

SIAM STEEL SERVICE CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

1. NATURE OF OPERATIONS

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

- a) Factory 1 : 51/3 Poochao - Samingprai Road, Tambon Bangyaprak, Amphur Phrapradeang, Samutprakarn
- b) Factory 2 : 51/11 Poochao - Samingprai Road, Tambon Bangyaprak, Amphur Phrapradeang, Samutprakarn
- c) Factory 3 : 60/6 Moo 3, Tambon 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 whose assets and revenues are not yet significant to the consolidated financial statements of the Company.

2. BASIS OF FINANCIAL STATEMENT PREPARATION

2.1 Statement of compliance

The Company prepares its financial statements 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 into 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 a subsidiary which the Company can exercise control with 90 percent investment in shares with voting right as follow:

Subsidiary Company	Country of incorporation	Percentage of share held by the Company (%)		Type of Business
		2022	2021	
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 2022 and 2021 and total revenues for the years ended 31 December 2022 and 2021 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	
	2022	2021	2022	2021
Siam Steel Vietnam Co., Ltd.	2.16	1.63	1.97	1.28

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 policies as used for the preparation of separate financial statements.

2.3 Thai Financial Reporting Standards and guidance which are amended and effective for the accounting period beginning on or after 1 January 2022

Amendments to the Thai Financial Reporting Standards due to Interbank Offered Rate (IBOR) reform - phase 2 are as follows:

- 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”
- Accounting guidance, financial instruments and disclosures for insurance business

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

2.4.1 Thai Accounting Standard 16, “Property, Plant and Equipment”

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

2.4.2 Thai Accounting Standard 37, “Provisions, Contingent Liabilities and Contingent Assets”

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

2.4.3 Thai Financial Reporting Standard 3, “Business Combinations”

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

2.4.4 Thai Financial Reporting Standard 9, “Financial Instruments”

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

However, the Group have not early adopted the certain amended TFRSs and the management believes that there is no significant impact to the Group's financial statements, when adoption.

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 recognized revenue is adjusted for estimated returns 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 accounting 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 considered 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 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. This 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 measure expected credit losses by the simplified approach which requires expected lifetime losses to be recognized from initial recognition of the receivables. 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 determine 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 installation services in process	- 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 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 recognizes 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. These 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 employees have jointly established a provident fund plan whereby monthly contribution are made by participated employees and by the Company. The fund's assets are held in a separate trustee fund from the Company'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 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 value their financial assets, measured by amortized cost method, at 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 an 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 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 account 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 an objective to “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 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 subsequently measured at amortized cost. Interest expense is 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.

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 for 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 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	
	2022	2021	2022	2021
Cash on hand	1,298	1,062	1,000	1,000
Cash at bank - Current accounts	43,163	44,358	30,553	36,278
- Savings accounts	100,049	61,885	94,404	57,226
Cheques deposited in transit	5,891	7,942	5,891	7,942

Total	<u>150,401</u>	<u>115,247</u>	<u>131,848</u>	<u>102,446</u>
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6. TRADE ACCOUNTS RECEIVABLE

As at 31 December 2022 and 2021, trade accounts receivable classified by outstanding aging are as follows:

	(Unit : Thousand Baht)			
	Consolidated Statements		Separate Statements	
	2022	2021	2022	2021
<u>Trade accounts receivable - general customers - net</u>				
Not yet due	1,147,463	1,157,690	1,147,464	1,157,690
Overdue:				
Less than 3 months	34,332	53,638	17,493	41,230
3 - 6 months	-	4,837	-	4,513
6 - 12 months	1,736	2,809	-	2,281
More than 12 months	25,000	27,286	23,286	24,115
Total	<u>1,208,531</u>	<u>1,246,260</u>	<u>1,188,243</u>	<u>1,229,829</u>
<u>Less</u> Allowance for expected credit loss	<u>(23,579)</u>	<u>(14,439)</u>	<u>(23,069)</u>	<u>(13,929)</u>
Net	<u>1,184,952</u>	<u>1,231,821</u>	<u>1,165,174</u>	<u>1,215,900</u>
<u>Trade accounts receivable - related companies</u>				
Not yet due	70,571	54,946	70,571	54,946
Overdue:				
Less than 3 months	393	-	393	-
Total	<u>70,964</u>	<u>54,946</u>	<u>70,964</u>	<u>54,946</u>

