

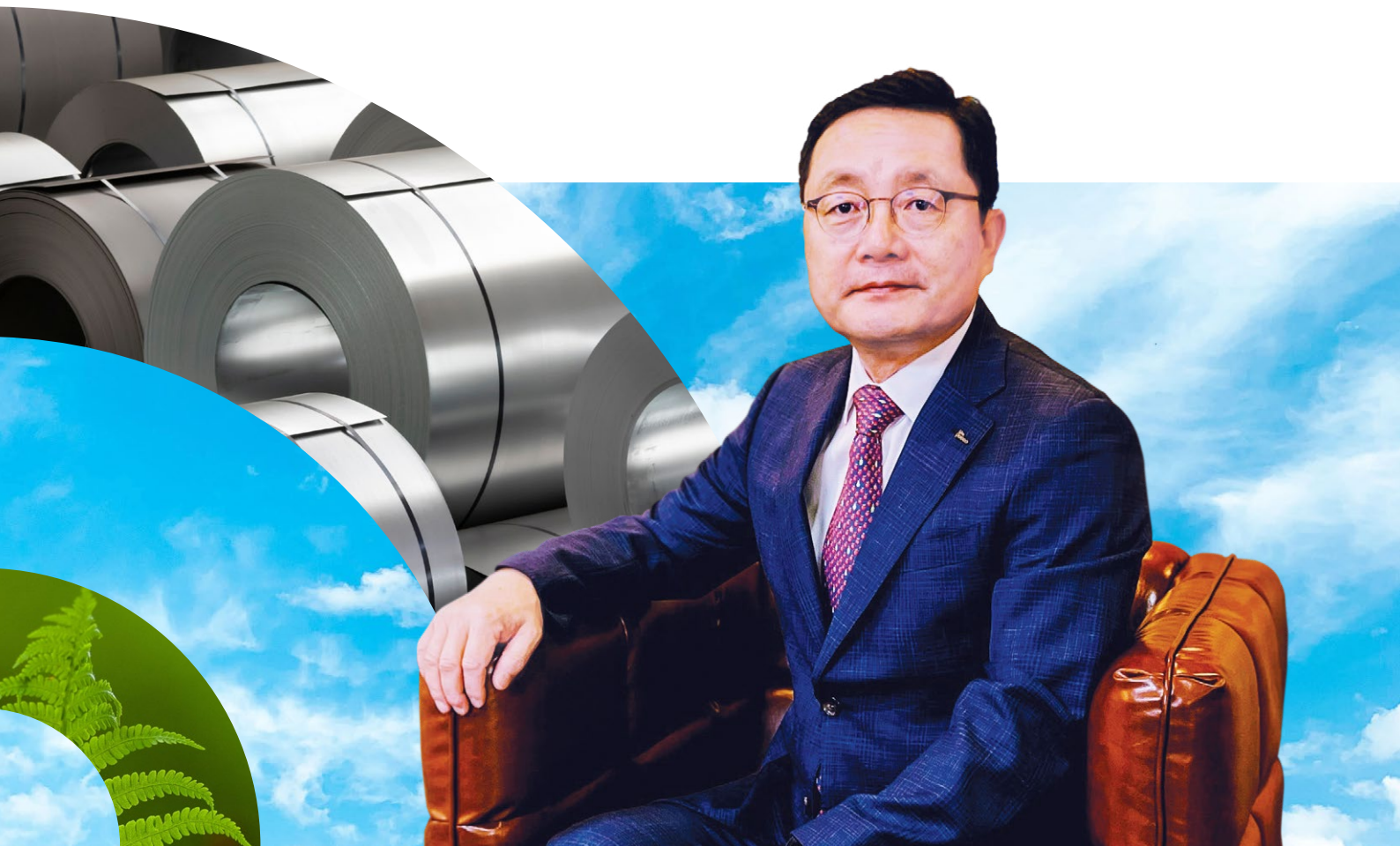
 With POSCO

FORM 56-1 [ONE REPORT] 2022



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I will devote my effort to
lead the company to achieve our
Vision & Mission
saying that **Safety First!Quality Best!**
Global No.1 Stainless Steel Company.

Mr. Hyeong Gu Shin
President





MESSAGE FROM PRESIDENT

Dear our valued shareholders,

My name is Hyeong Gu Shin. I was appointed as a new president at POSCO-Thainox Public Company Limited ("the company"), effective January 10, 2023. It is a great honor for me to be here and I am grateful for the supports on the company's business from all employees, customers, business partners and shareholders throughout the year.

The overall of Thai economy in 2022 was expected to expand at 3.0 percent. Monetary policy tended to be tightened as many central banks might cause global financial market volatility and put pressure on the economic recovery. In terms of domestic stability, headline inflation in Thailand was expected to be at 2.8 percent. Besides, for stability outside Thailand, The current account balance was expected to return to a surplus of US\$3.1 billion or 0.5 percent of GDP.

However, the company's performance in 2022 is satisfying. This is because the company has a good performance in the first half of the year due to increase in sales by the rising steel prices compared to the previous year and the company's emphasis on exports as well.

I will devote my effort to lead the company to achieve our Vision & Mission saying that Safety First! Quality Best! Global No.1 Stainless Steel Company. In particular, the company continually develops the nearby community environment as well as working environment with focusing on safety of employee. In addition, the company focuses on producing good quality products to be the Global No. 1 Stainless Steel Company.

On behalf of POSCO-Thainox Public Company Limited, I would like to thank all shareholders, customers, and business partners who have always supported the company until we are able to walk to the current success at full capacity. Also, I would like to thank the Board of Directors, executives as well as all employees who have dedicated their efforts to the company to meet the goal.



BOARD OF DIRECTORS



Mr. Manjae Lee

(Age 71 Years Old)

**Chairman of the Board /
Chairman of the Audit Committee /
Independent Director**

Education

- BA. Economic, Yonsei University, Republic of Korea

(%) Shareholding

- None -

Family Relation Ship among Management

- None -

Experience

POSCO-Thainox PCL

2022 – Present	Chairman of the Board
2014 - Present	Chairman of the Audit Committee / Independent Director

Other

Present	Managing Director, MExcellent Corporation Co., Ltd.
2012	President, Korean-Thai Chamber of Commerce

Mr. Youngchul Kwon

(Age 59 Years Old)

Director / President

Education

- Master degree of Ferrous Technology, Pohang University of Science and Technology, Republic of Korea
- Bachelor degree of Metallurgy, Hanyang University, Republic of Korea

(%) Shareholding

- None -

Family Relation Ship among Management

- None -

Experience

POSCO-Thainox PCL

2022	Director / President
2019 – 2022	Chairman of the Board / President

POSCO

2015 – 2018	Department Manager, STS Rolling Department
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POSCO VST

2011 - 2015	Chief Technology Officer
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POSCO

2004 – 2011	Team Leader, STS Rolling Department
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Mr. Jiseob Choi

(Age 54 Years Old)

Director / Chief Marketing Officer

Education

- Bachelor Degree Management, Sogang University, Republic of Korea

(%) Shareholding

- None -

Family Relation Ship among Management

- None -

Experience

POSCO-Thainox PCL

2021 – Present	Director / Marketing Division Leader
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POSCO (THAILAND) CO., LTD.

2019-2020	Managing director
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POSCO

2018	Team leader of CHQ wire rod marketing
2013-2018	Team Leader, STS Strategy Group, STS Division



Mr. Jaesung Yoon

(Age 35 Years Old)

Director / Chief Financial Officer

Education

- Bachelor's degree of Economics, Yonsei University, Republic of Korea

(%) Shareholding

- None -

Family Relation Ship among Management

- None -

Experience

POSCO-Thainox PCL

2022 - Present Director / Chief Financial Officer

POSCO

2022 Manager, Planning & Coordination, Corporate Planning Dept.
2020 - 2022 Manager, Accounting, Finance Dept.
2019 - 2020 Junior Manager, Business Analysis, Corporate Planning Dept.
2017 - 2018 Junior Manager, Cost Management & Analysis, Finance Dept.
2014 - 2017 Assistant Manager, Overseas Business Management, Marketing Dept.

Mr. Hoyoung Kim

(Age 48 Years Old)

Director

Education

- Bachelor's degree in Economic, Pusan University, Republic of Korea

(%) Shareholding

- None -

Family Relation Ship among Management

- None -

Experience

POSCO-Thainox PCL

2022 - Present Director

POSCO

2022 - Present Head of Business Management Group
2019 - 2022 Section leader of Financial Strategy Group
2015 - 2018 Section leader of Accounting Group

Mr. Chalermchai Mahagitsiri

(Age 44 Years Old)

Director

Education

- M.S. in Finance, Boston University, USA

(%) Shareholding

10.13%

Family Relation Ship among Management

- None -

Experience

Positions in Listed Companies in SET

2018 - Present Chairman of the Board of Directors, Unique Mining Services Public Company Limited
2015 - Present Chairman of Investment Committee, Thoresen Thai Agencies Public Company Limited
2013 - Present Chairman of the Board of Directors, PM Thoresen Asia Holdings Public Company Limited
2012 - Present Director / President and Chief Executive Officer / Member of Executive Committee, Thoresen Thai Agencies Public Company Limited
2011 - Present Director, Posco-Thainox Public Company Limited
2011 - Present Director, Thai Film Industries Public Company Limited
2012 - 2018 Vice Chairman, Unique Mining Services Public Company Limited

Positions in Listed Companies in Other Countries

2012 - Present Director / Chief Executive Officer / Executive Vice Chairman, Mermaid Maritime Public Company Limited
2015 - 2019 Director, Sino Grandness Food Industry Group Ltd.

