

# **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 September 2022, the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2022, changes in shareholders’ equity and cash flows for the nine-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

10 November 2022

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S		
	30 September 2022	31 December 2021	30 September 2022	31 December 2021	
	Notes	(Unaudited but Reviewed)	(Unaudited but Reviewed)	(Audited)	
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		598,112	352,593	587,015	330,383
Trade and other accounts receivable - net	5, 6	384,860	363,557	403,744	409,367
Inventories - net	7	846,093	1,105,143	828,859	1,032,484
Deposits for purchase of goods		4,846	441	4,846	441
Short-term loans and accrued interest receivable - subsidiaries	5	-	-	52,418	17,415
Refundable value added tax		1,741	-	-	-
Refundable income tax		4,970	3,928	1,722	-
Other current assets		7,159	5,404	3,565	2,301
<b>Total Current Assets</b>		<b>1,847,781</b>	<b>1,831,066</b>	<b>1,882,169</b>	<b>1,792,391</b>
<b>NON-CURRENT ASSETS</b>					
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	631,600	593,133	278,158	278,635
Rights-of-use assets - net	11	9,537	11,255	75,026	80,273
Investment property - net		1,018	1,271	-	-
Intangible assets - net		1,618	2,083	1,484	1,915
Goodwill		15,086	15,086	-	-
Other non-current assets		1,500	1,541	1,497	1,537
Deferred tax assets		896	1,012	-	-
<b>Total Non-Current Assets</b>		<b>662,307</b>	<b>626,433</b>	<b>583,387</b>	<b>592,868</b>
<b>TOTAL ASSETS</b>		<b>2,510,088</b>	<b>2,457,499</b>	<b>2,465,556</b>	<b>2,385,259</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)

	Consolidated F/S		Separate F/S		
	30 September 2022	31 December 2021	30 September 2022	31 December 2021	
	(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)	
Notes					
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other accounts payable	5	419,743	30,229	421,409	34,968
Current portion of liabilities under finance lease agreements	5, 12	- 1,328	- 1,483	- 5,327	- 5,340
Accrued income tax		-	62,281	-	55,545
Value added tax payable		14,319	4,095	13,557	3,572
Accrued expenses		27,935	38,908	22,402	31,159
Other current liabilities		13,040	6,727	11,519	5,615
<b>Total Current Liabilities</b>		<b>476,365</b>	<b>143,723</b>	<b>474,214</b>	<b>136,199</b>
<b>NON-CURRENT LIABILITIES</b>					
Employee benefits obligation		19,003	17,794	16,635	15,562
Long-term lease liabilities - net	5, 12	3,141	4,219	73,456	77,551
Deferred tax liabilities - net		13,438	13,940	4,709	4,832
<b>Total Non-Current Liabilities</b>		<b>35,582</b>	<b>35,953</b>	<b>94,800</b>	<b>97,945</b>
<b>TOTAL LIABILITIES</b>		<b>511,947</b>	<b>179,676</b>	<b>569,014</b>	<b>234,144</b>

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Note	Consolidated F/S		Separate F/S	
		30 September 2022	31 December 2021	30 September 2022	31 December 2021
		(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 549,997,741 shares					
(2021 : 499,998,995 shares)	14	549,998	499,998	549,998	499,998
- Issued and paid - up 549,995,954 shares					
(2021 : 499,997,946 shares)	14	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		1,260,909	1,584,633	1,130,402	1,434,973
Other components of shareholder's equity		17,772	22,866	44,382	44,382
<b>Shareholders' equity of the Company</b>		<b>2,000,439</b>	<b>2,279,259</b>	<b>1,896,542</b>	<b>2,151,115</b>
Non-controlling interests in subsidiaries		(2,298)	(1,436)	-	-
<b>NET SHAREHOLDERS' EQUITY</b>		<b>1,998,141</b>	<b>2,277,823</b>	<b>1,896,542</b>	<b>2,151,115</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>2,510,088</b>	<b>2,457,499</b>	<b>2,465,556</b>	<b>2,385,259</b>

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIODS ENDED 30 SEPTEMBER**

(Unaudited but reviewed)