The Group does not set up allowance for expected credit loss for full amount of trade accounts receivable overdue over 12 months because most of those are under installment payments and/or are covered by collateralized assets to guarantee the payments. If the Company cannot collect the payments from customers, it can confiscate such collaterals. Based on the Company management's assessment, the value of collaterals are 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 2022	(14,439)	(13,929)
<u>Add</u> Provision for expected credit loss during the period	(10,061)	(10,061)
<u>Less</u> Reversal of allowance for expected credit loss	921	921
Balance as at 31 December 2022	<u>(23,579)</u>	<u>(23,069)</u>

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
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 2022 and 2021 are as follow:

Transaction with Related company	(Unit : Thousand Baht)			
	Consolidated Statements		Separate Statements	
	For the years ended 31 December			
	2022	2021	2022	2021
Sales and installation income				
Subsidiary	-	-	308	1,424
Related companies	195,728	146,066	195,728	146,066
Total	<u>195,728</u>	<u>146,066</u>	<u>196,036</u>	<u>147,490</u>
Steel cutting services income and other income				
Related companies	<u>13,948</u>	<u>15,268</u>	<u>13,948</u>	<u>15,268</u>
Rental income				
Related companies	<u>4,203</u>	<u>4,050</u>	<u>4,203</u>	<u>4,050</u>
Purchase of raw materials				
Related companies	<u>3,932,147</u>	<u>3,937,333</u>	<u>3,863,719</u>	<u>3,915,672</u>
Expenses and other purchases				
Related companies	<u>31,025</u>	<u>26,511</u>	<u>31,025</u>	<u>26,511</u>
Purchase of assets				
Related companies	<u>48</u>	<u>12</u>	<u>48</u>	<u>12</u>

Transaction with Related company	(Unit : Thousand Baht)			
	Consolidated Statements		Separate Statements	
	For the years ended 31 December			
	2022	2021	2022	2021
Interest income				
Subsidiary	-	-	821	727
Directors and key management personnel compensation				
Current directors and management benefits	25,271	24,500	25,271	24,500
Post - employment benefits	1,450	3,417	1,450	3,417

As of 31 December, 2022 and 2021, the outstanding balances with related companies are as follows:

	(Unit : Thousand Baht)			
	Consolidated Statements		Separate Statements	
	2022	2021	2022	2021
<u>Trade accounts receivable</u>				
Related companies	70,964	54,946	70,964	54,946
<u>Amounts due from</u>				
Subsidiary	-	-	180	295
Related companies	91	82	91	82
Total	91	82	271	377
<u>Short-term loan to</u>				
Subsidiary	-	-	17,196	14,961

During the years ended 31 December 2022 and 2021 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	
	2022	2021	2022	2021
Balance as of 1 January	-	-	14,961	11,947
<u>Add:</u> Additional loan granted	-	-	28,401	14,518
<u>Less:</u> Received of repayment	-	-	(25,949)	(12,552)
Unrealized gain (loss) from foreign exchange rate	-	-	(217)	1,048
Balance as of 31 December	-	-	17,196	14,961
 <u>Trade accounts payable</u>				
Related companies	109,293	102,765	87,350	99,679
 <u>Key management personnel compensation</u>				
Post - employee benefit	19,061	24,280	19,061	24,280

8. CONTRACTS ASSETS AND CONTRACT LIABILITIES

The Group has outstanding balances of contracts assets and contract liabilities with customers as follow:

	(Unit : Thousand Baht)			
	Consolidated Statements		Separate Statements	
	2022	2021	2022	2021
Contracts assets				
Unbilled accrued income	102,418	105,511	102,418	105,511
Retention receivables	14,752	15,609	14,752	15,609
Total contracts assets	117,170	121,120	117,170	121,120
 Contracts liabilities				
Advances from customers	28,009	3,928	20,890	3,928
Total contracts liabilities	28,009	3,928	20,890	3,928

