

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

To the Board of Directors and Shareholders of 2S Metal Public Company Limited

I have reviewed the consolidated and separate financial statements of 2S Metal Public Company Limited and its subsidiaries (the "Group"), which comprise the consolidated and separate statements of financial position as at 31 March 2021, the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and condensed notes to the interim financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 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 I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion on the interim financial information.

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 No. 34, "Interim Financial Reporting".

Other Matter

The consolidated and separate statements of financial position of 2S Metal Public Company Limited and subsidiaries as at 31 December 2020, presented as comparative information, were audited by another auditor in the same firm as mine who expressed an unmodified opinion on these statements on his report dated 25 February 2021.

The consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month periods ended 31 March 2020, presented as comparative information, were reviewed by the aforementioned auditor who concluded that nothing has come to his attention that caused him to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim financial reporting" according to the report dated 13 May 2020.

Ms. Luxsamee Deetrakulwattanapol

Certified Public Accountant

Registration No. 9056

Grant Thornton Limited

Bangkok

14 May 2021

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 March 2021 (Unaudited but Reviewed)	31 December 2020 (Audited)	31 March 2021 (Unaudited but Reviewed)	31 December 2020 (Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		106,521	132,111	87,493	119,255
Trade and other accounts receivable - net	5, 6	368,876	275,391	398,682	313,869
Inventories - net	7	592,526	1,056,060	547,955	1,013,683
Deposits for purchase of goods	5	477,264	11,079	477,264	11,079
Short-term loans and accrued interest receivable - subsidiaries	5	-	-	32,802	32,802
Refundable value added tax		-	10,012	-	10,012
Refundable income tax		681	1,682	-	298
Other current assets		5,818	5,926	3,055	2,797
Total Current Assets		1,551,686	1,492,261	1,547,251	1,503,795
NON-CURRENT ASSETS					
Restricted deposits with banks	8	65,507	72,357	65,507	72,357
Investments in subsidiaries	9	-	-	216,770	216,770
Property, plant and equipment - net	10	602,468	605,188	280,956	280,489
Rights-of-use assets - net	11	12,975	13,547	85,522	87,270
Investment property - net		1,525	1,609	-	-
Intangible assets - net		1,413	1,303	1,171	1,055
Goodwill		15,086	15,086	-	-
Other non-current assets		1,541	1,541	1,538	1,537
Deferred tax assets		2,047	2,047	-	-
Total Non-Current Assets		702,562	712,678	651,464	659,478
TOTAL ASSETS		2,254,248	2,204,939	2,198,715	2,163,273

The accompanying notes form an integral part of these interim financial statements.

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 March 2021	31 December 2020	31 March 2021	31 December 2020
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term loans from financial institutions	12	-	176,240	-	176,240
Trade and other accounts payable	5	57,234	149,090	63,368	155,582
Deposit from related company	5	5,229	-	5,229	-
Current portion of long-term lease liabilities	13	2,810	2,776	5,153	5,092
Accrued income tax		102,631	45,343	102,631	45,343
Value added tax payable		18,541	2,735	15,703	-
Accrued expenses		18,375	27,274	15,242	21,595
Other current liabilities		7,047	4,791	4,951	2,840
Total Current Liabilities		211,867	408,249	212,277	406,692
NON-CURRENT LIABILITIES					
Employee benefits obligation		22,711	22,303	18,810	18,455
Long-term lease liabilities - net	13	4,962	5,702	81,203	82,890
Deferred tax liabilities - net	14	13,027	13,077	3,787	3,694
Total Non-Current Liabilities		40,700	41,082	103,800	105,039
TOTAL LIABILITIES		252,567	449,331	316,077	511,731

The accompanying notes form an integral part of these interim financial statements.

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	31 March 2021 (Unaudited but Reviewed)	31 December 2020 (Audited)	31 March 2021 (Unaudited but Reviewed)	31 December 2020 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)				
SHAREHOLDERS' EQUITY				
Share capital - common share at Baht 1 par value				
- Registered 549,999,244 shares	550,000	550,000	550,000	550,000
- Issued and paid - up 449,999,095 shares	449,999	449,999	449,999	449,999
Premium on share capital	121,762	121,762	121,762	121,762
Retained earnings				
- Appropriated for legal reserve	50,000	50,000	50,000	50,000
- Unappropriated	1,356,826	1,109,614	1,216,495	985,399
Other components of shareholder's equity	24,670	26,108	44,382	44,382
Shareholders' equity of the Company	2,003,257	1,757,483	1,882,638	1,651,542
Non-controlling interests in subsidiaries	(1,576)	(1,875)	-	-
NET SHAREHOLDERS' EQUITY	2,001,681	1,755,608	1,882,638	1,651,542
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,254,248	2,204,939	2,198,715	2,163,273

