

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 30 June 2022, 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 2022, 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".

Luxsamee Deetrakulwattanapol

Certified Public Accountant

Registration No. 9056

Grant Thornton Limited

Bangkok

11 August 2022

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		104,655	352,593	67,716	330,383
Trade and other accounts receivable - net	5, 6	360,776	363,557	417,056	409,367
Inventories - net	7	1,195,250	1,105,143	1,153,249	1,032,484
Deposits for purchase of goods		443	441	443	441
Short-term loans and accrued interest receivable - subsidiaries	5	-	-	41,417	17,415
Refundable value added tax		29,528	-	28,621	-
Refundable income tax		3,894	3,928	-	-
Other current assets		5,972	5,404	2,532	2,301
Total Current Assets		1,700,518	1,831,066	1,711,034	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	615,036	593,133	282,148	278,635
Rights-of-use assets - net	11	10,110	11,255	76,776	80,273
Investment property - net		1,104	1,271	-	-
Intangible assets - net		1,760	2,083	1,617	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		646,330	626,433	589,255	592,868
TOTAL ASSETS		2,346,848	2,457,499	2,300,289	2,385,259

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	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term loans from financial institutions	12	94,825	-	94,825	-
Trade and other accounts payable	5	45,366	30,229	50,863	34,968
Current portion of liabilities under					
finance lease agreements	5, 13	1,313	1,483	5,264	5,340
Accrued income tax		1,641	62,281	1,641	55,545
Value added tax payable		-	4,095	-	3,572
Accrued expenses		26,406	38,908	22,424	31,159
Other current liabilities		7,765	6,727	5,559	5,615
Total Current Liabilities		177,316	143,723	180,576	136,199
NON-CURRENT LIABILITIES					
Employee benefits obligation		18,600	17,794	16,277	15,562
Long-term lease liabilities - net	5, 13	3,403	4,219	74,737	77,551
Deferred tax liabilities - net		13,592	13,940	4,679	4,832
Total Non-Current Liabilities		35,595	35,953	95,693	97,945
TOTAL LIABILITIES		212,911	179,676	276,269	234,144

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 2022	31 December 2021	30 June 2022	31 December 2021
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)					
SHAREHOLDERS' EQUITY					
Share capital - common share at Baht 1 par value					
- Registered 549,997,741 shares	15	549,998	499,998	549,998	499,998
- Issued and paid - up 549,995,954 shares	15	549,996	499,998	549,996	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		1,395,649	1,584,633	1,257,880	1,434,973
Other components of shareholder's equity		18,526	22,866	44,382	44,382
Shareholders' equity of the Company		2,135,933	2,279,259	2,024,020	2,151,115
Non-controlling interests in subsidiaries		(1,996)	(1,436)	-	-
NET SHAREHOLDERS' EQUITY		2,133,937	2,277,823	2,024,020	2,151,115
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,346,848	2,457,499	2,300,289	2,385,259

