

**SIAM STEEL SERVICE CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020**

**1. NATURE OF OPERATIONS**

Siam Steel Service Center Public Company Limited, (“the Company”), is a company registered in Thailand. The company's share are listed for trading on the Stock Exchange of Thailand. The Company is engaged in the manufacturing of accessories made from steel, installing metal roofing and wall panels, and providing steel cutting services. The registered offices of the Company are at the following addresses:

- a) Factory 1 : 51/3 Poochao - Samingprai Road, Tumbon Bangyaparak, Amphur Phrapradeang, Samutprakarn
- b) Factory 2 : 51/11 Poochao - Samingprai Road, Tumbon Bangyaparak, Amphur Phrapradeang, Samutprakarn
- c) Factory 3 : 60/6 Moo 3, Tumbon Mabyangporn, Amphur Pluakdeang, Rayong

The major shareholders of the Company are Okaya & Co., Ltd. (31.50% shareholding) and Siam Steel International Public Company Limited (24.51% shareholding).

The Company has a 90% owned subsidiary in Vietnam which is engaged in the same businesses as the Company.

**2. BASIS OF FINANCIAL STATEMENT PREPARATION**

**2.1 Statement of compliance**

The accompanying financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) issued under the Accounting Professions and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act. These financial statements are officially prepared in the Thai language. The translation of these financial statements to other languages must conform to the official report in Thai.

The consolidated and separate financial statements have been prepared on a historical cost basis, except as otherwise disclosed specifically.

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires management to use certain critical accounting estimates and to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

## 2.2 Basis of consolidation

The consolidated financial statements include the financial statements of Siam Steel Service Center Public Company Limited and subsidiary which the Company can exercise control or holding the voting shares more than 50 percentage of total voting shares as follows:

Subsidiary Company	Country of incorporation	Percentage of share held by the Company (%)		Type of Business
		2021	2020	
Siam Steel Vietnam Co., Ltd.	Vietnam	90	90	Manufacturing and sale of roof-formed steel, and steel products for automobile, for construction, for furniture and electronics industries

The percentage of subsidiary's total assets as of 31 December 2021 and 2020 and total revenues for the years ended 31 December 2021 and 2020 as included in the consolidated financial statements are as follows:

Subsidiary company	Percentage of subsidiary's total assets to consolidated total assets		Percentage of subsidiary's total revenues to consolidated total revenues	
	2021	2020	2021	2020
Siam Steel Vietnam Co., Ltd.	1.63	2.26	1.28	3.31

Significant intercompany balances and transactions and investment in subsidiary have been eliminated in the preparation of consolidated financial statements.

The consolidated financial statements have been prepared with the same accounting policy for the same accounting transactions or accounting events as used for the preparation of separate financial statements.

## 2.3 Effect from the pandemic of Coronavirus Disease 2019

The Coronavirus disease 2019 pandemic has been continuingly evolved, resulting in an economic slowdown and adversely impacted most businesses and industries. This situation has brought about uncertainties that impacted the country's economy significantly. However, such event did not have significant negative impact to the Company's operations. The Company's management has continuously monitored ongoing impact on the Company's business and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities based on 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.

## 2.4 Financial Reporting Standards, Interpretations and guidance which effective from 1 January 2021

### 2.4.1 Thai Accounting Standard No.1 “Presentation of financial statements” and Thai Accounting Standard No.8 “Accounting policies, Changes in Accounting Estimates and Errors”

The amendment was made to the definition of “Materiality” to comply with the Financial Reporting Standards and frameworks, including the explanation that clarified the materiality application to Thai Financial Reporting Standard No. 1. The amendment also causes consequential amendments to other Thai Financial Reporting Standards including TAS 8, TAS 10, TAS 34 and TAS 37.

### 2.4.2 Thai Financial Reporting Standard No.3 “Business combinations”

This standard was amended to provide more consideration as follows;

- Provide an option for the entity to use “Concentration Test” that allows a simplified assessment of whether a transaction is an acquired of assets or a business combination.
- The amendment to the definition of “Business” for consideration the business combination to include, at a minimum, an input and a substantive process that are collectively significant contribution to the ability to create outputs. Furthermore, the amendment was also made for the definition of “Outputs” which is to focus on goods and services provided to customers with the removal of the reference to an ability to lower the costs.

### 2.4.3 Thai Financial Reporting Standard No.9 “Financial instruments” and Thai Financial Reporting Standard No.7 “Disclosure of Financial instruments”

These financial reporting standards change specific hedge accounting requirements to relief the uncertainty impacted from interest rate benchmark reform, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate such as Interbank offer rates – IBORs. In addition, the amendment requires the entity to disclose information of all hedging relationships directly affected by such uncertainty.

### 2.4.4 Conceptual Framework for Financial Reporting

The conceptual framework amends the definition of assets and liabilities, and criteria for recognizing assets and liabilities in financial statements by including the principles and the implementation guideline as follows:

- The measurement of transactions including factors to be considered in selecting a basis for measurement
- Presentation and disclosure, including the classification of revenue and expenses under other comprehensive income.
- Derecognition of assets and liabilities from the financial statements.

In addition, this framework also describes about the responsibilities by function, the conservative approach, and the uncertainty in the measurement value in the preparation of financial information. This revised conceptual framework causes the changes in conceptual framework in other financial reporting standards including TAS 1, TAS 8, TAS 34, TAS 37, TAS 38, TFRS 2, TFRS 3, TFRS 6, TFRIC 12, TFRIC 19, TFRIC 20, TFRIC 22 and TSIC 32.

#### 2.4.5 Thai Financial Reporting Standard No.16 “Lease”

This TFRS was amended regarding the discount on lease rental payment relating to Covid-19 by giving the option for the lessee not to re-assess the discounted rental relating to Covid-19, that meet the condition of the standard, as the lease modification.

However, the Group has just adopted this revised Thai Financial Reporting Standard, that becomes effective for the accounting periods beginning on or after 1 January 2021 for the first time, and has not early adopted this Thai Financial Reporting Standard. The adoption of this Financial Reporting Standard therefore has no impact on the group's financial statements.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

#### 3.1 Revenue recognition

Revenue is recognized when customers obtain control of the goods or services for amounts that reflect the consideration to which the Company and subsidiary expect to be entitled, excluding those amounts collected on behalf of third parties, and value added tax, and after deduction of trade discounts and volume rebates.

##### *Sales of goods and steel cutting services*

Revenue from sales of goods and steel cutting services are recognized when customer obtains control of goods, generally on delivery of the goods to the customer. For contracts that permit the customer to

return goods, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for estimated returns, which are estimated based on the historical data.

#### *Installation income*

Installation income is recognized overtime based on survey of the percentage of completion of work. The survey of physical completion of work is determined by the Company's engineers coupled with the computation of the percentage of actual costs to total estimated costs. The related costs are recognized in profit or loss as incurred.

Other income is recognized on an accrual basis.

### 3.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid cash in banks (which do not have restriction of usage) that are readily convertible to cash on maturity date with insignificant risk of change in value.

### 3.3 Trade and other accounts receivable and contract assets and liabilities

Receivable is recognized when the Company and subsidiary have an unconditional right to receive consideration. If revenue has been recognized before the Company and subsidiary have an unconditional right to receive consideration, the amount is presented as a contract asset.

The Company and subsidiary recognize contract assets when the revenues have been recognized before the Company and subsidiary have an unconditional right to receive consideration are presented as "Unbilled accrued income" in the statement of financial position. A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognized when the Company and subsidiary receive or have an unconditional right to receive non-refundable consideration from the customer before the Company and subsidiary recognize the related revenue. It is presented as "Advances from customers" in the statement of financial position.

Trade accounts receivable and contract assets are presented at the net realizable value.