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		2021	2020	2021	2020
REVENUES					
Revenue from sales		1,641,819	1,453,205	1,623,641	1,458,602
Revenue from sales of by-product		39,897	30,661	38,192	29,367
Total revenues	5, 16	<u>1,681,716</u>	<u>1,483,866</u>	<u>1,661,833</u>	<u>1,487,969</u>
COSTS OF SALES					
Costs of sales	5	<u>(1,324,724)</u>	<u>(1,284,250)</u>	<u>(1,327,945)</u>	<u>(1,302,561)</u>
Gross profit		<u>356,992</u>	<u>199,616</u>	<u>333,888</u>	<u>185,408</u>
Interest income	5, 16	513	411	794	727
Gain on exchange rate		-	10,092	4,566	11,076
Other income	5	6,047	4,584	7,055	5,276
Profit before expenses		<u>363,552</u>	<u>214,703</u>	<u>346,303</u>	<u>202,487</u>
Selling expenses	5	(34,249)	(39,978)	(35,641)	(42,072)
Administrative expenses	5	(23,263)	(23,831)	(20,201)	(18,947)
Loss on exchange rate		(221)	-	-	-
Total expenses		<u>(57,733)</u>	<u>(63,809)</u>	<u>(55,842)</u>	<u>(61,019)</u>
Profit before finance costs		<u>305,819</u>	<u>150,894</u>	<u>290,461</u>	<u>141,468</u>
Finance costs	5, 16	(1,016)	(2,223)	(1,974)	(2,643)
Profit before income tax		<u>304,803</u>	<u>148,671</u>	<u>288,487</u>	<u>138,825</u>
Income tax expense	14	(57,248)	(19,034)	(57,391)	(20,648)
Profit for the period		<u>247,555</u>	<u>129,637</u>	<u>231,096</u>	<u>118,177</u>
OTHER COMPREHENSIVE INCOME (LOSS)					
Items to be reclassified subsequently to profit or loss					
Translation adjustment for foreign currency financial statements - net of tax		(1,482)	(2,402)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>246,073</u>	<u>127,235</u>	<u>231,096</u>	<u>118,177</u>
ALLOCATION OF PROFIT FOR THE PERIOD					
Portion of the Company's shareholders		247,212	129,523	231,096	118,177
Portion of non-controlling interests		343	114	-	-
		<u>247,555</u>	<u>129,637</u>	<u>231,096</u>	<u>118,177</u>
ALLOCATION OF COMPREHENSIVE INCOME FOR THE PERIOD					
Portion of the Company's shareholders		245,774	127,189	231,096	118,177
Portion of non-controlling interests		299	46	-	-
		<u>246,073</u>	<u>127,235</u>	<u>231,096</u>	<u>118,177</u>
BASIC EARNINGS PER SHARE					
Profit of the Company's shareholders (Baht per share)		0.550	0.288	0.514	0.263
Weighted average number of common shares (Unit : Thousand Shares)		<u>449,999</u>	<u>449,999</u>	<u>449,999</u>	<u>449,999</u>

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unaudited but reviewed)

(Unit : Thousand Baht)

Shareholders' equity of the Company											
Other components of equity											
Note	Paid - up Share Capital	Premium on Share capital	Retained earnings		Other comprehensive income		Discount on dilution of investment in subsidiaries company	Total other components of equity	Shareholders' equity of the Company	Non-controlling interests	Total
			Legal Reserve	Unappropriated	Surplus on revaluation of land	Translation adjustment for foreign currency financial statement					
Consolidated F/S											
Balance as at 1 January 2020	449,999	121,762	45,000	735,949	59,322	(2,665)	(29,817)	26,840	1,379,550	(1,885)	1,377,665
Dividend payment	15	-	-	(31,500)	-	-	-	-	(31,500)	-	(31,500)
Total transactions with shareholders	-	-	-	(31,500)	-	-	-	-	(31,500)	-	(31,500)
Comprehensive income for the period	-	-	-	129,523	-	(2,334)	-	(2,334)	127,189	46	127,235
Total comprehensive income for the period	-	-	-	129,523	-	(2,334)	-	(2,334)	127,189	46	127,235
Balance as at 31 March 2020	449,999	121,762	45,000	833,972	59,322	(4,999)	(29,817)	24,506	1,475,239	(1,839)	1,473,400
Balance as at 1 January 2021	449,999	121,762	50,000	1,109,614	59,322	(3,397)	(29,817)	26,108	1,757,483	(1,875)	1,755,608
Comprehensive income for the period	-	-	-	247,212	-	(1,438)	-	(1,438)	245,774	299	246,073
Total comprehensive income for the period	-	-	-	247,212	-	(1,438)	-	(1,438)	245,774	299	246,073
Balance as at 31 March 2021	449,999	121,762	50,000	1,356,826	59,322	(4,835)	(29,817)	24,670	2,003,257	(1,576)	2,001,681

The accompanying notes form an integral part of these interim financial statements.

