

**TMT STEEL PUBLIC COMPANY LIMITED**

**INTERIM FINANCIAL INFORMATION  
(UNAUDITED)**

**31 MARCH 2022**

## **AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

To the Shareholders and the Board of Directors of TMT Steel Public Company Limited

I have reviewed the interim financial information of TMT Steel Public Company Limited, which comprises the statement of financial position as at 31 March 2022, the related statements of comprehensive income, changes in equity, and cash flows for the three-month period then ended, and the condensed notes to the 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".

PricewaterhouseCoopers ABAS Ltd.

**Kan Tanthawirat**

Certified Public Accountant (Thailand) No. 10456

Bangkok

11 May 2022

**TMT Steel Public Company Limited**  
**Statement of Financial Position**  
**As at 31 March 2022**

		<b>31 March 2022 Baht (Unaudited)</b>	<b>31 December 2021 Baht (Audited)</b>
	<b>Notes</b>		
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		161,474,670	121,336,142
Trade accounts receivable and other receivables	6	3,508,477,193	3,367,019,598
Inventories, net	7	3,006,492,203	3,231,522,856
Advance payments for purchases of inventories		348,775,249	144,039,896
Derivative assets		2,715,849	-
Other current assets		4,529,114	5,578,200
<b>Total current assets</b>		<b>7,032,464,278</b>	<b>6,869,496,692</b>
<b>Non-current assets</b>			
Investment properties		55,729,000	55,729,000
Property, plant and equipment, net	8	3,068,599,071	3,053,275,799
Right-of-use assets, net		68,413,723	14,325,033
Intangible assets, net	8	37,075,442	34,900,375
Deferred income tax assets, net		38,078,833	34,685,877
Other non-current assets		5,112,389	4,972,389
<b>Total non-current assets</b>		<b>3,273,008,458</b>	<b>3,197,888,473</b>
<b>Total assets</b>		<b>10,305,472,736</b>	<b>10,067,385,165</b>

Director \_\_\_\_\_

Director \_\_\_\_\_

The accompanying notes form an integral part of this financial information.

**TMT Steel Public Company Limited**

**Statement of Financial Position**

**As at 31 March 2022**

		<b>31 March 2022 Baht (Unaudited)</b>	<b>31 December 2021 Baht (Audited)</b>
	<b>Notes</b>		
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Short-term borrowings from financial institutions	9.1	3,534,174,746	3,485,596,976
Trade accounts payable and other payables		448,294,456	399,198,543
Income tax payable		153,653,918	122,715,468
Advance received from customers for goods		57,274,255	42,475,348
Current portion of long-term borrowings from financial institutions	9.2	539,323,018	539,269,303
Current portion of lease liabilities		23,662,972	10,705,047
<b>Total current liabilities</b>		<b>4,756,383,365</b>	<b>4,599,960,685</b>
<b>Non-current liabilities</b>			
Long-term borrowings from financial institutions	9.2	1,532,757,093	1,627,618,605
Lease liabilities		44,992,020	4,028,333
Employee benefit obligations		96,770,016	81,770,396
<b>Total non-current liabilities</b>		<b>1,674,519,129</b>	<b>1,713,417,334</b>
<b>Total liabilities</b>		<b>6,430,902,494</b>	<b>6,313,378,019</b>
<b>Equity</b>			
Share capital			
Authorised share capital			
870,758,034 ordinary shares of par Baht 1 each		870,758,034	870,758,034
Issued and paid-up share capital			
870,758,034 ordinary shares of paid-up Baht 1 each		870,758,034	870,758,034
Premium on share capital		427,323,198	427,323,198
Retained earnings			
Appropriated - Legal reserve		87,075,803	87,075,803
Unappropriated		2,489,413,207	2,368,850,111
<b>Total equity</b>		<b>3,874,570,242</b>	<b>3,754,007,146</b>
<b>Total liabilities and equity</b>		<b>10,305,472,736</b>	<b>10,067,385,165</b>

The accompanying notes form an integral part of this financial information.

