

THAI STEEL CABLE PUBLIC COMPANY LIMITED

INTERIM FINANCIAL INFORMATION (UNAUDITED)

31 DECEMBER 2023

AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

To the Board of Directors of Thai Steel Cable Public Company Limited

I have reviewed the interim financial information of Thai Steel Cable Public Company Limited, which comprises the statement of financial position as at 31 December 2023, the related statement of comprehensive income, statement of changes in equity and statement of 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 (TAS) no. 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 we 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 (TAS) no. 34, Interim Financial Reporting.

PricewaterhouseCoopers ABAS Ltd.

Pongthavee Ratanakoses

Certified Public Accountant (Thailand) No. 7795

Bangkok, Thailand

6 February 2024

Thai Steel Cable Public Company Limited
Statement of Financial Position
As at 31 December 2023

		Unaudited	Audited
		31 December	30 September
		2023	2023
	Notes	Thousand Baht	Thousand Baht
Assets			
Current assets			
Cash and cash equivalents		212,695	234,174
Trade and other receivables	6	480,741	536,785
Inventories, net	7	205,917	202,072
Short-term fixed deposit		276,957	185,345
Other current assets		8,391	9,876
Total current assets		1,184,701	1,168,252
Non-current assets			
Investment in equity instrument of a non-listed company	8	29,682	29,682
Investment properties, net	9	180,142	182,329
Property, plant and equipment, net	10	874,379	883,840
Intangible assets, net		6,908	6,856
Deferred tax assets, net		9,832	9,523
Other non-current assets		1,892	8,705
Total non-current assets		1,102,835	1,120,935
Total assets		2,287,536	2,289,187

The accompanying notes are an integral part of these financial statements.

Thai Steel Cable Public Company Limited
Statement of Financial Position
As at 31 December 2023

		Unaudited	Audited
		31 December	30 September
		2023	2023
	Notes	Thousand Baht	Thousand Baht
Liabilities and equity			
Current liabilities			
Trade and other payables	11	478,921	570,666
Current portion of lease liabilities, net		1,560	1,492
Income tax payable		5,234	3,815
Other current liabilities		12,827	9,257
Total current liabilities		498,542	585,230
Non-current liabilities			
Lease liabilities, net		1,740	1,687
Employee benefit obligations		58,723	56,841
Provision for product warranty	12	84,897	85,726
Other non-current liabilities		603	513
Total non-current liabilities		145,963	144,767
Total liabilities		644,505	729,997

The accompanying notes are an integral part of these financial statements.

Thai Steel Cable Public Company Limited
Statement of Financial Position
As at 31 December 2023

	Unaudited 31 December 2023 Thousand Baht	Audited 30 September 2023 Thousand Baht
Liabilities and equity (Cont'd)		
Equity		
Share capital		
Authorised share capital		
268,500,000 ordinary shares of par Baht 1 each	268,500	268,500
Issued and paid-up share capital		
259,800,000 ordinary shares of paid-up Baht 1 each	259,800	259,800
Premium on paid-up capital	464,870	464,870
Retained earnings		
Appropriated - Legal reserve	26,850	26,850
Unappropriated	888,329	804,488
Other components of equity	3,182	3,182
Total equity	1,643,031	1,559,190
Total liabilities and equity	2,287,536	2,289,187

The accompanying notes are an integral part of these financial statements.

Thai Steel Cable Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 31 December 2023

		2023	2022
	Note	Thousand Baht	Thousand Baht
Revenues from sales		701,096	727,336
Costs of sales		(560,350)	(608,945)
Gross profit		140,746	118,391
Other income		7,778	1,686
Selling and distribution expenses		(8,691)	(9,960)
Administrative expenses		(53,476)	(46,090)
(Loss) gain on exchange rate, net		(948)	1,866
Profit before finance costs and income tax expense		85,409	65,893
Finance costs		(37)	(383)
Profit before income tax expense		85,372	65,510
Income tax expense	13	(1,531)	(394)
Profit for the period		83,841	65,116
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax		-	(3,381)
Total items that will not be reclassified to profit or loss		-	(3,381)
Total comprehensive income for the period		83,841	61,735
Earnings per share - owners of the Company			
Basic earnings per share (Baht per share)		0.32	0.25

The accompanying notes are an integral part of these financial statements.