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unaudited but reviewed)

(Unit : Thousand Baht)

	Note	Paid - up Share Capital	Premium on Share capital	Retained earnings		Other components of equity	Total
				Legal Reserve	Unappropriated	Other comprehensive income Surplus on reveluation of land	
Separate F/S							
Balance as at 1 January 2020		449,999	121,762	45,000	642,999	44,382	1,304,142
Dividend payment	15	-	-	-	(31,500)	-	(31,500)
Total transactions with shareholders		-	-	-	(31,500)	-	(31,500)
Comprehensive income for the period		-	-	-	118,177	-	118,177
Total comprehensive income for the period		-	-	-	118,177	-	118,177
Balance as at 31 March 2020		449,999	121,762	45,000	729,676	44,382	1,390,819
Balance as at 1 January 2021		449,999	121,762	50,000	985,399	44,382	1,651,542
Comprehensive income for the period		-	-	-	231,096	-	231,096
Total comprehensive income for the period		-	-	-	231,096	-	231,096
Balance as at 31 March 2021		449,999	121,762	50,000	1,216,495	44,382	1,882,638

The accompanying notes form an integral part of these interim financial statements.

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unaudited but reviewed)

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit before income tax	304,803	148,671	288,487	138,825
Adjustments to reconcile profit before income tax to net cash provided from operating activities:				
Reversal of allowance for impairment of account receivable	(853)	(147)	(819)	(155)
Provision (reversal of allowance) for decline value of inventories	(87)	1,137	(87)	1,137
Depreciation□	11,841	11,357	5,982	4,861
Amortization	120	231	96	110
Interest income	(513)	(411)	(794)	(727)
Interest expense	1,016	2,223	1,974	2,643
Provision for employee benefits obligation	408	483	355	414
Cash flows provided from operations before changes in operating assets and liabilities	316,735	163,544	295,194	147,108
Decrease (increase) in operating assets:				
Trade and other accounts receivable	(92,632)	(23,757)	(83,994)	(69,292)
Inventories	466,621	15,112	465,815	25,330
Deposits for purchase of goods	(466,185)	(95,497)	(466,185)	(95,497)
Refundable value added tax	10,012	257	10,012	-
Refundable income tax	1,001	-	298	-
Advance payment for importing materials	-	(18,229)	-	(18,229)
Other current assets	985	(886)	(258)	(1,033)
Other non-current assets	-	-	(1)	-
Increase (decrease) in operating liabilities:				
Trade and other accounts payable	(91,856)	9,162	(92,214)	10,752
Accrued expenses	(8,734)	(10,521)	(6,188)	(8,637)
Value added tax payable	15,806	3,279	15,703	2,392
Deposit received in advance from customer	5,229	18,583	5,229	18,583
Other current liabilities	2,256	1,244	2,111	(373)
Cash received from operating activities	156,238	62,291	145,522	11,104
Interest payment	(1,181)	(2,228)	(2,139)	(2,649)
Income tax paid	(887)	(908)	(10)	(9)
Net cash provided from operating activities	154,170	59,155	143,373	8,446

The accompanying notes form an integral part of these interim financial statements.

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CASH FLOWS (CONTINUED)
 FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unaudited but reviewed)

	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
(Unit : Thousand Baht)				
Cash flows from investing activities				
Interest income	513	411	794	727
Decrease in restricted deposits with banks	6,850	-	6,850	-
Addition to building and equipment	(8,465)	(29,287)	(4,701)	(5,492)
Addition to intangible assets	(230)	(27)	(212)	(27)
Short-term loan to subsidiary	-	-	-	(1,000)
Net cash provided from (used in) investing activities	(1,332)	(28,903)	2,731	(5,792)
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	(176,240)	(26,895)	(176,240)	(26,895)
Repayment of short-term loans from subsidiary	-	-	(1,000)	(5,000)
Proceeds from short-term loans from subsidiary	-	-	1,000	-
Repayment for liabilities under lease agreement	(706)	(618)	(1,626)	(1,138)
Net cash used in financing activities	(176,946)	(27,513)	(177,866)	(33,033)
Translation adjustment for foreign currency financial statements	(1,482)	(2,402)	-	-
Net increase (decrease) in cash and cash equivalents - net	(25,590)	337	(31,762)	(30,379)
Cash and cash equivalents at beginning of period	132,111	131,850	119,255	91,549
Cash and cash equivalents at end of period	106,521	132,187	87,493	61,170
Supplemental disclosure for cash flows information				
Non - cash transactions :				
Recognition of rights-of-use assets and long-term lease liabilities	-	9,769	-	42,599