Positions in Other Companies/Organizations

Please see the attachment 1



Mr. Shinya Ozono

(Age 40 Years Old)

Director

Education

- Juris Doctor Degree, Kobe University, Japan
- Bachelor Degree Law, Hitotsubashi University, Japan

(%) Shareholding

- None -

Family Relation Ship among Management

- None -

Experience

POSCO-Thainox PCL

2020 - Present Director

NIPPON STEEL Stainless Steel Corporation

2020 - Present Manager, Corporate Planning Dept., Corporate Planning Div.
2019 - 2020 Corporate Planning Dept., Corporate Planning Div.
2017 - 2019 Coil & Sheet Products Dept., Coil & Sheet Products Marketing & Sales Div.
2013 - 2017 Raw Material Dept., Raw Materials & Purchasing Div.

Mr. Noppadon Sarawasi

(Age 69 Years Old)

Audit Committee / Independent Director

Education

- MA. Economic, Middle Tennessee State University, United State of America
- B.A. (Economic), Kasetsart University, Thailand

(%) Shareholding

- None -

Family Relation Ship among Management

- None -

Experience

POSCO-Thainox PCL

2015 - Present Audit Committee / Independent Director

Other

2012 - 2013 Deputy Permanent Secretary, Minister of Commerce
2009 - 2012 Commercial Advisor, Minister of Commerce
2007 - 2009 Deputy Director General Department of Trade Negotiations

Mr. Songsak Limbanyen

(Age 71 Years Old)

Audit Committee / Independent Director

Education

- B.Sc. (M.E), Prince of Songkhla University, Thailand
- The Graduate Diploma in Mechanical Engineer, Chulalongkorn University, Thailand

(%) Shareholding

- None -

Family Relation Ship among Management

- None -

Experience

POSCO-Thainox PCL

2017 - Present Audit Committee / Independent Director

Other

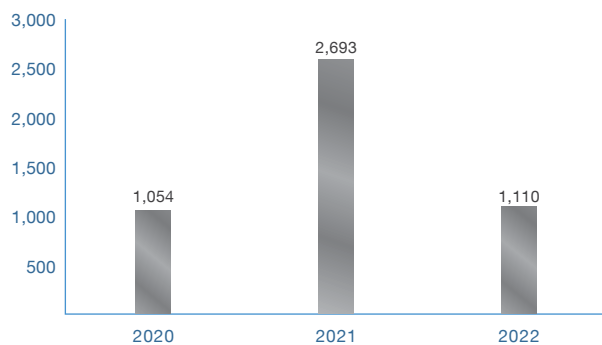
2010 Deputy Secretary General (Head of Chinese Desk, India and South Asia Desk)
2009 Executive Director, Investment Promotion Bureau
2009 Director, Investment Promotion Bureau2
2008 Director, Investment Development Assistance Bureau
2004 Director, Investment Facilitation Division

Financial Highlight

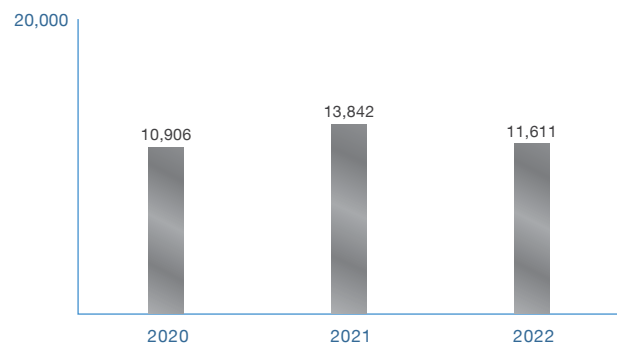
POSCO-THAINOX PUBLIC COMPANY LIMITED

Fiscal Year	2020	2021	2022
Cash (M. Baht)	1,054.33	2,693.42	1,110.49
Total Assets (M. Baht)	10,906.26	13,842.11	11,611.15
Total Liabilities (M. Baht)	1,979.37	4,016.60	2,402.58
Shareholders' Equity (M. Baht)	8,926.89	9,825.52	9,208.58
Revenue (M. Baht)	13,194.65	19,150.56	23,539.73
Cost of Sales (M. Baht)	12,764.35	17,635.58	22,740.97
EBITDA	414.77	1,504.62	636.10
Net Profit (Loss)	-17.43	885.58	206.08
EPS (Baht)	0.00	0.11	0.03
Debt to equity (Times)	0.22	0.41	0.26
Net Profit Margin (%)	-0.13	4.62	0.85
Return on Assets (%)	-0.22	8.96	1.73
Return on Equity (%)	-0.19	9.45	2.19
P/E (Times)	13.03	9.60	30.64
P/BV (Times)	0.38	0.92	0.82
Book Value Per Share (Baht)	1.23	1.23	1.18

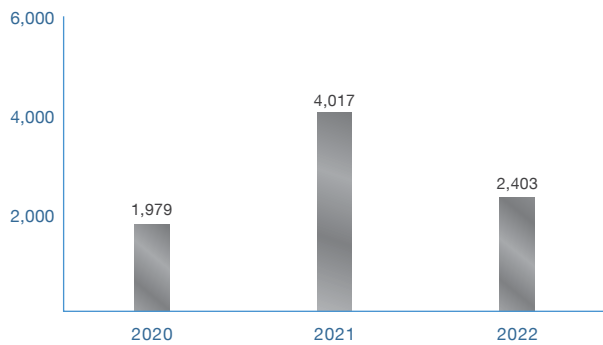
Cash (M. Baht)



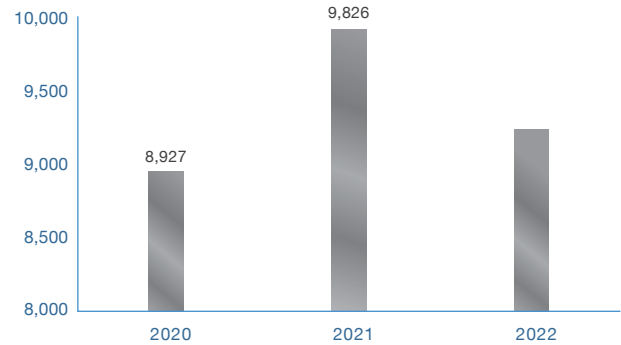
Total Assets (M. Baht)



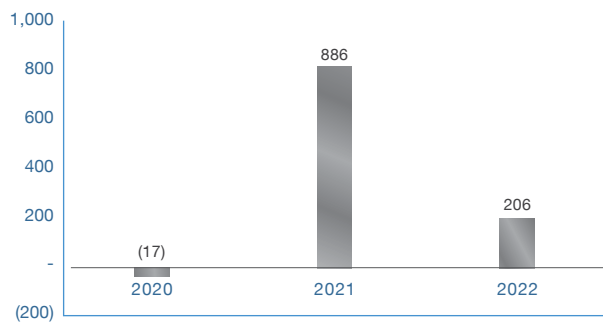
Total Liabilities (M. Baht)



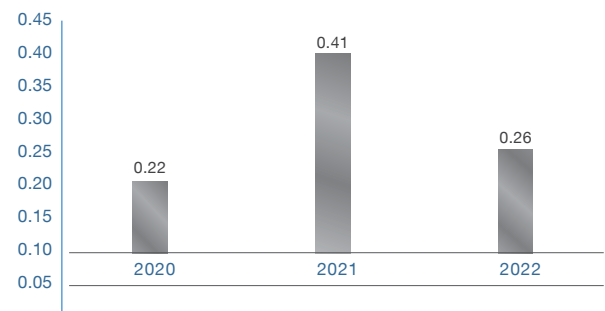
Shareholders' Equity (M. Baht)



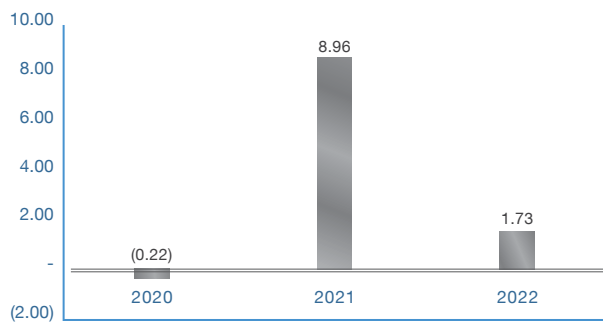
Net Profit (Loss) (M. Baht)



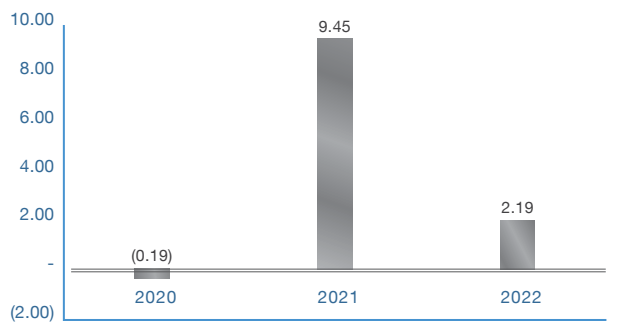
Debt to equity (Times)



Return on Assets (%)



Return on Equity (%)



Part 1 : Business Operations and Performance

1. Group Structure and Operations

1.1 Business Overview and Policies

POSCO-Thainox Public Company Limited (“the Company”) started on July 30, 1990 (former name: “Thainox Stainless Public Company Limited). It was originally a joint venture between 1) the Mahagitsiri family, 2) a Japanese stainless steel manufacturer group, 3) the Ilva SPA Group, and 4) the Arcelor Group (formerly the Usinor and Ugine Groups, now renamed to Aperam). In 2004, the Company had a change in its shareholding structure whereby the Arcelor Group sold all of its holdings in the Company to the Mahagitsiri Family. After such shareholder restructuring, the Company was registered as a public limited company and changed its name to Thainox Stainless Public Company Limited on April 26, 2004, with a registered capital of 8,000 million baht and a paid-up capital of 7,670 million baht. However, on December 31, 2004, the Company’s registered capital was 8,000 million baht, and the share price had been fully paid.