The Company and subsidiary apply the TFRS 9 to measuring expected credit losses by the simplified approach which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, trade receivables are grouped by the number of days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables, and accordingly adjusted by reference to the historical loss rates based on expected changes. Moreover, the Company

and subsidiary determined the collection of specific accounts receivable. The impairment losses are recognized in profit or loss under administrative expenses.

### 3.4 Inventories

Inventories are stated at the lower of costs or net realizable values. Costs are calculated by the following methods:

Finished goods, work in process and work in process of installation	- at the aggregate costs of raw materials plus the systematic estimated direct labour and overhead, which approximate actual costs.
Raw materials	- at cost (specific identification method).
Spare parts and supplies	- at cost (first-in, first-out method).

Net realizable value is the estimated selling price in the ordinary course of business less the expenses necessary to make the products ready for sale. Including of selling expense such as transportation expenses etc.

Allowance is made for all deteriorated, damaged, and slow-moving inventories based on the estimates made by the management.

The obligation to receive returned products is recognized when the products are expected to be returned by customers and measured by reference to the original cost of the products sold, less any expected costs to receive returns of those products.

### 3.5 Investment in subsidiary

Investment in subsidiary is stated at cost in the separate financial statements. The Company recognizes gain or loss on sale of investment in the statement of profit or loss, in the period which sale occurs. In the case of impairment, the Company will recognize loss from impairment of investment as expense in the statement of profit or loss. The Company recognises dividend income when the subsidiary declares the payment of its dividends.

### 3.6 Investment properties

The Company's land not used in operations and building thereon are considered as investment properties which are measured initially at cost, including transaction costs. There are subsequently measured at costs net of allowance for impairment (if any).

The Company will recognize the difference between the net disposal proceeds and the carrying amount of the asset in the statement of profit or loss in the year when the asset is derecognized.

### 3.7 Property, plant and equipment

Property, plant and equipment are stated at cost. Cost is measured by the cash or cash equivalent price of obtaining the asset to bring it to the location and condition necessary for its intended use. Plant and equipment in the statement of financial position are stated at costs less accumulated depreciation and allowance for loss on impairment of assets (if any).

The Company and subsidiary depreciate their buildings and equipment by the straight - line method over the estimated useful lives of the assets based on the segregation of components of assets, if each part is significant with different useful lives. Estimate useful lives of the assets are as follows:

Buildings and improvements	20 years
Machinery and equipment	5 - 10 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 years

Expenditures for expansion, renewal and betterment are capitalized. Repair and maintenance costs are recognized as expenses when incur.

#### *Borrowing costs*

The Company and subsidiary capitalize borrowing costs on credit acquired for the construction of factories and machinery under installation. The capitalization of borrowing costs is discontinued when the factory construction and machine installation are completed and ready for their intended use. Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds.

### 3.8 Impairment of assets

The Company and subsidiary assess whether there is an indication that any asset may be impaired. If any such indication exists, the Company and subsidiary make an estimate of the asset recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment loss is recognized in the statement of profit or loss. An asset recoverable amount is the higher of fair value less costs to sell and value in use.

### 3.9 Foreign currency transactions

The Company translated foreign currency transactions into Thai Baht for bookkeeping purpose at the exchange rates prevailing at the dates of transactions. Balances of monetary assets and liabilities, denominated in foreign currency, at the end of year are translated into Baht at the exchange rates at

that date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities, denominated in foreign currencies, are recognized as gain or loss in the statement of profit or loss.

#### *Financial Statements of Foreign Subsidiary*

The financial statements of a subsidiary in foreign currency are translated into Baht for consolidation as follows:

Assets and liabilities	- At the fiscal year closing rate
Share capital	- At the historical rate when the transaction was executed
Income and expenses	- At average rate of exchange during the year
Cumulative translation adjustments	- Shown under shareholders' equity in the consolidated financial statements

The above rates should not be construed that all assets, liabilities, income and expenses can be realized at those rates.

### 3.10 Income tax

The income tax expense recognized in profit or loss for the year comprises deferred income taxes and current income tax not recognized in other comprehensive income or directly in equity.

#### *Current income tax*

Current income tax is the expected tax payable or claimable on the taxable profit or loss for the year, which is different from profit or loss in the financial statements, using income tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to income tax payable in respect of previous years.

#### *Deferred income tax*

Deferred income taxes are calculated using the liability method on temporary differences between the accounting amounts of assets and liabilities and the amounts used for tax computation purpose. Deferred income taxes are calculated at the income tax rates that are expected to be applied to the temporary differences when they reverse, using income tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the Revenue Department on a net basis or when tax assets and liabilities will be realized simultaneously.



A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### 3.11 Related parties

Related parties comprise enterprises and individuals that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company. They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors or officers with authority in the planning and directing of the Company's operations.

#### *Subsidiary*

Subsidiary is a company controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control cease.

### 3.12 Employee benefits

#### *Short-term employment benefits*

Salaries, wages, bonuses, contribution to the social security and provident fund, are recognized as expenses when incurred on the accrual basis.

#### *Post-employment benefits (Defined contribution plan)*

The Company and participated employees have jointly established a provident fund plan whereby monthly contribution are made by employees and by the Company. The fund's assets are held in a separate trustee fund from the Company's and subsidiary's assets. The Company's and subsidiary's contribution to the fund is recognized as expenses when incurred.

#### *Post-employment benefits (Defined benefit plan)*

The Company has obligation in respect of the severance payment to employees upon retirement under the labour law. The Company and subsidiary set up provision for the obligation under the defined benefits plan based on actuarial techniques, using the discount method on each projected unit.

The defined benefits liability comprises the present value of the defined benefit obligation and actuarial gains (losses).

Actuarial gains or losses arising from post-employment benefits are recognized immediately as other comprehensive income.

### 3.13 Financial instruments

#### *Recognition and derecognition*

Financial assets and financial liabilities are recognized when the Company and subsidiary become a party to the contractual provision of the financial instrument.

The Company and subsidiary shall derecognize financial assets when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

#### *Classification and initial measurement of financial assets*

Financial assets are initially recognized at fair value plus or minus direct costs attributable to the acquisition of the asset. However, associated costs relating to financial assets measured at fair value through profit or loss (FVTPL), are recognized as expense in profit or loss.

The Company and subsidiary classify financial assets measurement by amortized cost method, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL) that meet the two following considerations:

1. The entity's business model for managing the financial asset, and
2. The contractual cash flow characteristics of the financial asset.

The Company and subsidiary classified revenue and expenses relating to financial assets that are recognized in profit or loss as finance costs, finance income or other financial items, except for impairment of trade receivables which is presented as other expenses.

#### *Subsequent measurement of financial assets*

##### Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions.

1. The financial assets are held under business model with objective to collect its contractual cash flows, and
2. The contractual financial assets give rise to cash flows that are solely payable for principal and interest on the principal amount outstanding (SPPI).

*Financial assets at fair value through profit or loss (FVTPL)*

Financial assets that are being held by the Company not for purpose to receive contractual cash flows or to receive contractual cash flows and for sale, are to be measured at fair value through profit or loss (FVTPL). Furthermore, irrespective of business model, financial assets which contractual agreement not to generate cash flows but for payments of principal and interest from the balance of principal on due date, are to be measured at fair value through profit or loss including all derivative financial instruments.

*Financial assets at fair value through other comprehensive income (FVOCI)*

The Company and subsidiary accounts for financial assets at fair value through other comprehensive income if the assets meet the following conditions:

1. Being held under a business model which objective is "hold to collect" the associated cash flows and sell, and
2. The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) on the specified day.

Any gains or losses recognized in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

*Impairment of financial assets*

The Company and subsidiary consider impairment for financial assets at amortized cost and measure fair value through other comprehensive income (FVOCI).

The Company and subsidiary use the simplified approach to recognize impairment of assets that do not have significant financing elements and contractual assets based on the estimated credit losses over the life of such assets from the date of recognition.

In determining the expected credit losses, management groups receivables by types of customers and consider credit risks based on common nature. The expected credit loss rate is determined by reference to the nature of the payment in the past, information of credit losses from experience, external factors, and future factors that may affect debtor payment.