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2021 AND 2020 (Unaudited but reviewed)

1. NATURE OF OPERATIONS

The Company

2S Metal Public Company Limited is engaged in the production of steel pipes, steel plates, light lip channel and steel wire mesh, and trading of steel products. The Company has following 3 subsidiaries that are engaged in its supporting businesses.

Its subsidiaries

- Neastern Steel Co., Ltd., registered in Thailand and is engaged in the production of steel pipes, steel plates, light lip channels and steel wire mesh.
- Mega Trans and Logis Co., Ltd., registered in Thailand and is engaged in providing transportation services.
- Grand Steel Pipe Industry Co., Ltd., registered in Lao People's Democratic Republic and is engaged in the production of steel pipes, steel plates and light lip channel, and trading of steel products.

2. GENERAL INFORMATION AND BASIS OF INTERIM FINANCIAL STATEMENTS PREPARATION

2.1 General information of the company

2S Metal Public Company Limited is a public limited company incorporated and domiciled in Thailand. The Company's registered business office address is 8/5 Moo 14, Tambon Thachang, Amphur Bangklam, Songkhla Province. The Company has three warehouses located in Nakhon Ratchasima, Bangkok and Suratthani Provinces.

2.2 Basis for interim financial statements preparation

The interim financial statements for the three-month period ended 31 March 2021 have been prepared in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting" including guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission and are presented in Thai Baht currency which do not include all the information required in annual financial statements in accordance with Thai Financial Reporting Standards. These should therefore be read in conjunction with the full set of financial statements for the year ended 31 December 2020.

The interim financial statements are officially prepared in Thai language. The translation of these financial statements into other language should conform to the official Thai version.

These interim financial statements were approved by the Company's Board of Directors on 14 May 2021.

2.3 Principles of consolidation

The interim consolidated financial statements included the financial statements of 2S Metal Public Company Limited and its subsidiaries and are prepared on the same basis as applied for the preparation of consolidated financial statements for the year ended 31 December 2020. There has been no significant change in the subsidiaries during the period.

2.4 Coronavirus disease 2019 pandemic

The Coronavirus 2019 pandemic has affected economic slowdown and adversely impact most businesses and industries. This situation has brought about uncertainties and have impacted the industry in which the Group operates. The Group's management has continuously monitored ongoing situation and assess the financial impact in respect of the revenues and expenses, valuation of assets, provisions, and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved, using the best information obtained up to the date of this report. However, the Coronavirus 2019 pandemic does not have a negative effect on the Group's operations during the period.

3. SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared using the same accounting policies used in the preparation of the financial statements of the Group company for the year ended 31 December 2020, except for the adoption of the new and revised Thai Financial Reporting Standards, interpretations and guidance that become effective for the preparation financial statements for the period beginning on 1 January 2021 are as follows:

3.1 Thai Accounting Standard No.1 "Presentation of financial statements" and Thai Accounting Standard No. 8 "Accounting policies, Changes in Accounting Estimates and Errors"

There is an amendment to the definition of the term "Materiality" to comply with the Financial Reporting Standards and frameworks. Including the explanation that clarifies the materiality application to Thai Financial Reporting Standard No.1. The amendment also makes consequential amendments to other TFRS including TAS 8, TAS 10, TAS 34 and TAS 37.

3.2 Thai Financial Reporting Standard No.3 "Business combinations"

This standard was amended to provide more consideration as follow;

- Provide an option for the entity to use "Concentration Test" that allows a simplified assessment of purchase whether it is considered as purchase of assets or business combination.

- Amend the definition of the term “Business” to define the business combination to include, at a minimum, an input and a substantive process that are collectively significant contribution to the ability to create outputs. Furthermore, amendment definition of “Outputs” which focusing on goods and services provided to customers and removing the reference to an ability to lower the costs.