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	
		2022	2021	2022	2021
REVENUES					
Revenue from sales		1,596,350	1,605,886	1,596,165	1,624,131
Revenue from sales of by-product		41,461	39,882	40,115	38,251
Total revenues	5, 18	1,637,811	1,645,768	1,636,280	1,662,382
COSTS OF SALES					
Costs of sales	5	(1,630,332)	(1,253,342)	(1,635,344)	(1,294,927)
Gross profit		7,479	392,426	936	367,455
Interest income	5, 18	539	566	876	844
Gain on exchange rate		-	-	-	3,007
Other income	5	12,329	9,047	14,022	9,876
Profit before expenses		20,347	402,039	15,834	381,182
Selling expenses	5	(34,048)	(33,372)	(32,818)	(33,323)
Administrative expenses	5	(27,613)	(24,723)	(21,728)	(20,963)
Loss on exchange rate		(18,826)	(2,664)	(286)	-
Total expenses		(80,487)	(60,759)	(54,832)	(54,286)
Profit (loss) before finance costs		(60,140)	341,280	(38,998)	326,896
Finance costs	5, 18	(422)	(228)	(1,382)	(1,175)
Profit (loss) before income tax		(60,562)	341,052	(40,380)	325,721
Income tax expense	14	6,951	(65,209)	6,847	(65,188)
Profit (loss) for the period		(53,611)	275,843	(33,533)	260,533
OTHER COMPREHENSIVE INCOME (LOSS)					
Items to be reclassified subsequently to profit or loss					
Translation adjustment for foreign currency financial statements - net of tax		(10,978)	(941)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(64,589)	274,902	(33,533)	260,533
ALLOCATION OF PROFIT FOR THE PERIOD					
Portion of the Company's shareholders		(53,109)	275,650	(33,533)	260,533
Portion of non-controlling interests		(502)	193	-	-
		(53,611)	275,843	(33,533)	260,533
ALLOCATION OF COMPREHENSIVE INCOME FOR THE PERIOD					
Portion of the Company's shareholders		(63,771)	274,566	(33,533)	260,533
Portion of non-controlling interests		(818)	336	-	-
		(64,589)	274,902	(33,533)	260,533
BASIC EARNINGS PER SHARE					
Profit of the Company's shareholders (Baht per share)	16	(0.097)	0.502	(0.061)	0.474
Weighted average number of common shares (Unit : Thousand Shares)		549,996	549,996	549,996	549,996

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	
		2022	2021	2022	2021
REVENUES					
Revenue from sales		3,420,388	3,247,705	3,371,900	3,247,772
Revenue from sales of by-product		78,012	79,779	75,456	76,443
Total revenues	5, 18	3,498,400	3,327,484	3,447,356	3,324,215
COSTS OF SALES					
Costs of sales	5	(3,378,415)	(2,578,066)	(3,348,145)	(2,622,872)
Gross profit		119,985	749,418	99,211	701,343
Interest income	5, 18	1,227	1,079	1,790	1,638
Gain on exchange rate		-	-	-	7,574
Other income	5	23,249	15,094	24,617	16,931
Profit before expenses		144,461	765,591	125,618	727,486
Selling expenses	5	(68,692)	(67,621)	(67,901)	(68,963)
Administrative expenses	5	(55,219)	(47,986)	(45,391)	(41,164)
Loss on exchange rate		(22,894)	(2,885)	(533)	-
Total expenses		(146,805)	(118,492)	(113,825)	(110,127)
Profit (loss) before finance costs		(2,344)	647,099	11,793	617,359
Finance costs	5, 18	(482)	(1,244)	(2,371)	(3,148)
Profit (loss) before income tax		(2,826)	645,855	9,422	614,211
Income tax expense	14	(1,650)	(122,457)	(1,520)	(122,579)
Profit (loss) for the period		(4,476)	523,398	7,902	491,632
OTHER COMPREHENSIVE INCOME (LOSS)					
Items to be reclassified subsequently to profit or loss					
Translation adjustment for foreign currency financial statements - net of tax		(4,413)	(2,423)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(8,889)	520,975	7,902	491,632
ALLOCATION OF PROFIT FOR THE PERIOD					
Portion of the Company's shareholders		(3,989)	522,862	7,902	491,632
Portion of non-controlling interests		(487)	536	-	-
		(4,476)	523,398	7,902	491,632
ALLOCATION OF COMPREHENSIVE INCOME FOR THE PERIOD					
Portion of the Company's shareholders		(8,329)	520,340	7,902	491,632
Portion of non-controlling interests		(560)	635	-	-
		(8,889)	520,975	7,902	491,632
BASIC EARNINGS PER SHARE					
Profit of the Company's shareholders (Baht per share)	16	(0.008)	0.952	0.014	0.894
Weighted average number of common shares (Unit : Thousand Shares)		549,996	549,996	549,996	549,996

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

(Unaudited but reviewed)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Thousand Baht)