8.1 Unbilled accrued income and advances from customers

(Unit : Thousand Baht)

	Consolidated Statements		Separate Statements	
	2022	2021	2022	2021
Unbilled accrued income				
Contract sales value	412,323	398,788	412,323	398,788
Accumulated amount recognized as revenue on percentage of completion basis	258,337	287,329	258,337	287,329
<u>Less</u> Amounts billed	(155,919)	(181,818)	(155,919)	(181,818)
Unbilled accrued income	102,418	105,511	102,418	105,511
Retentions receivable	14,752	15,609	14,752	15,609
Advances from customers				
Amounts received per contracts	150,479	58,250	123,014	58,520
Total amounts billed	100,696	49,903	100,696	49,903
<u>Less</u> Accumulated amount recognized : as revenues by percentage of completion basis	(72,687)	(45,975)	(79,806)	(45,975)
Advances from customers - net	28,009	3,928	20,890	3,928

8.2 Revenue expected to be recognized from existing contracts

As of 31 December 2022, the Group expects to recognize revenues in the future from performance of work that are still uncompleted (or partially completed) under existing contracts with customers totalling Baht 341.94 million (Separate financial statements: Baht 253.86 million).

9. INVENTORIES

(Unit: Thousand Baht)

	Consolidated Statements		Separate Statements	
	2022	2021	2022	2021
Raw materials	1,306,697	1,228,777	1,276,298	1,213,618
Finished goods	213,275	189,746	213,275	189,746
Work in process	97,112	70,208	87,931	60,257
Spare parts and supplies	48,129	48,590	48,129	48,590
Raw materials in transit	80,339	29,120	80,339	29,120
Total	1,745,552	1,566,441	1,705,972	1,541,331

Costs of inventories which were recognized as expenses for the years ended 31 December 2022 and 2021 are as follows:

	(Unit : Thousand Baht)			
	Consolidated Statements		Separate Statements	
	2022	2021	2022	2021
Costs of goods sold	4,885,111	4,060,688	4,778,090	4,012,838
Reversal of allowance for decline value of inventories	-	(559)	-	(559)
Net	<u>4,885,111</u>	<u>4,060,129</u>	<u>4,778,090</u>	<u>4,012,279</u>

10. INVESTMENT IN SUBSIDIARY COMPANY

Company	Type of business	Paid - up share capital	(Unit: Thousand Baht)			
			Percentage of holding		Separate Statements	
			2022	2021	2022	2021
<u>Investment in subsidiary company</u>						
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	<u>24,029</u>	<u>24,029</u>
Total					<u>24,029</u>	<u>24,029</u>

11. NON - CONTROLLING INTEREST

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

Name	(Unit: Thousand Baht)					
	Proportion of ownership interest and voting right held by the NCI		Total comprehensive income allocated to NCI		Accumulated NCI	
	2022	2021	2022	2021	2022	2021
Siam Steel Vietnam Co., Ltd.	10%	10%	(1,448)	(431)	922	2,370

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

	(Unit: Thousand Baht)	
	2022	2021
Current assets	80,123	54,630
Non - current assets	14,934	14,458
Total assets	<u>95,057</u>	<u>69,088</u>
Current liabilities	<u>86,467</u>	<u>45,905</u>
Cumulative translation adjustments	<u>(11,803)</u>	<u>(11,827)</u>
Shareholders' equity	<u>20,393</u>	<u>35,010</u>
Equity attributable to non - controlling interests	<u>922</u>	<u>2,370</u>
Revenue	109,011	59,780
Loss for the year attributable to the Company's shareholders	(13,154)	(4,283)
Loss for the year attributable to non-controlling interests	(1,462)	(476)
Loss for the year	<u>(14,616)</u>	<u>(4,759)</u>
Total comprehensive income attributable to the Company's shareholders	(13,033)	(3,882)
Total comprehensive income attributable to non-controlling interests	(1,448)	(431)
Total comprehensive income for the year	<u>(14,481)</u>	<u>(4,313)</u>
Net cash used in investing activities	(2,117)	(1,604)
Net cash provided from (used in) operating activities	(2,808)	2,937
Net cash provided from (used in) financing activities	<u>10,677</u>	<u>(1,324)</u>
Net cash in flows	<u>5,752</u>	<u>9</u>