3.3 Thai Financial Reporting Standard No.9 “Financial instruments” and Thai Financial Reporting Standard No.7 “Disclosure of Financial instruments”

These standards change specific hedge accounting requirements to relief the uncertainties arising from impact of interest rate benchmark reform such as Interbank offer rates – IBORs. In addition, the amendment requires the entity to disclose all hedging relationships directly affected by such uncertainty.

3.4 Conceptual Framework for Financial Reporting

The conceptual framework definition was amended to define assets and liabilities and criteria for recognizing assets and liabilities in financial statements by adding the conceptual and application consideration as follow:

- Measurement including factors to be considered when selecting a benchmark basis
- Presentation and disclosure including classification of revenue and expenses in other comprehensive income.
- Derecognition assets and liabilities from financial statements.

In addition, this framework describes about responsibilities by function, conservative consideration concept, and uncertainty in the measurement of values in the preparation of financial information. The revision in conceptual framework also affect the revision in others framework including TAS 1, TAS 8, TAS 34, TAS 37, TAS 38, TFRS 2, TFRS 3, TFRS 6, TFRIC 12, TFRIC 19, TFRIC 20, TFRIC 22 and TSIC 32.

3.5 Thai Financial Reporting Standard No.16 “Lease”

This standard amends of Covid-19 related rent concessions which permits lessees, as a practical expedient, not to assess whether rent concessions that meet specified conditions are lease modification.

However, the Group has initially applied revised TFRS that are effective for annual periods beginning on or after 1 January 2021 and has not early adopted TFRS which are not yet effective. The application has no material impact on the financial statements.

4. ESTIMATES

When preparing the interim financial statements, management undertakes judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income, and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, are the same as those applied in the annual financial statements for the year ended 31 December 2020.

5. RELATED PARTY TRANSACTIONS

The Group has significant transactions with related parties that are related through common shareholding and/or directorship. Thus, the consolidated and separate financial statements reflect the effects of those transactions on the basis agreed upon between the Group and its related parties, which might be different from the basis used for transactions with unrelated parties.

Pricing policies

Transactions	Pricing policies
Sales, purchase of goods, and transportation service	Agreed-upon basis based on market price
Rent of assets, other service income, and expense	Mutually agreed
Interest income and expense	As specified in agreement
Manufacturing cost	Cost plus margin

Significant balances with related parties as at 31 March 2021 and 31 December 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Trade and other accounts receivable				
Subsidiary companies	-	-	42,301	51,331
Deposits for purchase of goods				
Related company	1,396	-	1,396	-

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Short-term loans and Interest receivable				
Subsidiary companies	-	-	32,802	32,802

Significant movements in loans to subsidiary and accrued interest income for the three-month period ended 31 March 2021 are as follows:

	(Unit: Thousand Baht)			
	1 January 2021	During the period		31 March 2021
		Increase	Decrease	
Subsidiary companies	32,802	1,001	(1,001)	32,802

Short-term loans to subsidiaries in Thailand had been granted without collateral, with interest at 4.00% and MRR per annum. These loans are due at the end of year 2021 and on demand.

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Trade and other accounts payable				
Subsidiary companies	-	-	9,855	9,541
Related companies	8,291	18,914	8,291	18,914
Total	8,291	18,914	18,146	28,455
Deposit received in advance from customer				
Related company	5,229	-	5,229	-
Long-term lease liabilities				
Subsidiary companies	-	-	79,961	80,863
Related company	5,122	5,362	5,122	5,362
Total	5,122	5,362	85,083	86,225
Employee benefits obligation				
Key management personnel - Post-employment benefits	13,829	13,647	10,931	10,781

Significant transactions with related parties for the three-month periods ended 31 March 2021 and 2020 are as follows:

Transaction with related parties	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 March			
	2021	2020	2021	2020
Sales				
Related companies	86,798	116,554	86,798	116,554
Subsidiary companies	-	-	57,678	67,320
Total	86,798	116,554	144,476	183,874
Asset rental and other service income				
Subsidiary company	-	-	65	115
Interest income				
Subsidiary companies	-	-	281	316
Purchase of goods and service				
Related companies	222,072	185,933	222,072	185,933
Subsidiary company	-	-	1	-
Total	222,072	185,933	222,073	185,933
Manufacturing costs				
Subsidiary company	-	-	23,014	25,954
Transportation service				
Subsidiary company	-	-	17,782	18,944
Assets rental and other service expense				
Related company	300	300	300	300
Subsidiary companies	-	-	2,411	1,331
Total	300	300	2,711	1,631
Interest expense				
Subsidiary company	-	-	-	26
Key management personnel compensation				
Short-term employee benefits	5,629	5,625	4,255	4,252
Post-employment benefits	182	248	150	202
Total	5,811	5,873	4,405	4,454

As at 31 March 2021, a subsidiary company jointly guaranteed the Company's credit facilities granted by a financial institution totaling Baht 37.98 million by mortgaging land valuing Baht 6 million as a secondary guarantee.

