

## **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 30 June 2021, the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and six month periods ended 30 June 2021, changes in shareholders’ equity and cash flows for the six-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".

## **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 from the same firm as mine who expressed an unmodified opinion on these statements according to the report dated 25 February 2021.

The consolidated and separate statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2020, the consolidated and separate statements of changes in shareholders' equity and cash flows for the six-month periods then ended, 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 August 2020.

**Ms. Luxsamee Deetrakulwattanapol**

Certified Public Accountant

Registration No. 9056

Grant Thornton Limited

Bangkok

9 August 2021

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		118,039	132,111	91,649	119,255
Trade and other accounts receivable - net	5, 6	338,090	275,391	405,178	313,869
Inventories - net	7	1,064,478	1,056,060	978,593	1,013,683
Deposits for purchase of goods		305,258	11,079	305,258	11,079
Short-term loans and accrued interest receivable - subsidiaries	5	-	-	32,802	32,802
Refundable value added tax		9,484	10,012	9,484	10,012
Refundable income tax		681	1,682	-	298
Other current assets		12,350	5,926	7,579	2,797
<b>Total Current Assets</b>		<b>1,848,380</b>	<b>1,492,261</b>	<b>1,830,543</b>	<b>1,503,795</b>
<b>NON-CURRENT ASSETS</b>					
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	601,011	605,188	279,032	280,489
Rights-of-use assets - net	11	12,402	13,547	83,773	87,270
Investment property - net		1,441	1,609	-	-
Intangible assets - net		1,293	1,303	1,077	1,055
Goodwill		15,086	15,086	-	-
Other non-current assets		3,123	1,541	1,537	1,537
Deferred tax assets		2,047	2,047	-	-
<b>Total Non-Current Assets</b>		<b>701,910</b>	<b>712,678</b>	<b>647,696</b>	<b>659,478</b>
<b>TOTAL ASSETS</b>		<b>2,550,290</b>	<b>2,204,939</b>	<b>2,478,239</b>	<b>2,163,273</b>

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short-term loans from financial institutions	12	144,089	176,240	144,089	176,240
Trade and other accounts payable	5	46,612	149,090	52,615	155,582
Deposit from related company	5	437	-	437	-
Current portion of					
- Employee benefit obligations		371	-	371	-
- Long-term lease liabilities	13	2,842	2,776	5,214	5,092
Accrued income tax		121,448	45,343	121,448	45,343
Value added tax payable		2,226	2,735	-	-
Accrued expenses		22,923	27,274	17,461	21,595
Other current liabilities		8,772	4,791	6,283	2,840
<b>Total Current Liabilities</b>		<b>349,720</b>	<b>408,249</b>	<b>347,918</b>	<b>406,692</b>
<b>NON-CURRENT LIABILITIES</b>					
Employee benefits obligation		17,691	22,303	14,853	18,455
Long-term lease liabilities - net	13	4,717	5,702	80,000	82,890
Deferred tax liabilities - net	14	14,079	13,077	4,794	3,694
<b>Total Non-Current Liabilities</b>		<b>36,487</b>	<b>41,082</b>	<b>99,647</b>	<b>105,039</b>
<b>TOTAL LIABILITIES</b>		<b>386,207</b>	<b>449,331</b>	<b>447,565</b>	<b>511,731</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)

	Note	Consolidated F/S		Separate F/S	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)</b>					
<b>SHAREHOLDERS' EQUITY</b>					
Share capital - common share at Baht 1 par value					
- Registered 499,998,995 shares					
(2020 : 549,999,244 shares)	15	499,999	550,000	499,999	550,000
- Issued and paid - up 499,997,946 shares					
(2020 : 449,999,095 shares)	15	499,998	449,999	499,998	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		1,469,977	1,109,614	1,314,532	985,399
Other components of shareholder's equity		23,586	26,108	44,382	44,382
<b>Shareholders' equity of the Company</b>		<b>2,165,323</b>	<b>1,757,483</b>	<b>2,030,674</b>	<b>1,651,542</b>
Non-controlling interests in subsidiaries		(1,240)	(1,875)	-	-
<b>NET SHAREHOLDERS' EQUITY</b>		<b>2,164,083</b>	<b>1,755,608</b>	<b>2,030,674</b>	<b>1,651,542</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>2,550,290</b>	<b>2,204,939</b>	<b>2,478,239</b>	<b>2,163,273</b>