12. INVESTMENT PROPERTIES

	(Unit : Thousand Baht)	
	Consolidated/Separate Statements	
	2022	2021
Land	24,621	24,621
Land and buildings	<u>6,734</u>	<u>6,734</u>
Total	<u>31,355</u>	<u>31,355</u>

As of 31 December 2022, 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 (2021: 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	
Cost								
1 January 2021	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	412,087	855,934	1,200,418	76,877	61,595	4,385	5,873	2,617,169
Acquisition	-	-	19,284	3,674	50	6,233	12,218	41,459
Disposal	-	-	(3,029)	(3,290)	(8,967)	-	(111)	(15,397)
Transfer in (out)	-	9,777	8,973	-	-	(9,777)	(8,973)	-
31 December 2022	412,087	865,711	1,225,646	77,261	52,678	841	9,007	2,643,231
Accumulated depreciation								
1 January 2021	-	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
Depreciation for the year	-	18,479	47,758	3,542	2,054	-	-	71,833
Accumulated depreciation for disposal items	-	-	(3,029)	(3,260)	(8,920)	-	-	(15,209)
31 December 2022	-	562,710	914,073	68,046	49,379	-	-	1,594,208

(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
Net book value								
31 December 2021	412,087	311,703	331,074	9,113	5,350	4,385	5,873	1,079,585
31 December 2022	412,087	303,001	311,573	9,215	3,299	841	9,007	1,049,023
Depreciation for the year 2021								
Cost of sale and service								69,998
Selling and administrative expenses								5,716
Difference in exchange rate								(1,396)
Total								74,318
Depreciation for the year 2022								
Cost of sale and service								66,699
Selling and administrative expenses								5,134
Total								71,833

(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	
Cost								
1 January 2021	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
Acquisition	-	-	17,167	3,674	50	6,233	12,218	39,342
Disposal	-	-	(3,029)	(3,290)	(8,967)	-	(111)	(15,397)
Transfer in (out)	-	9,777	8,973	-	-	(9,777)	(8,973)	-
31 December 2022	412,087	847,989	1,209,150	77,261	52,678	841	9,007	2,609,013
Accumulated depreciation								
1 January 2021	-	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
Depreciation for the year	-	18,168	47,127	3,542	2,054	-	-	70,891
Accumulated depreciation for disposal items	-	-	(3,029)	(3,260)	(8,920)	-	-	(15,209)
31 December 2022	-	554,326	900,615	68,046	49,379	-	-	1,572,366
Net book value								
31 December 2021	412,087	302,054	329,522	9,113	5,350	4,385	5,873	1,068,384
31 December 2022	412,087	293,663	308,535	9,215	3,299	841	9,007	1,036,647

(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 2021

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

Depreciation for the year 2022

Cost of sale and service							65,757
Selling and administrative expenses							5,134
Total							<u>70,891</u>

As of 31 December 2022, and 2021, the consolidated and separate financial statements include fully depreciated assets but still in use with total cost of Baht 1,571.93 million and Baht 1,452.60 million, respectively.

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

(Unit: Thousand Baht)

	Interest rate per annum		Consolidated Statements	
	2022	2021	2022	2021
	Bank overdraft	6.32 - 6.33	5.82 - 5.95	3,405
Liabilities under trust receipts	1.98 - 2.18	1.20 - 1.35	205,739	113,707
Short - term loans	1.28 - 8.90	0.86 - 4.50	578,071	636,997
Total			787,215	750,728

(Unit : Thousand Baht)

	Interest rate per annum		Separate Statements	
	2022	2021	2022	2021
	Bank overdraft	6.32 - 6.33	5.82 - 5.95	3,405
Liabilities under trust receipts	1.98 - 2.18	1.25 - 1.35	205,739	113,707
Short - term loans	1.28 - 2.23	0.86 - 1.30	550,166	617,420
Total			759,310	731,151