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		2022	2021	2022	2021
<b>REVENUES</b>					
Revenue from sales		1,605,841	1,502,009	1,575,242	1,489,850
Revenue from sales of by-product		39,144	43,412	38,594	41,857
<b>Total revenues</b>	5, 17	<u>1,644,985</u>	<u>1,545,421</u>	<u>1,613,836</u>	<u>1,531,707</u>
<b>COSTS OF SALES</b>					
Costs of sales	5	(1,719,671)	(1,284,989)	(1,692,575)	(1,290,163)
<b>Gross profit (loss)</b>		<u>(74,686)</u>	<u>260,432</u>	<u>(78,739)</u>	<u>241,544</u>
Interest income	5, 17	192	245	890	509
Gain on exchange rate		-	-	-	5,722
Other income	5	10,305	7,232	10,518	8,879
<b>Profit (loss) before expenses</b>		<u>(64,189)</u>	<u>267,909</u>	<u>(67,331)</u>	<u>256,654</u>
Selling expenses	5	(39,926)	(30,379)	(38,743)	(30,567)
Administrative expenses	5	(25,466)	(25,773)	(21,589)	(22,779)
Loss on exchange rate		(7,412)	(6,866)	(408)	-
<b>Total expenses</b>		<u>(72,804)</u>	<u>(63,018)</u>	<u>(60,740)</u>	<u>(53,346)</u>
<b>Profit (loss) before finance costs</b>		<u>(136,993)</u>	<u>204,891</u>	<u>(128,071)</u>	<u>203,308</u>
Finance costs	5, 17	(62)	(338)	(1,049)	(1,284)
<b>Profit (loss) before income tax</b>		<u>(137,055)</u>	<u>204,553</u>	<u>(129,120)</u>	<u>202,024</u>
Income tax expense	13	2,036	(39,750)	1,642	(39,788)
<b>Profit (loss) for the period</b>		<u>(135,019)</u>	<u>164,803</u>	<u>(127,478)</u>	<u>162,236</u>
<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		(777)	4,064	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>(135,796)</u>	<u>168,867</u>	<u>(127,478)</u>	<u>162,236</u>
<b>ALLOCATION OF PROFIT FOR THE PERIOD</b>					
Portion of the Company's shareholders		(134,740)	164,531	(127,478)	162,236
Portion of non-controlling interests		(279)	272	-	-
		<u>(135,019)</u>	<u>164,803</u>	<u>(127,478)</u>	<u>162,236</u>
<b>ALLOCATION OF COMPREHENSIVE INCOME FOR THE PERIOD</b>					
Portion of the Company's shareholders		(135,494)	168,648	(127,478)	162,236
Portion of non-controlling interests		(302)	219	-	-
		<u>(135,796)</u>	<u>168,867</u>	<u>(127,478)</u>	<u>162,236</u>
<b>BASIC EARNINGS PER SHARE</b>					
Profit of the Company's shareholders (Baht per share)	15	(0.247)	0.307	(0.232)	0.295
Weighted average number of common shares (Unit : Thousand Shares)		<u>549,996</u>	<u>549,996</u>	<u>549,996</u>	<u>549,996</u>