The Company and subsidiary assess credit risk on financial assets at the end of every year to determine whether there has been a significant change.

The Company and subsidiary consider and recognize the expected credit loss by taking into account the past experience coupled with the future situation. The recognized credit losses arose from the weighted average credit loss probability determined from expected non-collection discounted with the effective interest rate at the commencement date of the contract.

Losses and reversals of impairment losses are recorded in profit or loss separately.

*Classification and measurement of financial liabilities*

The Company and subsidiary classify the financial instruments issued by the Company and subsidiary as financial liabilities or equity instruments based on contractual obligations to deliver the financial assets to other persons or entities.

The Company's and subsidiary's financial liabilities include borrowings, trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs of financial liability.

*Subsequent measurement of financial liabilities*

Financial liabilities are subsequent measured at amortized cost. Interest expense is to be calculated by using effective interest rate and charged to statement of profit or loss.

### 3.14 Basic earnings per share

Basic earnings per share are determined by dividing the net income for the year by the weighted average number of common shares outstanding during the year.

### 3.15 Dividends

Dividends are recorded in the financial statements in the year in which they are approved by the Shareholders or Board of Directors of the Company.

### 3.16 Segment information

Segmental results that are reported to the executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

#### 3.17 Use of accounting estimates

The preparation of financial statements require management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent asset and liabilities. Actual results may differ from those estimates.

#### 3.18 Provisions for liabilities and expenses, and contingent assets

The Company and subsidiary recognize provision for liabilities and expenses in the financial statements when the Company and its subsidiary have legal or constructive obligation as a result of past events with probable outflow of resources to settle the obligation and where a reliable estimate of the amount can be made. The contingent asset will be recognized as separate asset only when the realization is virtually certain.

### **4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGEMENT AND CAPITAL RISK MANAGEMENT**

#### 4.1 Critical accounting estimates, assumption and judgments

##### 4.1.1 Recognition of installation income

Recognition of installation income requires significant judgment in determining the percentage of work performed and the estimated costs to complete the work (see Note 3.1).

##### 4.1.2 Impairment of trade accounts receivable

The Company and subsidiary set an allowance for expected credit loss to reflect impairment of trade accounts receivable resulting from possible non-collection of receivables. The allowance for expected credit loss is based on a review of the expected credit loss. Management groups receivables by types of customers and consider credit risks that are of a common nature. The expected credit loss rate is determined based on the nature of the payments in the past, information of credit losses experience, external factors, and future factors that may affect

customer's payments. The Company and subsidiary assess credit risk on financial assets at the end of every fiscal year to determine whether there has been a significant change.

#### 4.1.3 Allowance for decline value of inventories

The Company and subsidiary provide allowances for decline value of inventories to reflect impairment. The allowances are based on consideration of inventory turnovers and deterioration of each category.

#### 4.1.4 Plant and equipment

Management determines the estimated depreciation and amortization method, useful lives and residual values for the Company's and subsidiary's plant and equipment at the end of the year and revises the depreciation and amortization charges where the depreciation and amortization method, useful lives and residual values previously estimated have changed or subject to be written down for their obsolescence or if they are no longer in use.

#### 4.1.5 Impairment of assets

The Company and subsidiary treat asset as impaired when there have been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires management judgment.

#### 4.1.6 Post - employment benefits

The employee benefits obligation for employee retirement is determined based on actuarial valuation. Inherent within this calculation is assumption as to discount rate, future salary adjustment, mortality rate and demographic factor. Actual post-retirement cost may ultimately differ from this estimate.

#### 4.1.7 Deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's and subsidiary's future taxable income against which the deductible

temporary differences can be utilized. In addition, management judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

#### 4.1.8 Estimated installation project costs

The Company and subsidiary estimate costs of installation projects based on details of the installation work, taking into account the volume and value of installation materials to be used in the project, labour costs and other miscellaneous costs to be incurred to complete the service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

#### 4.2 Capital risk management

The Company's objective in the management of capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company and subsidiary may adjust the dividend payment to shareholders, issue new shares or issue new debentures to finance debts or sell assets to reduce debts.

### 5. CASH AND CASH EQUIVALENTS

	(Unit : Thousand Baht)			
	Consolidated Statements		Separate Statements	
	2021	2020	2021	2020
Cash on hand	1,062	1,165	1,000	1,000
Cash at banks - Current accounts	44,358	25,949	36,278	19,307
- Saving accounts	61,885	367,152	57,226	361,167
Cheques in transit	7,942	2,350	7,942	2,350
Total	115,247	396,616	102,446	383,824

### 6. TRADE ACCOUNTS RECEIVABLE

As at 31 December 2021 and 2020, the aged trade accounts receivable are as follows:

	(Unit : Thousand Baht)			
	Consolidated Statements		Separate Statements	
	2021	2020	2021	2020
<u>Trade accounts receivable - general customers - net</u>				
Not yet due	1,157,690	782,881	1,157,690	782,881
Overdue :				
Less than 3 months	53,638	20,890	41,230	5,818
3 - 6 months	4,837	13,750	4,513	2,280
6 - 12 months	2,809	3,681	2,281	2,822
Over 12 months	27,286	21,163	24,115	19,328
Total	<u>1,246,260</u>	<u>842,365</u>	<u>1,229,829</u>	<u>813,129</u>
<u>Less</u> Allowance for expected credit loss	(14,439)	(14,590)	(13,929)	(14,590)
Net	<u>1,231,821</u>	<u>827,775</u>	<u>1,215,900</u>	<u>798,539</u>
<u>Trade accounts receivable - related companies</u>				
Not yet due	54,946	41,213	54,946	42,019
Overdue :				
Less than 3 months	-	-	-	1,944
3 - 6 months	-	-	-	641
6 - 12 months	-	-	-	-
Total	<u>54,946</u>	<u>41,213</u>	<u>54,946</u>	<u>44,604</u>

The Company and subsidiary do not set up allowance for expected credit loss in full amount for trade accounts receivable overdue over 12 months because most of those are under installment payments and/or covered by collateralized assets to guarantee the payments. If the Company cannot collect the payments from customers, it can confiscate such assets. Based on the Company management's assessment, the value of collateralized assets is worth more than the outstanding receivables.



During the year, the movement in allowance for expected credit loss are as follow:

	(Unit : Thousand Baht)	
	Consolidated Statements	Separate Statements
	_____	_____
Balance as at 1 January 2021	(14,590)	(14,590)
<u>Less</u> Reversal of allowance for expected credit loss	151	661
Balance as at 31 December 2021	(14,439)	(13,929)
	_____	_____

## 7. TRANSACTIONS WITH RELATED PARTIES

The Company has transactions with related parties involving assets, liabilities, sales, other income, cost of sales and selling and administrative expenses. Those transactions as included in the financial statements are determined at the prices in line with those occurred in the normal course of business based on the market prices in general or the price as stipulated in the agreement, if there is no comparable market price.