On December 14, 2004, the Stock Exchange of Thailand by the Securities and Exchange Commission ordered the Company to receive the Company’s ordinary shares as listed securities on the Stock Exchange of Thailand and agreed that 8,000 million ordinary shares of the Company with a par value of 1 baht per share, totaling 8,000 million baht, could be traded on the stock exchange. It was classified in the property and construction industry group under the category of construction materials and furnishings, using stock symbol for securities trading as “TNX”. The trading date was scheduled from December 14, 2004.

In 2005, the Company partially repurchased 204,290,900 shares of the Company and informed the Stock Exchange of Thailand that it would reduce the Company’s capital from 8,000 million shares to 7,795,709,100 baht by canceling the repurchased ordinary shares and not selling those shares after 3 years. The capital reduction was registered with the Ministry of Commerce on June 18, 2009.

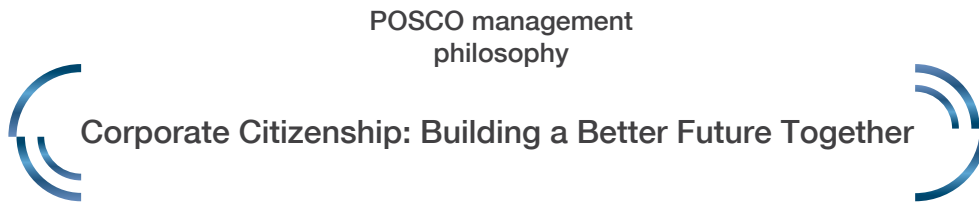
In addition, the Company has changed the stock symbol in the securities trading system to “INOX” since January 27, 2006. In 2010, the Stock Exchange of Thailand regrouped the Company into the Steel Industry group.

In September 2011, the Mahagitsiri family sold almost all of their holdings to POSCO (South Korea), which made a voluntary tender offer to all minority shareholders. As a result, the shareholding proportion of POSCO (South Korea) on the book closing date on October 6, 2011, was 90.63 percent of the total paid-up capital of the Company. Subsequently, in December 2012, some shares were sold back to the Mahagitsiri family, resulting in POSCO (South Korea) holding the remaining shares of 84.92 percent.

As for the Company’s business, it operates in the business of producing high-quality cold-rolled stainless steel as the only such producer in Thailand and is the leader in the high-quality cold-rolled stainless-steel market in the ASEAN region.

In May 2013, the Company opened a Steel Processing Center (POS-tspc) for slitting stainless at Amata Nakorn Industrial Estate, Chonburi Province, to expand the scope of services to meet customer needs and cover retail customers. Since the start of operation, the Company has been able to expand the retail customer base both domestically and internationally.

1.1.1 Vision, Objective, and Goal of the Company's Operations



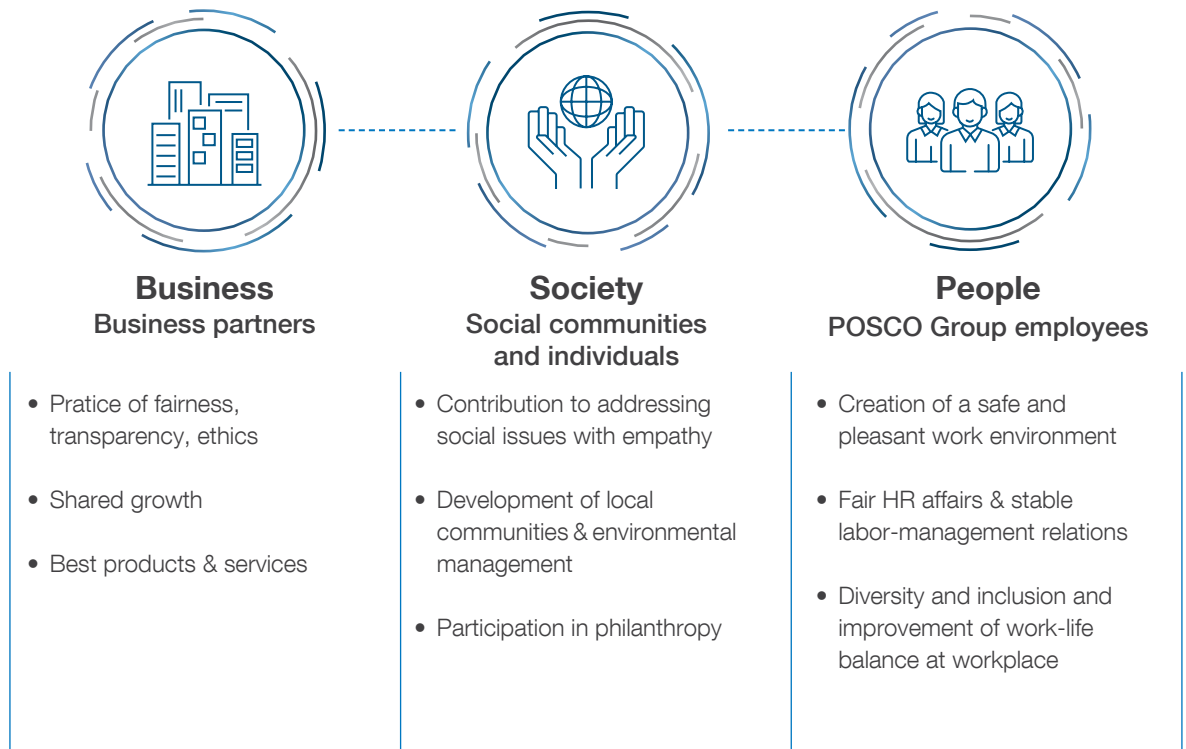
POSCO pursues 'Corporate Citizenship: Building a Better Future Together'. POSCO will become a valued member of society, grow alongside various stakeholders, such as employees, shareholders, customers, suppliers, vendors and local communities, and pursue the values of consideration, coexistence and symbiosis.

VISION



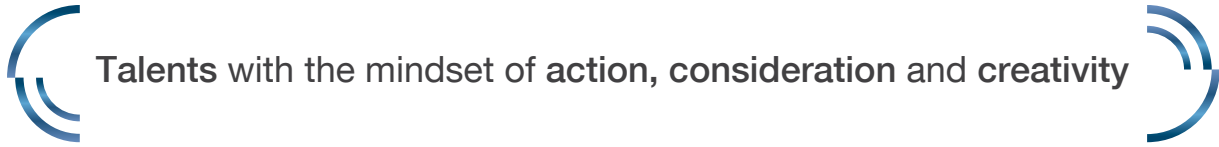
To deliver the meaning of With, which embodies the meaning of a corporate citizen growing together with society, W expresses the continuation of empathetic harmony by visualizing the image of two individuals holding hands. The warm orange color possesses the positive energy of growing together.

Fields of activities



Create a robust industrial ecosystem by creating symbiotic values to ensure a win-win with business partners. As a member of society, we actively participate in addressing social issues beyond economic profit and foster a happy and fulfilling workplace by creating a corporate culture of trust and creativity.

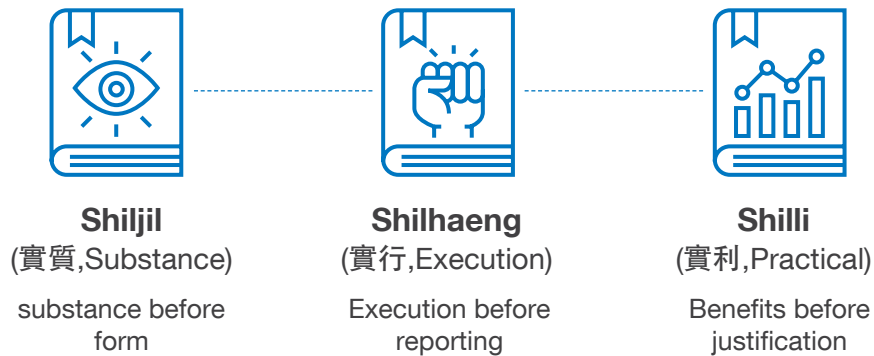
POSCO talents



Talents with the mindset of action, consideration and creativity

Employees, as members of corporate citizen POSCO, are encouraged to set an example for others with the mindset of 'action', 'consider' others with the mindset of modesty and respect, and be 'creative' talent who indulge in their own work while actively adopting new ideas.