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

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		2022	2021	2022	2021
<b>REVENUES</b>					
Revenue from sales		5,026,229	4,749,713	4,947,141	4,737,622
Revenue from sales of by-product		117,156	123,191	114,051	118,300
<b>Total revenues</b>	5, 17	<b>5,143,385</b>	<b>4,872,904</b>	<b>5,061,192</b>	<b>4,855,922</b>
<b>COSTS OF SALES</b>					
Costs of sales	5	(5,098,086)	(3,863,056)	(5,040,721)	(3,913,035)
<b>Gross profit</b>		<b>45,299</b>	<b>1,009,848</b>	<b>20,471</b>	<b>942,887</b>
Interest income	5, 17	1,419	1,324	2,680	2,147
Gain on exchange rate		-	-	-	13,296
Other income	5	33,554	22,326	35,135	25,811
<b>Profit before expenses</b>		<b>80,272</b>	<b>1,033,498</b>	<b>58,286</b>	<b>984,141</b>
Selling expenses	5	(108,618)	(98,000)	(106,644)	(99,531)
Administrative expenses	5	(80,685)	(73,758)	(66,980)	(63,943)
Loss on exchange rate		(30,306)	(9,751)	(941)	-
<b>Total expenses</b>		<b>(219,609)</b>	<b>(181,509)</b>	<b>(174,565)</b>	<b>(163,474)</b>
<b>Profit (loss) before finance costs</b>		<b>(139,337)</b>	<b>851,989</b>	<b>(116,279)</b>	<b>820,667</b>
Finance costs	5, 17	(544)	(1,582)	(3,420)	(4,433)
<b>Profit (loss) before income tax</b>		<b>(139,881)</b>	<b>850,407</b>	<b>(119,699)</b>	<b>816,234</b>
Income tax expense	13	386	(162,207)	123	(162,367)
<b>Profit (loss) for the period</b>		<b>(139,495)</b>	<b>688,200</b>	<b>(119,576)</b>	<b>653,867</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		(5,190)	1,642	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(144,685)</b>	<b>689,842</b>	<b>(119,576)</b>	<b>653,867</b>
<b>ALLOCATION OF PROFIT FOR THE PERIOD</b>					
Portion of the Company's shareholders		(138,729)	687,392	(119,576)	653,867
Portion of non-controlling interests		(766)	808	-	-
		<b>(139,495)</b>	<b>688,200</b>	<b>(119,576)</b>	<b>653,867</b>
<b>ALLOCATION OF COMPREHENSIVE INCOME FOR THE PERIOD</b>					
Portion of the Company's shareholders		(143,823)	688,988	(119,576)	653,867
Portion of non-controlling interests		(862)	854	-	-
		<b>(144,685)</b>	<b>689,842</b>	<b>(119,576)</b>	<b>653,867</b>
<b>BASIC EARNINGS PER SHARE</b>					
Profit of the Company's shareholders (Baht per share)	15	(0.263)	1.254	(0.217)	1.189
Weighted average number of common shares (Unit : Thousand Shares)		549,996	549,996	549,996	549,996

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

(Unaudited but reviewed)

(Unit : Thousand Baht)

Shareholders' equity of the Company												
Other components of equity												
Other comprehensive income												
Notes	Paid - up Share Capital	Premium on Share capital	Retained earnings		Surplus on revaluation of land	Translation adjustment for foreign currency financial statement	Discount on dilution of investment in subsidiaries company	Total other components of equity	Shareholders' equity of the Company	Non-controlling interests	Total	
			Legal Reserve	Unappropriated								
<b>Consolidated F/S</b>												
	<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	49,999	-	-	-	-	-	-	-	49,999	-	49,999
	Dividend payment	16	-	-	(262,496)	-	-	-	-	(262,496)	-	(262,496)
	<b>Total transactions with shareholders</b>	49,999	-	-	(262,496)	-	-	-	-	(212,497)	-	(212,497)
	Comprehensive income for the period	-	-	-	687,392	-	1,596	-	1,596	688,988	854	689,842
	<b>Total comprehensive income for the period</b>	-	-	-	687,392	-	1,596	-	1,596	688,988	854	689,842
	<b>Balance as at 30 September 2021</b>	499,998	121,762	50,000	1,534,510	59,322	(1,801)	(29,817)	27,704	2,233,974	(1,021)	2,232,953
	<b>Balance as at 1 January 2022</b>	499,998	121,762	50,000	1,584,633	59,322	(6,639)	(29,817)	22,866	2,279,259	(1,436)	2,277,823
	Increased in capital	14	49,998	-	-	-	-	-	-	49,998	-	49,998
	Dividend payment	16	-	-	(184,995)	-	-	-	-	(184,995)	-	(184,995)
	<b>Total transactions with shareholders</b>	49,998	-	-	(184,995)	-	-	-	-	(134,997)	-	(134,997)
	Comprehensive loss for the period	-	-	-	(138,729)	-	(5,094)	-	(5,094)	(143,823)	(862)	(144,685)
	<b>Total comprehensive loss for the period</b>	-	-	-	(138,729)	-	(5,094)	-	(5,094)	(143,823)	(862)	(144,685)
	<b>Balance as at 30 September 2022</b>	549,996	121,762	50,000	1,260,909	59,322	(11,733)	(29,817)	17,772	2,000,439	(2,298)	1,998,141