Name	Country of incorporation	Type of Business	Relationship
_____	_____	_____	_____
Siam Steel Vietnam Co., Ltd.	Vietnam	Manufacturing and sale of formed iron roof, steel products for automobile, for construction, for furniture and for electronics industries	Subsidiary
Vina Okaya International Co., Ltd.	Vietnam	Trading of iron and steel, non-ferrous metal	Same shareholder
Vina Steel Center Co., Ltd.	Vietnam	Trading of iron and steel, non-ferrous metal and warehousing	Same shareholder
Okaya & Co., Ltd.	Japan	Steel brokerage, metallic machine, steel pipe, chemical and etc.	Company's major shareholder
Siam Steel International Public Co., Ltd.	Thailand	Manufacturing and distribution of steel furniture	Co-Directorship and Company's major shareholder
Nippon Steel Pipe (Thailand) Co., Ltd.	Thailand	Manufacturing and distribution of steel pipe for automobile and semi manufacturing industry	Directorship and same shareholder
Union Auto Parts Manufacturing Co., Ltd.	Thailand	Manufacturing and distribution of auto parts	Directorship and same shareholder
Siam Goshi Manufacturing Co., Ltd.	Thailand	Manufacturing and distribution parts and equipment of motorcycle and engines	Directorship and same shareholder
Siam Suriya Co., Ltd.	Thailand	Trading of iron and steel	Directorship and same shareholder
Okaya (Thailand) Co., Ltd.	Thailand	Steel brokerage, metallic machine, steel pipe, chemical and etc.	Directorship and same shareholder

Name	Country of incorporation	Type of Business	Relationship
Siam MTK Co., Ltd.	Thailand	Steel brokerage, metallic machine, steel pipe, chemical and etc.	Same shareholder
Siam Environmental Technology Co., Ltd.	Thailand	Providing of utilities	Same shareholder
Nippon Steel Logistics (Thailand) Co., Ltd.	Thailand	Transportation, storage and distribution of paper storage	Subsidiary of Siam Nippon Steel Logistics Co., Ltd.
Unity Service Co., Ltd.	Thailand	Providing of utilities and nursing facilities	Directorship

#### Pricing policies

Transactions	Pricing policies
Sales and installation income	Market price
Steel cutting services income and other income	Market price
Rental income	Market price
Purchase of raw materials	Market price
Expenses and other purchases	Market price
Purchase of assets	Market price
Interest income	Agreed rate

Significant transactions with related parties for the years ended 31 December 2021 and 2020 are as follow:

(Unit : Thousand Baht)

Transaction with Related company	Consolidated Statements		Separate Statements	
	For the years ended 31 December			
	2021	2020	2021	2020
<b>Sales and installation income</b>				
Subsidiary	-	-	1,424	7,457
Related companies	146,066	114,861	146,066	114,861
Total	<u>146,066</u>	<u>114,861</u>	<u>147,490</u>	<u>122,318</u>
<b>Steel cutting services income and other income</b>				
Related companies	<u>15,268</u>	<u>11,017</u>	<u>15,268</u>	<u>11,017</u>
<b>Rental income</b>				
Related companies	<u>4,050</u>	<u>4,788</u>	<u>4,050</u>	<u>4,788</u>
<b>Purchase of raw materials</b>				
Related companies	<u>3,937,333</u>	<u>1,748,986</u>	<u>3,915,672</u>	<u>1,748,986</u>

(Unit : Thousand Baht)

Transaction with Related company	Consolidated Statements		Separate Statements	
	For the years ended 31 December			
	2021	2020	2021	2020
<b>Expenses and other purchases</b>				
Related companies	26,511	21,418	26,511	21,418
<b>Purchase of assets</b>				
Related companies	12	63	12	63
<b>Interest income</b>				
Subsidiary	727	-	727	323
<b>Directors and key management personnel compensation</b>				
Current directors and management benefits	24,500	29,972	24,500	29,972
Post - employment benefits	3,417	1,755	3,417	1,755
Total	27,917	31,727	27,197	31,727

As of 31 December 2021 and 2020, the outstanding balances with related companies are as follows:

(Unit : Thousand Baht)

	Consolidated Statements		Separate Statements	
	2021	2020	2021	2020
<u>Trade accounts receivable</u>				
Subsidiary	-	-	-	3,391
Related companies	54,946	41,213	54,946	41,213
Total	54,946	41,213	54,946	44,604
<u>Amounts due from</u>				
Subsidiary	-	-	295	150
Related companies	82	108	82	108
Total	82	108	377	258
<u>Short-term loan to</u>				
Subsidiary	-	-	14,961	11,947

During the years ended 31 December 2021 and 2020 the movements in short-term loans to subsidiary with no collateral, with interest at the rate of 4.50% per annum, which are due at call follow:

(Unit : Thousand Baht)

	Consolidated Statements		Separate Statements	
	2021	2020	2021	2020
Balance as of 1 January	-	-	11,947	5,995
<u>Add:</u> Additional loan granted	-	-	14,518	12,319
<u>Less:</u> Received of repayment	-	-	(12,552)	(6,143)
Unrealized gain (loss) from foreign exchange rate	-	-	1,048	(224)
Balance as of 31 December	-	-	14,961	11,947
<u>Trade accounts payable</u>				
Related companies	102,765	63,951	99,679	61,890
<u>Key management personnel compensation</u>				
Post - employee benefit	24,280	22,973	24,280	22,973

## 8. CONTRACTS ASSETS AND CONTRACT LIABILITIES

The Company and subsidiary have outstanding balances of contracts assets and contract liabilities with customers as follow:

(Unit : Thousand Baht)

	Consolidated Statements		Separate Statements	
	2021	2020	2021	2020
<b>Contracts assets</b>				
Unbilled accrued income	105,511	112,601	105,511	112,601
Retention receivable as per contracts	15,609	21,487	15,609	21,487
Total contracts assets	121,120	134,088	121,120	134,088
<b>Contracts liabilities</b>				
Advances from customers	3,928	58,274	3,928	56,420
Total contracts liabilities	3,928	58,274	3,928	56,420

### 8.1 Unbilled accrued income and advances from customers

(Unit : Thousand Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
<b>Unbilled accrued income</b>				
Contract sales value	398,788	293,721	398,788	293,721
Accumulated amount recognized as revenue on percentage of completion basis	287,329	210,718	287,329	210,718
<u>Less</u> Amounts billed per contract	(181,818)	(98,117)	(181,818)	(98,117)
Unbilled accrued income	105,511	112,601	105,511	112,601
<b>Retentions receivable</b>	15,609	21,487	15,609	21,487
<b>Advances from customers</b>				
Amounts received per contracts	58,250	106,339	58,520	100,160
Total amounts billed	49,903	86,211	49,903	86,211
<u>Less</u> Accumulated amount recognized as revenue by percentage of completion basis	(45,975)	(27,937)	(45,975)	(29,791)
Advances from customers	3,928	58,274	3,928	56,420

### 8.2 Revenue expected to be recognized from existing contracts

As of 31 December 2021, the Company and subsidiary expected to recognize revenue from performance obligations of existing contracts that are not yet completed (or partially completed) under contracts with customers totalling Baht 139.24 million (Separate Statement : Baht 123.72 million).

## 9. INVENTORIES

(Unit : Thousand Baht)

	Consolidated Statements		Separate Statements	
	2021	2020	2021	2020
Raw materials	1,228,777	464,556	1,213,618	451,715
Finished goods	189,746	107,291	189,746	107,291
Work in process	70,208	59,833	60,257	53,851
Spare parts and supplies	48,590	54,457	48,590	54,457
Raw materials in transit	29,120	29,363	29,120	29,363

Total	1,566,441	715,500	1,541,331	696,677
<u>Less</u> Allowance for decline value of inventories	-	(559)	-	(559)
Net	1,566,441	714,941	1,541,331	696,118

The Company and subsidiary have movements in allowances for decline value of inventories for the years ended 31 December 2021 as follow:

	(Unit : Thousand Baht)	
	Consolidated/Separate Statements	
	2021	
Balance as of 1 January 2021		559
Decrease		(559)
Balance as of 31 December 2021		-

Costs of inventories which were recognized as expenses for the years ended 31 December 2021 and 2020 are as follows:

	(Unit : Thousand Baht)			
	Consolidated Statements		Separate Statements	
	2021	2020	2021	2020
Costs of goods sold	4,060,688	3,078,773	4,012,838	2,985,639
Provision (reversal of allowance) for decline value of inventories	(559)	491	(559)	491
Net	4,060,129	3,079,264	4,012,279	2,986,130

## 10. INVESTMENT IN SUBSIDIARY COMPANY

			(Unit : Thousand Baht)			
			Percentage of holding		Separate Statements	
		Paid - up share capital	2021	2020	2021	2020
Company	Type of business					

