

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”) as at 31 March 2022, 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 (collectively “the interim financial information”). 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".

Luxsamee Deetrakulwattanapol

Certified Public Accountant

Registration No. 9056

Grant Thornton Limited

Bangkok

12 May 2022

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 March 2022	31 December 2021	31 March 2022	31 December 2021
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		610,043	352,593	574,779	330,383
Trade and other accounts receivable - net	5, 6	421,232	363,557	449,511	409,367
Inventories - net	7	911,106	1,105,143	875,056	1,032,484
Deposits for purchase of goods	5	26,455	441	26,455	441
Short-term loans and accrued interest receivable - subsidiaries	5	-	-	17,415	17,415
Refundable value added tax		4,107	-	4,107	-
Refundable income tax		3,416	3,928	-	-
Other current assets		12,685	5,404	3,254	2,301
Total Current Assets		1,989,044	1,831,066	1,950,577	1,792,391
NON-CURRENT ASSETS					
Restricted deposits with banks	8	1,052	1,052	1,052	1,052
Investments in subsidiaries	9	-	-	216,770	216,770
Long-term loans receivable - subsidiary	5	-	-	9,400	12,686
Property, plant and equipment - net	10	592,104	593,133	277,053	278,635
Rights-of-use assets - net	11	10,683	11,255	78,525	80,273
Investment property - net		1,188	1,271	-	-
Intangible assets - net		1,920	2,083	1,765	1,915
Goodwill		15,086	15,086	-	-
Other non-current assets		1,495	1,541	1,492	1,537
Deferred tax assets		687	1,012	-	-
Total Non-Current Assets		624,215	626,433	586,057	592,868
TOTAL ASSETS		2,613,259	2,457,499	2,536,634	2,385,259

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 March 2022	31 December 2021	31 March 2022	31 December 2021
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other accounts payable	5	123,512	30,229	128,413	34,968
Deposit from related company	5	21,678	-	21,678	-
Current portion of liabilities under					
finance lease agreements	12	1,299	1,483	5,202	5,340
Accrued income tax		64,095	62,281	64,095	55,545
Value added tax payable		635	4,095	-	3,572
Accrued expenses		23,728	38,908	20,330	31,159
Other current liabilities		9,272	6,727	7,803	5,615
Total Current Liabilities		244,219	143,723	247,521	136,199
NON-CURRENT LIABILITIES					
Employee benefits obligation		18,197	17,794	15,919	15,562
Long-term lease liabilities - net	12	3,663	4,219	76,002	77,551
Deferred tax liabilities - net		13,657	13,940	4,641	4,832
Total Non-Current Liabilities		35,517	35,953	96,562	97,945
TOTAL LIABILITIES		279,736	179,676	344,083	234,144

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	31 March 2022 (Unaudited but Reviewed)	31 December 2021 (Audited)	31 March 2022 (Unaudited but Reviewed)	31 December 2021 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)				
SHAREHOLDERS' EQUITY				
Share capital - common share at Baht 1 par value				
- Registered 499,998,995 shares	499,998	499,998	499,998	499,998
- Issued and paid - up 499,997,946 shares	499,998	499,998	499,998	499,998
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	1,633,753	1,584,633	1,476,409	1,434,973
Other components of shareholder's equity	29,188	22,866	44,382	44,382
Shareholders' equity of the Company	2,334,701	2,279,259	2,192,551	2,151,115
Non-controlling interests in subsidiaries	(1,178)	(1,436)	-	-
NET SHAREHOLDERS' EQUITY	2,333,523	2,277,823	2,192,551	2,151,115
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,613,259	2,457,499	2,536,634	2,385,259