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



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

(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 reveluation of land	
<b>Separate F/S</b>							
<b>Balance as at 1 January 2021</b>		449,999	121,762	50,000	985,399	44,382	1,651,542
Increased in capital		49,999	-	-	-	-	49,999
Dividend payment	16	-	-	-	(262,496)	-	(262,496)
<b>Total transactions with shareholders</b>		49,999	-	-	(262,496)	-	(212,497)
Comprehensive income for the period		-	-	-	653,867	-	653,867
<b>Total comprehensive income for the period</b>		-	-	-	653,867	-	653,867
<b>Balance as at 30 September 2021</b>		499,998	121,762	50,000	1,376,770	44,382	2,092,912
<b>Balance as at 1 January 2022</b>		499,998	121,762	50,000	1,434,973	44,382	2,151,115
Increased in capital	14	49,998	-	-	-	-	49,998
Dividend payment	16	-	-	-	(184,995)	-	(184,995)
<b>Total transactions with shareholders</b>		49,998	-	-	(184,995)	-	(134,997)
Comprehensive loss for the period		-	-	-	(119,576)	-	(119,576)
<b>Total comprehensive loss for the period</b>		-	-	-	(119,576)	-	(119,576)
<b>Balance as at 30 September 2022</b>		549,996	121,762	50,000	1,130,402	44,382	1,896,542

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

## STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2022	2021	2022	2021
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax	(139,881)	850,407	(119,699)	816,234
<b>Adjustments to reconcile profit before income tax to net cash provided from operating activities:</b>				
Reversal of allowance for doubtful debts	(548)	(3,347)	(460)	(3,316)
Provision for decline value of inventories	25,721	2,373	24,660	2,373
Depreciation □	36,738	36,190	19,004	18,386
Unrealized gain (loss) on exchange rate	(3,733)	1,450	-	-
Loss on disposal and fixed assets written off	135	19	-	19
Amortization	468	361	431	284
Interest income	(1,419)	(1,324)	(2,680)	(2,147)
Interest expense	544	1,582	3,420	4,433
Provision for employee benefits obligation	1,209	828	1,073	1,064
<b>Cash flows provided from operations before changes in operating assets and liabilities</b>	(80,766)	888,539	(74,251)	837,330
<b>Decrease (increase) in operating assets:</b>				
Trade and other accounts receivable	(20,755)	(68,078)	6,083	(100,993)
Inventories	233,329	(154,880)	178,965	(99,489)
Deposits for purchase of goods	(4,405)	4,070	(4,405)	4,070
Refundable value added tax	(1,741)	4,858	-	6,883
Refundable income tax	(1,042)	1,001	(1,722)	298
Other current assets	795	(1,168)	(1,182)	(471)
Other non-current assets	41	-	40	-
<b>Increase (decrease) in operating liabilities:</b>				
Trade and other accounts payable	384,896	(93,322)	386,441	(96,690)
Accrued expenses	(10,973)	(3,907)	(8,757)	(2,924)
Value added tax payable	10,224	(2,735)	9,985	-
Other current liabilities	6,313	11,795	5,904	12,731
Employee benefits paid	-	(4,661)	-	(3,941)
<b>Cash received from operating activities</b>	515,916	581,512	497,101	556,804
Interest payment	(544)	(1,747)	(3,420)	(4,598)
Income tax paid	(64,831)	(168,982)	(55,627)	(166,829)
<b>Net cash provided from operating activities</b>	450,541	410,783	438,054	385,377

## STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2022	2021	2022	2021
<b>Cash flows from investing activities</b>				
Interest received	1,419	1,324	2,680	2,147
Decrease in restricted deposits with banks	-	71,305	-	71,305
Acquisition of building and equipment	(68,828)	(24,059)	(13,280)	(7,601)
Sale of equipment	77	81	-	81
Addition to intangible assets	(3)	(641)	-	(623)
Short-term loan granted to subsidiary	-	-	(35,003)	-
<b>Net cash provided from (used in) investing activities</b>	<b>(67,335)</b>	<b>48,010</b>	<b>(45,603)</b>	<b>65,309</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from financial institutions	-	(176,240)	-	(176,240)
Repayment of short-term loans to subsidiary	-	-	-	(1,012)
Proceeds from short-term loans from subsidiary	-	-	3,286	3,713
Repayment for liabilities under finance lease agreement	(1,233)	(2,542)	(4,108)	(3,922)
Proceeds from conversion of warrants to common shares	-	49,999	-	49,999
Cash dividend payment	(134,997)	(262,496)	(134,997)	(262,496)
<b>Net cash used in financing activities</b>	<b>(136,230)</b>	<b>(391,279)</b>	<b>(135,819)</b>	<b>(389,958)</b>
Exchange rate gain (losses) on cash and cash equivalents	(1,457)	192	-	-
<b>Net increase in cash and cash equivalents - net</b>	<b>245,519</b>	<b>67,706</b>	<b>256,632</b>	<b>60,728</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>352,593</b>	<b>132,111</b>	<b>330,383</b>	<b>119,255</b>
<b>Cash and cash equivalents at end of period</b>	<b>598,112</b>	<b>199,817</b>	<b>587,015</b>	<b>179,983</b>
<b>Supplemental disclosure for cash flows information</b>				
Non - cash transactions :				
Accounts payable for purchase assets	4,618	-	-	-

**2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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 FOR INTERIM FINANCIAL STATEMENTS PREPARATION**

2.1 Basis for interim financial statements preparation

The consolidated interim financial statements for the three-month and nine-month periods ended 30 September 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 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 10 November 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 provides 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:

- Application of a practical expedient on relief measurement when changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), has to comply with 2 conditions; 1) the changes 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 includes 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 September 2022 and 31 December 2021 are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
<b>Trade and other accounts receivable</b>				
Subsidiary companies	-	-	26,404	56,077
Related company	-	37,385	-	37,385
<b>Total</b>	-	37,385	26,404	93,462
<b>Short-term loans and interest receivable</b>				
Subsidiary companies	-	-	52,418	17,415
<b>Long-term loans receivable</b>				
Subsidiary company	-	-	9,400	12,686
<b>Total loans and interest receivable</b>	-	-	61,818	30,101

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

	(Unit : Thousand Baht)			
	1 January	During the period		30 September
	2022	Increase	Decrease	2022
Subsidiary companies	30,101	35,026	3,309	61,818

Short-term loans to subsidiaries in Thailand have been granted without collateral and bear interest at MRR per annum and are due 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 September 2022	31 December 2021	30 September 2022	31 December 2021
<b>Trade and other accounts payable</b>				
Subsidiary companies	-	-	10,826	7,995
Related companies	11,374	6,268	11,374	6,268
Total	11,374	6,268	22,200	14,263
<b>Long-term lease liabilities</b>				
Subsidiary companies	-	-	74,313	77,188
Related company	3,621	4,384	3,621	4,384
Total	3,621	4,384	77,934	81,572
<b>Employee benefits obligation</b>				
Key management personnel				
- Post-employment benefits	14,905	14,372	11,850	11,381



Significant transactions with related parties for the three-month and nine-month periods ended 30 September 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 September			
	2022	2021	2022	2021
<b>Sales</b>				
Related companies	19,684	7,213	19,684	7,213
Subsidiary companies	-	-	2,100	55,580
Total	19,684	7,213	21,784	62,793
<b>Asset rental and other service income</b>				
Subsidiary company	-	-	66	65
<b>Interest income</b>				
Subsidiary companies	-	-	698	265
<b>Purchase of goods and service</b>				
Related parties	176,869	174,209	176,869	174,209
Subsidiary companies	-	-	45	-
Total	176,869	174,209	176,914	174,209
<b>Manufacturing costs</b>				
Subsidiary company	-	-	22,285	20,129
<b>Transportation service</b>				
Subsidiary company	-	-	21,050	16,434
<b>Assets rental and other service expense</b>				
Related company	300	300	300	300
Subsidiary companies	-	-	2,362	2,438
Total	300	300	2,662	2,738
<b>Key management personnel compensation</b>				
Short-term employee benefits	6,207	6,263	4,349	4,405
Post-employment benefits	178	181	156	150
Total	6,385	6,444	4,505	4,555