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED 30 JUNE

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		2021	2020	2021	2020
<b>REVENUES</b>					
Revenue from sales		1,605,886	1,478,683	1,624,131	1,470,351
Revenue from sales of by-product		39,882	28,713	38,251	27,902
<b>Total revenues</b>	5, 18	<b>1,645,768</b>	<b>1,507,396</b>	<b>1,662,382</b>	<b>1,498,253</b>
<b>COSTS OF SALES</b>					
Costs of sales	5	(1,253,342)	(1,342,154)	(1,294,927)	(1,348,703)
<b>Gross profit</b>		<b>392,426</b>	<b>165,242</b>	<b>367,455</b>	<b>149,550</b>
Interest income	5, 18	566	569	844	898
Gain on exchange rate		-	-	3,007	-
Other income	5	9,047	6,475	9,876	6,165
<b>Profit before expenses</b>		<b>402,039</b>	<b>172,286</b>	<b>381,182</b>	<b>156,613</b>
Selling expenses	5	(33,372)	(36,136)	(33,323)	(37,958)
Administrative expenses	5	(24,723)	(30,400)	(20,963)	(25,707)
Loss on exchange rate		(2,664)	(13,531)	-	(9,022)
<b>Total expenses</b>		<b>(60,759)</b>	<b>(80,067)</b>	<b>(54,286)</b>	<b>(72,687)</b>
<b>Profit before finance costs</b>		<b>341,280</b>	<b>92,219</b>	<b>326,896</b>	<b>83,926</b>
Finance costs	5, 18	(228)	(2,561)	(1,175)	(2,952)
<b>Profit before income tax</b>		<b>341,052</b>	<b>89,658</b>	<b>325,721</b>	<b>80,974</b>
Income tax expense	14	(65,209)	(11,601)	(65,188)	(10,919)
<b>Profit for the period</b>		<b>275,843</b>	<b>78,057</b>	<b>260,533</b>	<b>70,055</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
<b>Items to be reclassified subsequently to profit or loss</b>					
Translation adjustment for foreign currency financial statements - net of tax		(941)	3,783	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>274,902</b>	<b>81,840</b>	<b>260,533</b>	<b>70,055</b>
<b>ALLOCATION OF PROFIT FOR THE PERIOD</b>					
Portion of the Company's shareholders		275,650	78,094	260,533	70,055
Portion of non-controlling interests		193	(37)	-	-
		<b>275,843</b>	<b>78,057</b>	<b>260,533</b>	<b>70,055</b>
<b>ALLOCATION OF COMPREHENSIVE INCOME FOR THE PERIOD</b>					
Portion of the Company's shareholders		274,566	81,769	260,533	70,055
Portion of non-controlling interests		336	71	-	-
		<b>274,902</b>	<b>81,840</b>	<b>260,533</b>	<b>70,055</b>
<b>BASIC EARNINGS PER SHARE</b>					
Profit of the Company's shareholders (Baht per share)	16	0.552	0.156	0.521	0.140
Weighted average number of common shares (Unit : Thousand Shares)		499,998	499,998	499,998	499,998