As of 31 December 2022 and 2021, 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					
		2022			2021		
		Total	Utilized	Remained	Total	Utilized	Remained
Letters of guarantee	Baht	130	11	119	130	11	119
Bank overdraft	Baht	280	3	277	280	-	280
Liabilities under trust receipts	Baht	3,050	206	2,844	3,050	227	2,823
Short-term loans	Baht	2,680	550	2,130	2,680	504	2,176

15. LIABILITIES UNDER EMPLOYEE BENEFITS OBLIGATION

Movements in employee benefits obligation for the years ended 31 December 2022 and 2021 are as follows:

	(Unit : Thousand Baht)	
	Consolidated/Separate Statements	
	2022	2021
Employee benefits obligation at 1 January	106,761	105,799
Current service cost	8,131	9,315
Interest expense	2,198	2,822
Actuarial gain	-	(2,881)
Employee benefit paid during the year	(10,695)	(8,294)
Employee benefit obligation at 31 December	106,395	106,761
Reclassified to current portion	(5,793)	(7,365)
Net	100,602	99,396
Total unfunded	106,395	106,761

Principal actuarial assumptions at the reporting date for the years ended 31 December 2022 and 2021 are as follows:

	2022	2021
Discount rate	2.14 percent per annum	2.14 percent per annum
Future salary average increment rate	3.50 - 7.00 percent per annum	3.50 - 7.00 percent per annum
Normal retirement age	60 years except the company set otherwise	60 years except the company set otherwise
Mortality rate	Thai Mortality Table 2017	Thai Mortality Table 2017
Total employee	867 persons	813 persons

The present value of the defined benefits obligation is 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	
	2022	2021
Current service cost	8,131	9,315
Interest expense	2,198	2,822
Total expenses recognized in profit or loss	<u>10,329</u>	<u>12,137</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/Separate Statements	
	2022	2021
Actuarial gain from change in demographic assumptions	-	2,881
Total expenses recognized in other comprehensive income	<u>-</u>	<u>2,881</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	
	2022	
	Increase 1%	Decrease 1%
Discount rate		
Increase (decrease) in the defined benefit liability	(7,760)	8,959
Salary growth rate		
Increase (decrease) in the defined benefit liability	10,421	(9,186)
Staff turnover rate		
Increase (decrease) in the defined benefit liability	(1,971)	2,114

As of 31 December 2022, expected maturity of employee benefits obligation before discount are as follow:

	(Unit : Thousand Baht)
	Consolidated/Separate Statements
Within one year	5,772
Between 2 - 5 years	50,905
Between 5 - 10 years	45,551
More than 10 years	105,625
Total	207,853

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 Group's revenues classified based on income recognition methods are as follows:

(Unit : Thousand Baht)

	Consolidated Statements							
	Sales and revenue from installation - net		Steel cutting service income		Transport income		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Thailand	5,008,910	4,263,929	339,752	303,641	71,546	60,212	5,420,208	4,627,782
China	1,151	-	-	-	-	-	1,151	-
Vietnam	109,011	58,357	-	-	-	-	109,011	58,357
Cambodia	-	927	-	-	-	-	-	927
Myanmar	101	-	-	-	-	-	101	-
Japan	-	1,280	-	-	-	-	-	1,280
Total	5,119,173	4,324,493	339,752	303,641	71,546	60,212	5,530,471	4,688,346

(Unit : Thousand Baht)

	Separate Statements							
	Sales and revenue from installation - net		Steel cutting service income		Transport Income		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Thailand	5,008,910	4,262,506	339,752	303,641	71,546	60,212	5,420,208	4,626,359
China	1,151	-	-	-	-	-	1,151	-
Vietnam	308	1,424	-	-	-	-	308	1,424
Cambodia	-	927	-	-	-	-	-	927
Myanmar	101	-	-	-	-	-	101	-
Japan	-	1,280	-	-	-	-	-	1,280
Total	5,010,470	4,266,137	339,752	303,641	71,546	60,212	5,421,768	4,629,990

