120	1,788,650	1,948,487	2,268,331

M.C.S. Steel Public Company Limited and its subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

5 Inventories

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Work in process	452,209	750,625	218,011	532,692
Raw materials	1,069,219	945,473	883,862	792,124
Spare parts and factory supplies	339,424	210,513	187,506	170,178
Goods in transit	322,910	95,689	322,910	95,689
Total	2,183,672	2,002,300	1,612,289	1,590,683
Less allowance for decline in value of inventories	(10,118)	(11,375)	(10,118)	(11,375)
Net	2,173,644	1,990,925	1,602,171	1,579,308

6 Short-term loan from financial institutions

At 30 June 2022, a subsidiary has outstanding short-term loan from the financial institutions, amounting to Baht 15.17 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 and six-month periods ended 30 June 2022 (Unaudited)

Consolidated financial statements

	Thailand		China		Japan		Elimination of inter-segment revenues		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<i>Six-month period ended 30 June</i>										
	<i>(in thousand Baht)</i>									
Information about reportable segments										
External revenues	2,287,270	3,072,551	-	2,824	582	8,445	-	-	2,287,852	3,083,820
Inter-segment revenue	-	-	596,068	529,025	297,103	208,010	(893,171)	(737,035)	-	-
Total	<u>2,287,270</u>	<u>3,072,551</u>	<u>596,068</u>	<u>531,849</u>	<u>297,685</u>	<u>216,455</u>	<u>(893,171)</u>	<u>(737,035)</u>	<u>2,287,852</u>	<u>3,083,820</u>
Disaggregation of revenue										
Primary geographical markets										
Thailand	-	59,362	596,068	529,025	297,103	208,010	(893,171)	(737,035)	-	59,362
China	-	-	-	2,824	-	-	-	-	-	2,824
Japan	2,287,270	3,013,189	-	-	582	8,445	-	-	2,287,852	3,021,634
Total	<u>2,287,270</u>	<u>3,072,551</u>	<u>596,068</u>	<u>531,849</u>	<u>297,685</u>	<u>216,455</u>	<u>(893,171)</u>	<u>(737,035)</u>	<u>2,287,852</u>	<u>3,083,820</u>
Major products/service lines										
Fabrication and sell of structural steel	2,093,187	2,756,541	596,068	531,849	297,685	216,455	(893,171)	(737,035)	2,093,769	2,767,810
Fabrication including installation of structural steel	-	59,362	-	-	-	-	-	-	-	59,362
Rendering of services	194,083	256,648	-	-	-	-	-	-	194,083	256,648
Total	<u>2,287,270</u>	<u>3,072,551</u>	<u>596,068</u>	<u>531,849</u>	<u>297,685</u>	<u>216,455</u>	<u>(893,171)</u>	<u>(737,035)</u>	<u>2,287,852</u>	<u>3,083,820</u>
Timing of revenue recognition										
At a point in time	2,093,187	2,756,541	596,068	531,849	297,685	216,455	(893,171)	(737,035)	2,093,769	2,767,810
Over time	194,083	316,010	-	-	-	-	-	-	194,083	316,010
Total	<u>2,287,270</u>	<u>3,072,551</u>	<u>596,068</u>	<u>531,849</u>	<u>297,685</u>	<u>216,455</u>	<u>(893,171)</u>	<u>(737,035)</u>	<u>2,287,852</u>	<u>3,083,820</u>
Segment profit before income tax	<u>173,873</u>	<u>607,552</u>	<u>28,615</u>	<u>122,154</u>	<u>12,413</u>	<u>18,003</u>	<u>18,748</u>	<u>34,260</u>	<u>233,649</u>	<u>781,969</u>
Segment assets as at 30 June/31 December	<u>5,611,048</u>	<u>6,447,043</u>	<u>945,647</u>	<u>689,825</u>	<u>776,509</u>	<u>685,982</u>	<u>(1,614,820)</u>	<u>(1,440,038)</u>	<u>5,718,384</u>	<u>6,373,812</u>
Segment liabilities as at 30 June/31 December	<u>1,958,160</u>	<u>2,474,387</u>	<u>380,948</u>	<u>229,685</u>	<u>781,074</u>	<u>697,056</u>	<u>(1,512,900)</u>	<u>(1,225,171)</u>	<u>1,607,282</u>	<u>2,175,957</u>