(Unit : Thousand Baht)

Transaction with related parties	Consolidated F/S		Separate F/S	
	For the nine-month periods ended 30 September			
	2022	2021	2022	2021
<b>Sales</b>				
Related companies	129,203	172,842	129,203	172,842
Subsidiary companies	-	-	73,702	203,866
Total	129,203	172,842	202,905	376,708
<b>Asset rental and other service income</b>				
Subsidiary company	-	-	197	201
<b>Interest income</b>				
Subsidiary company	-	-	1,266	827
<b>Purchase of goods and service</b>				
Related parties	798,376	603,961	798,376	603,961
Subsidiary company	-	-	45	1
Total	798,376	603,961	798,421	603,962
<b>Manufacturing costs</b>				
Subsidiary company	-	-	63,831	64,652
<b>Transportation service</b>				
Subsidiary company	-	-	58,779	49,633
<b>Assets rental and other service expense</b>				
Related company	900	900	900	900
Subsidiary companies	-	-	7,082	7,244
Total	900	900	7,982	8,144
<b>Key management personnel compensation</b>				
Short-term employee benefits	18,655	17,929	13,041	13,001
Post-employment benefits	534	543	469	450
Total	19,189	18,472	13,510	13,451

As of 30 September 2022 and 31 December 2021, the Company's credit facilities granted by a financial institution totaling Baht 37.98 million have 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 September 2022	31 December 2021	30 September 2022	31 December 2021
Trade accounts receivable - general customers	384,851	326,163	377,340	315,905
Trade accounts receivable - subsidiary companies	-	-	26,404	56,069
Trade accounts receivable - related companies	-	37,385	-	37,385
Total	<u>384,851</u>	<u>363,548</u>	<u>403,744</u>	<u>409,359</u>
Other accounts receivable – general customers	9	9	-	-
Other accounts receivable – subsidiary company	-	-	-	8
Total	<u>9</u>	<u>9</u>	<u>-</u>	<u>8</u>
Total trade and other accounts receivable	<u>384,860</u>	<u>363,557</u>	<u>403,744</u>	<u>409,367</u>

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

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
<u>Trade accounts receivable - general customers and related companies</u>				
Not yet due	360,554	290,678	354,597	309,524
Past due:				
Less than 3 months	18,954	68,011	28,749	94,980
3 - 6 months	1,374	1,331	1,374	1,331
6 - 12 months	1,743	3,893	16,802	3,893
Over 12 months	17,522	15,479	17,518	15,387
Total	<u>400,147</u>	<u>379,392</u>	<u>419,040</u>	<u>425,115</u>
<u>Less Allowance for impairment</u>	<u>(15,296)</u>	<u>(15,844)</u>	<u>(15,296)</u>	<u>(15,756)</u>
Trade accounts receivable - general customers and related companies – net	<u>384,851</u>	<u>363,548</u>	<u>403,744</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> Additional provision during the year	(1,406)	(1,406)
<u>Less</u> Reversal of allowance	1,954	1,866
Balance as of 30 September 2022	<u>(15,296)</u>	<u>(15,296)</u>

## 7. INVENTORIES – NET

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Raw materials	80,278	440,222	80,278	435,651
Work in process	67,403	85,926	67,151	71,485
Finished goods	385,365	590,344	371,067	540,430
Materials and goods in transit	351,011	8	351,011	8
Factory supplies	5,721	6,607	1,976	2,874
Total	<u>889,778</u>	<u>1,123,107</u>	<u>871,483</u>	<u>1,050,448</u>
<u>Less</u> Allowance for decline value of inventories	<u>(43,685)</u>	<u>(17,964)</u>	<u>(42,624)</u>	<u>(17,964)</u>
Net	<u>846,093</u>	<u>1,105,143</u>	<u>828,859</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 F/S	Separate F/S
Balance as of 1 January 2022	(17,964)	(17,964)
Additional provision during the period	(140,161)	(139,100)
Reversal of allowance during the period	114,440	114,440
Balance as of 30 September 2022	<u>(43,685)</u>	<u>(42,624)</u>