The Group has 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	
	2022	2021	2022	2021	2022	2021	2022	2021
At point in time	4,244,697	3,684,899	339,752	303,641	70,706	59,823	4,655,155	4,048,363
Over time	874,476	639,594	-	-	840	389	875,316	639,983
Total	5,119,173	4,324,493	339,752	303,641	71,546	60,212	5,530,471	4,688,346

(Unit : Thousand Baht)

	Separate Statements							
	Sales and revenue from installation - net		Steel cutting service income		Transportation income		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
At point in time	4,244,697	3,684,899	339,752	303,641	70,706	59,823	4,655,155	4,048,363
Over time	765,773	581,238	-	-	840	389	766,613	581,627
Total	5,010,470	4,266,137	339,752	303,641	71,546	60,212	5,421,768	4,629,990

18. OTHER INCOME

(Unit : Thousand Baht)

	Consolidated Statements		Separate Statements	
	2022	2021	2022	2021
Rental income	10,523	9,730	10,523	9,730
Other services income	5,321	3,959	5,321	3,959
Claim for damaged steel	58	605	58	605
Gain on disposal of assets	1,325	237	1,325	237
Others	1,853	3,829	2,634	4,139
Total	19,080	18,360	19,861	18,670

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 2022 and 2021, which was charged to operations, amounted to Baht 12.20 million and Baht 11.19 million, respectively.

20. EXPENSES BY NATURE

	(Unit : Thousand Baht)			
	Consolidated Statements		Separate Statements	
	2022	2021	2022	2021
Raw materials and supplies used	4,236,224	3,518,466	4,174,278	3,493,219
Changes in inventories of finished goods and work in progress	(78,429)	(121,539)	(79,200)	(117,570)
Salaries, wages, and other employee benefits	489,694	471,199	469,095	452,223
Transportation expense	161,380	139,866	157,619	138,681
Subcontractor fees	104,438	80,921	90,525	72,406
Depreciation	71,833	75,776	70,891	75,134
Packaging expense	75,054	58,077	75,054	58,077
Hire of work	25,771	23,555	25,771	23,555
Repair and maintenance expenses	30,098	28,152	30,002	28,072
Utility expense	26,749	24,497	26,428	24,223
Reversal of allowance for decline value of inventories	-	(559)	-	(559)

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	
	2022	2021
Deferred income tax assets	25,892	24,138
Deferred income tax liability	(13,102)	(16,044)
Net	12,790	8,094

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

(Unit : Thousand Baht)

	Consolidated and Separate Statements			
	1 January 2022	Recognised as income (expense)		31 December 2022
		Statement of profit or loss	Other comprehensi ve income	
<u>Deferred income tax assets</u>				
From allowance for expected credit loss	2,786	1,827	-	4,613
From allowance for employee benefits obligation	21,352	(73)	-	21,279
Total	<u>24,138</u>	<u>1,754</u>	<u>-</u>	<u>25,892</u>
<u>Deferred income tax liability</u>				
From excess depreciation for tax computation purpose	(16,044)	2,942	-	(13,102)
Net	<u>8,094</u>	<u>4,696</u>	<u>-</u>	<u>12,790</u>

(Unit : Thousand Baht)

	Consolidated and Separate Statements			
	1 January 2021	Recognised as income (expense)		31 December 2021
		Statement of profit or loss	Other comprehensi ve 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	<u>24,189</u>	<u>525</u>	<u>(576)</u>	<u>24,138</u>
<u>Deferred income tax liability</u>				
From excess depreciation for tax computation purpose	(17,717)	1,673	-	(16,044)
Net	<u>6,472</u>	<u>2,198</u>	<u>(576)</u>	<u>8,094</u>

21.2 Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are as follows:

	(Unit : Thousand Baht)			
	Consolidated Statements		Separate Statements	
	2022	2021	2022	2021
Current income tax expenses	61,632	60,994	61,632	60,994
Deferred tax	(4,696)	(2,198)	(4,696)	(2,198)
Total	<u>56,936</u>	<u>58,796</u>	<u>56,936</u>	<u>58,796</u>