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		2021	2020	2021	2020
<b>REVENUES</b>					
Revenue from sales		3,247,705	2,931,888	3,247,772	2,928,953
Revenue from sales of by-product		79,779	59,374	76,443	57,269
<b>Total revenues</b>	5, 18	<b>3,327,484</b>	<b>2,991,262</b>	<b>3,324,215</b>	<b>2,986,222</b>
<b>COSTS OF SALES</b>					
Costs of sales	5	(2,578,066)	(2,626,393)	(2,622,872)	(2,651,264)
<b>Gross profit</b>		<b>749,418</b>	<b>364,869</b>	<b>701,343</b>	<b>334,958</b>
Interest income	5, 18	1,079	980	1,638	1,625
Gain on exchange rate		-	-	7,574	2,054
Other income	5	15,094	11,316	16,931	11,441
<b>Profit before expenses</b>		<b>765,591</b>	<b>377,165</b>	<b>727,486</b>	<b>350,078</b>
Selling expenses	5	(67,621)	(76,382)	(68,963)	(80,030)
Administrative expenses	5	(47,986)	(54,231)	(41,164)	(44,654)
Loss on exchange rate		(2,885)	(3,439)	-	-
<b>Total expenses</b>		<b>(118,492)</b>	<b>(134,052)</b>	<b>(110,127)</b>	<b>(124,684)</b>
<b>Profit before finance costs</b>		<b>647,099</b>	<b>243,113</b>	<b>617,359</b>	<b>225,394</b>
Finance costs	5, 18	(1,244)	(4,784)	(3,148)	(5,595)
<b>Profit before income tax</b>		<b>645,855</b>	<b>238,329</b>	<b>614,211</b>	<b>219,799</b>
Income tax expense	14	(122,457)	(30,635)	(122,579)	(31,567)
<b>Profit for the period</b>		<b>523,398</b>	<b>207,694</b>	<b>491,632</b>	<b>188,232</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
<b>Items to be reclassified subsequently to profit or loss</b>					
Translation adjustment for foreign currency financial statements - net of tax		(2,423)	1,381	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>520,975</b>	<b>209,075</b>	<b>491,632</b>	<b>188,232</b>
<b>ALLOCATION OF PROFIT FOR THE PERIOD</b>					
Portion of the Company's shareholders		522,862	207,617	491,632	188,232
Portion of non-controlling interests		536	77	-	-
		<b>523,398</b>	<b>207,694</b>	<b>491,632</b>	<b>188,232</b>
<b>ALLOCATION OF COMPREHENSIVE INCOME FOR THE PERIOD</b>					
Portion of the Company's shareholders		520,340	208,958	491,632	188,232
Portion of non-controlling interests		635	117	-	-
		<b>520,975</b>	<b>209,075</b>	<b>491,632</b>	<b>188,232</b>
<b>BASIC EARNINGS PER SHARE</b>					
Profit of the Company's shareholders (Baht per share)	16	1.047	0.415	0.983	0.376
Weighted average number of common shares (Unit : Thousand Shares)		499,998	499,998	499,998	499,998

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Thousand Baht)

Shareholders' equity of the Company												
					Other components of equity							
					Other comprehensive income							
Retained earnings					Translation adjustment		Discount on	Total		Shareholders' equity	Non-controlling	
					Surplus on	for foreign currency	dilution of investment in	other components	of the Company	interests	Total	
Notes	Paid - up	Premium on	Legal	Unappropriated	revaluation of land	financial statement	subsidiaries company	of equity	of the Company	interests	Total	
	Share Capital	Share capital	Reserve									
<b>Consolidated F/S</b>												
	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	17	-	-	(31,500)	-	-	-	-	(31,500)	-	(31,500)	
<b>Total transactions with shareholders</b>		-	-	(31,500)	-	-	-	-	(31,500)	-	(31,500)	
Comprehensive income for the period		-	-	207,617	-	1,341	-	1,341	208,958	117	209,075	
<b>Total comprehensive income for the period</b>		-	-	207,617	-	1,341	-	1,341	208,958	117	209,075	
<b>Balance as at 30 June 2020</b>		449,999	121,762	45,000	912,066	59,322	(1,324)	(29,817)	28,181	1,557,008	(1,768)	1,555,240
<b>Balance as at 1 January 2021</b>		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
Increased in capital	15	49,999	-	-	-	-	-	-	49,999	-	49,999	
Dividend payment	17	-	-	(162,499)	-	-	-	-	(162,499)	-	(162,499)	
<b>Total transactions with shareholders</b>		49,999	-	(162,499)	-	-	-	-	(112,500)	-	(112,500)	
Comprehensive income for the period		-	-	522,862	-	(2,522)	-	(2,522)	520,340	635	520,975	
<b>Total comprehensive income for the period</b>		-	-	522,862	-	(2,522)	-	(2,522)	520,340	635	520,975	
<b>Balance as at 30 June 2021</b>		499,998	121,762	50,000	1,469,977	59,322	(5,919)	(29,817)	23,586	2,165,323	(1,240)	2,164,083



2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
 FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unaudited but reviewed)

(Unit : Thousand Baht)

	Notes	Paid - up Share Capital	Premium on Share capital	Retained earnings		Other components of equity	Total
				Legal Reserve	Unappropriated	Other comprehensive income Surplus on revelution of land	
<b>Separate F/S</b>							
<b>Balance as at 1 January 2020</b>		449,999	121,762	45,000	642,999	44,382	1,304,142
Dividend payment	17	-	-	-	(31,500)	-	(31,500)
<b>Total transactions with shareholders</b>		-	-	-	(31,500)	-	(31,500)
Comprehensive income for the period		-	-	-	188,232	-	188,232
<b>Total comprehensive income for the period</b>		-	-	-	188,232	-	188,232
<b>Balance as at 30 June 2020</b>		449,999	121,762	45,000	799,731	44,382	1,460,874
<b>Balance as at 1 January 2021</b>		449,999	121,762	50,000	985,399	44,382	1,651,542
Increased in capital	15	49,999	-	-	-	-	49,999
Dividend payment	17	-	-	-	(162,499)	-	(162,499)
<b>Total transactions with shareholders</b>		49,999	-	-	(162,499)	-	(112,500)
Comprehensive income for the period		-	-	-	491,632	-	491,632
<b>Total comprehensive income for the period</b>		-	-	-	491,632	-	491,632
<b>Balance as at 30 June 2021</b>		499,998	121,762	50,000	1,314,532	44,382	2,030,674