Investment in subsidiary company

Siam Steel Vietnam Co., Ltd.	Manufacturing and sale of roof- formed steel, steel products for automobile, for construction, for furniture and electronics industries	26,698	90.00	90.00	24,029	24,029
Total					<u>24,029</u>	<u>24,029</u>

## 11. NON - CONTROLLING INTEREST

The subsidiary which portions of interest is not under control of the Company is detailed below:

(Unit: Thousand Baht)

Name	Proportion of ownership interests and voting rights held by the NCI		Total comprehensive income allocated to NCI		Accumulated NCI	
	2021	2020	2021	2020	2021	2020
Siam Steel Vietnam Co., Ltd.	10%	10%	(431)	16	2,370	2,802

Summarized financial information of Siam Steel Vietnam Co., Ltd. before elimination is as follow:

(Unit: Thousand Baht)

	2021	2020
Current assets	54,630	63,094
Non - current assets	14,458	12,261
Total assets	<u>69,088</u>	<u>75,355</u>
Current liabilities	45,905	47,347
Non - current liabilities	-	65
Total liabilities	<u>45,905</u>	<u>47,412</u>
Cumulative translation adjustments	(11,827)	(11,823)
Shareholders' equity	<u>35,010</u>	<u>39,766</u>
Equity attributable to non - controlling interests	<u>2,370</u>	<u>2,802</u>
Revenue	59,780	114,632
Loss for the year attributable to the Company's shareholders	(4,283)	(104)
Loss for the year attributable to non-controlling interests	(476)	(12)

Loss for the year	(4,759)	(116)
Total comprehensive income attributable to the Company's shareholders	(3,882)	142
Total comprehensive income attributable to non-controlling interests	(431)	16
Total comprehensive income for the year	(4,313)	158
Net cash used in investing activities	(1,604)	-
Net cash provided from (used in) operating activities	2,937	(15,828)
Net cash provided from (used in) financing activities	(1,324)	14,778
Net cash in (out) flows	9	(1,050)

## 12. INVESTMENT PROPERTIES

	(Unit : Thousand Baht)	
	Consolidated/Separate Statements	
	2021	2020
Land	24,621	24,621
Land and buildings	6,734	6,734
Total	31,355	31,355

As of 31 December 2021, the fair value of above investment properties, based on the market price of other properties in the nearby area, is approximately Baht 60.36 million (2020 : Baht 60.36 million).



### 13. PROPERTY, PLANT AND EQUIPMENT

(Unit : Thousand Baht)

	Consolidated Statements							Total
	Land	Building and building improvement	Machinery And equipment	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Machinery under installation	
<b>Cost</b>								
1 January 2020	412,087	848,541	1,171,060	95,340	61,725	-	-	2,588,753
Acquisition	-	1,925	10,026	2,744	90	3,809	11,101	29,695
Disposal	-	-	(7,030)	(24,966)	(74)	-	-	(32,070)
Transfer in (out)	-	1,663	7,492	-	-	(1,663)	(7,492)	-
31 December 2020	412,087	852,129	1,181,548	73,118	61,741	2,146	3,609	2,586,378
Acquisition	-	308	12,307	4,856	163	5,736	8,987	32,357
Disposal	-	-	(160)	(1,097)	(309)	-	-	(1,566)
Transfer in (out)	-	3,497	6,723	-	-	(3,497)	(6,723)	-
31 December 2021	412,807	855,934	1,200,418	76,877	61,595	4,385	5,873	2,617,169
<b>Accumulated depreciation</b>								
1 January 2020	-	508,604	770,395	87,095	51,591	-	-	1,417,685
Depreciation for the year	-	18,469	54,448	3,455	2,603	-	-	78,975
Accumulated depreciation for disposal items	-	-	(7,030)	(24,922)	(31)	-	-	(31,983)
31 December 2020	-	527,073	817,813	65,628	54,163	-	-	1,464,677
Depreciation for the year	-	18,468	51,777	3,198	2,271	-	-	75,714
Accumulated depreciation for disposal items	-	-	(160)	(1,062)	(189)	-	-	(1,411)
Different of exchange rate	-	(1,310)	(86)	-	-	-	-	(1,396)
31 December 2021	-	544,231	869,344	67,764	56,245	-	-	1,537,584

(Unit : Thousand Baht)

Consolidated Statements

	Land	Building and building improvement	Machinery And equipment	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Machinery under installation	Total
<b>Net book value</b>								
31 December 2020	412,087	325,056	363,735	7,490	7,578	2,146	3,609	1,121,701
31 December 2021	412,087	311,703	331,074	9,113	5,350	4,385	5,873	1,079,585
<b>Depreciation for the year 2020</b>								
Cost of sale and service								72,746
Selling and administrative expenses								6,229
Total								78,975
<b>Depreciation for the year 2021</b>								
Cost of sale and service								69,998
Selling and administrative expenses								5,716
Different of exchange rate								(1,396)
Total								74,318

(Unit : Thousand Baht)

	Separate Statements							Total
	Land	Building and building improvement	Machinery and equipment	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Machinery under installation	
<b>Cost</b>								
1 January 2020	412,087	830,820	1,158,285	95,340	61,725	-	-	2,558,257
Acquisition	-	1,925	10,026	2,744	90	3,809	11,101	29,695
Disposal	-	-	(7,030)	(24,966)	(74)	-	-	(32,070)
Transfer in (out)	-	1,663	7,492	-	-	(1,663)	(7,492)	-
31 December 2020	412,087	834,408	1,168,773	73,118	61,741	2,146	3,609	2,555,882
Acquisition	-	307	10,703	4,856	163	5,736	8,987	30,752
Disposal	-	-	(160)	(1,097)	(309)	-	-	(1,566)
Transfer in (out)	-	3,497	6,723	-	-	(3,497)	(6,723)	-
31 December 2021	412,087	838,212	1,186,039	76,877	61,595	4,385	5,873	2,585,068
<b>Accumulated depreciation</b>								
1 January 2020	-	499,801	758,250	87,095	51,591	-	-	1,396,737
Depreciation for the year	-	18,199	53,950	3,455	2,603	-	-	78,207
Accumulated depreciation for disposal items	-	-	(7,030)	(24,922)	(31)	-	-	(31,983)
31 December 2020	-	518,000	805,170	65,628	54,163	-	-	1,442,961
Depreciation for the year	-	18,158	51,507	3,198	2,271	-	-	75,134
Accumulated depreciation for disposal items	-	-	(160)	(1,062)	(189)	-	-	(1,411)
31 December 2021	-	536,158	856,517	67,764	56,245	-	-	1,516,684
<b>Net book value</b>								
31 December 2020	412,087	316,408	363,603	7,490	7,578	2,146	3,609	1,112,921
31 December 2021	412,087	302,054	329,522	9,113	5,350	4,385	5,873	1,068,384

(Unit : Thousand Baht)

Separate Statements							
Land	Building and building improvement	Machinery and equipment	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Machinery under installation	Total

**Depreciation for the year 2020**

Cost of sale and service							72,247
Selling and administrative expenses							5,960
Total							<u>78,207</u>

**Depreciation for the year 2021**

Cost of sale and service							69,418
Selling and administrative expenses							5,716
Total							<u>75,134</u>

As of 31 December 2021 and 2020, the consolidated and separate financial statements include fully depreciated assets but still in use with total cost of Baht 1,452.60 million and Baht 1,345.17 million, respectively.