	Notes	Retained earnings			Other components of equity		Total
		Paid - up Share Capital	Premium on Share capital	Legal Reserve	Other comprehensive income		
					Unappropriated	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
Increased in capital		49,999	-	-	-	-	49,999
Dividend payment	17	-	-	-	(162,499)	-	(162,499)
Total transactions with shareholders		49,999	-	-	(162,499)	-	(112,500)
Comprehensive income for the period		-	-	-	491,632	-	491,632
Total comprehensive income for the period		-	-	-	491,632	-	491,632
Balance as at 30 June 2021		499,998	121,762	50,000	1,314,532	44,382	2,030,674
Balance as at 1 January 2022		499,998	121,762	50,000	1,434,973	44,382	2,151,115
Increased in capital	15	49,998	-	-	-	-	49,998
Dividend payment	17	-	-	-	(184,995)	-	(184,995)
Total transactions with shareholders		49,998	-	-	(184,995)	-	(134,997)
Comprehensive income for the period		-	-	-	7,902	-	7,902
Total comprehensive income for the period		-	-	-	7,902	-	7,902
Balance as at 30 June 2022		549,996	121,762	50,000	1,257,880	44,382	2,024,020

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	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before income tax	(2,826)	645,855	9,422	614,211
Adjustments to reconcile profit before income tax to net cash provided from operating activities:				
Provision (reversal of allowance) for doubtful debts	(38)	(2,302)	50	(2,269)
Provision (reversal of allowance) for decline value of inventories	90,117	5,686	90,117	5,686
Depreciation □	24,353	23,895	12,558	12,106
Unrealized gain (loss) on exchange rate	2,026	(3,004)	-	-
Loss on disposal and fixed assets written off	21	36	-	36
Amortization	323	241	298	191
Interest income	(1,227)	(1,079)	(1,790)	(1,638)
Interest expense	482	1,244	2,371	3,148
Provision for employee benefits obligation	806	818	715	710
Cash flows provided from operations before changes in operating assets and liabilities	114,037	671,390	113,741	632,181
Decrease (increase) in operating assets:				
Trade and other accounts receivable	2,819	(60,397)	(7,739)	(89,040)
Inventories	(180,224)	(14,104)	(210,882)	29,404
Deposits for purchase of goods	(2)	(294,179)	(2)	(294,179)
Refundable value added tax	(29,528)	528	(28,621)	528
Refundable income tax	34	1,001	-	298
Other current assets	1,029	(4,920)	(231)	(4,782)
Other non-current assets	46	(1,582)	45	-
Increase (decrease) in operating liabilities:				
Trade and other accounts payable	15,137	(102,478)	15,895	(102,967)
Accrued expenses	(12,564)	(4,186)	(8,797)	(3,969)
Value added tax payable	(4,095)	(509)	(3,572)	-
Deposits received from customers	-	437	-	437
Other current liabilities	1,038	3,981	(56)	3,443
Employee benefits paid	-	(5,059)	-	(3,941)
Cash received from operating activities	(92,273)	189,923	(130,219)	167,413
Interest payment	(420)	(1,409)	(2,309)	(3,313)
Income tax paid	(63,910)	(46,854)	(55,577)	(45,374)
Net cash provided from (used in) operating activities	(156,603)	141,660	(188,105)	118,726

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2022	2021	2022	2021
Cash flows from investing activities				
Interest received	1,227	1,079	1,790	1,638
Decrease in restricted deposits with banks	-	6,850	-	6,850
Acquisition of building and equipment	(45,016)	(18,499)	(12,574)	(7,246)
Sale of equipment	51	58	-	58
Addition to intangible assets	-	(231)	-	(213)
Short-term loan granted to subsidiary	-	-	(24,002)	-
Net cash provided from (used in) investing activities	(43,738)	(10,743)	(34,786)	1,087
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	94,825	(32,151)	94,825	(32,151)
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	(986)	(919)	(2,890)	(2,768)
Proceeds from conversion of warrants to common shares	-	49,999	-	49,999
Cash dividend payment	(134,997)	(162,499)	(134,997)	(162,499)
Net cash used in financing activities	(41,158)	(145,570)	(39,776)	(147,419)
Exchange rate losses on cash and cash equivalents	(6,439)	581	-	-
Net decrease in cash and cash equivalents - net	(247,938)	(14,072)	(262,667)	(27,606)
Cash and cash equivalents at beginning of period	352,593	132,111	330,383	119,255
Cash and cash equivalents at end of period	104,655	118,039	67,716	91,649

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 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., is 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., is registered in Thailand and is engaged in providing transportation services.
- Grand Steel Pipe Industry Co., Ltd., is 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 and six-month periods ended 30 June 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 report in Thai version.