6. TRADE AND OTHER ACCOUNTS RECEIVABLE – NET

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Trade accounts receivable – general customers	368,867	275,382	356,381	262,537
Trade accounts receivable – related companies	-	-	42,299	51,331
Total	368,867	275,382	398,680	313,868
Other accounts receivable – general customers	9	9	-	-
Other accounts receivable – subsidiary company	-	-	2	1
Total	9	9	2	1
Total trade and other accounts receivable	368,876	275,391	398,682	313,869

Aging analysis of the trade accounts receivable - general customers and related companies as at 31 March 2021 and 31 December 2020 are as follow:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<u>Trade accounts receivable - general customers and related companies</u>				
Not yet due	351,435	236,537	383,144	272,091
Past due:				
Less than 3 months	15,923	37,584	14,030	34,565
3 - 6 months	603	1,142	603	7,097
6 - 12 months	3,143	3,784	3,139	3,780
Over 12 months	15,592	15,017	15,498	14,888
Total	386,696	294,064	416,414	332,421
<u>Less</u> Allowance for impairment	(17,829)	(18,682)	(17,734)	(18,553)
Trade accounts receivable - general customers and related companies – net	368,867	275,382	398,680	313,868

The movements in allowance for impairment of accounts receivable during the period are as follows:

	(Unit: Thousand Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2021	(18,682)	(18,553)
<u>Less Reversal of allowance</u>	853	819
Balance as at 31 March 2021	<u>(17,829)</u>	<u>(17,734)</u>

7. INVENTORIES – NET

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
Raw materials	152,098	394,486	132,363	383,705
Work in process	42,548	53,683	37,374	51,682
Finished goods	377,451	410,325	361,382	384,250
Materials and goods in transit	15,178	190,883	15,178	190,883
Factory supplies	5,450	6,969	1,857	3,449
Total	<u>592,725</u>	<u>1,056,346</u>	<u>548,154</u>	<u>1,013,969</u>
<u>Less Allowance for devalue of inventories</u>				
during the period	(199)	(286)	(199)	(286)
Net	<u>592,526</u>	<u>1,056,060</u>	<u>547,955</u>	<u>1,013,683</u>

The movements in allowance for devalue of inventories during the period are as follows:

	(Unit: Thousand Baht)
	Consolidated and Separate F/S
Balance as at 1 January 2021	(286)
Additional allowance during the period	(319)
Reversal of allowance during the period	406
Balance as at 31 March 2021	<u>(199)</u>

8. RESTRICTED DEPOSITS WITH BANKS

As at 31 March 2021 and 31 December 2020, the Company's saving and fixed deposits with term of maturity of 12 months which bear interest at 0.65% – 1.05% per annum, have been pledged as collateral for the use of electricity and short-term credit line from financial institutions.

9. INVESTMENTS IN SUBSIDIARIES

(Unit : Thousand Baht)

	Paid-up capital		Percentage of shareholding		Separate F/S			
					31 March 2021		31 December 2020	
	2021	2020	2021	2020	Investment		Investment	
					At cost	Dividend income	At cost	Dividend income
Neastern Steel Co., Ltd.	90,000	90,000	99.99	99.99	99,000	-	99,000	-
Mega Trans and Logis Co., Ltd.	30,000	30,000	99.99	99.99	30,000	-	30,000	-
Grand Steel Pipe Industry Co., Ltd.	121,970	121,970	97.11	97.11	87,770	-	87,770	-
Total					216,770	-	216,770	-

10. PROPERTY, PLANT AND EQUIPMENT – NET

During the three-month period ended 31 March 2021, the Company and subsidiaries have the following condensed movements in property, plant, and equipment:

(Unit : Thousand Baht)

	Consolidated F/S	Separate F/S
Net book value as at 1 January 2021	605,188	280,489
Addition to fixed assets during the period	8,465	4,701
Depreciation for the period	(11,185)	(4,234)
Net book value as at 31 March 2021	602,468	280,956

As at 31 March 2021 and 31 December 2020, the Company's and subsidiary's land and construction thereon, and machinery used for manufacturing products with book values amounting to Baht 105.71 million and Baht 106.47 million, respectively, in the consolidated financial statements, and Baht 95.16 million and Baht 96.09 million, respectively, in the separate financial statements, are under mortgages as collaterals for bank overdrafts, loans and other credit facilities with financial institutions as mentioned in Notes 12 and 17.