**TMT Steel Public Company Limited**  
**Statement of Comprehensive Income**  
**For the three-month period ended 31 March 2022**

		<b>2022</b>	<b>2021</b>
		<b>Baht</b>	<b>Baht</b>
	<b>Note</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Sales		6,253,768,058	5,105,741,198
Cost of sales		(5,931,142,398)	(4,371,235,761)
<b>Gross profit</b>		<b>322,625,660</b>	<b>734,505,437</b>
Other income		20,249,323	11,517,389
Selling expenses		(53,099,275)	(49,110,647)
Administrative expenses		(106,546,589)	(144,310,635)
Finance costs - interest expenses		(26,468,229)	(26,159,779)
<b>Profit before income tax</b>		<b>156,760,890</b>	<b>526,441,765</b>
Income tax	5	(29,822,775)	(103,291,638)
<b>Profit for the period</b>		<b>126,938,115</b>	<b>423,150,127</b>
Other comprehensive income :			
Item that will not be reclassified to profit or loss			
Loss on remeasurements of defined			
employee benefit obligations		(7,968,774)	-
Income tax on item that will not be reclassified		1,593,755	-
<b>Total comprehensive income for the period</b>		<b>120,563,096</b>	<b>423,150,127</b>
<b>Earnings per share</b>			
Basic earnings per share		0.15	0.49

The accompanying notes form an integral part of this financial information.

## TMT Steel Public Company Limited

(Unaudited)

## Statement of Changes in Equity

For the three-month period ended 31 March 2022

	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Total Baht
			Appropriated - Legal reserve Baht	Unappropriated Baht	
<b>Opening balances at 1 January 2021</b>	870,758,034	427,323,198	75,391,488	1,808,229,854	3,181,702,574
Total comprehensive income for the period	-	-	-	423,150,127	423,150,127
<b>Closing balances at 31 March 2021</b>	<u>870,758,034</u>	<u>427,323,198</u>	<u>75,391,488</u>	<u>2,231,379,981</u>	<u>3,604,852,701</u>
<b>Opening balances at 1 January 2022</b>	870,758,034	427,323,198	87,075,803	2,368,850,111	3,754,007,146
Total comprehensive income for the period	-	-	-	120,563,096	120,563,096
<b>Closing balances at 31 March 2022</b>	<u>870,758,034</u>	<u>427,323,198</u>	<u>87,075,803</u>	<u>2,489,413,207</u>	<u>3,874,570,242</u>

The accompanying notes form an integral part of this financial information.

**TMT Steel Public Company Limited**  
**Statement of Cash Flows**  
**For the three-month period ended 31 March 2022**

		<b>2022</b>	<b>2021</b>
		<b>Baht</b>	<b>Baht</b>
	<b>Notes</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash flows from operating activities</b>			
Profit before income tax		156,760,890	526,441,765
Adjustments for:			
Loss allowance	6	3,894,232	15,507,450
(Reversal) Allowance for net realisable value	7	(1,954,197)	(649,995)
Depreciation and amortisation		71,267,580	65,096,411
Loss on disposals of equipment		123,113	1,212,828
Gain on derivatives		(2,715,849)	(856,613)
Employee benefit expenses		8,485,779	2,839,990
Interest expenses		26,468,229	26,159,779
Cash flows before changes in operating assets and liabilities		262,329,777	635,751,615
Change in operating assets and liabilities:			
Trade accounts receivable and other receivables		(145,351,827)	(494,686,802)
Inventories		226,984,850	(180,113,060)
Advances paid for purchases of inventories		(204,735,353)	(101,490,165)
Other current assets		1,049,086	30,516,084
Other non-current assets		(140,000)	-
Trade accounts payable and other payables		56,830,112	81,715,636
Advances received from customers for goods		14,798,907	(16,344,125)
Employee benefit obligations paid		(1,454,933)	-
Cash flows generated from (used in) operations before interest and income tax paid		210,310,619	(44,650,817)
Interest paid		(34,306,008)	(17,689,314)
Income tax paid		(683,526)	(596,494)
Net cash generated from (used in) operating activities		175,321,085	(62,936,625)
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(78,373,254)	(102,284,153)
Purchases of intangible assets		(5,434,280)	(2,473,220)
Proceeds from disposals of equipment		1,094,537	1,191,589
Net cash used in investing activities		(82,712,997)	(103,565,784)

The accompanying notes form an integral part of this financial information.

**TMT Steel Public Company Limited**  
**Statement of Cash Flows**  
**For the three-month period ended 31 March 2022**

		<b>2022</b>	<b>2021</b>
		<b>Baht</b>	<b>Baht</b>
	<b>Notes</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash flows from financing activities</b>			
Proceeds from short-term borrowings			
from financial institutions	9.1	7,434,769,681	4,625,239,953
Repayments to short-term borrowings			
from financial institutions	9.1	(7,386,191,911)	(4,878,646,915)
Repayments to long-term borrowings			
from financial institutions	9.2	(95,000,000)	500,000,000
Payments for front-end fees of loan agreement		-	(20,005)
Payments for lease liabilities		(6,047,330)	(5,820,105)
		<u>(52,469,560)</u>	<u>240,752,928</u>
<b>Net cash (used in) generated from financing activities</b>		<b>(52,469,560)</b>	<b>240,752,928</b>
		<b>40,138,528</b>	<b>74,250,519</b>
<b>Net increase in cash and cash equivalents</b>		<b>40,138,528</b>	<b>74,250,519</b>
Opening balance		121,336,142	1,130,671,824
		<u>161,474,670</u>	<u>1,204,922,343</u>
Closing balance		<u>161,474,670</u>	<u>1,204,922,343</u>
<b>Cash and cash equivalents are made up as follows:</b>			
- Cash on hand		616,460	436,645
- Deposits at financial institutions		160,858,210	1,204,485,698
		<u>161,474,670</u>	<u>1,204,922,343</u>