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

## STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
<b>Cash flows from operating activities</b>				
Profit before income tax	645,855	238,329	614,211	219,799
<b>Adjustments to reconcile profit before income tax to net cash provided from operating activities:</b>				
Provision (reversal of allowance) for impairment of account receivable	(2,302)	6,692	(2,269)	6,691
Provision (reversal of allowance) for decline value of inventories	5,686	(2,528)	5,686	(2,528)
Depreciation□	23,895	22,740	12,106	9,692
Loss on disposal and fixed assets written off	36	-	36	-
Amortization	241	462	191	219
Interest income	(1,079)	(980)	(1,638)	(1,625)
Interest expense	1,244	4,784	3,148	5,595
Provision for employee benefits obligation	818	967	710	827
<b>Cash flows provided from operations before changes in operating assets and liabilities</b>	<b>674,394</b>	<b>270,466</b>	<b>632,181</b>	<b>238,670</b>
<b>Decrease (increase) in operating assets:</b>				
Trade and other accounts receivable	(60,397)	(41,069)	(89,040)	(74,907)
Inventories	(14,104)	(30,695)	29,404	(22,871)
Deposits for purchase of goods	(294,179)	25,391	(294,179)	25,391
Refundable value added tax	528	(231)	528	(488)
Refundable income tax	1,001	-	298	-
Other current assets	(4,920)	(1,658)	(4,782)	(851)
Other non-current assets	(1,582)	-	-	-
<b>Increase (decrease) in operating liabilities:</b>				
Trade and other accounts payable	(102,478)	11,256	(102,967)	10,109
Accrued expenses	(4,186)	(5,132)	(3,969)	(3,962)
Value added tax payable	(509)	(79)	-	(1,149)
Deposit received in advance from customer	437	21,228	437	21,228
Other current liabilities	3,981	(638)	3,443	(2,430)
Employee benefits paid	(5,059)	-	(3,941)	-
<b>Cash received from operating activities</b>	<b>192,927</b>	<b>248,839</b>	<b>167,413</b>	<b>188,740</b>
Interest payment	(1,409)	(5,559)	(3,313)	(6,371)
Income tax paid	(46,854)	(1,469)	(45,374)	(17)
<b>Net cash provided from operating activities</b>	<b>144,664</b>	<b>241,811</b>	<b>118,726</b>	<b>182,352</b>

## STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
<b>Cash flows from investing activities</b>				
Interest income	1,079	980	1,638	1,625
Decrease in restricted deposits with banks	6,850	-	6,850	-
Addition to building and equipment	(18,499)	(52,234)	(7,246)	(11,465)
Sale of equipment	58	-	58	-
Addition to intangible assets	(231)	(27)	(213)	(27)
Short-term loan to subsidiary	-	-	-	(5,000)
<b>Net cash provided from (used in) investing activities</b>	<b>(10,743)</b>	<b>(51,281)</b>	<b>1,087</b>	<b>(14,867)</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from financial institutions	(32,151)	(113,733)	(32,151)	(113,733)
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	(919)	(889)	(2,768)	(1,785)
Proceed from increased in share capital	49,999	-	49,999	-
Cash dividend payment	(162,499)	(31,500)	(162,499)	(31,500)
<b>Net cash used in financing activities</b>	<b>(145,570)</b>	<b>(146,122)</b>	<b>(147,419)</b>	<b>(152,018)</b>
Translation adjustment for foreign currency financial statements	(2,423)	1,381	-	-
<b>Net increase (decrease) in cash and cash equivalents - net</b>	<b>(14,072)</b>	<b>45,789</b>	<b>(27,606)</b>	<b>15,467</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>132,111</b>	<b>131,850</b>	<b>119,255</b>	<b>91,549</b>
<b>Cash and cash equivalents at end of period</b>	<b>118,039</b>	<b>177,639</b>	<b>91,649</b>	<b>107,016</b>
<b>Supplemental disclosure for cash flows information</b>				
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 AND SIX-MONTH PERIODS ENDED 30 JUNE 2021 AND 2020**  
**(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 interim financial statements for the three-month and six-month periods ended 30 June 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 9 August 2021.