These interim financial statements were approved by the Company's Board of Directors on 11 August 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 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 30 June 2022 and 31 December 2021 are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Trade and other accounts receivable				
Subsidiary companies	-	-	60,628	56,077
Related company	97	37,385	97	37,385
Total	97	37,385	60,725	93,462
Short-term loans and interest receivable				
Subsidiary companies	-	-	41,417	17,415
Long-term loans receivable				
Subsidiary company	-	-	9,400	12,686
Total loans and interest receivable	-	-	50,817	30,101

Significant movements in loans to subsidiary and accrued interest receivable for the six-month period ended 30 June 2022 are as follows:

	(Unit : Thousand Baht)			
	1 January	During the period		30 June
	2022	Increase	Decrease	2022
Subsidiary companies	30,101	24,013	3,297	50,817

Short-term loans to subsidiaries 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	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Trade and other accounts payable				
Subsidiary companies	-	-	10,823	7,995
Related companies	9,599	6,268	9,599	6,268
Total	9,599	6,268	20,422	14,263
Long-term lease liabilities				
Subsidiary companies	-	-	75,283	77,188
Related company	3,878	4,384	3,878	4,384
Total	3,878	4,384	79,161	81,572
Employee benefits obligation				
Key management personnel				
- Post-employment benefits	14,728	14,372	11,694	11,381

Significant transactions with related parties for the three-month and six-month periods ended 30 June 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 30 June			
	2022	2021	2022	2021
Sales				
Related companies	109,226	78,831	109,226	78,831
Subsidiary companies	-	-	48,134	90,608
Total	109,226	78,831	157,360	169,439
Asset rental and other service income				
Subsidiary company	-	-	65	71
Interest income				
Subsidiary companies	-	-	341	282
Purchase of goods and service				
Related parties	347,273	207,680	347,273	207,680
Manufacturing costs				
Subsidiary company	-	-	21,417	21,509
Transportation service				
Subsidiary company	-	-	17,533	15,417
Assets rental and other service expense				
Related company	300	300	300	300
Subsidiary companies	-	-	2,335	2,395
Total	300	300	2,635	2,695
Key management personnel compensation				
Short-term employee benefits	6,664	6,037	4,346	4,340
Post-employment benefits	178	181	156	150
Total	6,842	6,218	4,502	4,490

(Unit : Thousand Baht)

Transaction with related parties	Consolidated F/S		Separate F/S	
	For the six-month periods ended 30 June			
	2022	2021	2022	2021
Sales				
Related companies	109,519	165,629	109,519	165,629
Subsidiary companies	-	-	71,601	148,286
Total	109,519	165,629	181,120	313,915
Asset rental and other service income				
Subsidiary company	-	-	131	136
Interest income				
Subsidiary company	-	-	568	563
Purchase of goods and service				
Related parties	621,508	429,751	621,508	429,751
Subsidiary company	-	-	-	1
Total	621,508	429,751	621,508	429,752
Manufacturing costs				
Subsidiary company	-	-	41,546	44,523
Transportation service				
Subsidiary company	-	-	37,729	33,199
Assets rental and other service expense				
Related company	600	600	600	600
Subsidiary companies	-	-	4,720	4,806
Total	600	600	5,320	5,406
Key management personnel compensation				
Short-term employee benefits	12,447	11,666	8,692	8,595
Post-employment benefits	356	362	313	300
Total	12,803	12,028	9,005	8,895