Code of conduct



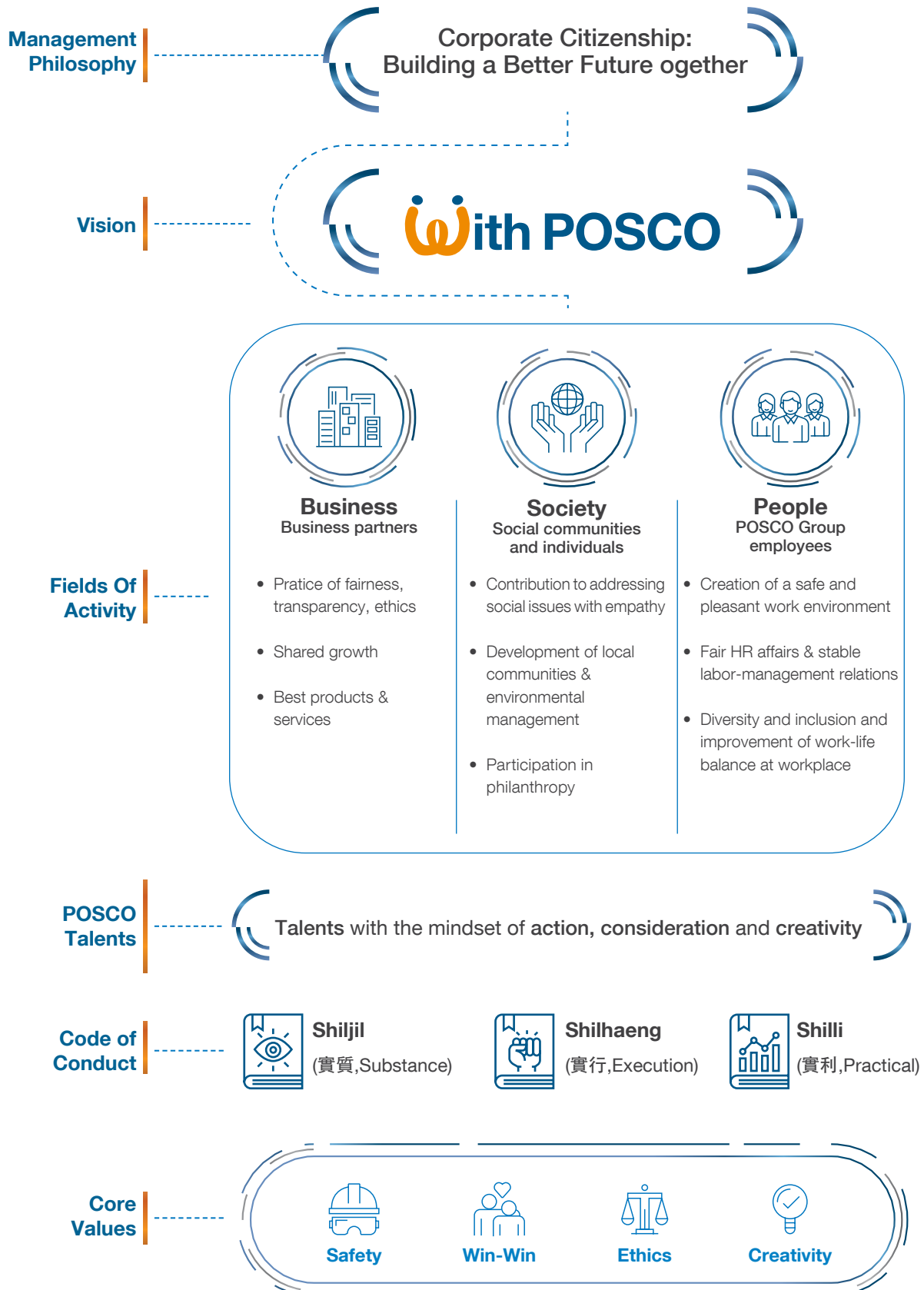
POSCO takes great efforts to realize the values it deems important, such as putting substance first, emphasizing execution, and pursuing benefits. It achieves value management, win-win management and innovative management by putting substance before form, placing more emphasis on execution than on reporting, and pursuing substance rather than justification.

Core Values



POSCO's Core Values are 'Safety,' 'Win-Win,' 'Ethics' and 'Creativity.' 'Safety' means that utmost priority is given to respect for people, and position holders should take the lead in encouraging routine safe behavior with a focus on actions. 'Win-Win' means to practice having consideration for and sharing with others, pursue mutual prosperity, and continuously grow by creating social values. 'Ethics' means to seek ethical behavior based on the mutual trust between members of society and abide by the principle of reward and punishment. 'Creativity' means to take the lead in solving problems by cooperating openly with an open mind.

POSCO management philosophy system



POSCO Charter of Corporate Citizenship
 A set of principles that guide and govern all business conducts.

POSCO Charter of Corporate Citizenship

Companies achieve lasting growth and sustainability by pursuing harmony within the society where businesses operate.
 As a member of the social community, companies who have benefitted from resources provided by the society should look beyond profit, engage in addressing social issues and contribute to the prosperity of mankind and to making the world a better place.
 We believe that this is the right way to move forward.

POSCO, under its management philosophy of 'Corporate Citizenship: Building a Better Future Together', will engage and communicate with all stakeholders including customers, employees and shareholders, and continually seek changes and innovation in pursuit of sustainability by ultimately creating greater value for the company.

Accordingly, POSCO that embraces Corporate Citizenship complies with the following principles when conducting business.

- 1. We nurture a robust business ecosystem with business partners.**
 - We practice the values of fairness, transparency and ethics across all business activities
 - We pursue collaboration and mutual growth with partners and suppliers based on a culture of consideration and respect
 - We support customer success by providing the finest products and services
- 2. We are at the forefront in addressing social issues and making society better.**
 - We take a leading role in confronting social challenges at the corporate level with a sense of empathy
 - We carry out activities for the common good for the development of local communities and environmental protection
 - We actively participate in philanthropy as part of our commitment to sharing with our neighbors and the society
- 3. We foster a happy and fulfilling workplace by creating a corporate culture based on trust and creativity.**
 - We create a safe and pleasant working environment to promote the health and well-being of our employees
 - We pioneer a corporate culture of trust and harmony through fair HR management practices and stable labor relations
 - We create a great workplace where diversity is respected and a healthy work-life balance can be realized

July 25, 2019 POSCO

1.1.2 Background and Key Change and Development

1990	<ul style="list-style-type: none"> Thainox Stainless Public Company Limited (formerly Thainox Steel Company Limited) was established on July 30, 1990, as a joint venture between (1) the Mahagitsiri family, (2) a Japanese stainless steel producer group (3) the Ilva SPA Group, and (4) the Arcelor Group which was the world's largest producer of steel and stainless steel (formerly the USINOR and Ugine Groups).
1992	<ul style="list-style-type: none"> Started construction of a stainless-steel factory on an area of 125 rai, located in Rayong Industrial Park, Mapkha Sub-District, Nikhom Phatthana District, Rayong Province. The factory was located in the industrial area of the east coast.
1993	<ul style="list-style-type: none"> Phase I of the stainless-steel factory construction was completed with a capacity of 60,000 metric tons per annum. It could commence commercial operation in November.
1996	<ul style="list-style-type: none"> The Company started the factory construction on Phase II to expand the production capacity to 160,000 tons per year with a step-by-step increase.
1997	<ul style="list-style-type: none"> The Company installed the 2nd Sendzimir Cold-Rolling Mill (ZRM2). The Company was able to increase its production capacity to 120,000 tons per year
1998	<ul style="list-style-type: none"> The Company installed a bright annealing line process, allowing it to conduct the production of products in a more complete process.

1999	<ul style="list-style-type: none"> • The Company was able to increase its production capacity to 160,000 tons per year. • The Company received ISO 9002, a standard certification mark for quality management system.
2000	<ul style="list-style-type: none"> • The Company received ISO 14001, a standard certification mark for environmental management system.
2001	<ul style="list-style-type: none"> • The Company operated the skin pass and tension leveler machines during the annealing and deoxidation processes. • The Company started the TPM (Total Productive Management) project. • The Company was awarded the Prime Minister's Export Award in the category of Brand Name for the year 2001.
2002	<ul style="list-style-type: none"> • The Company started implementing the TOP (Total Operative Program) of McKinsey. The said project was a project for the production process to achieve maximum efficiency and reduce production costs. The monitoring and analysis of processes have been carried out since March 2002 under the name of the Company internally refers to as the "TPM Plus" program. • The Company received OHSAS 18001, a standard certification mark for safety management system.
2003	<ul style="list-style-type: none"> • The Company restructured its financial structure by reducing the par value of the Company's ordinary shares from 32 baht per share to 29 baht per share of the registered capital of 149,028,540 shares in order to reduce the accumulated loss and increase the Company's registered capital from 4,321,827,660 baht to 7,670,411,666 baht. The said capital increase was from the Arcelor Group, the shareholder and creditor of the Company. In addition, the Company was exempted from debt with respect to accrued interest in the amount of 1,285 million baht, and it partially repaid the loan. As a result, the Company's amount of debt and accrued interest at the end of 2003 was 1,495 million baht. • The Company improved its production process (debottlenecking), resulting in a total production capacity of 200,000 tons per year. • The Company received ISO 9001: 2000, a standard certification mark for quality management system.
2004	<ul style="list-style-type: none"> • The Company accumulated a total of 1,000,000 tons of cold-rolled stainless-steel production since its establishment. This confirmed the leadership in the production of cold-rolled stainless steel in the ASEAN region. • The Company received ISO/IEC 17205:1999, a certification mark for quality management system for testing laboratories. • The Company restructured its shareholders as the Arcelor Group sold all of its shares held in the Company to the Mahagitsiri family. As a result, the shareholding proportion of the Mahagitsiri family increased to 96.1 percent, consisting of Mr. Prayut Mahagitsiri holding 25.2 percent, Lakewood Country Club Company Limited holding 3.5 percent, Lakewood Land Company Limited holding 66.5 percent, and Thai Film Industry Public Company Limited holding 0.9 percent of shares. • The Company converted to a public company on April 26, 2004. • The Company registered to change its name to Thainox Stainless Public Company Limited in June 2004. • The Board of Governors of the Stock Exchange of Thailand ordered the Company's ordinary shares to be listed on the Stock Exchange of Thailand and scheduled for trading from December 14, 2004.