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	
		2022	2021	2022	2021
REVENUES					
Revenue from sales		1,824,038	1,641,819	1,775,735	1,623,641
Revenue from sales of by-product		36,551	39,897	35,342	38,192
Total revenues	5, 14	1,860,589	1,681,716	1,811,077	1,661,833
COSTS OF SALES					
Costs of sales	5	(1,748,083)	(1,324,724)	(1,712,802)	(1,327,945)
Gross profit		112,506	356,992	98,275	333,888
Interest income	5, 14	688	513	914	794
Gain on exchange rate		-	-	-	4,566
Other income	5	10,920	6,047	10,595	7,055
Profit before expenses		124,114	363,552	109,784	346,303
Selling expenses	5	(34,644)	(34,249)	(35,083)	(35,641)
Administrative expenses	5	(27,606)	(23,263)	(23,663)	(20,201)
Loss on exchange rate		(4,068)	(221)	(246)	-
Total expenses		(66,318)	(57,733)	(58,992)	(55,842)
Profit before finance costs		57,796	305,819	50,792	290,461
Finance costs	5, 14	(60)	(1,016)	(989)	(1,974)
Profit before income tax		57,736	304,803	49,803	288,487
Income tax expense	13	(8,601)	(57,248)	(8,367)	(57,391)
Profit for the period		49,135	247,555	41,436	231,096
OTHER COMPREHENSIVE INCOME (LOSS)					
Items to be reclassified subsequently to profit or loss					
Translation adjustment for foreign currency financial statements - net of tax		6,565	(1,482)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		55,700	246,073	41,436	231,096
ALLOCATION OF PROFIT FOR THE PERIOD					
Portion of the Company's shareholders		49,120	247,212	41,436	231,096
Portion of non-controlling interests		15	343	-	-
		49,135	247,555	41,436	231,096
ALLOCATION OF COMPREHENSIVE INCOME FOR THE PERIOD					
Portion of the Company's shareholders		55,442	245,774	41,436	231,096
Portion of non-controlling interests		258	299	-	-
		55,700	246,073	41,436	231,096
BASIC EARNINGS PER SHARE					
Profit of the Company's shareholders (Baht per share)		0.098	0.495	0.083	0.462
Weighted average number of common shares (Unit : Thousand Shares)		499,998	499,998	499,998	499,998

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

(Unaudited but reviewed)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Shareholders' equity of the Company										
	Retained earnings				Other components of equity				Shareholders' equity of the Company	Non-controlling interests	Total
					Other comprehensive income						
	Paid - up	Premium on	Legal	Unappropriated	Surplus on	Translation adjustment	Discount on	Total			
Share Capital	Share capital	Reserve		revaluation of land	for foreign currency	dilution of investment in	other components	of equity	of the Company	interests	Total
					financial statement	subsidiaries company					
Consolidated F/S											
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
Balance as at 1 January 2022	499,998	121,762	50,000	1,584,633	59,322	(6,639)	(29,817)	22,866	2,279,259	(1,436)	2,277,823
Comprehensive income for the period	-	-	-	49,120	-	6,322	-	6,322	55,442	258	55,700
Total comprehensive income for the period	-	-	-	49,120	-	6,322	-	6,322	55,442	258	55,700
Balance as at 31 March 2022	499,998	121,762	50,000	1,633,753	59,322	(317)	(29,817)	29,188	2,334,701	(1,178)	2,333,523

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)

	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 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
Balance as at 1 January 2022	499,998	121,762	50,000	1,434,973	44,382	2,151,115
Comprehensive income for the period	-	-	-	41,436	-	41,436
Total comprehensive income for the period	-	-	-	41,436	-	41,436
Balance as at 31 March 2022	499,998	121,762	50,000	1,476,409	44,382	2,192,551

