

# **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 2023, 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

11 May 2023

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		471,237	595,294	464,699	587,359
Trade and other accounts receivable - net	5, 6	422,439	328,159	450,711	347,046
Inventories - net	7	709,623	651,997	685,745	638,824
Deposits for purchase of goods	5	4,434	19,510	4,434	19,510
Short-term loans and accrued interest receivable - subsidiaries	5	-	-	72,421	65,921
Refundable value added tax		11,392	7,621	9,850	7,621
Refundable income tax		5,907	10,141	1,751	1,751
Other current assets		7,489	5,131	3,379	3,035
<b>Total Current Assets</b>		<b>1,632,521</b>	<b>1,617,853</b>	<b>1,692,990</b>	<b>1,671,067</b>
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	8	-	-	216,770	216,770
Long-term loans receivable - subsidiary	5	-	-	9,400	9,400
Property, plant and equipment - net	9	637,682	639,052	276,953	277,822
Rights-of-use assets - net	10	8,523	8,978	71,660	73,292
Investment property - net		850	934	-	-
Intangible assets - net		716	805	607	684
Goodwill		15,086	15,086	-	-
Other non-current assets		2,288	2,300	1,485	1,496
Deferred tax assets		1,268	1,012	-	-
<b>Total Non-Current Assets</b>		<b>666,413</b>	<b>668,167</b>	<b>576,875</b>	<b>579,464</b>
<b>TOTAL ASSETS</b>		<b>2,298,934</b>	<b>2,286,020</b>	<b>2,269,865</b>	<b>2,250,531</b>

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 2023 (Unaudited but Reviewed)	31 December 2022 (Audited)	31 March 2023 (Unaudited but Reviewed)	31 December 2022 (Audited)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short-term loans from financial institutions		-	150,000	-	150,000
Trade and other accounts payable	5	104,961	46,038	114,371	50,194
Current portion of liabilities under					
finance lease agreements	11	1,358	1,343	5,455	5,390
Accrued income tax		21,382	-	21,382	-
Value added tax payable		-	226	-	-
Accrued expenses		24,737	31,770	20,867	25,323
Other current liabilities		11,424	5,929	9,124	4,350
<b>Total Current Liabilities</b>		<b>163,862</b>	<b>235,306</b>	<b>171,199</b>	<b>235,257</b>
<b>NON-CURRENT LIABILITIES</b>					
Employee benefits obligation		19,688	19,094	15,002	16,993
Long-term lease liabilities - net	11	2,304	2,875	70,547	72,160
Deferred tax liabilities - net		12,935	13,311	4,737	4,672
<b>Total Non-Current Liabilities</b>		<b>34,927</b>	<b>35,280</b>	<b>90,286</b>	<b>93,825</b>
<b>TOTAL LIABILITIES</b>		<b>198,789</b>	<b>270,586</b>	<b>261,485</b>	<b>329,082</b>

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	31 March 2023 (Unaudited but Reviewed)	31 December 2022 (Audited)	31 March 2023 (Unaudited but Reviewed)	31 December 2022 (Audited)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)</b>				
<b>SHAREHOLDERS' EQUITY</b>				
Share capital - common share at Baht 1 par value				
- Registered 549,997,741 shares	549,998	549,998	549,998	549,998
- Issued and paid - up 549,995,954 shares	549,996	549,996	549,996	549,996
Premium on share capital	121,762	121,762	121,762	121,762
Retained earnings				
- Appropriated for legal reserve	55,000	55,000	55,000	55,000
- Unappropriated	1,356,511	1,272,462	1,237,240	1,150,309
Other components of shareholder's equity	19,265	18,613	44,382	44,382
<b>Shareholders' equity of the Company</b>	<b>2,102,534</b>	<b>2,017,833</b>	<b>2,008,380</b>	<b>1,921,449</b>
Non-controlling interests in subsidiaries	(2,389)	(2,399)	-	-
<b>NET SHAREHOLDERS' EQUITY</b>	<b>2,100,145</b>	<b>2,015,434</b>	<b>2,008,380</b>	<b>1,921,449</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,298,934</b>	<b>2,286,020</b>	<b>2,269,865</b>	<b>2,250,531</b>