2005

- The Annual General Meeting No. 1/2005 of Thainox Stainless Public Company Limited, held on April 25, 2005, resolved to pay dividends of 800 million baht, or 0.10 baht per share, for 8,000,000,000 ordinary shares. This was paid from the profit received by the investment promotion with the dividends on May 12, 2005.
- The Extraordinary General Meeting of Shareholders No. 1/2005 of Thainox Stainless Public Company Limited on October 13, 2005, unanimously resolved to approve the amendment of Article 10 of the Company's Articles of Association as follows:

Original	Change To
The company is prohibited from taking pledges on its own shares.	The company can buy back its shares and sell them within the time specified in the ministerial regulations. According to the provisions of the law on public limited companies and the law on securities and exchange, in the event that the company does not sell or is unable to sell all the shares that it has repurchased within the specified period, it will reduce its paid-up capital by cutting off the unsold registered shares. The shares held by the company shall not be counted as a quorum for a meeting of shareholders and shall not have voting rights or the right to receive dividends. The company can repurchase its shares as specified in the preceding paragraph, subject to the approval of the company's shareholders. However, the board of directors has the power to approve the share repurchase of not more than 10 percent of the total paid-up registered shares.

- The Company repurchased 204,290,900 shares on December 31, 2005.
- The Company has changed the stock symbol in the securities trading system from the old one, "TNX," to a new one, "INOX," since January 27, 2006.
- From January 1, 2005, to September 30, 2005, the whole amount was paid from the profit received by investment promotion, amounting to 194 million baht or 0.025 baht per share. These shares were already deducted from the 204,290,900 treasury shares of the Company. The dividends were paid on February 23, 2006. It was reported to the Annual General Meeting No. 1/2006 on April 28, 2006, for acknowledgement. In addition, the Company would not pay dividends for the operating results from October 1, 2005, to December 31, 2005.

2006

- On November 13, 2006, the Company resolved to pay interim dividends for the operating results from January 1, 2006, to September 30, 2006. The total amount was 1,169 million baht, or 0.15 baht per share. These shares were already deducted from the 204,290,900 treasury shares of the Company. The dividends were paid on December 12, 2006. It was reported to the Annual General Meeting No. 1/2007 on April 23, 2007 for acknowledgment. In addition, the Company would not pay dividends for the operating results from October 1, 2006, to December 31, 2006.
- The Company planned to expand the market by co-establishing NS-Thainox Auto Company Limited with NS-SL Company Limited (currently NIPPON STEEL STAINLESS STEEL CORPORATION) of Japan, which was one of the potential alliances in the world's steel industry, and Siam Lotus Company Limited to open the stainless-steel market in the automotive and motorcycle industries in Thailand. This would contribute to increasing the Company's sales and market share in this segment.
- The Company received ISO/IEC 17205:1999, a capacity certification mark for the Hardness and Tensile testing laboratories.
- The Company received ISO 14001:2004 from BVQI, a standard certification mark for environmental management.

2007	<ul style="list-style-type: none"> • In early 2007, the Company entered into a purchase and sale contract for its main raw materials with POSCO (South Korea), in addition to the raw material purchase contract with Arcelor. It also negotiated with the Arcelor Group to cancel the exclusive distribution agreement for the Company's products in foreign markets. Moreover, the Company entered into a distributor agreement with POSCO (South Korea) to increase its export distribution channels, which would result in the Company's export sales increasing accordingly. • Reached 1,500,000 tons of production, a testament to the success of the solid foundation laid over the past 18 years. • The Company installed the 3rd Sendzimir Cold-Rolling Mill.
2008	<ul style="list-style-type: none"> • The Company started testing production in the 3rd Sendzimir Cold-Rolling Mill, with the project to expand the production capacity of cold-rolled stainless steel to 300,000 tons per year.
2009	<ul style="list-style-type: none"> • On June 15, 2009, the Company informed the Stock Exchange of Thailand about the reduction of the Company's registered capital from 8,000,000,000 baht to 7,795,709,100 baht by writing off treasury stocks that had not been sold after 3 years in the amount of 204,290,900 shares with a par value of 1 baht per share, totaling 204,290,900 baht. The Company already registered with the Ministry of Commerce on June 18, 2009. • The Stock Exchange of Thailand regrouped INOX securities into the Steel Industry group.
2010	<ul style="list-style-type: none"> • The Company's Phase 3 expansion project was able to go ahead as it was not constitutionally classified as a project or activity with a "severe" health impact.
2011	<ul style="list-style-type: none"> • POSCO (South Korea) issued a letter of intent to acquire securities for a voluntary business takeover dated July 6, 2011, to the Company. There was a condition that the Company must hold a meeting of the board of directors and/or a shareholders' meeting to approve the sale of land and non-production land and assets of the Company. • On September 14, 2011, the Extraordinary General Meeting of Shareholders No. 1/2011 resolved to approve the sale of non-production land and assets of the Company, and approved the amendment to Article 32 of the Company's Articles of Association and cut off verse 39 completely. Therefore, the Company's articles of association were reduced from 51 to 50 articles. • POSCO (South Korea) made a tender offer for the Company's ordinary shares and became a major shareholder of the Company. • On October 21, 2011, the Extraordinary General Meeting of Shareholders No. 2/2011 resolved as follows: <ol style="list-style-type: none"> 1. Approved the change of the Company's name from "Thainox Stainless Public Company Limited" to "POSCO-Thainox Public Company Limited". 2. Approved the amendment to Clause 1 of the Memorandum of Association (Change of the Company Name). 3. Approved the amendment to the Articles of Association of the Company with respect to the Company name and seal. 4. Approved to reduce the number of directors on the board to 9 people.
2012	<ul style="list-style-type: none"> • The Company installed an ERP (Enterprise Resource Planning) management system, which it used as a management approach and manages to the same standard as all other companies in the Group. In September 2012, the Company purchased a factory and machines for cutting stainless steel from a Company in Amata Nakorn Industrial Estate, Chonburi Province, in order to expand the scope of services to cover more retail customers. The factory was expected to be ready for operation in the 2nd quarter of 2013. • In December 2012, the Mahagitsiri family exercised its rights under the share purchase agreement above to buy back the Company's ordinary shares from POSCO (South Korea) in the amount of 10% of the paid-up capital.

2013	<ul style="list-style-type: none"> On March 15, 2013, the Board of Directors Meeting No. 3/2013 resolved to dispose of land that was not used in the core business to a third party. The land was sold at a price higher than the market price, which made the Company had more working capital. In May 2013, the Company opened a cold-rolled stainless steel service center (POS-TSPC), a stainless-steel slitting factory, at Amata Nakorn Industrial Estate, Chonburi Province. 				
2014	<ul style="list-style-type: none"> The Company organized a major overhaul of the production control system in the entire APF (cleaning and sterilized by heat) system, which has a great effect on the quality control system and product reliability. 				
2016	<ul style="list-style-type: none"> Maintenance and repair of large machines (SRG and ZRG), air conditioning systems, and firefighting equipment were improved throughout the factory. The Company also installed a new type of rolling and surfacing CPL machine and a cutting machine (Mini Sliter) at the stainless-steel cold rolling service center (POS-TSPC). The Annual General Meeting No. 1/2016 held on April 21, 2016, resolved to pay dividends for the operating results from January 1, 2015, to December 31, 2015. The total amount was 105.24 million baht, or 0.0135 baht per share, and the dividends were paid on May 18, 2016. 				
2017	<ul style="list-style-type: none"> The Annual General Meeting No. 1/2017 held on April 21, 2017, resolved to pay dividends for the operating results from January 1, 2016, to December 31, 2016. The total amount was 385.88 million baht, or 0.0495 baht per share, and the dividend was paid on May 18, 2017. The Company notified the government of the location of the Company's head office. <table border="1"> <thead> <tr> <th>Original</th><th>Change To</th></tr> </thead> <tbody> <tr> <td>87/2 CRC Tower, All Seasons Place, 31st Floor, Unit 3101-3, Wireless Road, Lumpini Sub-District, Pathum wan District, Bangkok Phone No. 0-2250-7622-32 Fax No. 0-2250-7633-4</td><td>622 Emporium Tower, 15/6-8 Floor, Sukhumvit Road, Klongton Sub-District, Klongtoey District, Bangkok Phone No. 0-2494-3130-47 Fax No. 0-2494-3148-9</td></tr> </tbody> </table> POSCO-Thainox Public Company Limited and POSCO Company Limited, a company incorporated under Korean law, entered into a bilateral advance pricing agreement with the Revenue Department of Korea and the Revenue Department of Thailand for the purchase of hot-rolled stainless-steel coils from POSCO Company Limited for the accounting period ended on December 31, 2013, to December 31, 2017. As a result, the Company had to pay penalties and tax surcharges for transactions in that period in the amount of 93.2 million baht. 	Original	Change To	87/2 CRC Tower, All Seasons Place, 31st Floor, Unit 3101-3, Wireless Road, Lumpini Sub-District, Pathum wan District, Bangkok Phone No. 0-2250-7622-32 Fax No. 0-2250-7633-4	622 Emporium Tower, 15/6-8 Floor, Sukhumvit Road, Klongton Sub-District, Klongtoey District, Bangkok Phone No. 0-2494-3130-47 Fax No. 0-2494-3148-9
Original	Change To				
87/2 CRC Tower, All Seasons Place, 31st Floor, Unit 3101-3, Wireless Road, Lumpini Sub-District, Pathum wan District, Bangkok Phone No. 0-2250-7622-32 Fax No. 0-2250-7633-4	622 Emporium Tower, 15/6-8 Floor, Sukhumvit Road, Klongton Sub-District, Klongtoey District, Bangkok Phone No. 0-2494-3130-47 Fax No. 0-2494-3148-9				
2018	<ul style="list-style-type: none"> On February 15, 2018, the Board of Directors Meeting No. 2/2018 approved a budget of 8.3 million USD to invest in the Skin Pass Mill or SPM to reduce the likelihood of production loss (2B,BA) and increase product production (QQ). It was expected that the production capacity of SPM would increase by 80,000 tons per year. However, this project would be completed in September 2019, but due to damage caused by the transportation of machinery, it was not able to be completed as scheduled. And due to the outbreak of COVID-19, it was expected to be completed by 2021. The Annual General Meeting No. 1/2018 held on April 21, 2018, resolved to pay dividends from the operating results from January 1, 2017, to December 31, 2017. The total amount was 207.37 million baht, or 0.0266 baht per share, and the dividends were paid on May 18, 2018. 				
2019	<ul style="list-style-type: none"> The Annual General Meeting No. 1/2019 held on April 26, 2019, resolved to pay dividends from the operating results from January 1, 2018, to December 31, 2018. The total amount was 446.15 million baht, or 0.05723 baht per share, and the dividends were paid on May 17, 2019. On November 8, 2019, the Board of Directors Meeting No. 5/2019 approved a budget of 8.5 million USD to invest in the Coil Build-up Line or CBL to reduce the chance of production loss from rolling. It was expected that the production yield would increase from 91.5 percent to 93.1 percent and result in an increase in production profit of 12.4 USD per ton. On April 29, 2019, the Company was awarded the "Gold Level" assessment, which was the highest level for participating in the prevention measures awareness campaign on occupational safety, health, and working environment from the Department of Labor Protection and Welfare. 				