As of 30 June 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	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Trade accounts receivable - general customers	360,670	326,163	356,331	315,905
Trade accounts receivable - subsidiary companies	-	-	60,498	56,069
Trade accounts receivable - related companies	97	37,385	97	37,385
Total	<u>360,767</u>	<u>363,548</u>	<u>416,926</u>	<u>409,359</u>
Other accounts receivable – general customers	9	9	-	-
Other accounts receivable – subsidiary company	-	-	130	8
Total	<u>9</u>	<u>9</u>	<u>130</u>	<u>8</u>
Total trade and other accounts receivable	<u>360,776</u>	<u>363,557</u>	<u>417,056</u>	<u>409,367</u>

Aging analysis of the trade accounts receivable – general customers and related companies as of 30 June 2022 and 31 December 2021 are as follow:

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
<u>Trade accounts receivable - general customers and related companies</u>				
Not yet due	331,762	290,678	372,271	309,524
Past due:				
Less than 3 months	23,923	68,011	25,565	94,980
3 - 6 months	915	1,331	14,927	1,331
6 - 12 months	2,721	3,893	2,721	3,893
Over 12 months	17,252	15,479	17,248	15,387
Total	<u>376,573</u>	<u>379,392</u>	<u>432,732</u>	<u>425,115</u>
<u>Less</u> Allowance for impairment	<u>(15,806)</u>	<u>(15,844)</u>	<u>(15,806)</u>	<u>(15,756)</u>
Trade accounts receivable - general customers and related companies – net	<u>360,767</u>	<u>363,548</u>	<u>416,926</u>	<u>409,359</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 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	1,344	1,256
Balance as of 30 June 2022	<u>(15,806)</u>	<u>(15,806)</u>

7. INVENTORIES – NET

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Raw materials	708,431	440,222	708,431	435,651
Work in process	100,294	85,926	94,494	71,485
Finished goods	480,703	590,344	448,889	540,430
Materials and goods in transit	7,393	8	7,393	8
Factory supplies	6,510	6,607	2,123	2,874
Total	<u>1,303,331</u>	<u>1,123,107</u>	<u>1,261,330</u>	<u>1,050,448</u>
<u>Less</u> Allowance for decline value of inventories	<u>(108,081)</u>	<u>(17,964)</u>	<u>(108,081)</u>	<u>(17,964)</u>
Net	<u>1,195,250</u>	<u>1,105,143</u>	<u>1,153,249</u>	<u>1,032,484</u>

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

	(Unit : Thousand Baht)
	Consolidated and Separate F/S
Balance as of 1 January 2022	(17,964)
Additional allowance during the period	(109,279)
Reversal of allowance during the period	19,162
Balance as of 30 June 2022	<u>(108,081)</u>

8. RESTRICTED DEPOSITS WITH BANKS

As of 30 June 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			
					30 June 2022		31 December 2021	
	2022	2021	2022	2021	Investment		Investment	
				At cost	Dividend income	At cost	Dividend income	
Neastern Steel Co., Ltd.	90,000	90,000	99.99	99.99	99,000	-	99,000	-
Mega Trans and Logis Co., Ltd.	30,000	30,000	99.99	99.99	30,000	-	30,000	-
Grand Steel Pipe Industry Co., Ltd.	121,970	121,970	97.11	97.11	87,770	-	87,770	-
Total					216,770	-	216,770	-

10. PROPERTY, PLANT AND EQUIPMENT – NET

During the six-month period ended 30 June 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	45,016	12,577
Disposal during the period	(155)	(3)
Accumulated depreciation on – disposed items	83	3
Depreciation for the period	(23,041)	(9,064)
Net book value as of 30 June 2022	615,036	282,148

As at 30 June 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 99.85 million and Baht 103.96 million, respectively, in the consolidated financial statements, and Baht 90.48 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 19.2

11. RIGHTS-OF-USE ASSETS

During the six-month period ended 30 June 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	(1,145)	(3,479)
Net book value as of 30 June 2022	10,110	76,776

12. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	(Unit : Thousand Baht)	
	Consolidated and Separate F/S	
	30 June 2022	31 December 2021
Liabilities under letter of credit	94,825	-
Total	94,825	-

Short-term loans from financial institutions bear interest at 2.45% for period three months. The total payment is due on July 8, 2022.