#### 14. BANK OVERDRAFTS AND SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

(Unit : Thousand Baht)

	Interest rate per annum		Consolidated Statements	
	2021	2020	2021	2020
Bank overdraft	5.82 - 5.95	5.82 - 5.95	24	723
Liabilities under trust receipts	1.20 - 1.35	1.75 - 1.95	113,707	-
Short - term loans	0.86 - 4.50	1.60 - 5.00	636,997	20,865
Total			<u>750,728</u>	<u>21,588</u>

(Unit : Thousand Baht)

	Interest rate per annum		Separate Statements	
	2021	2020	2021	2020
Bank overdraft	5.82 - 5.95	5.82 - 5.95	24	723
Liabilities under trust receipts	1.25 - 1.35	1.75 - 1.95	113,707	-
Short - term loans	0.86 - 1.30	1.60 - 2.01	617,420	-
Total			<u>731,151</u>	<u>723</u>

As of 31 December 2021 and 2020, the Company and subsidiary have credit facilities in the form of bank overdraft, promissory note, liabilities under trust receipt agreements and others as follow:

(Unit : Million Baht)

	Currency	Consolidated/Separate Statements					
		2021			2020		
		Total	Utilized	Remained	Total	Utilized	Remained
Letters of guarantee	Baht	130	11	119	130	6	124
Bank overdraft	Baht	280	-	280	280	1	279
Liabilities under trust receipts	Baht	3,050	227	2,823	3,050	-	3,050
Short-term loans	Baht	2,680	504	2,176	2,680	-	2,680

## 15. LIABILITIES UNDER EMPLOYEE BENEFITS OBLIGATION

Movements in employee benefits obligation for the years ended 31 December 2021 and 2020 are as follows:

	(Unit : Thousand Baht)	
	Consolidated/Separate Statements	
	2021	2020
Employee benefit obligation at 1 January	105,799	101,786
Current service cost	9,315	8,761
Interest expense	2,822	2,539
Actuarial gain	(2,881)	-
Employee benefit paid during the year	(8,294)	(7,287)
Employee benefit obligation at 31 December	106,761	105,799
Reclassified to current portion	(7,365)	(5,608)
Net	99,396	100,191
Total unfunded	106,761	105,799

Principal actuarial assumptions at the reporting date for the years ended 31 December 2021 and 2020 are as follows:

	2021	2020
Discount rate	2.14 percent per annum	2.63 percent per annum
Future salary average increment rate	3.50 - 7.00 percent per annum	4.00 - 7.50 percent per annum
Normal retirement age	60 years except the company set otherwise	60 years
Mortality rate	Thai Mortality Table 2017	Thai Mortality Table 2017
Total employee	813 persons	801 persons

The present value of the defined benefits obligation was measured using the projected unit credit method.

*Employee benefits obligation expenses*

Amounts recognized in profit or loss relating to the employee benefits obligation are as follows:

	(Unit : Thousand Baht)	
	Consolidated/Separate Statements	
	2021	2020
Current service cost	9,315	8,761
Interest expense	2,822	2,539
Total expenses recognized in profit or loss	<u>12,137</u>	<u>11,300</u>

The current service cost is included in employee benefits expense. The interest expense is included in finance costs.

Amounts recognized in other comprehensive income related to the employee benefits obligation are as follows:

	(Unit : Thousand Baht)	
	CONSOLIDATED AND SEPARATE STATEMENTS	
	2021	2020
Actuarial gain from change in demographic assumptions	2,881	-
Total expenses recognized in other comprehensive income	<u>2,881</u>	<u>-</u>

All expenses summarized above are included in items that will not be reclassified subsequently to profit or loss.

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	(Unit : Thousand Baht)	
	Consolidated/Separate Statements	
	2021	
	Increase 1%	Decrease 1%
<b>Discount rate</b>		
Increase (decrease) in the defined benefit liability	(7,742)	8,923
<b>Salary growth rate</b>		
Increase (decrease) in the defined benefit liability	9,235	(8,184)
<b>Staff turnover rate</b>		
Increase (decrease) in the defined benefit liability	(1,924)	2,059

As of 31 December 2021, expected maturity of employee benefits obligation before discount are as follow:

	(Unit : Thousand Baht)
	Consolidated/Separate Statements
Within one year	7,339
Between 2 - 5 years	42,497
Between 5 - 10 years	50,358
More than 10 years	104,988
Total	205,182

## 16. LEGAL RESERVE

Under the provisions of the Public Limited Companies Act, B.E. 2535, the Company is required to appropriate at least 5% of its annual net income, after deduction of the deficit (if any), as a legal reserve until the reserve reaches 10% of authorized share capital. This legal reserve is not available for dividend distribution.



## 17. REVENUES

The Company and subsidiary classified revenues information by geographic areas as follows:

(Unit : Thousand Baht)

	Consolidated Statements							
	Sales and revenue from installation - net		Steel cutting service income		Transport income		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Thailand	4,263,929	3,044,348	303,641	237,998	60,212	49,361	4,627,782	3,331,707
Vietnam	58,357	107,175	-	-	-	-	58,357	107,175
Cambodia	927	19,404	-	-	-	-	927	19,404
Myanmar	-	548	-	-	-	-	-	548
Japan	1,280	-	-	-	-	-	1,280	-
<b>Total</b>	<b>4,324,493</b>	<b>3,171,475</b>	<b>303,641</b>	<b>237,998</b>	<b>60,212</b>	<b>49,361</b>	<b>4,688,346</b>	<b>3,458,834</b>

(Unit : Thousand Baht)

	Separate Statements							
	Sales and revenue from installation - net		Steel cutting service income		Transport Income		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Thailand	4,262,506	3,036,891	303,641	237,998	60,212	49,361	4,626,359	3,324,250
Vietnam	1,424	7,457	-	-	-	-	1,424	7,457
Cambodia	927	19,404	-	-	-	-	927	19,404
Myanmar	-	548	-	-	-	-	-	548
Malaysia	1,280	-	-	-	-	-	1,280	-
<b>Total</b>	<b>4,266,137</b>	<b>3,064,300</b>	<b>303,641</b>	<b>237,998</b>	<b>60,212</b>	<b>49,361</b>	<b>4,629,990</b>	<b>3,351,659</b>

The Company and subsidiary have disclosed the revenue classification information using income recording methods as follows:

(Unit : Thousand Baht)

	Consolidated Statements							
	Sales and revenue from installation - net		Steel cutting service income		Transportation income		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
At point in time	3,684,899	2,391,006	303,641	237,998	59,823	49,075	4,048,363	2,678,079

Over time	639,594	780,469	-	-	389	286	639,983	780,755
Total	4,324,493	3,171,475	303,641	237,998	60,212	49,361	4,688,346	3,458,834

(Unit : Thousand Baht)

	Separate Statements							
	Sales and revenue from installation - net		Steel cutting service income		Transportation income		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
At point in time	3,684,899	2,391,006	303,641	237,998	59,823	49,075	4,048,363	2,678,079
Over time	581,238	673,294	-	-	389	286	581,627	673,580
Total	4,266,137	3,064,300	303,641	237,998	60,212	49,361	4,629,990	3,351,659

## 18. OTHER INCOME

(Unit : Thousand Baht)

	Consolidated Statements		Separate Statements	
	2021	2020	2021	2020
Rental income	9,730	12,831	9,730	12,831
Other services income	3,959	3,259	3,959	3,259
Claim for damaged steel	605	2,408	605	2,408
Gain on disposal of assets	237	39	237	39
Others	3,829	2,223	4,139	2,576
Total	18,360	20,760	18,670	21,113

## 19. PROVIDENT FUND

The Company has established a contributory registered provident fund in accordance with the Provident Fund Acts B.E. 2530 and 2542. Under the plan, the Company and employees contribute to the Fund at a percentage of the employees' basic salaries. The employees are entitled to receive the Company's contribution upon resignation from the Company after completion of one year service according to the specified contribution rates. The Company's contribution for the years 2021 and 2020, which was charged to operations, amounted to Baht 11.19 million and Baht 10.31 million, respectively.