2020

- According to the corporate citizenship project, “Corporate Citizenship,” the Company had a project to donate furniture made from the Company’s products to schools in need and received cooperation from business partners, namely, Stainless Houseware Industry Company Limited, which produced dining table sets with seats, and Thai Stainless-Steel Company Limited, which helped produce food trays free of charge.
 - On February 18, 2020, the Company delivered a set of dining tables and benches made of stainless steel to Ban Chak Pudsa School, Chonburi Province, for use in the canteen, at a total value of 90,000 baht.
 - On September 28, 2020, the Company delivered a set of dining tables, benches made of stainless steel, and a food tray and renovated the canteen at Ban Phu Sai School, Chonburi Province, to raise the quality of life for students in the school and spend a total of 520,000 baht on the project.
- In addition, the Company organized a design contest for benches made of stainless steel under the project name POSCO-Thainox Design Award 2020 to promote the creativity of young designers, giving students the opportunity to design stainless steel furniture for public use. A total of 26 students from 12 leading universities across all regions of Thailand were interested in submitting their works to the contest. On August 28, 2020, the Company held an award ceremony for the contest winners. It was a prize worth 285,000 baht. The winning works of the Company were used to produce stainless steel benches for public use. On December 2, 2020, the Company delivered 50 3-seat stainless steel benches worth 2,800,000 baht to Police General Asawin Kwanmuang, Governor of Bangkok, for the benefit of people who use the service in the Wachirabenchathat Park area (Rot Fai Park).

2021

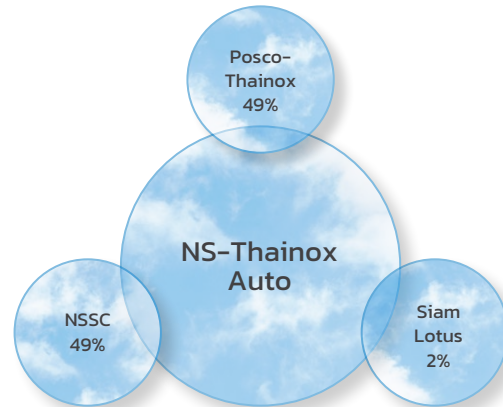
- On Friday, October 15, 2021, POSCO Family affiliates organized an event to donate items to help flood victims in Thailand. The chairman of each company went to the Channel 3 Maleenont Building to deliver items and distribute them to victims in various provinces.
- In response to the spread of the COVID-19 virus, the Company provided protective equipment for COVID-19 to the Map Kha Phatthana Subdistrict Municipality Office in Nikhom Phatthana District, Rayong Province. It was found that there were many more patients and deaths, including patients in many areas. It was considered a part of corporate citizenship in society to help with the problems that society was facing and to work together to get through this crisis together.
- On November 16, 2021, Mr. Yong Chul Kwon, President of POSCO-Thainox Public Company Limited, along with staff, delivered a stainless-steel bench designed under the concept of universal design, which was the winning work of the contest, POSCO-Thainox Design Award 2020 for the Mass Rapid Transit Authority of Thailand’s Chalong Ratchadham Line (Purple Line) throughout the route total of 16 stations, 32 sets, and the Phra Nang Klao Bridge Pier Building, 6 sets. Mr. Wittaya Phanmongkol, Deputy Governor (Operation), Mass Rapid Transit Authority of Thailand, was the chairman of the grant for public use under the corporate citizenship philosophy to create a better future and achieve sustainable success together with the community and society.

2022

- POSCO (South Korea), the major shareholder of the Company (74.56 percent), changed the Company structure in March 2022, thus changing its name to POSCO Holding Inc. and separating its steel business into a new Company named POSCO Co., Ltd.
- On December 20, 2022, the Company’s major shareholder changed from POSCO Holding Inc. to POSCO Co., Ltd. By changing major shareholders, there was no change in the management of the Company, such as its directors or management structure, in any way. In addition, the shareholding restructuring of the business fell under Clause 9(5)(b) of the Notification T.J. 12/2011 that the person who acquired the shares of the business (POSCO Co., Ltd.) was under the control of the person who had total control over the shares of the business (POSCO Holding Inc.) prior to the acquisition of such shares. The Company was, therefore, exempted from making a tender offer for general shareholders with the Office of the Securities and Exchange Commission.
- The Annual General Meeting No. 1/2022 held on April 28, 2022, resolved to pay dividends for the operating results from January 1, 2021, to December 31, 2021. The total amount was 834,140,873.40 baht, or 0.107 baht per share, and the dividends were paid on May 20, 2022.

1.1.3 Shareholding Structure of Associated Companies

The Company has invested in the Company NS-Thainox Auto Company Limited (NS-Thainox Auto), which is a joint venture between the Company and NS-SL Company Limited (currently named NIPPON STEEL STAINLESS STEEL CORPORATION or NSSC) and Siam Lotus Company Limited (Siam Lotus). The objective of the business is to market, sell, and distribute stainless steel products of the Company for use in the automotive and motorcycle industries in Thailand, with the shareholding structure as follows:



1.1.4 Relationship With the Business Group of Major Shareholders

The Company's major shareholder is POSCO (South Korea), which directly held shares in the business in 2011. POSCO (South Korea) is the parent Company of the POSCO Group, one of the largest multinational corporations in various steel products and a leader in the production and distribution of steel for over five decades by using advanced technology to produce the Company's products, including hot rolled steel coil, cold rolled steel coil, steel plate, rod wire, galvanized steel sheet, electronic steel, galvanized steel, high quality stainless steel, and titanium.

1.2 Nature of Business Operations

The Company is the only cold-rolled stainless-steel producer in the country and a leader in the cold-rolled stainless-steel market in the ASEAN region. The Company was registered on July 30, 1990, and has been in production since 1993. It operates in the business of manufacturing and distributing cold-rolled stainless steel of various grades in the form of coils, sheets, and strips. If divided into the main products of the Company, according to their microstructure, the Company's products can be divided into 2 main types: (1) Cold-Rolled Austenitic Stainless Steel and (2) Cold-Rolled Ferritic Stainless Steel. These two types of stainless steel are the most commonly used, accounting for about 90 percent of all stainless steels currently in use. The Company's cold-rolled stainless steel will have different thicknesses and sizes according to customer needs.

Company's Revenue Structure

Type of Products	2020		2021		2022	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Net sales	13,177.5	99.7	19,131.9	99.4	23,521.0	99.7
Net profit from net exchange rate	21.8	0.2	89.1	0.5	48.8	0.2
Other revenues	17.1	0.1	18.6	0.1	18.8	0.1
Total revenues	13,216.4	100.0	19,239.6	100.0	23,588.5	100.0

1.2.1 Company Product Characteristics

Product Model

Stainless steel is a general term used to refer to steel in a group that has resistance to corrosion. This is generally true for steel containing chromium, at least 10.5 percent of which will act to create a protective film that resembles a corrosion-resistant shield to prevent the steel surface from reacting with oxygen in the air to form an oxide film on the metal surface and causing the steel surface to corrode, or known as rust.

The Company will produce and distribute various grades of cold-rolled stainless steel in the form of sheets, coils, and strips. By dividing the main products of the Company according to the microstructure, the Company's products can be divided into 2 main types, namely, (1) Cold Rolled Austenitic Stainless Steel and (2) Cold Rolled Ferritic Stainless Steel. Both of these types of stainless steel are the most commonly used, accounting for about 90 percent of all stainless steels currently in use. The cold-rolled stainless steel of the Company will have a thickness of 0.30 mm to 3.00 mm and a width of 30 mm to 1,265 mm.