**Non-cash transactions**

Significant non-cash transactions for the three-month periods ended 31 March 2022 and 2021 are as follows:

Other payables from purchases of property, plant and equipment	18,940,054	8,597,255
Other payables from purchases of intangible assets	1,140,000	-

The accompanying notes form an integral part of this financial information.



## **1 Basis of preparation**

The interim financial information has been prepared in accordance with Thai Accounting Standard (TAS) no. 34, *Interim Financial Reporting* and other financial reporting requirements issued under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2021.

An English version of these interim financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

## **2 Accounting policies**

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2021.

New and amended Thai Financial Reporting Standards effective for the accounting periods beginning on or after 1 January 2022 do not have material impact on the Company.

## **3 Accounting estimates**

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

## **4 Segment information**

The Company does not present segment information. The Company's business operations are trading and transforming the structural steel, plates and sheets which are fallen within the same product group and its products are mainly sold in domestic market.

## **5 Income tax**

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 31 March 2022 is 19%, compared to 20%, for the three-months ended 31 March 2021. The tax rate was lower in 2022 due to the decrease of undeductible expense.

**TMT Steel Public Company Limited**  
**Condensed Notes to Interim Financial Information (Unaudited)**  
**For the three-month period ended 31 March 2022**

**6 Trade accounts receivable, net**

As at 31 March 2022, outstanding trade receivables, included in trade and other receivables in statement of financial position, can analyse aging as follows:

	<b>31 March 2022 Baht (Unaudited)</b>	<b>31 December 2021 Baht (Audited)</b>
Current balance	2,958,353,879	2,693,028,104
Overdue: less than 1 month	422,446,752	614,319,432
Over 1 month to 3 months	97,383,752	70,345,129
Over 3 months to 6 months	46,044,939	11,183,349
Over 6 months to 12 months	25,840,763	26,937,920
Over 12 months	18,769,616	19,120,095
	<b>3,568,839,701</b>	<b>3,434,934,029</b>
<u>Less</u> Loss allowance	<u>(92,609,251)</u>	<u>(88,715,019)</u>
Total	<b>3,476,230,450</b>	<b>3,346,219,010</b>

**7 Inventories, net**

	<b>31 March 2022 Baht (Unaudited)</b>	<b>31 December 2021 Baht (Audited)</b>
Raw materials	1,212,881,702	1,226,642,891
Finished goods	1,798,681,636	2,011,905,297
Total inventories	<b>3,011,563,338</b>	<b>3,238,548,188</b>
<u>Less</u> Allowance for net realisable value		
- for raw materials	(2,594,127)	(2,992,809)
- for finished goods	(2,477,008)	(4,032,523)
Total	<b>3,006,492,203</b>	<b>3,231,522,856</b>

The Company reversed allowance for net realisable value amounting to Baht 1.95 million which has been included in cost of sales in the statement of comprehensive income.

**8 Property, plant and equipment and intangible assets, net**

Movements of Property, plant and equipment and intangible assets for the three-month period ended 31 March 2022 are as follows:

	<b>Property, plant and Equipment Baht</b>	<b>Intangible assets Baht</b>
Opening net book value (Audited)	3,053,275,799	34,900,375
Additions	80,129,037	3,974,280
Disposals, net	(1,217,650)	-
Depreciation and amortisation	(63,588,115)	(1,799,213)
Closing net book value (Unaudited)	<b>3,068,599,071</b>	<b>37,075,442</b>

## 9 Borrowings

### 9.1 Short-term borrowings from financial institutions

Movements of short-term borrowings for the three-month period ended 31 March 2022 are as follows:

	<b>Baht</b>
Opening book amount (Audited)	3,485,596,976
Additions	7,434,769,681
Repayments	<u>(7,386,191,911)</u>
Closing book amount (Unaudited)	<u>3,534,174,746</u>

Short-term borrowings from financial institutions were unsecured. The Company has provided the negative pledge to the financial institutions.