## 8. RESTRICTED DEPOSITS WITH BANKS

As of 30 September 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 September 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 nine-month period ended 30 September 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	73,446	13,280
Disposal during the period	(633)	(3)
Accumulated depreciation on – disposed items	421	3
Depreciation for the period	(34,767)	(13,757)
Net book value as of 30 September 2022	631,600	278,158

As at 30 September 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 98.74 million and Baht 103.96 million, respectively, in the consolidated financial statements, and Baht 89.53 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 18.2

## 11. RIGHTS-OF-USE ASSETS

During the nine-month period ended 30 September 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	(1,718)	(5,247)
Net book value as of 30 September 2022	<u>9,537</u>	<u>75,026</u>

## 12. LONG-TERM LEASE LIABILITIES – NET

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Long-term lease liabilities as of 30 September 2022	4,800	108,670
<u>Less</u> Deferred interest	(331)	(29,887)
Present value of liabilities under lease agreements	4,469	78,783
<u>Less</u> Current portion	(1,328)	(5,327)
Long-term lease liabilities	<u>3,141</u>	<u>73,456</u>

## 13. INCOME TAX

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

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 30 September			
	2022	2021	2022	2021
Current income tax	(1672)	39,623	(1,672)	39,650
Deferred tax from temporary differences	(366)	127	30	138
Total income tax expenses	<u>(2,036)</u>	<u>39,750</u>	<u>(1,642)</u>	<u>39,788</u>

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	For the nine-month periods ended 30 September			
	2022	2021	2022	2021
Current income tax	-	161,237	-	161,129
Deferred tax from temporary differences	(386)	970	(123)	1,238
Total income tax expenses	(386)	162,207	(123)	162,367

#### 14. 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	49,999,900
Decreased share capital	(1,049)	1.00	(1,049)
Balance as of 30 September 2022	549,997,741	1.00	549,997,741

  

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 September 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 Shareholders 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.

## 15. EARNING PER SHARE

As discussed in Note 14 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.

## 16. DIVIDEND PAYMENT

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	0.37		185.00

The dividend was paid on 19 May 2022.

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 Board of Director Meeting No. 3/2021 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 was paid on 6 September 2021.



## 17. SEGMENT REPORTING

Segment reporting for the three-month and nine-month periods ended 30 September 2022 and 2021 are as follows:

(Unit : Million Baht)

	Consolidated F/S							
	For the three-month periods ended 30 September							
	Trading (Including raw material)		Manufacture and distribution of steel products		Eliminated		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenues from external customers	514.20	433.80	1,130.79	1,111.62	-	-	1,644.99	1,545.42
Revenues from inter-segments	-	52.86	23.44	20.32	(23.44)	(73.18)	-	-
<b>Total revenues</b>	<b>514.20</b>	<b>486.66</b>	<b>1,154.23</b>	<b>1,131.94</b>	<b>(23.44)</b>	<b>(73.18)</b>	<b>1,644.99</b>	<b>1,545.42</b>
Interest income	0.28	0.15	0.60	0.36	(0.69)	(0.27)	0.19	0.24
Interest expense	(0.54)	(0.46)	(1.13)	(1.09)	1.61	1.21	(0.06)	(0.34)
Depreciation and amortization expenses	-	-	(13.87)	(13.78)	1.34	1.37	(12.53)	(12.41)
<b>Segment profits (loss)</b>	<b>(33.87)</b>	<b>51.53</b>	<b>(104.45)</b>	<b>116.29</b>	<b>3.30</b>	<b>(3.02)</b>	<b>(135.02)</b>	<b>164.80</b>
Segment assets	773.57	723.59	1,736.52	1,683.01	-	-	2,510.09	2,406.60
Increase (Decrease) in segment non-current assets	11.05	(25.03)	24.82	(58.23)	-	-	35.87	(83.26)
Segment liabilities	157.78	52.21	354.17	121.44	-	-	511.95	173.65