Cold-Rolled Austenitic Stainless Steel

Cold-Rolled Austenitic Stainless Steel is the most widely used stainless steel around the world because it is highly corrosion resistant, flexible, non-magnetic, easy to clean, and hygienic in all applications by heat, cold, and sudden temperature changes. Therefore, this type of stainless steel is used in many industries. Austenitic stainless steel contains 1–14 percent of nickel and 16–25 percent of chromium. This is because austenitic stainless steel is more durable and resistant to corrosion than ferritic stainless steel. Therefore, more than 70 percent of the stainless steel used in Asia is austenitic stainless steel. The Company produces cold-rolled austenitic stainless-steel grades 304, 304 L, and 316 L, divided by surface into 4 types:

- Cold-Rolled Austenitic Stainless-Steel No. 1 (Matte Surface)
- Cold-Rolled Austenitic Stainless Steel 2D (Super Matte Surface)
- Cold-Rolled Austenitic Stainless Steel 2B (Shiny Surface)
- Cold-Rolled Austenitic Stainless-Steel BA (Shiny and Glossy Surface)

Incidentally, cold-rolled austenitic stainless steels are more expensive than cold-rolled ferritic stainless steels due to their higher cost and more volatile nickel.

The Company produced cold-rolled austenitic stainless steels, accounting for approximately 68 percent of total cold-rolled stainless steels produced in 2022.

Cold-Rolled Ferritic Stainless Steel

Cold-Rolled Ferritic Stainless Steel is the nickel-free stainless steel and, therefore, have moderate corrosion resistance properties, low carbon, 16–18 percent of chromium, and magnetic properties. The Company produces cold-rolled ferritic stainless-steel grades 409, 430, and 439, divided by surface into 4 types:

- Cold-Rolled Ferritic Stainless-Steel No. 1 (Matte Surface)
- Cold-Rolled Ferritic Stainless Steel 2D (Super Matte Surface)
- Cold-Rolled Ferritic Stainless Steel 2B (Shiny Surface)
- Cold-Rolled Ferritic Stainless-Steel BA (Shiny and Glossy Surface)

The Company produced cold-rolled ferritic stainless steels, accounting for approximately 32 percent of total cold-rolled stainless steels produced in 2022.

The main feature that differentiates cold-rolled austenitic stainless steel from cold-rolled ferritic stainless steel is that cold-rolled austenitic stainless steel is able to stretch better. This results in better forming properties than ferritic cold-rolled stainless steel. Therefore, it is suitable for manufacturing equipment requiring high cold-forming properties, such as cutlery, kitchen utensils, cooking utensils, sinks, pipes, etc. In addition, cold-rolled austenitic stainless steel has better corrosion resistance than cold-rolled ferritic stainless steel. At the same time, cold-rolled ferritic stainless steel is used in applications where deep drawing is not required and where high corrosion resistance is not required.

In addition to the features that are different, austenitic stainless steel is more expensive and volatile than cold-rolled ferritic stainless steel because austenitic stainless steel also contains nickel, which is expensive and its price volatility is quite high. The following figure shows examples of the Company's products in various forms.

Surface Characteristics of Different Stainless-Steel Types

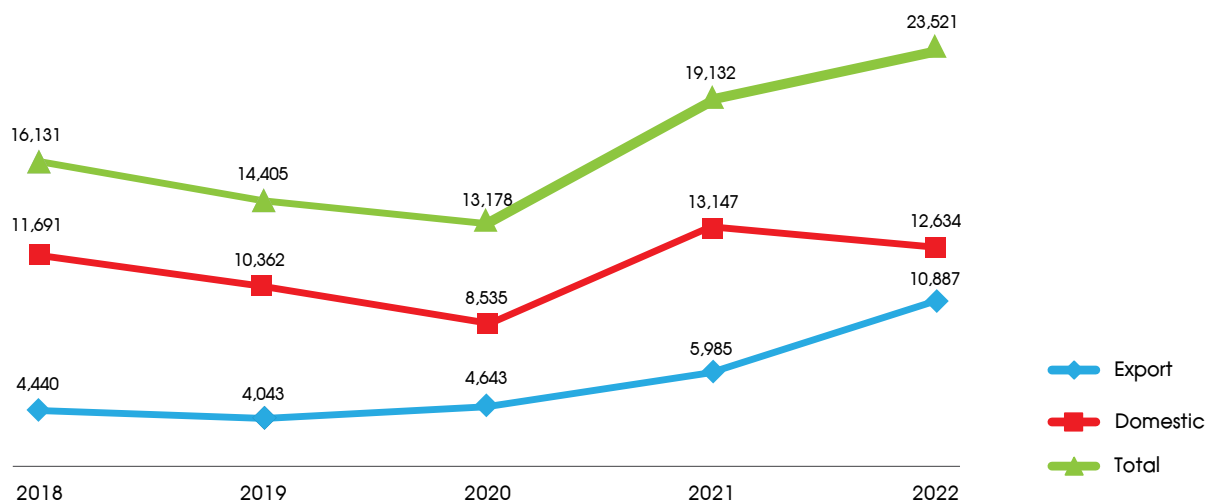


1.2.2 Marketing and Competition

1.2.2.1 Distribution

The Company produces and distributes various grades of cold-rolled stainless steels in the form of coils, sheets, and strips, with cold-rolled stainless steel distributed both domestically and internationally. As for the domestic market, since the Company is the only cold-rolled stainless-steel producer in Thailand, it has the advantage of being able to deliver products quickly and on time compared to cold-rolled stainless-steel importers from foreign countries. As a result, the cost of the customer's inventory is reduced and the customer's risk from fluctuations in raw material prices on the world market is reduced compared to imports from other manufacturers outside the country, as well as the customer not having to bear the risk of exchange rates. The Company also has a policy to increase the proportion of cold-rolled stainless-steel sales in the country and to develop new grades of stainless steel to always meet the needs of consumers and reduce costs for manufacturers who use stainless steels as a raw material. The Company has continuously improved its production processes and customer service.

Domestic and International Sales Volume during 2018 – 2022 (Million Baht)



The Company's cold-rolled stainless steel production technology is one of the factors that the Company pays great attention to because it can help reduce production costs, increase work efficiency, and maintain a high level of product quality. The general steel production technology has a service life of more than 20 years. The production technology of the Company is extremely advanced compared to the production technology of foreign competitors, and the Company receives constant technical and skill support from POSCO (South Korea), which is the main shareholder of the Company at present.

The Company produces most of its products according to customer orders. It usually takes 10 to 15 days for each order to be manufactured, depending on the product types, sizes, and production schedule of the Company. However, in the production, the quality assurance department must inspect the product quality at each stage of production according to the Quality Control Plan by the international standard ISO 9001: 2008. The Company has a policy of accepting orders from customers and deliver the products to the customers within approximately 30 – 45 days, depending on raw materials, product types, and transportation distance.

At present, most of the Company's customers will bring the Company's products to be used as raw materials for the production of their products. By nature of the most customers of the Company, they are manufacturers of household equipment and appliances, pipes, industrial equipment and supplies, various construction equipment and materials, car exhaust pipes and equipment, etc. In addition to selling directly to users, the Company also sells to distributors (stockists) and service centers which will take the Company's products to add other values, such as modifying the size of the product or polishing it into various surfaces, for further distribution to users of cold-rolled stainless steels. This type of customer will serve their customers well.

The Company has 4 main distribution channels for cold-rolled stainless steel:

1) Direct Distribution to Domestic Customers

The Company distributes directly to domestic customers by having a sales and marketing team distributes products directly to entrepreneurs who have large businesses and large purchases of the Company's products. At present, the Company's main customers are manufacturers of stainless-steel kitchenware, stainless steel water tanks, stainless steel pipes, and automotive parts companies that use stainless steels as components, as well as customers who use stainless steels in the production of machinery, equipment in industrial plants, etc.

2) Distribution Through Local Distributors

At present, the Company has domestic distributors. These distributors are companies that have long-standing customer relationships and trade other metals in addition to the Company's products. In addition, these dealers normally have various major service centers that are affiliated entrepreneurs as well.

3) Direct Distribution to Overseas Customers

In many countries where customers have high purchasing power and can pay directly to the Company, the Company itself has developed business together with customers by having an export sales team to sell and expand markets for distribution directly to overseas customers to increase competitiveness and reduce sales costs.

4) Distribution Through POSCP Group's Overseas Network (South Korea)

The Company also uses the network of POSCO Group (South Korea), which is a major shareholder, to seek markets and provide additional sales services.

1.2.2.2 Competition Conditions

a. Industry Conditions

The structure of the steel industry can be divided into 3 main phases: (1) the primary steel industry, starting from bringing iron ore to iron making, (2) the intermediate steel industry, using the raw materials obtained from primary steel to produce billets, and (3) the downstream steel industry, bringing intermediate steel to roll into rebar, steel wire, and structural steel, as well as fabrication and coating springs and steel pipes. The Company's production of cold-rolled stainless steel is classified in the downstream steel industry.

b. Conditions and Trends of the Cold-Rolled Stainless-Steel Industry in the World Market

The International Stainless-Steel Forum (ISSF), a forum for stainless steel producers around the world, provides production estimates for all types of crude stainless steels, both flat and long. Overall global output of all stainless-steel products in the first 9 months of 2022 compared to the same period in 2021 decreased globally by an average of 5.1 percent.