## 2.2 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.

## 2.3 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 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 30 June 2021 and 31 December 2020 are as follows:

	Consolidated F/S		Separate F/S	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
<b>Trade and other accounts receivable</b>				
Subsidiary companies	-	-	77,813	51,331
Related company	2	-	2	-
	<u>2</u>	<u>-</u>	<u>77,815</u>	<u>51,331</u>
<b>Short-term loans and Interest receivable</b>				
Subsidiary company	-	-	32,802	32,802

Significant movements in loans to subsidiary and accrued interest income for the six-month period ended 30 June 2021 are as follows:

	(Unit: Thousand Baht)			
	1 January 2021	During the period		30 June 2021
		Increase	Decrease	
Subsidiary company	32,802	1,000	(1,000)	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 within 1 year.

	Consolidated F/S		(Unit: Thousand Baht) Separate F/S	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
<b>Trade and other accounts payable</b>				
Subsidiary companies	-	-	10,060	9,541
Related companies	21,062	18,914	21,062	18,914
Total	21,062	18,914	31,122	28,455
<b>Deposit received in advance from customer</b>				
Related company	437	-	437	-
<b>Long-term lease liabilities</b>				
Subsidiary companies	-	-	79,047	80,863
Related company	4,879	5,362	4,879	5,362
Total	4,879	5,362	83,926	86,225
<b>Employee benefits obligation</b>				
Key management personnel				
- Post-employment benefits	14,010	13,647	11,081	10,781



Significant transactions with related parties for the three-month and six-month periods ended 30 June 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 30 June			
	2021	2020	2021	2020
<b>Sales</b>				
Related companies	78,831	172,287	78,831	172,287
Subsidiary companies	-	-	90,608	50,641
Total	78,831	172,287	169,439	222,928
<b>Asset rental and other service income</b>				
Subsidiary company	-	-	71	65
<b>Interest income</b>				
Subsidiary company	-	-	282	335
<b>Purchase of goods and service</b>				
Related companies	207,680	131,893	207,680	131,893
<b>Manufacturing costs</b>				
Subsidiary company	-	-	21,509	25,925
<b>Transportation service</b>				
Subsidiary company	-	-	15,417	16,877
<b>Assets rental and other service expense</b>				
Related company	300	300	300	300
Subsidiary companies	-	-	2,395	1,259
Total	300	300	2,695	1,559
<b>Key management personnel compensation</b>				
Short-term employee benefits	6,037	5,625	4,340	4,251
Post-employment benefits	181	248	150	202
Total	6,218	5,873	4,490	4,453

	Consolidated F/S		Separate F/S	
	For the six-month periods ended 30 June			
Transaction with related parties	2021	2020	2021	2020
<b>Sales</b>				
Related companies	165,629	288,841	165,629	288,841
Subsidiary companies	-	-	148,286	117,961
Total	<u>165,629</u>	<u>288,841</u>	<u>313,915</u>	<u>406,802</u>
<b>Asset rental and other service income</b>				
Subsidiary company	-	-	136	180
<b>Interest income</b>				
Subsidiary companies	-	-	563	651
<b>Purchase of goods and service</b>				
Related companies	429,751	317,826	429,751	317,826
Subsidiary company	-	-	1	-
Total	<u>429,751</u>	<u>317,826</u>	<u>429,752</u>	<u>317,826</u>
<b>Manufacturing costs</b>				
Subsidiary company	-	-	44,523	51,879
<b>Transportation service</b>				
Subsidiary company	-	-	33,199	35,821
<b>Assets rental and other service expense</b>				
Related company	600	600	600	600
Subsidiary companies	-	-	4,806	2,590
Total	<u>600</u>	<u>600</u>	<u>5,406</u>	<u>3,190</u>
<b>Interest expense</b>				
Subsidiary company	-	-	-	26
<b>Key management personnel compensation</b>				
Short-term employee benefits	11,666	11,251	8,595	8,503
Post-employment benefits	362	496	300	404
Total	<u>12,028</u>	<u>11,747</u>	<u>8,895</u>	<u>8,907</u>

As at 30 June 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 6.00 million as a secondary guarantee.