11. RIGHTS-OF-USE ASSETS

During the three-month period ended 31 March 2021, the Company and subsidiaries have the following condensed movements in rights-of-use assets:

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2021	13,547	87,270
Depreciation for the period	(572)	(1,748)
Net book value as at 31 March 2021	<u>12,975</u>	<u>85,522</u>

12. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	(Unit: Thousand Baht)	
	Consolidated and Separate F/S	
	31 March 2021	31 December 2020
Promissory notes	-	150,000
Liabilities under trust receipt agreements	-	26,240
Total	<u>-</u>	<u>176,240</u>

Short-term loans from financial institutions bear interest at MMR, MLR – 3% and MRR per annum.

These are collateralized by the pledge of the fixed deposits, the mortgages of land and construction thereon, and machinery as mentioned in Note 10, the transfer insurance beneficiary, and cross guarantees among all related companies totaling Baht 840 million.

13. LONG-TERM LEASE LIABILITIES – NET

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Long-term lease liabilities as at 31 March 2021	8,498	122,227
<u>Less</u> Deferred interest	(726)	(35,871)
Present value of liabilities under lease agreements	<u>7,772</u>	<u>86,356</u>
<u>Less</u> Current portion	(2,810)	(5,153)
Long-term lease liabilities	<u>4,962</u>	<u>81,203</u>

14. DEFERRED TAX AND INCOME TAX

Income tax

Income tax recognized in the statement of profit or loss and other comprehensive income for the three-month periods ended 31 March 2021 and 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 March			
	2021	2020	2021	2020
Current income tax	57,298	20,907	57,298	20,700
Deferred tax from temporary differences	(50)	(1,873)	93	(52)
Total income tax expenses	<u>57,248</u>	<u>19,034</u>	<u>57,391</u>	<u>20,648</u>

As at 31 March 2021, the Company has not recognized deferred tax assets in the consolidated financial statements and separate financial statements for the effect on allowance for decline value of inventories of Baht 0.20 million (31 December 2020: Baht 0.29 million) This does not have significant effect to the financial statements.

15. DIVIDEND PAYMENT

At the Board of Director Meeting No. 2/2020 held on 25 March 2020, the board of directors passed a resolution to approve the payment of interim dividend from non-promoted profit and retained earnings as at 31 December 2019 of Baht 0.07 per share for 450 million common shares totaling Baht 31.50 million. The interim dividend was paid on 21 April 2020.

16. SEGMENT REPORTING

Segment reporting for the three-month periods ended 31 March 2021 and 2020 are as follows:

(Unit : Million Baht)

	Consolidated F/S							
	For the three-month periods ended 31 March							
	Trading (Including raw material)		Manufacture and distribution of steel products		Eliminated		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Revenues from external customers	523.31	420.70	1,158.41	1,063.17	-	-	1,681.72	1,483.87
Revenues from inter-segments	55.90	64.67	23.18	27.36	(79.08)	(92.03)	-	-
Total revenues	579.21	485.37	1,181.59	1,090.53	(79.08)	(92.03)	1,681.72	1,483.87
Interest income	0.26	0.21	0.53	0.54	(0.28)	(0.34)	0.51	0.41
Interest expense	(0.74)	(0.84)	(1.51)	(2.13)	1.23	0.75	(1.02)	(2.22)
Depreciation and amortization expenses	-	-	(13.33)	(12.28)	1.37	0.69	(11.96)	(11.59)
Segment profits	84.02	16.65	164.69	113.26	(1.16)	(0.27)	247.55	129.64
Segment assets	741.53	590.45	1,512.72	1,326.62	-	-	2,254.25	1,917.07
Increase (Decrease) in segment non-current assets	-	-	(10.12)	18.16	-	-	(10.12)	18.16
Segment liabilities	-	-	252.57	398.79	-	-	252.57	398.79

The Group discloses the revenue disaggregate by primary geographical area as follows:

(Unit : Million Baht)

	Consolidated F/S							
	For the three-month periods ended 31 March							
	Trading (include raw materials)		Manufacture and distribution of steel products		Eliminated		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Local	578.40	485.37	1,106.45	1,028.55	(79.08)	(91.52)	1,605.77	1,422.40
Lao People's Democratic Republic	0.81	-	75.14	61.98	-	(0.51)	75.95	61.47
Total	579.21	485.37	1,181.59	1,090.53	(79.08)	(92.03)	1,681.72	1,483.87

17. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 March 2021, the Company has no changes in significant commitments and contingent liabilities that had changed from 31 December 2020, except the following:

17.1 The Company has purchase orders for raw materials and finished goods which products have not yet been received for Baht 127.79 million and Baht 154.46 million, respectively, in the consolidated and separate financial statements.