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

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before income tax	57,736	304,803	49,803	288,487
Adjustments to reconcile profit before income tax to net cash provided from operating activities:				
Provision (reversal of allowance) for doubtful debts	593	(853)	597	(819)
Provision (reversal of allowance) for decline value of inventories	(16,227)	(87)	(16,227)	(87)
Depreciation □	12,108	11,841	6,226	5,982
Unrealized gain on exchange rate	8,806	-	-	-
Amortization	163	120	150	96
Interest income	(688)	(513)	(914)	(794)
Interest expense	60	1,016	989	1,974
Provision for employee benefits obligation	403	408	357	355
Cash flows provided from operations before changes in operating assets and liabilities	62,954	316,735	40,981	295,194
Decrease (increase) in operating assets:				
Trade and other accounts receivable	(58,268)	(92,632)	(40,741)	(83,994)
Inventories	210,264	463,621	173,655	465,815
Deposits for purchase of goods	(26,014)	(466,185)	(26,014)	(466,185)
Refundable value added tax	(4,107)	10,012	(4,107)	10,012
Refundable income tax	512	1,001	-	298
Other current assets	(6,502)	985	(953)	(258)
Other non-current assets	45	-	45	(1)
Increase (decrease) in operating liabilities:				
Trade and other accounts payable	93,283	(91,856)	93,445	(92,214)
Accrued expenses	(15,180)	(8,734)	(10,829)	(6,188)
Value added tax payable	(3,460)	15,806	(3,572)	15,703
Deposits received from customers	21,678	5,229	21,678	5,229
Other current liabilities	2,545	2,256	2,188	2,111
Cash received from operating activities	277,750	156,238	245,776	145,522
Interest payment	(60)	(1,181)	(989)	(2,139)
Income tax paid	(7,523)	(887)	(8)	(10)
Net cash provided from operating activities	270,167	154,170	244,779	143,373

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2022	2021	2022	2021
Cash flows from investing activities				
Interest received	688	513	914	794
Decrease in restricted deposits with banks	-	6,850	-	6,850
Acquisition of building and equipment	(10,424)	(8,465)	(2,896)	(4,701)
Addition to intangible assets	-	(230)	-	(212)
Net cash provided from (used in) investing activities	(9,736)	(1,332)	(1,982)	2,731
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	-	(176,240)	-	(176,240)
Repayment of short-term loans to subsidiary	-	-	-	(1,000)
Proceeds from short-term loans from subsidiary	-	-	3,286	1,000
Repayment for liabilities under finance lease agreement	(740)	(706)	(1,687)	(1,626)
Net cash provided from (used in) financing activities	(740)	(176,946)	1,599	(177,866)
Exchange rate losses on cash and cash equivalents	(2,241)	(1,482)	-	-
Net increase (decrease) in cash and cash equivalents - net	257,450	(25,590)	244,396	(31,762)
Cash and cash equivalents at beginning of period	352,593	132,111	330,383	119,255
Cash and cash equivalents at end of period	610,043	106,521	574,779	87,493

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

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (Unaudited but reviewed)

1. NATURE OF OPERATIONS

The Company

2S Metal Public Company Limited is a public limited company incorporated and domiciled in Thailand and engaged in the production of steel pipes, steel plates, light lip channel and steel wire mesh, and trading of steel products. 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. The Company has following 3 subsidiaries that are engaged in its supporting businesses. The Company and its subsidiaries call "The Group".

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 Basis for interim financial statements preparation

The consolidated interim financial statements for the three-month period ended 31 March 2022 have been prepared in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting" and the 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 2021.

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 12 May 2022.

2.2 Principles of consolidation

The consolidated interim 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 2021. There has been no significant change in the subsidiaries during the period.

2.3 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 for the year ended 31 December 2021, 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 or after 1 January 2022. However, the application has no material impact on the financial statements.

3.1 Financial Reporting Standards, Interpretations, and guidance which are effective from 1 January 2022

Thai Financial Reporting Standard 9, "Financial instruments", Thai Financial Reporting Standard 7, "Disclosure of Financial instruments", Thai Financial Reporting Standard 16, "Lease", Thai Financial Reporting Standard 4, "Insurance Contracts" and accounting guidance, financial instruments and disclosures for insurance business

Interest rate benchmarking (IBOR) reform – phase 2 provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the change of interest rate benchmarking to alternative benchmarking rates. The significant information are as follows:

- Applying a practical expedient on relief measurement when changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), have to comply with 2 conditions are 1) the changes that are necessary as a direct result of the IBOR reform and 2) the new basis for determining contractual cash flows are considered economically equivalent, will not result in an immediate gain or loss in the statement of profit or loss. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS7 requires addition disclosures as follows:

- The nature and extent of risks arising from the IBOR reform including methods that the entity uses in managing for the transition to alternative benchmark rates.
- The quantitative information related to the financial instruments that have yet transitioning to an alternative benchmark rate as at the end of the reporting period, by separate significant benchmark rates under the IBOR reform.
- The changing to an entity's risk management strategies that the risk arising from financial instruments and transition to alternative benchmark rates.