## 6. TRADE AND OTHER ACCOUNTS RECEIVABLE – NET

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Trade accounts receivable				
– general customers	338,078	275,382	327,363	262,537
Trade accounts receivable				
– subsidiary companies	-	-	77,796	51,331
Trade accounts receivable				
– related company	2	-	2	-
<b>Total</b>	<b>338,080</b>	<b>275,382</b>	<b>405,161</b>	<b>313,868</b>
Other accounts receivable				
– general customers	10	9	-	-
Other accounts receivable				
– subsidiary company	-	-	17	1
<b>Total</b>	<b>10</b>	<b>9</b>	<b>17</b>	<b>1</b>
<b>Total trade and other accounts receivable</b>	<b>338,090</b>	<b>275,391</b>	<b>405,178</b>	<b>313,869</b>

Aging analysis of the trade accounts receivable - general customers and related companies as at 30 June 2021 and 31 December 2020 are as follow:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
<u>Trade accounts receivable - general customers and related companies</u>				
Not yet due	320,201	236,537	389,998	272,091
Past due:				
Less than 3 months	15,036	37,584	12,324	34,565
3 - 6 months	2,128	1,142	2,128	7,097
6 - 12 months	744	3,784	744	3,780
Over 12 months	16,351	15,017	16,251	14,888
Total	<u>354,460</u>	<u>294,064</u>	<u>421,445</u>	<u>332,421</u>
<u>Less</u> Allowance for impairment	<u>(16,380)</u>	<u>(18,682)</u>	<u>(16,284)</u>	<u>(18,553)</u>
Trade accounts receivable - general customers and related companies – net	<u>338,080</u>	<u>275,382</u>	<u>405,161</u>	<u>313,868</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 at 1 January 2021	(18,682)	(18,553)
<u>Less</u> Reversal of allowance	2,302	2,269
Balance as at 30 June 2021	<u>(16,380)</u>	<u>(16,284)</u>

## 7. INVENTORIES – NET

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Raw materials	370,567	394,486	336,652	383,705
Work in process	93,731	53,683	82,646	51,682
Finished goods	593,680	410,325	556,910	384,250
Materials and goods in transit	5,918	190,883	5,918	190,883
Factory supplies	6,554	6,969	2,439	3,449
Total	<u>1,070,450</u>	<u>1,056,346</u>	<u>984,565</u>	<u>1,013,969</u>
<u>Less</u> Allowance for devalue of inventories				
during the period	(5,972)	(286)	(5,972)	(286)
Net	<u>1,064,478</u>	<u>1,056,060</u>	<u>978,593</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	(6,159)
Reversal of allowance during the period	473
Balance as at 30 June 2021	<u>(5,972)</u>

## 8. RESTRICTED DEPOSITS WITH BANKS

As at 30 June 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			
					30 June 2021		31 December 2020	
					Investment		Investment	
	2021	2020	2021	2020	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 six-month period ended 30 June 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	18,499	7,246
Disposal during the period	(95)	(95)
Accumulated depreciation – disposal items	1	1
Depreciation for the period	(22,582)	(8,609)
Net book value as at 30 June 2021	601,011	279,032

As at 30 June 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 104.46 million and Baht 106.47 million, respectively, in the consolidated financial statements, and Baht 94.24 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 19.

## 11. RIGHTS-OF-USE ASSETS

During the six-month period ended 30 June 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	(1,145)	(3,497)
Net book value as at 30 June 2021	12,402	83,773

## 12. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	(Unit: Thousand Baht)	
	Consolidated and Separate F/S	
	30 June 2021	31 December 2020
Promissory notes	-	150,000
Liabilities under trust receipt agreements	144,089	26,240
Total	144,089	176,240

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 840.00 million.

## 13. LONG-TERM LEASE LIABILITIES – NET

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Long-term lease liabilities as at 30 June 2021	8,198	120,050
<u>Less</u> Deferred interest	(639)	(34,836)
Present value of liabilities under lease agreements	7,559	85,214
<u>Less</u> Current portion	(2,842)	(5,214)
Long-term lease liabilities	4,717	80,000

#### 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 and six-month periods ended 30 June 2021 and 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 30 June			
	2021	2020	2021	2020
Current income tax	64,213	13,297	64,181	12,370
Deferred tax from temporary differences	996	(1,696)	1,007	(1,451)
Total income tax expenses	<u>65,209</u>	<u>11,601</u>	<u>65,188</u>	<u>10,919</u>

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the six-month periods ended 30 June			
	2021	2020	2021	2020
Current income tax	121,379	34,204	121,479	33,070
Deferred tax from temporary differences	1,078	(3,569)	1,100	(1,503)
Total income tax expenses	<u>122,457</u>	<u>30,635</u>	<u>122,579</u>	<u>31,567</u>

As at 30 June 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 3.80 million (31 December 2020: Baht 0.29 million) This does not have significant effect to the financial statements.