(Unit : Million Baht)

## Consolidated F/S

	For the nine-month periods ended 30 September							
	Trading (Including raw material)		Manufacture and distribution of steel products		Eliminated		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenues from external customers	1,700.15	1,470.16	3,443.24	3,402.74	-	-	5,143.39	4,872.90
Revenues from inter-segments	55.14	197.79	77.71	65.03	(132.85)	(262.81)	-	-
<b>Total revenues</b>	<b>1,755.29</b>	<b>1,667.95</b>	<b>3,520.95</b>	<b>3,467.77</b>	<b>(132.85)</b>	<b>(262.81)</b>	<b>5,143.39</b>	<b>4,872.90</b>
Interest income	0.89	0.70	1.79	1.45	(1.26)	(0.83)	1.42	1.32
Interest expense	(1.52)	(1.71)	(3.05)	(3.55)	4.02	3.68	0.55	(1.58)
Depreciation and amortization expenses	-	-	(41.24)	(40.66)	4.03	4.11	(37.21)	(36.55)
<b>Segment profits (loss)</b>	<b>(27.61)</b>	<b>232.55</b>	<b>(116.99)</b>	<b>459.63</b>	<b>5.11</b>	<b>(3.98)</b>	<b>139.49</b>	<b>688.20</b>
Segment assets	835.04	781.60	1,675.05	1,625.00	-	-	2,510.09	2,406.60
Increase (Decrease) in segment non-current assets	11.93	(27.04)	23.94	(56.22)	-	-	35.87	(83.26)
Segment liabilities	170.31	56.40	341.64	117.25	-	-	511.95	173.65

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 September							
	Trading (Include raw materials)		Manufacture and distribution of steel products		Eliminated		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Local	509.28	486.52	1,126.85	1,065.31	(23.44)	(73.18)	1,612.69	1,478.65
Lao People's Democratic Republic	4.92	0.14	27.38	66.63	-	-	32.30	66.77
<b>Total</b>	<b>514.20</b>	<b>486.66</b>	<b>1,154.23</b>	<b>1,131.94</b>	<b>(23.44)</b>	<b>(73.18)</b>	<b>1,644.99</b>	<b>1,545.42</b>

(Unit : Million Baht)

## Consolidated F/S

	For the nine-month periods ended 30 September							
	Trading (Include raw materials)		Manufacture and distribution of steel products		Eliminated		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Local	1,743.35	1,666.77	3,381.68	3,253.80	(132.85)	(262.82)	4,992.18	4,657.75
Lao People's Democratic Republic	11.94	1.18	139.27	213.97	-	-	151.21	215.15
<b>Total</b>	<b>1,755.29</b>	<b>1,667.95</b>	<b>3,520.95</b>	<b>3,467.77</b>	<b>(132.85)</b>	<b>(262.82)</b>	<b>5,143.39</b>	<b>4,872.90</b>

## 18. COMMITMENTS AND CONTINGENT LIABILITIES

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

18.1 The Company has purchase orders for raw materials and finished goods for which products have not yet been received for Baht 396.50 million and Baht 94.99 million, respectively, in the consolidated and separate financial statements.

18.2 As of 30 September 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 September 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	-	990.00	990.00	136.48	853.52

(Unit : Million Baht)

	Currency	Separate F/S					
		30 September 2022			31 December 2021		
		Total	Utilised	Remained	Total	Utilised	Remained
Letters of guarantee	Baht	1.05	1.05	-	1.05	1.05	-
Bank overdrafts	Baht	10.00	-	10.00	10.00	-	10.00
Promissory note and trust receipt agreement	Baht	990.00	-	990.00	990.00	136.48	853.52

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

## 19. 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 September 2022 are as follow;

(Unit : Thousand Baht)

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

(Unit : Thousand Baht)

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

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

As of 30 September 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
0.50	3.00	18.13	99.44

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	(0.12)	(0.14)

## 20. EVENTS AFTER THE REPORTING PERIOD

At the Board of Director Meeting No. 5/2022 held on 10 November 2022, the directors passed a resolution to consider and approve the cancellation of the acquisition shares in United steel pipe co., Ltd.