## 20. EXPENSES BY NATURE

	(Unit : Thousand Baht)			
	Consolidated Statements		Separate Statements	
	2021	2020	2021	2020
Raw materials and supplies used	3,518,466	2,382,595	3,493,219	2,326,182
Changes in inventories of finished goods and work in progress	(121,539)	50,623	(117,570)	52,787
Salaries, wages, and other employee benefits	471,199	436,764	452,223	415,566
Transportation expense	139,866	118,872	138,681	117,016
Subcontractor fees	80,921	107,852	72,406	91,051
Depreciation	75,776	78,975	75,134	78,207
Packaging expense	58,077	39,911	58,077	39,911
Hire of work	23,555	23,870	23,555	23,870
Repair and maintenance expenses	28,152	24,149	28,072	23,891
Utility expense	24,497	23,039	24,223	22,715
Provision (reversal of allowance) for decline in value of inventories	(559)	491	(559)	491

## 21. DEFERRED TAX AND INCOME TAX

### 21.1 Deferred tax

Deferred income tax assets and liability are as follows:

	(Unit : Thousand Baht)	
	Consolidated/Separate Statements	
	2021	2020
Deferred income tax assets	24,138	24,189
Deferred income tax liability	(16,044)	(17,717)
Net	8,094	6,472

The movements in deferred income tax assets and liability are as follows :

(Unit: Thousand Baht)

	Consolidated and Separate Statements			31 December 2021
	Recognised as income (expense)			
	1 January 2021	Statement of profit or loss	Other	
			comprehensive income	
<u>Deferred income tax assets</u>				
From allowance for expected credit loss	2,918	(132)	-	2,786
From allowance for decline value of inventories	112	(112)	-	-
From allowance for employee benefits obligation	21,159	769	(576)	21,352
Total	24,189	525	(576)	24,138
<u>Deferred income tax liability</u>				
From excess depreciation for tax computation purpose	(17,717)	1,673	-	(16,044)
Net	6,472	2,198	(576)	8,094

(Unit: Thousand Baht)

	Consolidated and Separate Statements			31 December 2020
	Recognised as income (expense)			
	1 January 2020	Statement of profit or loss	Other	
			comprehensive income	
<u>Deferred income tax assets</u>				
From allowance for expected credit loss	3,454	(536)	-	2,918
From allowance for decline value of inventories	14	98	-	112
From allowance for employee benefits obligation	20,357	802	-	21,159
Total	23,825	364	-	24,189
<u>Deferred income tax liability</u>				

From excess depreciation for tax computation purpose	(18,395)	678	-	(17,717)
Net	5,430	1,042	-	6,472

## 21.2 Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are as follows :

(Unit : Thousand Baht)

	Consolidated Statements		Separate Statements	
	2021	2020	2021	2020
Current income tax expenses	60,994	19,296	60,994	19,296
Deferred tax	(2,198)	(1,042)	(2,198)	(1,042)
Total	58,796	18,254	58,796	18,254

Income tax recognized in other comprehensive income as follows:

(Unit : Thousand Baht)

	Consolidated and Separate Financial Statements					
	2021			2020		
	Before Tax	Tax benefit	Net of tax	Before tax	Tax benefit	Net of tax
Actuarial gain	2,881	(576)	2,305	-	-	-

Applicable tax rates for the Company and subsidiary are as follows:

	Tax rates (%)
Income tax rate under the Revenue Code for the Company	20.00
Income tax rate for subsidiary in Vietnam	7.50

Income tax for the years ended 31 December 2021 and 2020 are as follows:

(Unit : Thousand Baht)

	Consolidated Statements	Separate Statements
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	2021	2020	2021	2020
Profit before income tax	293,377	93,675	297,177	93,477
Income tax rate	20	20	20	20
Income tax calculated from tax rate	58,675	18,735	59,435	18,695
Reconciling items:				
Tax on non - deductible expenses	4,360	3,900	4,258	3,900
Tax on income tax exempted revenue	(4,141)	(3,776)	(4,141)	(3,776)
Tax on additional deduction of expenses	(756)	(565)	(756)	(565)
Tax on loss (gain) of subsidiary	658	(40)	-	-
Income tax	58,796	18,254	58,796	18,254
Less Prepaid income tax	(36,815)	-	(36,815)	-
Income tax payable	21,981	18,254	21,981	18,254

The Subsidiary has unused taxable loss carried forward of Baht 4.76 million which expire in 2026.

The Subsidiary has not recognized this item as deferred tax assets because it is not probable that the Subsidiary will have sufficient future taxable profit to utilize the benefits therefrom.

## 22. SEGMENT REPORTING

The Company and subsidiary are engaged in manufacturing business of accessories made from steel, installing metal roofing and wall panels, and steel cutting services. Details of core revenues for the years ended 31 December 2021 and 2020 are as follows:

(Unit : Thousand Baht)

CONSOLIDATED STATEMENTS										
For the years ended 31 December										
	2021					2020				
	Sales and installation income -net	Steel cutting services income	Transportation income	Eliminated	Total	Sales and installation income -net	Steel cutting services income	Transportation income	Eliminated	Total
Revenues from sales and service	4,325,917	303,641	60,212	(1,424)	4,688,346	3,178,932	237,998	49,361	(7,457)	3,458,834
Costs of sales and services	(3,784,345)	(261,125)	(17,068)	2,409	(4,060,129)	(2,840,307)	(223,033)	(23,729)	7,805	(3,079,264)
<b>Gross profit</b>	<b>541,572</b>	<b>42,516</b>	<b>43,144</b>	<b>985</b>	<b>628,217</b>	<b>338,625</b>	<b>14,965</b>	<b>25,632</b>	<b>348</b>	<b>379,570</b>
Loss on exchange rate					(569)					(296)
Finance cost					(8,701)					(6,259)
Depreciation					(75,776)					(78,975)
Transportation expense					(139,866)					(118,872)
Profit before income tax					293,377					93,675
Total assets					4,236,670					3,298,132
Total liabilities					1,223,043					453,994

(Unit : Thousand Baht)

SEPARATE STATEMENTS	
For the years ended 31 December	
2021	2020

	Sales and installation income - net	Steel cutting services income	Transportation income	Total	Sales and installation income - net	Steel cutting services income	Transportation income	Total
Revenues from sales and service	4,266,137	303,641	60,212	4,629,990	3,064,300	237,998	49,361	3,351,659
Costs of sales and services	(3,735,271)	(261,125)	(15,883)	(4,012,279)	(2,741,225)	(223,033)	(21,872)	(2,986,130)
<b>Gross profit</b>	<b>530,866</b>	<b>42,516</b>	<b>44,329</b>	<b>617,711</b>	<b>323,075</b>	<b>14,965</b>	<b>27,489</b>	<b>365,529</b>
Loss on exchange rate				(563)				(371)
Finance cost				(8,193)				(5,404)
Depreciation				(75,134)				(78,207)
Transportation expense				(138,681)				(117,016)
Profit before income tax				297,177				93,477
Total assets				4,207,174				3,263,557
Total liabilities				1,192,913				422,142

### Major Customers

The Company and subsidiary do not have major customers who can have significant impact on the Company's and subsidiary's business during the years 2021 and 2020.

### **23. DIVIDEND PAYMENT**

On 30 April 2021, the Annual General Meeting of shareholders passed a resolution to approve the payment of dividend to common shareholders from the operating results for the year ended 31 December 2020 at Baht 0.106 per share totaling Baht 67,839,457. The payment of dividend was made on 28 May 2021.

On 23 April 2020, the Board of Directors' meeting passed a resolution to approve the payment of interim dividend to common shareholders from the operating results for the year ended 31 December 2019 at Baht 0.165 per share totaling Baht 105,599,650. The payment of dividend was made on 22 May 2020.