#### 15. AUTHORIZED SHARE CAPITAL

Movements of authorized share capital, and fully paid-up share capital are as follow:

Authorized share capital	Number of Shares	Par value	
		(Baht)	Baht
Balance as at 1 January 2021	549,999,244	1.00	549,999,244
Increased share capital	49,999,900	1.00	49,999,900
Decreased share capital	(100,000,149)	1.00	(100,000,149)
Balance as at 30 June 2021	<u>499,998,995</u>	1.00	<u>499,998,995</u>



Issued and fully paid-up share capital	Number of Shares	Par value (Baht)	Baht
Balance as at 1 January 2021	449,999,095	1.00	449,999,095
Increased share capital	49,998,851	1.00	49,998,851
Balance as at 30 June 2021	<u>499,997,946</u>	1.00	<u>499,997,946</u>

On 21 April 2021 at the Annual General Meeting for the year 2021, shareholders passed a resolution to decreased the 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. The Company registered the share capital decrement with the Department of Business Development on 27 April 2021.

On 21 April 2021 at the Annual General Meeting for the year 2021, shareholders passed a resolution to increased the 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 stock dividends. The Company registered the share capital increment with the Department of Business Development on 28 April 2021.

## 16. EARNING PER SHARE

As discussed in Note 15 above, the Company had declared the payment of stock dividend to existing shareholders that increased the number of shares from million 450 shares to million 500 shares. Under the Accounting Standard No.33, this increase in share capital from stock dividend is considered as if the number of shares have been changed since prior period. The Company therefore retroactively adjusted the computation of earnings per share for the previous period based on revised number of shares.

## 17. 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.

At the Annual General Meeting for the year 2021 held on 21 April 2021, shareholders passed a resolution to pay dividend from income from operation for year 2020 from non-promoted business for 450 million common shares at Baht 0.3611 per share totalling Baht 162.50 million. The dividend was paid on 20 May 2021 as follows:

Dividend	Baht per share	Numbers of shares (Million shares)	Amount (Million Baht)
Stock dividend (at the ratio of 9 existing shares per 1 stock dividend)	0.1111	450	50.00
Cash dividend	0.2500	450	112.50
<b>Total</b>	<b>0.3611</b>	<b>450</b>	<b>162.50</b>

## 18. SEGMENT REPORTING

Segment reporting for the three-month and six-month periods ended 30 June 2021 and 2020 are as follows:

(Unit : Million Baht)

	Consolidated F/S							
	For the three-month periods ended 30 June							
	Trading (Including raw material)		Manufacture and distribution of steel products		Eliminated		Total	
2021	2020	2021	2020	2021	2020	2021	2020	
Revenues from external customers	513.06	479.63	1,132.71	1,027.77	-	-	1,645.77	1,507.40
Revenues from inter-segments	89.03	49.04	21.53	26.92	(110.56)	(75.96)	-	-
<b>Total revenues</b>	<b>602.09</b>	<b>528.67</b>	<b>1,154.24</b>	<b>1,054.69</b>	<b>(110.56)</b>	<b>(75.96)</b>	<b>1,645.77</b>	<b>1,507.40</b>
Interest income	0.29	0.29	0.56	0.61	(0.28)	(0.33)	0.57	0.57
Interest expense	(0.50)	(1.05)	(0.96)	(2.24)	1.23	0.73	(0.23)	(2.56)
Depreciation and amortization expenses	-	-	(13.55)	(12.10)	1.37	0.49	(12.18)	(11.61)
<b>Segment profits</b>	<b>97.00</b>	<b>10.58</b>	<b>178.65</b>	<b>65.06</b>	<b>0.19</b>	<b>2.42</b>	<b>275.84</b>	<b>78.06</b>
Segment assets	874.26	632.92	1,676.03	1,262.66	-	-	2,550.29	1,895.58
Increase (Decrease) in segment non-current assets	3.69	-	7.08	38.83	-	-	10.77	38.83
Segment liabilities	132.39	-	253.82	340.34	-	-	386.21	340.34