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 2021.

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
Revenue from sales, purchase of goods, and transportation service	Agree-upon basis based on market price
Rental of assets and other service income and expenses	Mutually agreed
Interest income and expenses	As specified in agreement
Manufacturing cost	Cost plus margin
Management compensation	According to the shareholders' meeting

Significant balances with related parties as of 31 March 2022 and 31 December 2021 are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Trade and other accounts receivable				
Subsidiary companies	-	-	39,942	56,077
Related company	237	37,385	237	37,385
Total	<u>237</u>	<u>37,385</u>	<u>40,179</u>	<u>93,462</u>
Deposits for purchase of goods				
Related company	459	-	459	-
Short-term loans and interest receivable				
Subsidiary company	-	-	17,415	17,415
Long-term loans receivable				
Subsidiary company	-	-	9,400	12,686
Total loans and interest receivable	<u>-</u>	<u>-</u>	<u>26,815</u>	<u>30,101</u>

Significant movements in loans to subsidiary and accrued interest receivable for the three-month period ended 31 March 2022 are as follows:

	(Unit : Thousand Baht)			
	1 January	During the period		31 March
	2022	Increase	Decrease	2022
Subsidiary company	30,101	-	(3,286)	26,815

Short-term loans to subsidiary in Thailand have been granted without collateral and bear interest at MRR per annum and are repayable on demand.

Long-term loans to the subsidiary in Thailand have been granted without collateral and bear interest at 4.00 percent per annum. The interest is payable monthly while the principal amount is due at the end of year 2026.

	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
Trade and other accounts payable				
Subsidiary companies	-	-	10,273	7,995
Related companies	14,048	6,268	14,048	6,268
Total	14,048	6,268	24,321	14,263
Deposit received in advance from customer				
Related companies	21,678	-	21,678	-
Long-term lease liabilities				
Subsidiary companies	-	-	76,242	77,188
Related company	4,133	4,384	4,133	4,384
Total	4,133	4,384	80,375	81,572
Employee benefits obligation				
Key management personnel				
- Post-employment benefits	14,550	14,372	11,538	11,381

Significant transactions with related parties for the three-month periods ended 31 March 2022 and 2021 are as follows:

Transaction with related parties	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 March			
	2022	2021	2022	2021
Sales				
Related companies	293	86,798	293	86,798
Subsidiary companies	-	-	23,468	57,678
Total	<u>293</u>	<u>86,798</u>	<u>23,761</u>	<u>144,476</u>
Asset rental and other service income				
Subsidiary company	-	-	65	65
Interest income				
Subsidiary company	-	-	226	281
Purchase of goods and service				
Related parties	274,235	222,072	274,235	222,072
Subsidiary company	-	-	-	1
Total	<u>274,235</u>	<u>222,072</u>	<u>274,235</u>	<u>222,073</u>
Manufacturing costs				
Subsidiary company	-	-	20,128	23,014
Transportation service				
Subsidiary company	-	-	20,196	17,782
Assets rental and other service expense				
Related company	300	300	300	300
Subsidiary companies	-	-	2,385	2,411
Total	<u>300</u>	<u>300</u>	<u>2,685</u>	<u>2,711</u>
Key management personnel compensation				
Short-term employee benefits	5,784	5,629	4,346	4,255
Post-employment benefits	178	182	156	150
Total	<u>5,962</u>	<u>5,811</u>	<u>4,502</u>	<u>4,405</u>

As of 31 March 2022 and 31 December 2021, the Company's credit facilities granted by a financial institution totaling Baht 37.98 million has been jointly guaranteed by a subsidiary company by mortgaging land valuing Baht 6.00 million as a secondary guarantee.