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 of 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 of 30 June 2022	5,100	110,846
<u>Less</u> Deferred interest	(384)	(30,845)
Present value of liabilities under lease agreements	4,716	80,001
<u>Less</u> Current portion	(1,313)	(5,264)
Long-term lease liabilities	3,403	74,737

14. INCOME TAX

Income tax recognized in the statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2022 and 2021 are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 30 June			
	2022	2021	2022	2021
Current income tax	(6,885)	64,213	(6,885)	64,181
Deferred tax from temporary differences	(66)	996	38	1,007
Total income tax expenses	<u>(6,951)</u>	<u>65,209</u>	<u>(6,847)</u>	<u>65,188</u>

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the six-month periods ended 30 June			
	2022	2021	2022	2021
Current income tax	1,673	121,379	1,673	121,479
Deferred tax from temporary differences	(23)	1,078	(153)	1,100
Total income tax expenses	<u>1,650</u>	<u>122,457</u>	<u>1,520</u>	<u>122,579</u>

15. AUTHORIZED SHARE CAPITAL

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

Authorized share capital	Number of Shares	Par value (Baht)	Baht
Balance as of 1 January 2022	499,998,995	1.00	499,998,995
Increased share capital	49,999,795	1.00	49,999,795
Decreased share capital	<u>(1,049)</u>	1.00	<u>(1,049)</u>
Balance as of 30 June 2022	<u>549,997,741</u>	1.00	<u>549,997,741</u>

Issued and fully paid-up share capital	Number of Shares	Par value (Baht)	Baht
Balance as of 1 January 2022	499,997,946	1.00	499,997,946
Increased share capital	49,998,008	1.00	49,998,008
Balance as of 30 June 2022	549,995,954	1.00	549,995,954

At the Annual General Meeting for the year 2022 on 21 April 2022, the shareholders passed a resolution to decrease the registered common share of the Company from Baht 499,998,995 to Baht 499,997,946 by reducing the non-allotment of 1,049 shares at par value of 1 Baht per share, remaining for the stock dividend payment as approve at the Annual General Meeting of Shareholder for the year 2021. The Company registered the share capital decrement with the Department of Business Development on 2 May 2022.

At the Annual General Meeting for the year 2022 on 21 April 2022, the shareholders passed a resolution to increase the registered common share of the Company from Baht 499,997,946 to Baht 549,995,954 by issuing new 49,998,008 ordinary share at par value of 1 Baht, totalling Baht 50.00 million to support stock dividends. The Company registered the share capital increment with the Department of Business Development on 5 May 2022.

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 500 million shares to 550 million shares. Under the Accounting Standard No.33, this increase in share capital from stock dividend is considered as if the number of shares has 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. The Company does not issue dilutive potential ordinary shares during the year 2022.

17. DIVIDEND PAYMENT

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 by cash dividend amount of Baht 0.25 per share for 450 million common shares amount of Baht 112.50 million and stock dividend at the ratio of 9 existing shares per 1 stock dividend amount of Baht 0.11 per shares amount of Baht 50 million totalling Baht 162.50 million.

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 for the shareholders on the list at the closing date on 16 March 2022 as follow:

Dividend	Baht per share	Numbers of shares (Million shares)	Amount (Million Baht)
Stock dividend (at 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	<u>0.37</u>		<u>185.00</u>

The dividend was paid on 19 May 2022.