M.C.S. Steel Public Company Limited and its subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 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 six-month period ended 30 June 2022 was 15% (2021: 14%). The difference in legal tax rate and effective tax rate was caused mainly from the Company has been granted by the Board of Investment (“BOI”) which exempt from payment of income tax for certain operations.

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>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

10 Commitments with non-related parties

<i>At 30 June 2022</i>	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Capital commitments		
Buildings and other constructions	10,378	10,378
Other commitments		
Unused letters of credit for goods and supplies	568,039	568,039
Purchase orders for goods and supplies	714	714
Bank guarantees	1,066,845	1,066,845
Other agreements	1,965	1,965
Total	1,637,563	1,637,563

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 and six-month periods ended 30 June 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 Functional currency financial statements

The statements of financial position as at 30 June 2022 and 31 December 2021 and statements of comprehensive income for the three-month and six-month period ended 30 June 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		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
<i>Statement of financial position</i>	2022	2021	2022	2021
	<i>(in thousand Yen)</i>			
Assets				
Current assets				
Cash and cash equivalents	1,376,508	1,974,044	975,588	1,774,084
Trade and other accounts receivables	5,219,721	6,234,164	7,634,868	7,906,044
Current portion of long-term loans to employees	30,686	27,295	30,686	27,295
Inventories	8,517,114	6,939,172	6,277,880	5,504,523
Total current assets	15,144,029	15,174,675	14,919,022	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	283,030	254,774	283,030	254,774
Property, plant and equipment	5,473,965	5,079,315	3,481,444	3,180,417
Right-of-use assets	569,513	517,701	27,934	28,348
Goodwill	74,523	74,523	-	-
Other intangible assets	65,093	64,515	29,070	28,369
Deferred tax assets	33,855	12,611	50,935	29,691
Contract costs assets	754,512	459,933	754,512	459,933
Other non-current assets	2,118	10,161	136	121
Total non-current assets	7,256,609	6,473,533	6,987,899	6,192,491
Total assets	22,400,638	21,648,208	21,906,921	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 six-month periods ended 30 June 2022 (Unaudited)