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	
		2023	2022	2023	2022
<b>REVENUES</b>					
Revenue from sales		1,840,481	1,824,038	1,822,987	1,775,735
Revenue from sales of by-product		40,899	36,551	39,546	35,342
<b>Total revenues</b>	5, 13	<b>1,881,380</b>	<b>1,860,589</b>	<b>1,862,533</b>	<b>1,811,077</b>
<b>COSTS OF SALES</b>					
Costs of sales	5	(1,711,727)	(1,748,083)	(1,698,610)	(1,712,802)
<b>Gross profit</b>		<b>169,653</b>	<b>112,506</b>	<b>163,923</b>	<b>98,275</b>
Interest income	5, 13	493	688	1,445	914
Other income	5	11,075	10,920	13,093	10,595
<b>Profit before expenses</b>		<b>181,221</b>	<b>124,114</b>	<b>178,461</b>	<b>109,784</b>
Selling expenses	5	(42,345)	(34,644)	(40,818)	(35,083)
Administrative expenses	5	(30,437)	(27,606)	(26,167)	(23,663)
Loss on exchange rate		(4,182)	(4,068)	(4,568)	(246)
<b>Total expenses</b>		<b>(76,964)</b>	<b>(66,318)</b>	<b>(71,553)</b>	<b>(58,992)</b>
<b>Profit before finance costs</b>		<b>104,257</b>	<b>57,796</b>	<b>106,908</b>	<b>50,792</b>
Finance costs	5, 13	(44)	(60)	(949)	(989)
<b>Profit before income tax</b>		<b>104,213</b>	<b>57,736</b>	<b>105,959</b>	<b>49,803</b>
Income tax expense	12	(20,812)	(8,601)	(20,989)	(8,367)
<b>Profit for the period</b>		<b>83,401</b>	<b>49,135</b>	<b>84,970</b>	<b>41,436</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
<b>Items to be not reclassified subsequently to profit or loss</b>					
Actuarial loss - net of tax		638	-	1,961	-
<b>Items to be reclassified subsequently to profit or loss</b>					
Translation adjustment for foreign currency financial statements - net of tax		672	6,565	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>84,711</b>	<b>55,700</b>	<b>86,931</b>	<b>41,436</b>
<b>ALLOCATION OF PROFIT FOR THE PERIOD</b>					
Portion of the Company's shareholders		83,411	49,120	84,970	41,436
Portion of non-controlling interests		(10)	15	-	-
		<b>83,401</b>	<b>49,135</b>	<b>84,970</b>	<b>41,436</b>
<b>ALLOCATION OF COMPREHENSIVE INCOME FOR THE PERIOD</b>					
Portion of the Company's shareholders		84,701	55,442	86,931	41,436
Portion of non-controlling interests		10	258	-	-
		<b>84,711</b>	<b>55,700</b>	<b>86,931</b>	<b>41,436</b>
<b>BASIC EARNINGS PER SHARE</b>					
Profit of the Company's shareholders (Baht per share)		0.152	0.098	0.154	0.083
Weighted average number of common shares (Unit : Thousand Shares)		549,996	499,998	549,996	499,998