### **24. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

The changes in the Company and subsidiary's liabilities arising from financing activities are classified as follows;

	(Unit : Thousand Baht)	
	Bank overdrafts and Short - term loans	
	Consolidated Statements	Separate Statements
<b>Balance at 1 January 2021</b>	21,588	723
<b>Cash - flows:</b>		
Repayment	(4,460,960)	(4,433,426)
Proceeds	5,188,327	5,163,854
<b>Non - cash:</b>		

Different of exchange rate	1,773	-
<b>Balance at 31 December 2021</b>	<b>750,728</b>	<b>731,151</b>
<b>Balance at 1 January 2020</b>	<b>244,203</b>	<b>232,109</b>
<b>Cash - flows:</b>		
Repayment	(4,529,206)	(4,496,653)
Proceeds	4,306,749	4,265,267
<b>Non-cash:</b>		
Different of exchange rate	(158)	-
<b>Balance at 31 December 2020</b>	<b>21,588</b>	<b>723</b>

## 25. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities carried on the statement of financial position include cash and cash equivalents, restricted deposits with banks, trade and other accounts receivable and payable, and loans. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies in Note 3 to the financial statements.

### 25.1 Interest rate risk

The interest rate risk arose from the changes in market interest rates in the future that will affect the results of the Company and subsidiary's operations and its cash flows. As of 31 December 2021 and 2020, the Company and subsidiary have financial assets and financial liabilities with exposure to interest rate risk as follows:

(Unit : Thousand Baht)

	2021				
	Consolidated Statements				
	Floating Interest Rate	Fixed Interest Rate	No Interest	Total	Interest rate (%)
<b>Financial assets</b>					
Cash and cash equivalents	106,243	-	9,004	115,247	0.05 - 0.45
Trade accounts receivable					
- general customers - net	-	-	1,231,821	1,231,821	-
- related companies	-	-	54,946	54,946	-



Amounts due from related companies	-	-	82	82	-
Unbilled accrued income	-	-	105,511	105,511	-
Total	<u>106,243</u>	<u>-</u>	<u>1,401,364</u>	<u>1,507,607</u>	
<b><u>Financial liabilities</u></b>					
Bank overdrafts and short-term loans from financial institutions	750,728	-	-	750,728	0.86 - 5.95
Trade accounts and notes payable					
- general suppliers	-	-	102,101	102,101	-
- related companies	59,120	-	43,645	102,765	2.92 - 2.92
Advances from customers	-	-	3,928	3,928	-
Total	<u>809,848</u>	<u>-</u>	<u>149,674</u>	<u>959,522</u>	

(Unit : Thousand Baht)

	2020				
	<u>Consolidated Statements</u>				
	Floating Interest Rate	Fixed Interest Rate	No Interest	Total	Interest rate (%)
<b><u>Financial assets</u></b>					
Cash and cash equivalents	393,100	-	3,516	396,616	0.05 - 0.45
Trade accounts receivable					
- general customers - net	-	-	827,775	827,775	-
- related companies	-	-	41,213	41,213	-
Amounts due from related companies	-	-	108	108	-
Unbilled accrued income	-	-	112,601	112,601	-
Total	<u>393,100</u>	<u>-</u>	<u>985,213</u>	<u>1,378,313</u>	
<b><u>Financial liabilities</u></b>					
Bank overdrafts and short-term loans from financial institutions	21,588	-	-	21,588	1.60 - 5.95
Trade accounts and notes payable					
- general suppliers	-	-	92,024	92,024	-
- related companies	38,406	-	25,545	63,951	2.59 - 3.04
Advances from customers	-	-	58,274	58,274	-
Total	<u>59,994</u>	<u>-</u>	<u>175,843</u>	<u>235,837</u>	

(Unit : Thousand Baht)

2021

	Separate Statements				
	Floating Interest Rate	Fixed Interest Rate	No Interest	Total	Interest rate (%)
<b>Financial assets</b>					
Cash and cash equivalents	93,504	-	8,942	102,446	0.05 - 0.45
Trade accounts receivable					
- general customers - net	-	-	1,215,900	1,215,900	-
- related companies	-	-	54,946	54,946	-
Amounts due from related companies	-	-	377	377	-
Short - term loan to subsidiary company	-	14,961	-	14,961	4.50
Unbilled accrued income	-	-	105,511	105,511	-
Total	93,504	14,961	1,385,676	1,494,141	
<b>Financial liabilities</b>					
Bank overdrafts and short - term loans					
from financial institutions	731,151	-	-	731,151	0.86 - 5.95
Trade accounts and notes payable					
- general suppliers	-	-	96,146	96,146	-
- related companies	59,120	-	40,559	99,679	2.92 - 2.92
Advances from customers	-	-	3,928	3,928	-
Total	790,271	-	140,633	930,904	

(Unit : Thousand Baht)

2020

	Separate Statements				
	Floating Interest Rate	Fixed Interest Rate	No Interest	Total	Interest rate (%)
<b>Financial assets</b>					
Cash and cash equivalents	380,474	-	3,350	383,824	0.05 - 0.45
Trade accounts receivable					
- general customers - net	-	-	798,539	798,539	-
- related companies	-	-	44,604	44,604	-
Amounts due from related companies	-	-	258	258	-
Short - term loan to subsidiary company	-	11,947	-	11,947	4.50
Unbilled accrued income	-	-	112,601	112,601	-
Total	380,474	11,947	959,352	1,351,773	
<b>Financial liabilities</b>					
Bank overdrafts and short - term loans					
from financial institutions	723	-	-	723	1.60 - 5.95
Trade accounts and notes payable					
- general suppliers	-	-	87,922	87,922	-

- related companies	38,406	-	23,484	61,890	2.59 - 3.04
Advances from customers	-	-	56,420	56,420	-
Total	<u>39,129</u>	<u>-</u>	<u>167,826</u>	<u>206,955</u>	

## 25.2 Foreign exchange risk

The Company and subsidiary have exposure to foreign currency risk relating to the export sales and the importation of production materials, short - term loans to subsidiary and bank overdrafts and short - term loans from financial institutions denominated in foreign currencies. As at 31 December 2021 and 2020, the Company and subsidiary have assets and liabilities in foreign currencies which are considered natural hedging as follows:

	In Thousand Foreign Currencies	
	2021	2020
<u>Assets in foreign currency</u>		
USD	563	519
<u>Liabilities in foreign currency</u>		
USD	1,760	1,235
JPY	-	3,696

## 25.3 Credit risk

The Company and subsidiary sell its products to customers with normal credit terms. The Company and subsidiary manage their exposure to credit risk by closely monitoring collection of accounts receivable and focuses on overdue accounts. In the case of doubt about the collectability on accounts receivable, the Company and subsidiary set up allowance for expected credit loss in the accounts as deemed necessary.

## 25.4 Liquidity risk

The Company and subsidiary monitor liquidity risk and maintain a level of cash and cash equivalents at the adequate level to finance the Company and subsidiary operations and to prevent the effects from fluctuations in cash flows.

## 25.5 Fair value of financial instruments

The following methods and assumptions are used to estimate the fair value of each class of the Company's financial instruments.

- The fair values Level 1 for financial assets and financial liabilities composes of cash and cash equivalents, bank overdrafts, trade accounts receivable, trade accounts payable, amounts due from related companies, short - term loan to subsidiary company, unbilled accrued income, and advances from customers which the carrying values approximate their fair values due to the relative short - term maturity of these financial instruments.
- The fair values Level 2 for financial liabilities composes of notes payable and short - term loans from financial institutions which the carrying values are not materially different from the fair value since its carry interest at the rates close to market rates.

## 26. FAIR VALUE MEASUREMENT

Financial assets and financial liabilities measured at fair value in the statement of financial position 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.

The Company has investment property at the fair value as of 31 December 2021 of Baht 60.36 million. The fair value was calculated based on the comparison of the market price of other properties in the nearby location (Level 2).

## 27. EVENTS AFTER REPORTING PERIOD

At the meeting on 28 February 2022, the Company's Board of Directors passed a resolution to propose the payment of dividend of Baht 0.23 per share to the common shareholders, from operating results for the year ended 31 December 2021. The dividend payment must be approved at the Annual General Meeting of the Company's shareholders.

## 28. APPROVAL OF FINANCIAL STATEMENTS

These financial statements are authorized by the Board of Directors on 28 February 2022.