17.2 As at 31 March 2021 and 31 December 2020, the letter of guarantee and credit facilities of the Company and subsidiary are as follows:

(Unit: Million Baht)

		Consolidated F/S					
		31 March 2021			31 December 2020		
Currency		Total	Utilised	Remained	Total	Utilised	Remained
Letters of guarantee	Baht	9.86	2.62	7.24	9.86	2.62	7.24
Bank overdrafts	Baht	10.00	-	10.00	10.00	-	10.00
Promissory note and trust receipt agreement	Baht	990.00	-	990.00	990.00	176.24	813.76

(Unit : Million Baht)

		Separate F/S					
		31 March 2021			31 December 2020		
Currency		Total	Utilised	Remained	Total	Utilised	Remained
Letters of guarantee	Baht	1.05	1.05	-	1.05	1.05	-
Bank overdrafts	Baht	10.00	-	10.00	10.00	-	10.00
Promissory note and trust receipt agreement	Baht	990.00	-	990.00	990.00	176.24	813.76

The above obligations are collateralized by same assets as for the credit facilities received from the financial institution as mentioned in Note 10.

18. FAIR VALUE MEASUREMENT

Fair value is the price that would be received from sale of asset or paid for liability for ordinary transactions between market participants at the measurement date.

The Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The fair values are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 : unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or liability were categorized in different levels of the fair value hierarchy, the fair value measurement is categorized entirely in the lowest hierarchy of the input that is significant to the entire measurement.

The carrying value of financial assets and liabilities of the Group are considered to approximate their fair value.

Non-financial assets measured at fair value as at 31 March 2021 are as follow;

(Unit : Thousand Baht)

	Consolidated F/S			
	Level 1	Level 2	Level 3	Total
Non-financial assets				
Land at re-appraised value	-	151,921	-	151,921

(Unit : Thousand Baht)

	Separate F/S			
	Level 1	Level 2	Level 3	Total
Non-financial assets				
Land at re-appraised value	-	104,157	-	104,157

The Group re-measured the land in 2015 using the Market Approach. The fair value is calculated using the market approach based on the comparable land price, then adjusted with factors which impact both the land and the comparable land. The Weighted Quality Score (WQS) is then used to define the land fair value.

As at 31 March 2021 and 31 December 2020, the Company has forward exchange contract with a commercial bank to hedge the receipt and payment of foreign currencies. The Company has not recorded the forward exchange amount in the financial statements. The maturity dates of open forward exchange contracts which are not over 1 year are detailed as follow:

Contract Value		Contract Value	
Million USD currency		Million BAHT currency	
CONSOLIDATED and SEPARATE F/S		CONSOLIDATED and SEPARATE F/S	
2021	2020	2021	2020
1.00	0.50	30.04	15.67

The fair value, (level 2), of the derivatives with an open status at years ended are as follow:

	(Unit : Million Baht)	
	Consolidated and Separate F/S	
	2021	2020
Fair value of forward foreign currency contract	(0.01)	0.05

19. EVENTS AFTER THE REPORTING PERIOD

At the Annual General Meeting of Shareholder 2021 on 24 April 2021, the meeting passed the following resolutions:

- To pay dividend from operations for the year 2020, for the shareholders appear on the shareholder register as at 29 April 2021 and to pay dividend on 20 May 2021 as follow:

Dividend	Baht per share	Numbers of shares (Million shares)	Amount (Million Baht)
Stock dividend (at in the ratio of 9 existing shares per 1 stock dividend)	0.1111	450.00	50.00
Cash dividend	0.2500	450.00	112.50
Total	<u>0.3611</u>		<u>162.50</u>

- To approve the decrease of registered common share of the Company from Baht 549,999,244 to Baht 499,999,095 by reducing the non-allotment of 100,000,149 shares at par value of 1 Baht per share, consisting of 454 ordinary shares which remaining from supporting the stock dividend payment according to the resolution of Annual General Meeting of Shareholder 2018 and 99,999,695 ordinary shares reserved for the exercise of 2S-W1 which has been expired and delisted since 30 May 2019.
- To approve the increase of registered common share of the Company from Baht 449,999,095 to be Baht 499,998,995 by issuing new ordinary shares 49,999,900 shares, par value of 1 Baht per share, totalling Baht 50.00 million to support such stock dividends.