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										Shareholders' equity of the Company	Non-controlling interests	Total
	Retained earnings				Other comprehensive income			Total					
	Paid - up Share Capital	Premium on Share capital	Legal Reserve	Unappropriated	Surplus on revaluation of land	Remeasurements of post-employment benefit obligarion	Translation adjustment for foreign currency financial statement	Discount on dilution of investment in subsidiaries company	other components of equity				
<b>Consolidated F/S</b>													
<b>Balance as at 1 January 2022</b>	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	
<b>Total comprehensive income for the period</b>	-	-	-	49,120	-	-	6,322	-	6,322	55,442	258	55,700	
<b>Balance as at 31 March 2022</b>	499,998	121,762	50,000	1,633,753	59,322	-	(317)	(29,817)	29,188	2,334,701	(1,178)	2,333,523	
<b>Balance as at 1 January 2023</b>	549,996	121,762	55,000	1,272,462	59,322	-	(10,892)	(29,817)	18,613	2,017,833	(2,399)	2,015,434	
Comprehensive income for the period	-	-	-	83,411	-	638	652	-	1,290	84,701	10	84,711	
Transfer from actuarial loss	-	-	-	638	-	(638)	-	-	(638)	-	-	-	
<b>Total comprehensive income for the period</b>	-	-	-	84,049	-	-	652	-	652	84,701	10	84,711	
<b>Balance as at 31 March 2023</b>	549,996	121,762	55,000	1,356,511	59,322	-	(10,240)	(29,817)	19,265	2,102,534	(2,389)	2,100,145	

## 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)

			Retained earnings		Other components of equity			Total
	Paid - up Share Capital	Premium on Share capital	Legal Reserve	Unappropriated	Other comprehensive income			
					Surplus on reveluation of land	Remeasurements of post- employment benefit obligarion		
<b>Separate F/S</b>								
<b>Balance as at 1 January 2022</b>	499,998	121,762	50,000	1,434,973	44,382	-	2,151,115	
Comprehensive income for the period	-	-	-	41,436	-	-	41,436	
<b>Total comprehensive income for the period</b>	-	-	-	41,436	-	-	41,436	
<b>Balance as at 31 March 2022</b>	499,998	121,762	50,000	1,476,409	44,382	-	2,192,551	
<b>Balance as at 1 January 2023</b>	549,996	121,762	55,000	1,150,309	44,382	-	1,921,449	
Comprehensive income for the period	-	-	-	84,970	-	1,961	86,931	
Transfer from actuarial loss	-	-	-	1,961	-	(1,961)	-	
<b>Total comprehensive income for the period</b>	-	-	-	86,931	-	-	86,931	
<b>Balance as at 31 March 2023</b>	549,996	121,762	55,000	1,237,240	44,382	-	2,008,380	

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	
	2023	2022	2023	2022
<b>Cash flows from operating activities</b>				
Profit before income tax	104,213	57,736	105,959	49,803
<b>Adjustments to reconcile profit before income tax to net cash provided from operating activities:</b>				
Provision for doubtful debts	1,664	593	1,664	597
Reversal of allowance for decline value of inventories	(9,832)	(16,227)	(9,139)	(16,227)
Depreciation □	13,117	12,108	6,128	6,226
Unrealized (gain) loss on exchange rate	(151)	8,806	-	-
Gain on disposal fixed assets	(21)	-	(21)	-
Amortization	89	163	77	150
Interest income	(493)	(688)	(1,445)	(914)
Interest expense	44	60	949	989
Provision for employee benefits obligation	1,392	403	461	357
<b>Cash flows provided from operations before changes in operating assets and liabilities</b>	<b>110,022</b>	<b>62,954</b>	<b>104,633</b>	<b>40,981</b>
<b>Decrease (increase) in operating assets:</b>				
Trade and other accounts receivable	(95,944)	(58,268)	(105,329)	(40,741)
Inventories	(47,794)	210,264	(37,782)	173,655
Deposits for purchase of goods	15,076	(26,014)	15,076	(26,014)
Refundable value added tax	(3,771)	(4,107)	(2,229)	(4,107)
Refundable income tax	4,234	512	-	-
Other current assets	(1,606)	(6,502)	(344)	(953)
Other non-current assets	12	45	11	45
<b>Increase (decrease) in operating liabilities:</b>				
Trade and other accounts payable	58,923	93,283	64,177	93,445
Accrued expenses	(7,011)	(15,180)	(4,434)	(10,829)
Value added tax payable	(226)	(3,460)	-	(3,572)
Deposits received from customers	-	21,678	-	21,678
Other current liabilities	5,495	2,545	4,774	2,188
<b>Cash received from operating activities</b>	<b>37,410</b>	<b>277,750</b>	<b>38,553</b>	<b>245,776</b>
Interest payment	(66)	(60)	(971)	(989)
Income tax paid	(974)	(7,523)	(33)	(8)
<b>Net cash provided from operating activities</b>	<b>36,370</b>	<b>270,167</b>	<b>37,549</b>	<b>244,779</b>

## STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2023	2022	2023	2022
<b>Cash flows from investing activities</b>				
Interest received	493	688	1,445	914
Acquisition of building and equipment	(11,414)	(10,424)	(3,832)	(2,896)
Sale of equipment	227	-	226	-
Short-term loan granted to subsidiary	-	-	(6,500)	-
<b>Net cash used in investing activities</b>	<b>(10,694)</b>	<b>(9,736)</b>	<b>(8,661)</b>	<b>(1,982)</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from financial institutions	(150,000)	-	(150,000)	-
Proceeds from short-term loans from subsidiary	-	-	-	3,286
Repayment for liabilities under finance lease agreement	(556)	(740)	(1,548)	(1,687)
<b>Net cash provided from (used in) financing activities</b>	<b>(150,556)</b>	<b>(740)</b>	<b>(151,548)</b>	<b>1,599</b>
Exchange rate gain (loss) on cash and cash equivalents	823	(2,241)	-	-
<b>Net increase (decrease) in cash and cash equivalents - net</b>	<b>(124,057)</b>	<b>257,450</b>	<b>(122,660)</b>	<b>244,396</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>595,294</b>	<b>352,593</b>	<b>587,359</b>	<b>330,383</b>
<b>Cash and cash equivalents at end of period</b>	<b>471,237</b>	<b>610,043</b>	<b>464,699</b>	<b>574,779</b>

**2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023 (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 2023 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 2022.

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 11 May 2023.

## 2.2 Basic for consolidation financial statements preparation

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 2022. There has been no significant change in the subsidiaries 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 2022, except for the adoption of the revised Thai Financial Reporting Standards that become effective for the preparation financial statements for the period beginning on or after 1 January 2023.

Financial Reporting Standards which are amended and effective for the accounting period beginning on or after 1 January 2023 are as follows:

#### 3.1 Thai Accounting Standard 16, "Property, Plant and Equipment"

The amendments prescribe the recognition of the proceeds from selling any items, produced while the entity is preparing that assets for its intended use, as revenue instead of deducting from the cost of an item of those Property Plant and Equipment.

#### 3.2 Thai Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets"

The amendments are to clarify the incremental cost of fulfilling the contract and an allocation of other costs that relate directly to fulfilling contracts which need to be considered whether a contract is onerous.

#### 3.3 Thai Accounting Standard 41, "Agriculture"

This standard was amended to remove the requirement to exclude cash flows for taxation when measuring fair value of biological assets.

#### 3.4 Thai Financial Reporting Standard 1, "First-time Adoption of Thai Financial Reporting Standards"

The amendment provides the application for a subsidiary that is a first-time adopter to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent at the parent's date of transition to TFRS.

### 3.5 Thai Financial Reporting Standard 3, “Business Combinations”

This standard was amended to clarify the references to the present Conceptual Framework for Financial Reporting and added a consideration to recognize liabilities and contingent liabilities acquired from business combinations together with the contingent assets that cannot be recognized at the acquisition date.

### 3.6 Thai Financial Reporting Standard 9, “Financial Instruments”

The amendment is to clarify the fees in assessing derecognition of financial liabilities when performing the 10 percent test by included those fees paid net from fees received (only fees paid or received between the borrow and the lender, including fee paid or received by either the borrower or lender on the other's behalf).

However, the Group management considered that 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 2022.