Thai Steel Cable Public Company Limited
Statement of Changes in Equity (Unaudited)
For the three-month period ended 31 December 2023

	Issued and paid-up share capital Thousand Baht	Share premium Thousand Baht	Retained earnings		Other comprehensive income	Equity attributable to owners of the Company Thousand Baht
			Appropriated - Legal reserve Thousand Baht	Unappropriated Thousand Baht	Measurement of equity investments at fair value through ther comprehensive income Thousand Baht	
Opening balance as at 1 October 2022	259,800	464,870	26,850	786,065	8,029	1,545,614
Change in equity for the year						
Profit for the period	-	-	-	65,116	(3,381)	61,735
Closing balance as at 31 December 2022	259,800	464,870	26,850	851,181	4,648	1,607,349
Opening balance as at 1 October 2023	259,800	464,870	26,850	804,488	3,182	1,559,190
Change in equity for the year						
Profit for the period	-	-	-	83,841	-	83,841
Closing balance as at 31 December 2023	259,800	464,870	26,850	888,329	3,182	1,643,031

The accompanying notes are an integral part of these financial statements.

Thai Steel Cable Public Company Limited
Statement of Cash Flows (Unaudited)
For the three-month period ended 31 December 2023

		2024	2023
	Note	Thousand Baht	Thousand Baht
Cash flows from operating activities			
Profit before income tax expense		85,372	65,510
Adjustments for:			
Depreciation and amortisation		29,460	27,290
(Reversal) of inventory to net realisable value		(62)	572
Losses (gains) on disposal and write-off of assets		-	307
Increase in provision for product warranty	12	-	541
Provisions for product warranty paid	12	-	(224)
Decrease in provision for sales promotion	12	(829)	-
Increase in employee benefit obligation		1,882	2,706
Unrealised foreign exchange losses		758	2,022
Interest income		(1,342)	(699)
Interest expenses		37	383
Profit from operating activities before changes in operating assets and liabilities		115,276	98,408
Changes in operating assets and liabilities:			
- Trade and other receivables		53,712	62,394
- Inventories		(3,784)	(24,377)
- Other current assets		1,485	(2,017)
- Other non-current assets		6,814	(1,127)
- Trade and other payables		(91,495)	(52,245)
- Other current liabilities		3,570	(1,359)
- Other non-current liabilities		90	6
Cash generated from operating activities		85,668	79,683
Interest paid		-	(378)
Income tax paid		(421)	(637)
Net cash generated from operating activities		85,247	78,668

The accompanying notes are an integral part of these financial statements.

Thai Steel Cable Public Company Limited
Statement of Cash Flows (Unaudited)
For the three-month period ended 31 December 2023

	2024	2023
	Thousand Baht	Thousand Baht
Cash flows from investing activities		
Increase in short-term fixed deposit	(91,613)	-
Purchases of property, plant and equipment	(16,379)	(21,547)
Purchases of intangible assets	(674)	(4,368)
Proceeds from disposals of property, plant and equipment	-	3,653
Interest received	2,384	1,541
Net cash used in investing activities	(106,282)	(20,721)
Cash flows from financing activities		
Payments for lease liabilities	(444)	(5,392)
Net cash used in financing activities	(444)	(5,392)
Net increase (decrease) in cash and cash equivalents	(21,479)	52,555
Cash and cash equivalents at the beginning of the period	234,174	197,930
Cash and cash equivalents at the end of the period	<u>212,695</u>	<u>250,485</u>
Non-cash transactions		
- Payable for purchase of assets	11,235	8,334
- Equipment increased from transfer of non-current assets	-	27,910
- Equipment increased from lease liabilities	-	4,828

The accompanying notes are an integral part of these financial statements.

1 General information

Thai Steel Cable Public Company Limited (the Company) is a public company limited incorporated in Thailand. The address of its registered office is located at 700/737, Moo 1, Panthong, Panthong, Chonburi, Thailand.

The principal business of the Company is to engage in the manufacture and distribution of control cable of automobiles and motorcycles and window regulator of automobiles.

This interim financial information was authorised for issue by the Board of Directors on 6 February 2024.

This interim financial information is presented in Thai Baht, unless otherwise stated.

2 Basis of preparation accounting policies

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 30 September 2023.

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.

The Company reclassified comparative figures to conform with the current period presentation as described below.

Statement of comprehensive income for the three-month period ended 31 December 2023.

	Financial information		
	Previously reported Thousand Baht	Reclassified Thousand Baht	As reclassified Thousand Baht
Revenues from sales	727,125	211	727,336
Other income	1,897	(211)	1,686

3 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 30 September 2023.

New and amended Thai Financial Reporting Standards effective for the accounting periods beginning on or after 1 January 2023 do not have material impact on the Company.

4 Segment and revenue information

The Company is principally engaged in the manufacture and distribution of control cable of automobiles and motorcycles and window regulator of automobiles. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

The timing of revenue recognition is at a point in time for all revenues.

Major customers

For the three-month period ended 31 December 2023, the Company had revenues from 4 major customers, totalling of Baht 359 million, equivalent to 51% of the total revenue (For the three-month period ended 31 December 2022, 4 major customers, totalling of Baht 410 million, equivalent to 56% of the total revenue).