Income tax recognized in other comprehensive income are as follows:

	(Unit : Thousand Baht)					
	Consolidated and Separate Financial Statements					
	2022			2021		
	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 2022 and 2021 are as follows:

	(Unit : Thousand Baht)			
	Consolidated Statements		Separate Statements	
	2022	2021	2022	2021
Profit before income tax	273,930	293,377	288,398	297,177
Income tax rate	20	20	20	20
Income tax calculated from tax rate	54,786	58,675	57,680	59,435
Reconciling items:				
Tax on non - deductible expenses	7,206	4,360	7,206	4,258
Tax on income tax exempted revenue	(7,104)	(4,141)	(7,104)	(4,141)
Tax on additional deduction of expenses	(846)	(756)	(846)	(756)
Tax on loss of subsidiary	2,894	658	-	-
Income tax	56,936	58,796	56,936	58,796
Less Prepaid income tax	(50,599)	(36,815)	(50,599)	(36,815)
Income tax payable	6,337	21,981	6,337	21,981

The subsidiary has unused taxable loss carried forward of Baht 14.62 million which will expire in 2027.

The subsidiary has not recognized this item as deferred tax asset because it is not probable that the subsidiary will have sufficient future taxable profit to utilize such benefit.

22. SEGMENT REPORTING

The Group is 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 2022 and 2021 are as follows:

(Unit: Thousand Baht)

	Consolidated Statements									
	For the years ended 31 December									
	2022					2021				
	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	5,119,481	339,752	71,546	(308)	5,530,471	4,325,917	303,641	60,212	(1,424)	4,688,346
Costs of sales and services	(4,557,906)	(306,656)	(21,006)	457	(4,885,111)	(3,784,345)	(261,125)	(17,068)	2,409	(4,060,129)
Gross profit	561,575	33,096	50,540	149	645,360	541,572	42,516	43,144	985	628,217
Gain (loss) on exchange rate					949					(569)
Finance cost					(15,904)					(8,701)
Depreciation					(71,833)					(75,776)
Transportation expense					(161,380)					(139,866)
Profit before income tax					273,930					293,377
Total assets					4,389,444					4,236,670
Total liabilities					1,305,886					1,223,043

(Unit: Thousand Baht)

	Separate Statements							
	For the years ended 31 December							
	2022				2021			
	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	5,010,470	339,752	71,546	5,421,768	4,266,137	303,641	60,212	4,629,990
Costs of sales and services	(4,454,189)	(306,656)	(17,245)	(4,778,090)	(3,735,271)	(261,125)	(15,883)	(4,012,279)
Gross profit	556,281	33,096	54,301	643,678	530,866	42,516	44,329	617,711
Gain (loss) on exchange rate				1,523				(563)
Finance cost				(14,765)				(8,193)
Depreciation				(70,891)				(75,134)
Transportation expense				(157,619)				(138,681)
Profit before income tax				288,398				297,177
Total assets				4,335,950				4,207,174
Total liabilities				1,237,426				1,192,913

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 2022 and 2021.

23. DIVIDEND PAYMENT

On 29 April 2022, at the Annual General meeting, the shareholders passed a resolution approving the payment of cash dividend to the common shareholders from operating results for the year ended 31 December 2021 at Baht 0.23 per share for 639,995,380 common share, totaling Baht 147,198,937. The Company paid such dividend on 27 May 2022.

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.