## 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 2023 and 31 December 2022 are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
<b>Trade and other accounts receivable</b>				
Subsidiary companies	-	-	34,651	23,205
<b>Deposits for purchase of goods</b>				
Related company	367	9,654	367	9,654
<b>Short-term loans and interest receivable</b>				
Subsidiary company	-	-	72,421	65,921
<b>Long-term loans receivable</b>				
Subsidiary company	-	-	9,400	9,400
<b>Total loans and interest receivable</b>	-	-	81,821	75,321

Significant movements in loans to subsidiary and accrued interest receivable for the three-month period ended 31 March 2023 are as follows:

	(Unit : Thousand Baht)			
	1 January	During the period		31 March
	2023	Increase	Decrease	2023
Subsidiary company	75,321	6,525	(25)	81,821

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.

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
<b>Trade and other accounts payable</b>				
Subsidiary companies	-	-	14,231	8,900
Related companies	21,593	8,659	21,593	8,659
Total	21,593	8,659	35,824	17,559
<b>Long-term lease liabilities</b>				
Subsidiary companies	-	-	72,339	73,332
Related company	3,098	3,361	3,098	3,361
Total	3,098	3,361	75,437	76,693
<b>Employee benefits obligation</b>				
Key management personnel				
- Post-employment benefits	15,406	15,083	12,275	12,007

Significant transactions with related parties for the three-month periods ended 31 March 2023 and 2022 are as follows:

Transaction with related parties	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 March			
	2023	2022	2023	2022
<b>Sales</b>				
Related companies	112,205	293	112,205	293
Subsidiary companies	-	-	14,618	23,468
Total	112,205	293	126,823	23,761
<b>Asset rental and other service income</b>				
Subsidiary company	-	-	555	65
<b>Interest income</b>				
Subsidiary company	-	-	952	226
<b>Purchase of goods and service</b>				
Related parties	244,877	274,235	244,877	274,235
<b>Manufacturing costs</b>				
Subsidiary company	-	-	28,077	20,128
<b>Transportation service</b>				
Subsidiary company	-	-	20,517	20,196
<b>Assets rental and other service expense</b>				
Related company	300	300	300	300
Subsidiary companies	-	-	2,445	2,385
Total	300	300	2,745	2,685
<b>Key management personnel compensation</b>				
Short-term employee benefits	6,209	5,784	4,351	4,346
Post-employment benefits	322	178	268	156
Total	6,531	5,962	4,619	4,502

As of 31 March 2023 and 31 December 2022, 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 2023	31 December 2022	31 March 2023	31 December 2022
Trade accounts receivable - general customers	422,431	328,151	416,061	323,841
Trade accounts receivable - subsidiary companies	-	-	34,650	23,205
Trade accounts receivable - related companies	-	-	-	-
Total	<u>422,431</u>	<u>328,151</u>	<u>450,711</u>	<u>347,046</u>
Other accounts receivable – general customers	<u>8</u>	<u>8</u>	<u>-</u>	<u>-</u>
Total trade and other accounts receivable	<u>422,439</u>	<u>328,159</u>	<u>450,711</u>	<u>347,046</u>

Aging analysis of the trade accounts receivable - general customers and related companies as of 31 March 2023 and 31 December 2022 are as follow:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
<u>Trade accounts receivable - general customers and related companies</u>				
Not yet due	399,474	289,517	407,645	292,523
Past due:				
Less than 3 months	19,174	33,260	22,748	35,435
3 - 6 months	2,379	927	5,379	927
6 - 12 months	1,033	1,379	1,033	15,097
Over 12 months	17,160	18,193	30,695	18,189
Total	<u>439,220</u>	<u>343,276</u>	<u>467,500</u>	<u>362,171</u>
<u>Less</u> Allowance for impairment	<u>(16,789)</u>	<u>(15,125)</u>	<u>(16,789)</u>	<u>(15,125)</u>
Trade accounts receivable - general customers and related companies – net	<u>422,431</u>	<u>328,151</u>	<u>450,711</u>	<u>347,046</u>