5 Fair value

The following table presents financial assets and liabilities that are measured at fair value, excluding where its fair value is approximating the carrying amount.

	Level 3	
	31 December 2023	30 September 2023
	Thousand Baht	Thousand Baht
Financial assets measured at fair value through other comprehensive income (FVOCI)		
Investment in equity Instruments of non-listed company (Note 8)	29,682	29,682

The Company applied adjusted net book value to measure fair value level 3. There were no changes in valuation techniques and no transfers between fair value level during the period.

The Company's valuation processes

The Company's finance department includes a team that performs the valuations of financial assets required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO). Discussions of valuation processes are held between the Chief Financial Officer and the valuation team at least once every quarter, in line with the Company's quarterly reporting dates.

Thai Steel Cable Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For three-month period ended 31 December 2023

The following table shows classification of the financial assets and liabilities by category.

	FVOCI	Amortised cost	Total
	Thousand Baht	Thousand Baht	Thousand Baht
As at 31 December 2023			
Financial assets			
Cash and cash equivalents	-	212,695	212,695
Trade and other receivables	-	480,741	480,741
Short-term fixed deposit	-	276,957	276,957
Investment in equity instrument of non-listed company	29,682	-	29,682
	29,682	970,393	1,000,075
Financial liabilities			
Trade and other payables	-	478,921	478,921
Lease liabilities	-	3,300	3,300
	-	482,221	482,221
As at 30 September 2023			
Financial assets			
Cash and cash equivalents	-	234,174	234,174
Trade and other receivables	-	536,785	536,785
Short-term fixed deposit	-	185,345	185,345
Investment in equity instrument of non-listed company	29,682	-	29,682
	29,682	956,304	985,986
Financial liabilities			
Trade and other payables	-	570,666	570,666
Lease liabilities	-	3,179	3,179
	-	573,845	573,845

Since the majority of the Company's financial instruments are short-term in nature, loans borrowings carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

6 Trade and other receivables

As at	31 December 2023 Thousand Baht	30 September 2023 Thousand Baht
Trade receivables - related parties		
Not yet due	44,896	61,684
Within 3 months	2,378	2,954
3 - 6 months	-	35
	47,274	64,673
<u>Less</u> Allowance for doubtful accounts	-	-
Total trade receivables - related parties (Note 15 b)	47,274	64,673
Trade receivables - third parties		
Not yet due	428,351	466,451
Within 3 months	2,949	3,112
3 - 6 months	-	336
6 - 12 months	-	10
Over 12 months	-	-
	431,300	469,909
<u>Less</u> Allowance for doubtful accounts	-	-
Total trade receivables - third parties	431,300	469,909
Other receivables - related parties (Note 15 b)	609	92
Other receivables - third parties	1,558	2,111
Total trade and other receivables	480,741	536,785

7 Inventories, net

As at	31 December 2023 Thousand Baht	30 September 2023 Thousand Baht
Finished goods	58,118	49,633
Work in process	33,669	35,057
Raw materials	90,378	87,093
Goods in transit	23,261	29,293
Spare parts and factory supplies	3,834	4,401
	209,260	205,477
<u>Less</u> Allowance for obsolescence	(3,343)	(3,405)
Total inventories, net	205,917	202,072

8 Financial assets measured at fair value through other comprehensive income

Details of financial assets measured at fair value through other comprehensive income (FVOCI) as of 31 December 2023 and 30 September 2023 are as follows:

Company's name	Country of incorporation	Shareholding percentage		Cost		Carrying amount at fair value	
		31 December 2023	30 September 2023	31 December 2023	30 September 2023	31 December 2023	30 September 2023
		%	%	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
HI-LEX Vietnam Co., Ltd.	Vietnam	6.28	6.28	25,704	25,704	29,682	29,682

The movements of financial assets measured at FVOCI during the period are as follows:

For the three-month period ended 31 December 2023	Thousand Baht
Opening net book value	29,682
Remeasurement at FVOCI	-
Closing net book value	29,682

9 Investment properties

Movement of investment properties for the three-month period ended 31 December 2023 are as follows:

For the three-month period ended 31 December 2023	Thousand Baht
Opening net book value	182,329
Depreciation	(2,187)
Closing net book value	180,142

10 Property, plant and equipment, net

Movements of property, plant, equipment for the three-month period ended 31 December 2023 are as follows:

	Right-of-use assets	Property, plant and equipment	Total
	Thousand Baht	Thousand Baht	Thousand Baht
For the three-month period ended 31 December 2023			
Opening net book value	3,059	880,781	883,840
Additions	528	16,525	17,053
Depreciation	(406)	(26,108)	(26,514)
Closing net book value	3,181	871,198	874,379