<i>Statement of financial position</i>	Consolidated financial statements		Separate financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in thousand Yen)</i>			
Liabilities and equity				
Current liabilities				
Trade and other accounts payables	5,479,498	4,624,909	7,096,569	6,190,244
Current portion of lease liabilities	10,676	9,626	10,147	9,097
Short-term loan from related party	-	-	22,155	19,735
Short-term loan from financial institutions	57,849	135,354	-	-
Current income tax payable	84,186	187,949	-	96,752
Total current liabilities	5,632,209	4,957,838	7,128,871	6,315,828
Non-current liabilities				
Lease liabilities	21,426	19,993	21,039	19,341
Deferred tax liabilities	148,098	136,764	-	-
Non-current provisions for employee benefits	110,301	93,521	110,301	93,521
Provision for product warranty	217,692	184,817	202,123	169,248
Total non-current liabilities	497,517	435,095	333,463	282,110
Total liabilities	6,129,726	5,392,933	7,462,334	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	13,289,845	13,619,793	12,650,657	13,012,569
Other components of equity	503,319	302,121	-	-
Equity attributable to owners of the parent	15,587,094	15,715,844	14,444,587	14,806,499
Non-controlling interests	683,818	539,431	-	-
Total equity	16,270,912	16,255,275	14,444,587	14,806,499
Total liabilities and equity	22,400,638	21,648,208	21,906,921	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 six-month periods ended 30 June 2022 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Three-month period ended 30 June		Three-month period ended 30 June	
<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	2,507,510	6,554,909	2,505,704	6,539,303
Contract revenue	-	111,771	-	111,771
Net foreign exchange gain	7,795	-	-	-
Other income	20,235	28,497	13,665	59,289
Total revenue	2,535,720	6,695,177	2,519,369	6,710,363
Expenses				
Cost of sales of goods and rendering of services	2,135,259	3,663,257	2,232,578	4,287,138
Contract costs	-	115,925	-	115,925
Distribution costs	448,938	823,988	448,938	823,988
Administrative expenses	259,391	295,198	187,690	222,362
Net foreign exchange loss	-	59,563	26,976	54,627
Total expenses	2,843,588	4,957,931	2,896,182	5,504,040
Profit (loss) from operating activities	(307,868)	1,737,246	(376,813)	1,206,323
Finance costs	6,054	19,589	5,505	20,361
Profit (loss) before income tax expense	(313,922)	1,717,657	(382,318)	1,185,962
Tax expense (income)	40,064	204,670	(21,070)	129,766
Profit (loss) for the period	(353,986)	1,512,987	(361,248)	1,056,196
Other comprehensive income (expense)				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	83,751	(4,282)	-	-
Total items that will be reclassified subsequently to profit or loss	83,751	(4,282)	-	-
Total comprehensive income (expense) for the period	(270,235)	1,508,705	(361,248)	1,056,196
Profit (loss) attributable to:				
Owners of parent	(363,944)	1,427,425	(361,248)	1,056,196
Non-controlling interest	9,958	85,562	-	-
Profit (loss) for the period	(353,986)	1,512,987	(361,248)	1,056,196
Total comprehensive income (expense) attributable to:				
Owners of parent	(370,494)	1,422,213	(361,248)	1,056,196
Non-controlling interest	100,259	86,492	-	-
Total comprehensive income (expense) for the period	(270,235)	1,508,705	(361,248)	1,056,196
Basic earnings (loss) per share (in Yen)	(0.76)	2.99	(0.76)	2.21

M.C.S. Steel Public Company Limited and its subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Six-month period ended		Six-month period ended	
	30 June		30 June	
<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	8,204,984	10,559,340	8,202,817	10,519,087
Contract revenue	-	207,275	-	207,275
Net foreign exchange gain	83,884	-	-	-
Other income	51,345	54,783	41,349	87,032
Total revenue	8,340,213	10,821,398	8,244,166	10,813,394
Expenses				
Cost of sales of goods and rendering of services	5,762,520	5,991,573	5,951,254	6,754,544
Contract costs	-	179,000	-	179,000
Distribution costs	1,247,146	1,176,558	1,247,146	1,176,558
Administrative expenses	614,264	566,656	432,092	416,582
Net foreign exchange loss	-	127,048	19,429	121,152
Total expenses	7,623,930	8,040,835	7,649,921	8,647,836
Profit from operating activities	716,283	2,780,563	594,245	2,165,558
Finance costs	10,563	44,414	8,724	46,330
Profit before income tax expense	705,720	2,736,149	585,521	2,119,228
Tax expense	133,271	375,960	57,059	265,479
Profit for the period	572,449	2,360,189	528,462	1,853,749
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	333,563	86,121	-	-
Total items that will be reclassified subsequently to profit or loss	333,563	86,121	-	-
Total comprehensive income for the period	906,012	2,446,310	528,462	1,853,749
Profit attributable to:				
Owners of parent	560,428	2,249,357	528,462	1,853,749
Non-controlling interest	12,021	110,832	-	-
Profit for the period	572,449	2,360,189	528,462	1,853,749
Total comprehensive income attributable to:				
Owners of parent	761,625	2,314,312	528,462	1,853,749
Non-controlling interest	144,387	131,998	-	-
Total comprehensive income for the period	906,012	2,446,310	528,462	1,853,749
Basic earnings per share (in Yen)	1.17	4.72	1.11	3.89