18. SEGMENT REPORTING

Segment reporting for the three-month and six-month periods ended 30 June 2022 and 2021 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	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenues from external customers	561.85	513.06	1,075.96	1,132.71	-	-	1,637.81	1,645.77
Revenues from inter-segments	38.95	89.03	28.03	21.53	(66.98)	(110.56)	-	-
Total revenues	<u>600.80</u>	<u>602.09</u>	<u>1,103.99</u>	<u>1,154.24</u>	<u>(66.98)</u>	<u>(110.56)</u>	<u>1,637.81</u>	<u>1,645.77</u>
Interest income	0.30	0.29	0.58	0.56	(0.34)	(0.28)	0.54	0.57
Interest expense	(0.57)	(0.50)	(1.11)	(0.96)	1.26	1.23	(0.42)	(0.23)
Depreciation and amortization expenses	-	-	(13.75)	(13.55)	1.34	1.37	(12.41)	(12.18)
Segment profits (loss)	<u>(11.86)</u>	<u>97.00</u>	<u>(39.53)</u>	<u>178.65</u>	<u>(2.22)</u>	<u>0.19</u>	<u>(53.61)</u>	<u>275.84</u>
Segment assets	764.92	874.26	1,581.92	1,676.03	-	-	2,346.84	2,550.29
Increase (Decrease) in segment non-current assets	6.49	3.69	13.41	7.08	-	-	19.90	10.77
Segment liabilities	69.39	132.39	143.52	253.82	-	-	212.91	386.21

(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	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenues from external customers	1,185.95	1,036.36	2,312.45	2,291.12	-	-	3,498.40	3,327.48
Revenues from inter-segments	55.14	144.93	54.27	44.71	(109.41)	(189.64)	-	-
Total revenues	1,241.09	1,181.29	2,366.72	2,335.83	(109.41)	(189.64)	3,498.40	3,327.48
Interest income	0.61	0.55	1.19	1.09	(0.57)	(0.56)	1.23	1.08
Interest expense	(0.98)	(1.25)	(1.92)	(2.46)	2.42	2.47	(0.48)	(1.24)
Depreciation and amortization expenses	-	-	(27.36)	(26.88)	2.68	2.74	(24.68)	(24.14)
Segment profits (loss)	6.26	181.02	(12.54)	343.34	1.81	(0.96)	(4.47)	523.40
Segment assets	807.81	856.56	1,539.53	1,693.73	-	-	2,346.84	2,550.29
Increase (Decrease) in segment non-current assets	6.85	3.62	13.04	7.15	-	-	19.90	10.77
Segment liabilities	73.24	129.71	139.67	256.50	-	-	212.91	386.21

The Group discloses the revenue disaggregating 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	
	2022	2021	2022	2021	2022	2021	2022	2021
Local	598.81	601.85	1,058.88	1,082.04	(66.98)	(110.56)	1,590.70	1,573.33
Lao People's Democratic Republic	1.99	0.24	45.11	72.20	-	-	47.11	72.44
Total	600.80	602.09	1,103.99	1,154.24	(66.98)	(110.56)	1,637.81	1,645.77

(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	
	2022	2021	2022	2021	2022	2021	2022	2021
Local	1,234.07	1,180.25	2,254.83	2,188.49	(109.41)	(189.64)	3,379.48	3,179.10
Lao People's Democratic Republic	7.02	1.04	111.89	147.34	-	-	118.92	148.38
Total	1,241.09	1,181.29	2,366.72	2,335.83	(109.41)	(189.64)	3,498.40	3,327.48

19. COMMITMENTS AND CONTINGENT LIABILITIES

As of 30 June 2022, the Company has no changes in significant commitments and contingent from 31 December 2021, except the following:

19.1 The Company has purchase orders for raw materials and finished goods for which products have not yet been received for Baht 256.92 million and Baht 33.11 million, respectively, in the consolidated and separate financial statements.

19.2 As of 30 June 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					
		30 June 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	15.00	-	15.00	10.00	-	10.00
Promissory note and trust receipt agreement	Baht	990.00	94.82	895.18	990.00	136.48	853.52

(Unit : Million Baht)

	Currency	Separate F/S					
		30 June 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	94.82	895.18	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

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 of 30 June 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 30 June 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
2.00	1.00	35.10	31.25

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	(0.10)	(0.05)

21. EVENTS AFTER THE REPORTING PERIOD

At the Board of Director Meeting No. 3/2022 held on 11 August 2022, the directors passed a resolution to consider and approve the acquisition shares in a company in Thailand and appoint an independent financial advisor for the acquisition of such shares.