11 Trade and other payables

As at	31 December 2023 Thousand Baht	30 September 2023 Thousand Baht
Trade payables - related parties (Note 15 b)	108,345	125,864
Trade payables - third parties	320,693	322,158
Other payables - related parties (Note 15 b)	466	576
Other payables - third parties	18,774	22,116
Accrued expenses - related parties (Note 15 b)	7,834	3,901
Accrued expenses - third parties	22,809	96,051
Total trade and other payables	478,921	570,666

12 Provision for product warranty

Movement of provisions for three-month period ended 31 December 2023 are as follows:

1.Provision for product warranty

	Thousand Baht
Opening balance	75,726
Increase in provision for product warranty	-
Provisions for product warranty paid	-
Closing balance	75,726

Provisions for product warranty is recognised at a percentage for sales and estimated incurred claims. The rate used in the calculation to the sales is based on historical data of actual expenses.

2.Provision for sales promotion

	Thousand Baht
Opening balance	10,000
Decrease in provision for sales promotion	(829)
Closing balance	9,171

13 Income tax expenses

The interim income tax is accrued based on management's estimate using the tax rate that would be applicable to the expected total annual earnings. For the three-month period ended 31 December 2023. The weighted average applicable tax rate of the Company was 1.79% (For the three-month period ended 31 December 2022: 0.6%).

14 Commitments and contingent liabilities

14.1 Capital commitments

As at 31 December 2023 and 30 September 2023, capital expenditure contracted but not recognised as liabilities is as follows:

	31 December 2023 Thousand Baht	30 September 2023 Thousand Baht
Investment properties and property, plant and equipment	30,313	33,108

14.2 Short-term Lease and service commitments

As at 31 December 2023 and 30 September 2023, the Company had future minimum payments under short-term leases, lease of low-value assets and service agreements as follows:

	31 December 2023 Thousand Baht	30 September 2023 Thousand Baht
Within a year	25,152	26,666
1 - 5 years	8,682	10,121
Total	33,834	36,787

14.3 License commitments

The Company has entered into license and technical assistance agreement with an overseas related company for the use of a trademark and the receipt of information related to the manufacture and assembly of control cable of automobiles and motorcycles. Under the conditions of the agreement, the Company is obligate to pay the fee twice a year at a rate as stipulated in the agreement.

14.4 Litigation

The Customs Department conducted a post clearance audit at the Company and accused the Company of making incorrect tariff code declarations (with lower duty rates) in import entries between 2003 and 2006. The Company had filed an appeal to the Supreme Court and the Supreme Court gave a verdict on 2 May 2022 that the Company won the case and was entitled to the rights to receive the import duties. The Company receives a partial of the compensations totaling of Baht 25.27 million and is in requesting process of the remaining portions totaling of Baht 0.43 million.

15 Related parties transactions

a) Transactions with related parties

Transactions with related parties for the three-month ended 31 December are as follows:

	2023 Thousand Baht	2022 Thousand Baht	Pricing policies
Sales of goods and services			
Other related parties - common directors	61,697	41,131	Cost plus margin
Purchases of goods and services			
Other related parties - common directors	141,546	120,507	Cost plus margin
Other transactions - purchase of assets			
Other related parties - common directors	939	1,471	Mutually agreed

b) Outstanding balances arising from sales and purchases of goods and services

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

	31 December 2023 Thousand Baht	30 September 2023 Thousand Baht
Receivables		
Trade receivables - other related parties - common directors	47,274	64,673
Other receivables - other related parties - common directors	609	92
Payables		
Trade payables - other related parties - common directors	108,345	125,864
Other payables - other related parties - common directors	466	576
Accrued license fee - other related parties - common directors	7,834	3,901

c) Key management compensation

Key management includes directors (executive and non-executive), members of the executive committee. The compensation paid or payable to key management are as follows:

	2023 Thousand Baht	2022 Thousand Baht
For the three-month period ended 31 December		
Salaries and other short-term employee benefits	49,416	43,862
Post-employment benefits	461	461
Total	49,877	44,323

16 Event after the reporting period

On 21 November 2023, the Board of Directors' meeting of the Company has passed a resolution to pay the dividend to its shareholders from its net operating profit for the year 2023 at the rate of Baht 1.20 per share, totaling of Baht 311.76 million. However, on 9 May 2023, the Board of Directors' meeting of the Company passed a resolution to pay an interim dividend from the operating profit for the six-month period ended 31 March 2023 at the rate of Baht 0.40 per share, totaling of Baht 103.92 million. The dividend was paid on 8 June 2023. The remaining dividend was at the rate of Baht 0.80 per share, totaling of Baht 207.84 million. The Annual General Meeting approved the dividend payment on 23 January 2024.