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
Balance at 1 January 2022	750,728	731,151
Cash - flows:		
Repayment	(7,026,742)	(6,972,743)
Proceeds	7,063,229	7,000,902
Balance at 31 December 2022	<u>787,215</u>	<u>759,310</u>
Balance at 1 January 2021	21,588	723
Cash - flows:		
Repayment	(4,460,960)	(4,433,426)
Proceeds	5,188,327	5,163,854
Non-cash:		
Different of exchange rate	1,773	-
Balance at 31 December 2021	<u>750,728</u>	<u>731,151</u>

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 2022 and 2021, the Company and subsidiary have financial assets and financial liabilities with exposure to interest rate risk as follows:

(Unit : Thousand Baht)

	2022				
	Consolidated Statements				
	Floating Interest Rate	Fixed Interest Rate	No Interest	Total	Interest rate (%)
<u>Financial assets</u>					
Cash and cash equivalents	143,212	-	7,189	150,401	0.05 - 0.30
Trade accounts receivable					
- general customers - net	-	-	1,184,952	1,184,952	-
- related companies	-	-	70,964	70,964	-
Amounts due from related companies	-	-	91	91	-
Unbilled accrued income	-	-	102,418	102,418	-
Total	<u>143,212</u>	<u>-</u>	<u>1,365,614</u>	<u>1,508,826</u>	
<u>Financial liabilities</u>					
Bank overdrafts and short - term					
loans from financial institutions	787,215	-	-	787,215	1.28 - 8.90
Trade accounts and notes payable					
- general suppliers	-	-	140,460	140,460	-
- related companies	72,071	-	37,222	109,293	7.79
Advances from customers	-	-	28,009	28,009	-
Total	<u>859,286</u>	<u>-</u>	<u>205,691</u>	<u>1,064,977</u>	

(Unit : Thousand Baht)

2021					
Consolidated Statements					
	Floating Interest Rate	Fixed Interest Rate	No Interest	Total	Interest rate (%)
Financial assets					
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	106,243	-	1,401,364	1,507,607	
Financial liabilities					
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
Advances from customers	-	-	3,928	3,928	-
Total	809,848	-	149,674	959,522	

(Unit : Thousand Baht)

2022					
Separate Statements					
	Floating Interest Rate	Fixed Interest Rate	No Interest	Total	Interest rate (%)
Financial assets					
Cash and cash equivalents	124,957	-	6,891	131,848	0.05 - 0.25
Trade accounts receivable					
- general customers - net	-	-	1,165,174	1,165,174	-
- related companies	-	-	70,964	70,964	-
Amounts due from related companies	-	-	271	271	-
Short - term loan to subsidiary company	-	17,196	-	17,196	4.50
Unbilled accrued income	-	-	102,418	102,418	-
Total	124,957	17,196	1,345,718	1,487,871	
Financial liabilities					
Bank overdrafts and short - term loans					
from financial institutions	759,310	-	-	759,310	1.28 - 6.33
Trade accounts and notes payable					
- general suppliers	-	-	136,373	136,373	-

- related companies	72,071	-	15,279	87,350	7.79
Advances from customers	-	-	20,890	20,890	-
Total	831,381	-	172,542	1,003,923	

(Unit : Thousand Baht)

	2021				
	Separate Statements				
	Floating Interest Rate	Fixed Interest Rate	No Interest	Total	Interest rate (%)
Financial assets					
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	
Financial liabilities					
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
Advances from customers	-	-	3,928	3,928	-
Total	790,271	-	140,633	930,904	

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 2022 and 2021, the Company and subsidiary have assets and liabilities in foreign currencies which are considered natural hedging as follows:

	In Thousand Foreign Currencies	
	2022	2021
<u>Assets in foreign currency</u>		
USD	537	563
<u>Liabilities in foreign currency</u>		
USD	2,075	1,760
JPY	22,000	-

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 2022 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. COMMITMENTS

As of 31 December 2022, the Group has commitments as follow:

27.1 The Company has commitments to deliver products and services under a contract for installation of approximately of Baht 335.40 million.

27.2 The Company has outstanding guarantees of approximately Baht 10.75 million, issued by financial institutions on behalf of the Company, as required in the normal course of business.

28. EVENTS AFTER REPORTING PERIOD

At the meeting on 28 February 2023, the Company's Board of Directors passed a resolution to propose the payment of dividend of Baht 0.185 per share to the common shareholders, from operating results for the year ended 31 December 2022. The dividend payment must be approved at the Annual General Meeting of the Company's shareholders.

29. APPROVAL OF FINANCIAL STATEMENTS

These financial statements are authorized by the Board of Directors on 28 February 2023.