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 of 1 January 2023	(15,125)	(15,125)
<u>Add</u> Allowance for doubtful accounts during the year	(2,828)	(2,828)
<u>Less</u> Reversal of allowance	1,164	1,164
Balance as of 31 March 2023	<u>(16,789)</u>	<u>(16,789)</u>

## 7. INVENTORIES – NET

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Raw materials	224,581	219,197	220,317	219,018
Work in process	70,213	58,733	63,725	57,618
Finished goods	360,801	374,296	350,865	364,355
Materials and goods in transit	53,865	9,346	53,865	9,346
Factory supplies	5,150	5,244	1,960	2,613
Total	<u>714,610</u>	<u>666,816</u>	<u>690,732</u>	<u>652,950</u>
<u>Less</u> Allowance for devalue of inventories during the period	(4,987)	(14,819)	(4,987)	(14,126)
Net	<u>709,623</u>	<u>651,997</u>	<u>685,745</u>	<u>638,824</u>

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

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2023	2022	2023	2022
Balance as at 1 January	(14,819)	(17,964)	(14,126)	(17,964)
<u>Add</u> Allowance for doubtful accounts during the year	(4,128)	(151,092)	(4,128)	(150,399)
<u>Less</u> Reversal of allowance for doubtful accounts	13,960	154,237	13,267	154,237
Balance as at 31 March	<u>(4,987)</u>	<u>(14,819)</u>	<u>(4,987)</u>	<u>(14,126)</u>

## 8. INVESTMENTS IN SUBSIDIARIES

(Unit : Thousand Baht)

	Paid-up capital		Percentage of shareholding		Separate F/S			
					31 March 2023		31 December 2022	
					Investment		Investment	
	2023	2022	2023	2022	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	-

## 9. PROPERTY, PLANT AND EQUIPMENT – NET

During the three-month period ended 31 March 2023, 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 2023	639,052	277,822
Addition to fixed assets during the period	11,414	3,832
Disposal during the period	(250)	(233)
Accumulated depreciation on – disposed items	44	28
Depreciation for the period	(12,578)	(4,496)
Net book value as of 31 March 2023	637,682	276,953

As at 31 March 2023 and 31 December 2022, the Company's and subsidiary's land and construction thereon, and machinery used for manufacturing products with net book values amounting to Baht 49.94 million and Baht 55.76 million, respectively, in the consolidated financial statements, and Baht 41.07 million and Baht 41.87 million, respectively, in the separate financial statements, are under mortgages as collaterals for bank overdrafts, loans and other credit facilities with financial institutions.

## 10. RIGHTS-OF-USE ASSETS

During the three-month period ended 31 March 2023, 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 2023	8,978	73,292
Depreciation for the period	(455)	(1,632)
Net book value as of 31 March 2023	8,523	71,660

## 11. LONG-TERM LEASE LIABILITIES – NET

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Long-term lease liabilities as of 31 March 2023	3,900	104,017
<u>Less</u> Deferred interest	(238)	(28,015)
Present value of liabilities under lease agreements	3,662	76,002
<u>Less</u> Current portion	(1,358)	(5,455)
Long-term lease liabilities	2,304	70,547

## 12. INCOME TAX

Income tax recognized in the statements of profit or loss and other comprehensive income for the three-month periods ended 31 March 2023 and 2022 are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 March			
	2023	2022	2023	2022
Current income tax	21,604	8,475	21,414	8,558
Deferred tax from temporary differences	(792)	126	(425)	(191)
Total income tax expenses	20,812	8,601	20,989	8,367