### 9.2 Long-term borrowings from financial institutions

Movements of long-term borrowings from financial institutions for the three-month period ended 31 March 2022 are as follows:

	<b>Baht</b>
Opening book amount (Audited)	2,166,887,908
Repayments	(95,000,000)
Amortisation of deferred front-end fees	<u>192,203</u>
Closing book amount (Unaudited)	<u>(2,072,080,111)</u>

The fair value of current borrowings equal their carrying amount, as the impact of discounting is not significant. The fair values are based on discounted cash flows using a discount rate based upon the borrowings rate of 2.78 - 3.08 and are within level 2 of the fair value hierarchy.

## 10 Contingent liabilities

### Letters of guarantee

As at 31 March 2022, the Company had outstanding letters of guarantee amounting to Baht 29.84 million (31 December 2021: Baht 29.84 million) issued by a bank for electricity usage and purchases of goods. No liabilities are anticipated to be arisen.

### Letters of credits

As at 31 March 2022, the Company had outstanding letters of credit amounting to US Dollars 20.13 million in relation to purchases of goods and machineries (31 December 2021: US Dollar 5.65 million and Baht 4.35 million).

## 11 Commitments

### Operating leases - Lessee

The future minimum lease payments under operating leases arising from the office equipment which were not recognised in the financial information according to recognition exemptions for short-term leases and leases of low-value assets are as follows:

	<b>31 March 2022 Baht (Unaudited)</b>	<b>31 December 2021 Baht (Audited)</b>
Within 1 year	131,900	112,900
Over 1 year but not over 5 years	67,400	46,700
<b>Total</b>	<b>199,300</b>	<b>159,600</b>

### Purchase commitments

As at 31 March 2022, the Company had outstanding commitments relating to the purchases of goods with fixed buying price of US Dollars 14.06 million (31 December 2021: Baht 5.70 million and US Dollars 1.94 million).

### Capital commitments

As at 31 March 2022, the Company had capital expenditure contracted from the purchase of machineries, software programme and the construction of the factory building but not yet recognised in this financial information of Baht 15.06 million and US dollars 5.19 million (31 December 2021: Baht 35.71 million, US dollars 6.41 million).

## 12 Related party transactions

Major shareholders of the Company are members of Tarasarnsombat family.

The transactions with a related company, Connex Business Online Co., Ltd., arose from purchasing of software programme and using computer system service. Certain shareholders of the Company have significant holding in the shares of Connex Business Online Co., Ltd.

The Company has entered into operating lease agreements of a land and building on Rama III road with Combine Asset Co., Ltd. Certain shareholders of the Company have significant holding in the shares of Combine Asset Co., Ltd. The lease agreements are for a period of 3 years. The first agreement is from April 2019 until March 2022, at an agreed price of Baht 2.40 million per year. On 12 April 2022, the Company has renewed the first agreement is from April 2022 until March 2025, at an agreed price of Baht 2.40 million per year. The second agreement is from October 2020 until October 2023, at an agreed price of Baht 3.6 million per year.

A summary of significant transactions with related parties is as follows:

#### a) Purchases and operating expenses

<b>For the three-month periods ended 31 March</b>	<b>2022 Baht (Unaudited)</b>	<b>2021 Baht (Unaudited)</b>
Purchase of software programme	1,927,800	-
Computer system service expense	143,419	143,419
Payment on lease liabilities	1,439,192	1,386,303
Interest expense from leases liabilities	60,808	113,697

**b) Outstanding balances arising from purchase and operating expenses**

The outstanding balances at the end of the reporting period in relation to transactions with related parties are as follows:

	<b>31 March 2022 Baht (Unaudited)</b>	<b>31 December 2021 Baht (Audited)</b>
Lease liabilities	12,410,299	6,964,898

**c) Directors and managements' remuneration**

Directors and managements' remuneration comprises salaries, other benefits, other remuneration and meeting fees.

**For the three-month periods ended 31 March**

	<b>2022 Baht (Unaudited)</b>	<b>2021 Baht (Unaudited)</b>
Short-term employee benefits	11,109,000	9,444,000
Retirement employee benefits	584,683	514,104
	<b>11,693,683</b>	<b>9,958,104</b>

**13 Events occurring after the reporting date**

At the Annual General Shareholders' Meeting on 7 April 2022, the shareholders approved the dividend payment of Baht 1.30 per share for 870,758,034 shares, in respect of the 2021 operating results, totalling Baht 1,131.98 million. The interim dividends amounting to Baht 522.45 million were paid to the shareholders on 10 September 2021. And the dividends amounting to Baht 609.53 million were paid to the shareholders on 6 May 2022.

**14 Authorisation of financial information**

The interim financial information was authorised for issue by the Board of Directors on 11 May 2022.