6. TRADE AND OTHER ACCOUNTS RECEIVABLE – NET

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Trade accounts receivable - general customers	420,986	326,163	409,332	315,905
Trade accounts receivable - subsidiary companies	-	-	39,942	56,069
Trade accounts receivable - related companies	237	37,385	237	37,385
Total	421,223	363,548	449,511	409,359
Other accounts receivable – general customers	9	9	-	-
Other accounts receivable – subsidiary company	-	-	-	8
Total	9	9	-	8
Total trade and other accounts receivable	421,232	363,557	449,511	409,367

Aging analysis of the trade accounts receivable - general customers and related companies as of 31 March 2022 and 31 December 2021 are as follow:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
<u>Trade accounts receivable - general customers and related companies</u>				
Not yet due	398,141	290,678	405,223	309,524
Past due:				
Less than 3 months	18,041	68,011	39,251	94,980
3 - 6 months	1,990	1,331	1,990	1,331
6 - 12 months	3,095	3,893	3,095	3,893
Over 12 months	16,393	15,479	16,305	15,387
Total	437,660	379,392	465,864	425,115
<u>Less</u> Allowance for impairment	(16,437)	(15,844)	(16,353)	(15,756)
Trade accounts receivable - general customers and related companies – net	421,223	363,548	449,511	409,359

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

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
	<hr/>	<hr/>
Balance as of 1 January 2022	(15,844)	(15,756)
<u>Add</u> Allowance for doubtful accounts during the year	(1,306)	(1,306)
<u>Less</u> Reversal of allowance	713	709
Balance as of 31 March 2022	<hr/> <u>(16,437)</u>	<hr/> <u>(16,353)</u>

7. INVENTORIES – NET

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
	<hr/>	<hr/>	<hr/>	<hr/>
Raw materials	334,115	440,222	329,976	435,651
Work in process	98,430	85,926	96,366	71,485
Finished goods	399,341	590,344	373,337	540,430
Materials and goods in transit	74,838	8	74,812	8
Factory supplies	6,119	6,607	2,302	2,874
Total	<hr/> 912,843	<hr/> 1,123,107	<hr/> 876,793	<hr/> 1,050,448
<u>Less</u> Allowance for devalue of inventories				
during the period	(1,737)	(17,964)	(1,737)	(17,964)
Net	<hr/> <u>911,106</u>	<hr/> <u>1,105,143</u>	<hr/> <u>875,056</u>	<hr/> <u>1,032,484</u>

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

	(Unit : Thousand Baht)
	Consolidated and
	Separate F/S
	<hr/>
Balance as of 1 January 2022	(17,964)
Additional allowance during the period	(1,198)
Reversal of allowance during the period	17,425
Balance as of 31 March 2022	<hr/> <u>(1,737)</u>

8. RESTRICTED DEPOSITS WITH BANKS

As of 31 March 2022, and 31 December 2021, 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 2022		31 December 2021	
					Investment		Investment	
	2022	2021	2022	2021	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 2022, 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 of 1 January 2022	593,133	278,635
Addition to fixed assets during the period	10,424	2,896
Disposal during the period	(3)	(3)
Accumulated depreciation on – disposed items	3	3
Depreciation for the period	(11,453)	(4,478)
Net book value as of 31 March 2022	592,104	277,053

As at 31 March 2022 and 31 December 2021, the Company's and subsidiary's land and construction thereon, and machinery used for manufacturing products with net book values amounting to Baht 100.96 million and Baht 103.96 million, respectively, in the consolidated financial statements, and Baht 91.42 million and Baht 94.25 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 15.2.

11. RIGHTS-OF-USE ASSETS

During the three-month period ended 31 March 2022, 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 of 1 January 2022	11,255	80,273
Depreciation for the period	(572)	(1,748)
Net book value as of 31 March 2022	10,683	78,525

12. LONG-TERM LEASE LIABILITIES – NET

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Long-term lease liabilities as of 31 March 2022	5,400	113,023
<u>Less</u> Deferred interest	(438)	(31,819)
Present value of liabilities under lease agreements	4,962	81,204
<u>Less</u> Current portion	(1,299)	(5,202)
Long-term lease liabilities	3,663	76,002

13. INCOME TAX

Income tax recognized in the statements of profit or loss and other comprehensive income for the three-month periods ended 31 March 2022 and 2021 are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 March			
	2022	2021	2022	2021
Current income tax	8,475	57,298	8,558	57,298
Deferred tax from temporary differences	126	(50)	(191)	93
Total income tax expenses	8,601	57,248	8,367	57,391