### 13. SEGMENT REPORTING

Segment reporting for the three-month periods ended 31 March 2023 and 2022 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	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenues from external customers	705.69	624.10	1,175.69	1,236.49	-	-	1,881.38	1,860.59
Revenues from inter-segments	12.28	16.19	28.13	26.24	(40.41)	(42.43)	-	-
<b>Total revenues</b>	<b>717.97</b>	<b>640.29</b>	<b>1,203.82</b>	<b>1,262.73</b>	<b>(40.41)</b>	<b>(42.43)</b>	<b>1,881.38</b>	<b>1,860.59</b>
Interest income	0.54	0.31	0.90	0.61	(0.95)	(0.23)	0.49	0.69
Interest expense	(0.70)	(0.41)	(1.18)	(0.81)	1.84	1.16	(0.04)	(0.06)
Depreciation and amortization expenses	-	-	(14.55)	(13.61)	1.34	1.34	(13.21)	(12.27)
<b>Segment profits (loss)</b>	<b>35.58</b>	<b>18.12</b>	<b>48.08</b>	<b>26.99</b>	<b>(0.26)</b>	<b>4.03</b>	<b>83.40</b>	<b>49.14</b>
Segment assets	858.87	879.26	1,440.06	1,734.00	-	-	2,298.93	2,613.26
Increase (Decrease) in segment non-current assets	(0.65)	(0.74)	(1.10)	(1.47)	-	-	(1.75)	(2.21)
Segment liabilities	74.27	94.12	124.52	185.62	-	-	198.79	279.74

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	
	2023	2022	2023	2022	2023	2022	2023	2022
Local	716.47	635.26	1,174.14	1,195.95	(40.41)	(42.43)	1,850.20	1,788.78
Lao People's Democratic Republic	1.50	5.03	29.68	66.78	-	-	31.18	71.81
<b>Total</b>	<b>717.97</b>	<b>640.29</b>	<b>1,203.82</b>	<b>1,262.73</b>	<b>(40.41)</b>	<b>(42.43)</b>	<b>1,881.38</b>	<b>1,860.59</b>

## 14. COMMITMENTS AND CONTINGENT LIABILITIES

As of 31 March 2023, the Company has no changes in significant commitments and contingent liabilities that had changed from 31 December 2022, except the following:

14.1 The Company has purchase orders for raw materials and finished goods which products have not yet been received for Baht 378.93 million and Baht 74.56 million, respectively, in the consolidated and separate financial statements.

14.2 As of 31 March 2023, and 31 December 2022, the letter of guarantee and credit facilities of the Company and subsidiary are as follows:

(Unit : Million Baht)

		Consolidated F/S					
		31 March 2023			31 December 2022		
Currency		Total	Utilised	Remained	Total	Utilised	Remained
Letters of guarantee	Baht	8.81	1.56	7.25	8.81	1.56	7.25
Bank overdrafts	Baht	15.00	-	15.00	15.00	-	15.00
Promissory note and trust receipt agreement	Baht	690.00	-	540.00	690.00	150.00	540.00

(Unit : Million Baht)

		Separate F/S					
		31 March 2023			31 December 2022		
Currency		Total	Utilised	Remained	Total	Utilised	Remained
Bank overdrafts	Baht	10.00	-	10.00	10.00	-	10.00
Promissory note and trust receipt agreement	Baht	690.00	-	540.00	690.00	150.00	540.00

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

## 15. 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 2023 are as follow;

(Unit : Thousand Baht)

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

(Unit : Thousand Baht)

	Separate F/S			
	Level 1	Level 2	Level 3	Total
<b>Non-financial assets</b>				
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 2023 and 31 December 2022, 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	
2023	2022	2023	2022
2.00	0.50	69.37	18.13

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	
	2023	2022
Fair value of forward foreign currency contract	0.48	(0.12)

## 16. EVENTS AFTER THE REPORTING PERIOD

At the Annual General Meeting for the year 2023 on 19 April 2023, the shareholders passed the resolution to propose to for approval to pay dividend from operating results of the year 2022, the Company's financial statements has loss amount of Baht 94.67 million and retained earnings – unappropriated amount of Baht 1,150.31 million, which was considered to pay dividends at the rate of 0.20 baht per share, amounting to Baht 110 million. By the list of shareholders to receive the dividend appear on the shareholder register on 9 March 2023 and dividend will be paid on 18 May 2023.