(Unit : Million Baht)

		Consolidated F/S							
		For the six-month periods ended 30 June							
		Trading (Including raw material)		Manufacture and distribution of steel products		Eliminated		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
Revenues from external									
customers		1,036.36	907.03	2,291.12	2,084.23	-	-	3,327.48	2,991.26
Revenues from inter-segments		143.93	107.34	44.71	60.66	(189.64)	(168.00)	-	-
Total revenues		<u>1,181.29</u>	<u>1,014.37</u>	<u>2,335.83</u>	<u>2,144.89</u>	<u>(189.64)</u>	<u>(168.00)</u>	<u>3,327.48</u>	<u>2,991.26</u>
Interest income		0.55	0.50	1.09	1.16	(0.56)	(0.68)	1.08	0.98
Interest expense		(1.25)	(1.89)	(2.46)	(4.35)	2.47	1.46	(1.24)	(4.78)
Depreciation and amortization									
expenses		-	-	(26.88)	(24.38)	2.74	1.18	(24.14)	(23.20)
Segment profits		<u>181.02</u>	<u>27.22</u>	<u>343.34</u>	<u>178.32</u>	<u>(0.96)</u>	<u>2.15</u>	<u>523.40</u>	<u>207.69</u>
Segment assets		856.56	608.63	1,693.73	1,286.95	-	-	2,550.29	1,895.58
Increase (Decrease) in									
segment non-current assets		3.62	-	7.15	38.83	-	-	10.77	38.83
Segment liabilities		129.71	-	256.50	340.40	-	-	386.21	340.40

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

(Unit : Million Baht)

		Consolidated F/S							
		For the three-month periods ended 30 June							
		Trading (include raw materials)		Manufacture and distribution of steel products		Eliminated		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
Local		601.85	528.40	1,082.04	995.78	(110.56)	(75.96)	1,573.33	1,448.22
Lao People's Democratic Republic		0.24	0.27	72.20	58.91	-	-	72.44	59.18
Total		<u>602.09</u>	<u>528.67</u>	<u>1,154.24</u>	<u>1,054.69</u>	<u>(110.56)</u>	<u>(75.96)</u>	<u>1,645.77</u>	<u>1,507.40</u>

(Unit : Million Baht)

		Consolidated F/S							
		For the six-month periods ended 30 June							
		Trading (include raw materials)		Manufacture and distribution of steel products		Eliminated		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
Local		1,180.25	1,013.77	2,188.49	2,024.33	(189.64)	(167.49)	3,179.10	2,870.61
Lao People's Democratic Republic		1.04	0.60	147.34	120.56	-	(0.51)	148.38	120.65
Total		<u>1,181.29</u>	<u>1,014.37</u>	<u>2,335.83</u>	<u>2,144.89</u>	<u>(189.64)</u>	<u>(168.00)</u>	<u>3,327.48</u>	<u>2,991.26</u>

## 19. COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2021, the Company has no changes in significant commitments and contingent liabilities that had changed from 31 December 2020, except the following:

19.1 The Company has purchase orders for raw materials and finished goods which products have not yet been received for Baht 591.88 million and Baht 61.20 million, respectively, in the consolidated and separate financial statements.

19.2 As at 30 June 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					
		30 June 2021			31 December 2020		
Currency		Total	Utilised	Remained	Total	Utilised	Remained
Letters of guarantee	Baht	9.86	2.61	7.25	9.86	2.62	7.24
Bank overdrafts	Baht	15.00	-	15.00	10.00	-	10.00
Promissory note and trust receipt agreement	Baht	990.00	144.09	845.91	990.00	176.24	813.76

(Unit : Million Baht)

		Separate F/S					
		30 June 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	144.09	845.91	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.

## 20. 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 30 June 2021 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	-	151,921	-	151,921

(Unit : Thousand Baht)

	Separate F/S			
	Level 1	Level 2	Level 3	Total
<b>Non-financial assets</b>				
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 30 June 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	31.25	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	(0.05)	0.05

## 21. EVENTS AFTER THE REPORTING PERIOD

At the Board of Director Meeting No. 3/2021 held on 9 August 2021, the directors passed a resolution to approve the payment of interim dividends from non-promoted income for the six-month period end 30 June 2021 of Baht 0.20 per share for 500 million common shares totalling Baht 100 million. The dividend will be paid on 6 September 2021.