14. SEGMENT REPORTING

Segment reporting for the three-month periods ended 31 March 2022 and 2021 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	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenues from external customers	624.10	523.31	1,236.49	1,158.41	-	-	1,860.59	1,681.72
Revenues from inter-segments	16.19	55.90	26.24	23.18	(42.43)	(79.08)	-	-
Total revenues	640.29	579.21	1,262.73	1,181.59	(42.43)	(79.08)	1,860.59	1,681.72
Interest income	0.31	0.26	0.61	0.53	(0.23)	(0.28)	0.69	0.51
Interest expense	(0.41)	(0.74)	(0.81)	(1.51)	1.16	1.23	(0.06)	(1.02)
Depreciation and amortization expenses	-	-	(13.61)	(13.33)	1.34	1.37	(12.27)	(11.96)
Segment profits (loss)	18.12	84.02	26.99	164.69	4.03	(1.16)	49.14	247.55
Segment assets	879.26	741.53	1,734.00	1,512.72	-	-	2,613.26	2,254.25
Increase (Decrease) in segment non-current assets	(0.74)	-	(1.47)	(10.12)	-	-	(2.21)	(10.12)
Segment liabilities	94.12	-	185.62	252.57	-	-	279.74	252.57

The Group discloses the revenue disaggregating 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	
	2022	2021	2022	2021	2022	2021	2022	2021
Local	635.26	578.40	1,195.95	1,106.45	(42.43)	(79.08)	1,788.78	1,605.77
Lao People's Democratic Republic	5.03	0.81	66.78	75.14	-	-	71.81	75.95
Total	640.29	579.21	1,262.73	1,181.59	(42.43)	(79.08)	1,860.59	1,681.72

15. COMMITMENTS AND CONTINGENT LIABILITIES

As of 31 March 2022, the Company has no changes in significant commitments and contingent liabilities that had changed from 31 December 2021, except the following:

15.1 The Company has purchase orders for raw materials and finished goods which products have not yet been received for Baht 680.31 million and Baht 119.38 million, respectively, in the consolidated and separate financial statements.

15.2 As of 31 March 2022, and 31 December 2021, the letter of guarantee and credit facilities of the Company and subsidiary are as follows:

(Unit : Million Baht)

	Currency	Consolidated F/S					
		31 March 2022			31 December 2021		
		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	136.48	853.52

(Unit : Million Baht)

	Currency	Separate F/S					
		31 March 2022			31 December 2021		
		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	136.48	853.52

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

16. 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 of 31 March 2022 are as follow;

(Unit : Thousand Baht)

	Consolidated F/S			
	Level 1	Level 2	Level 3	Total
Non-financial assets				
Land at re-appraised value	-	156,621	-	156,621

(Unit : Thousand Baht)

	Separate F/S			
	Level 1	Level 2	Level 3	Total
Non-financial assets				
Land at re-appraised value	-	108,857	-	108,857

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 of 31 March 2022 and 31 December 2021, 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	
2022	2021	2022	2021
-	1.00	-	30.04

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	
	2022	2021
Fair value of forward foreign currency contract	-	(0.01)

17. EVENTS AFTER THE REPORTING PERIOD

- 17.1 At the Annual General Meeting of Shareholder 2022 on 21 April 2022, the meeting passed the resolution to pay dividend from its net profit after tax year 2021 for 499,997,946 common shares as follow:

Dividend	Baht per share	Numbers of shares (Million shares)	Amount (Million Baht)
Stock dividend (at in the ratio of 10 existing shares per 1 stock dividend)	0.10	500.00	50.00
Cash dividend	0.27	500.00	135.00
Total	0.37		185.00

By the list of shareholders to receive the dividend appear on the shareholder register on 16 March 2022 and dividend will be paid on 19 May 2022.

17.2 On 25 April 2022 the Company and Neastern Steel Co, Ltd which is subsidiary, entered into the construction contract to install solar rooftop with a construction company amounting to Baht 11.75 million and Baht 23.49 million, respectively, with 4 installation payment period as specified in the contract.