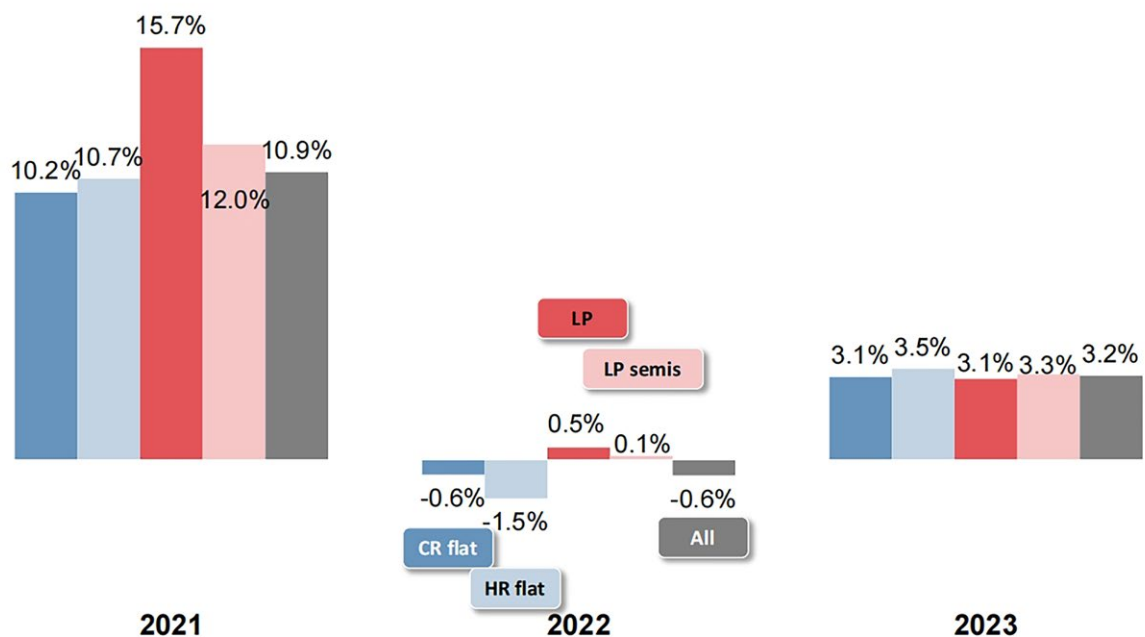
Stainless and heat-resisting melt shop steel production ('000 Metric Ton)						
Region	Quarter			9 Months		+/- %
	Q1/2022	Q2/2022	Q3/2022	2021	2022	y-o-y
Europe	1,860	1,767	1,181	5,413	4,809	-11.2%
USA	569	520	500	1,830	1,589	-13.2%
China	8,038 ^r	8,334 ^r	7,263	24,936	23,635	- 5.2%
Asia w/o China and S. Korea	1,956	1,930 ^r	1,859	5,769	5,746	- 0.4%
Others	2,053	2,030	1,991	6,137	6,074	-1.0%
Total	14,477 ^r	14,581 ^r	12,794	44,085	41,852	- 5.1%

Others: Brazil, Indonesia, Russia, S. Africa, S. Korea

Source: International Stainless Steel Forum (ISSF)

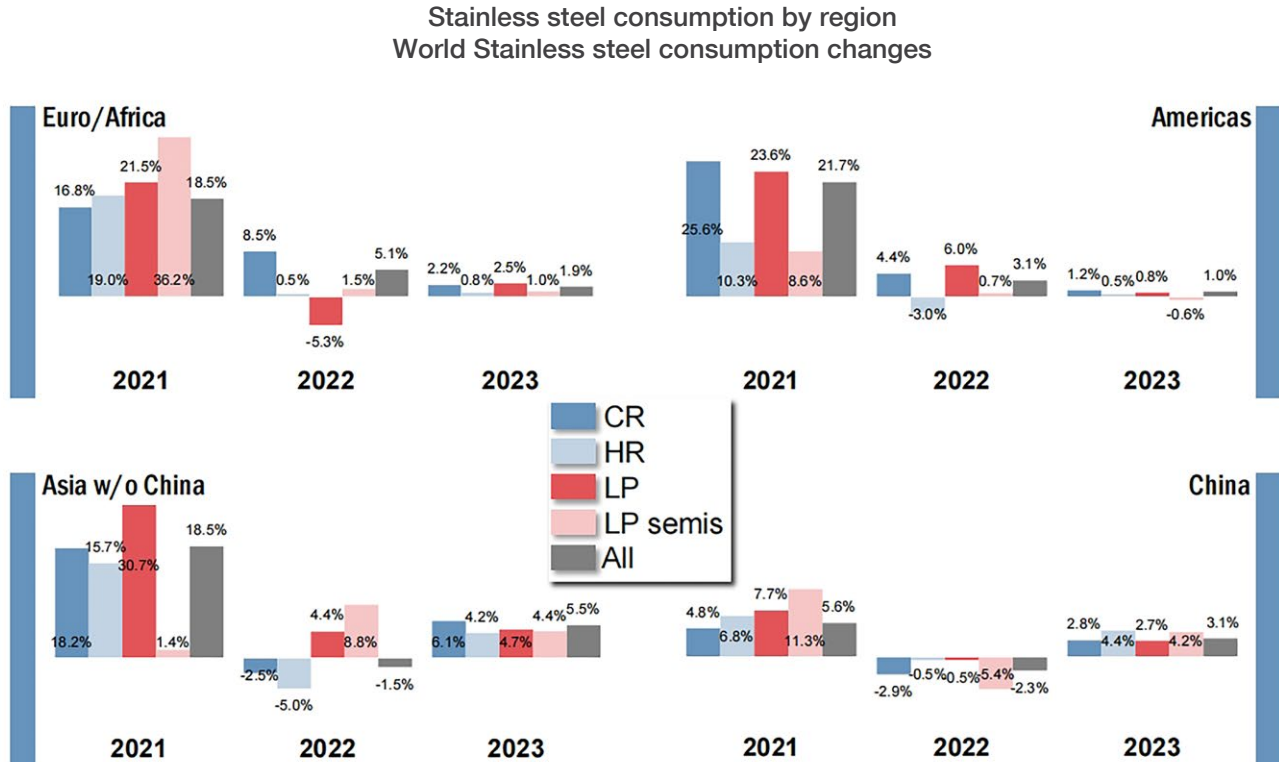
However, the World Steel Association expects demand for stainless steel to increase in 2023, compared to 2022 that has negative numbers shown in the following graph:

World Stainless steel consumption changes



Source: World Steel Association

If considering the regions of the World Steel Association, it can be seen that the demand for stainless steel in 2022 will decrease in all regions, especially China, with negative numbers due to the country's lockdown from the COVID-19 epidemic. However, in 2023, Asia and China will have higher demand growth than other regions, while the Americas will have the lowest demand, as the graph below:

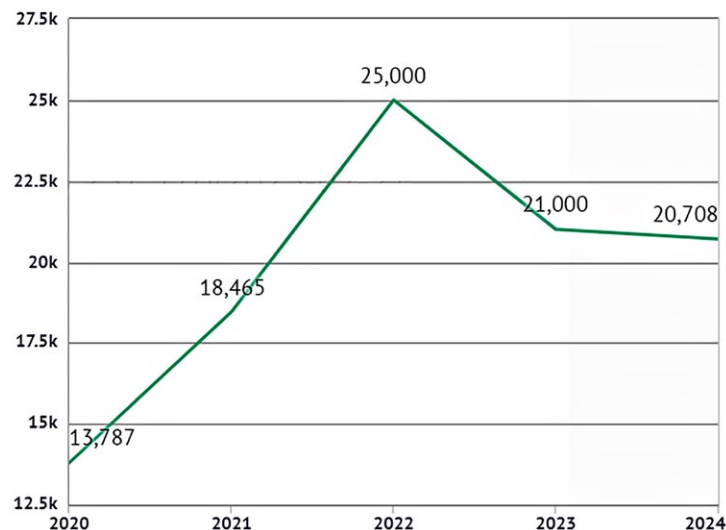


Source: World Steel Association

Regarding the price of nickel, the main material in the production of austenitic stainless steels, the World Bank expects that the price of nickel will decline slightly in 2024 as shown in the following details:

World Bank Nickel Price Forecast

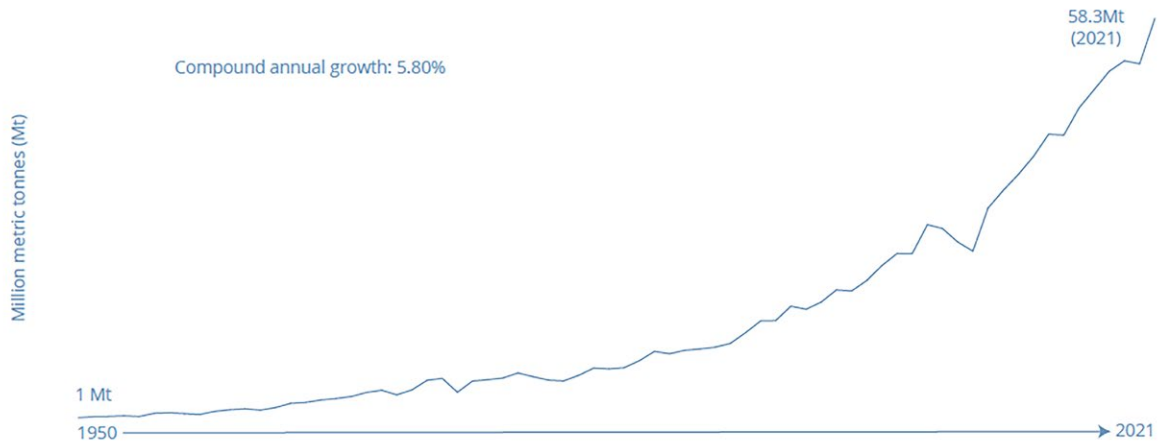
nominal US\$ per metric ton



Source: World bank Nickel Price Forecast

History and Competition

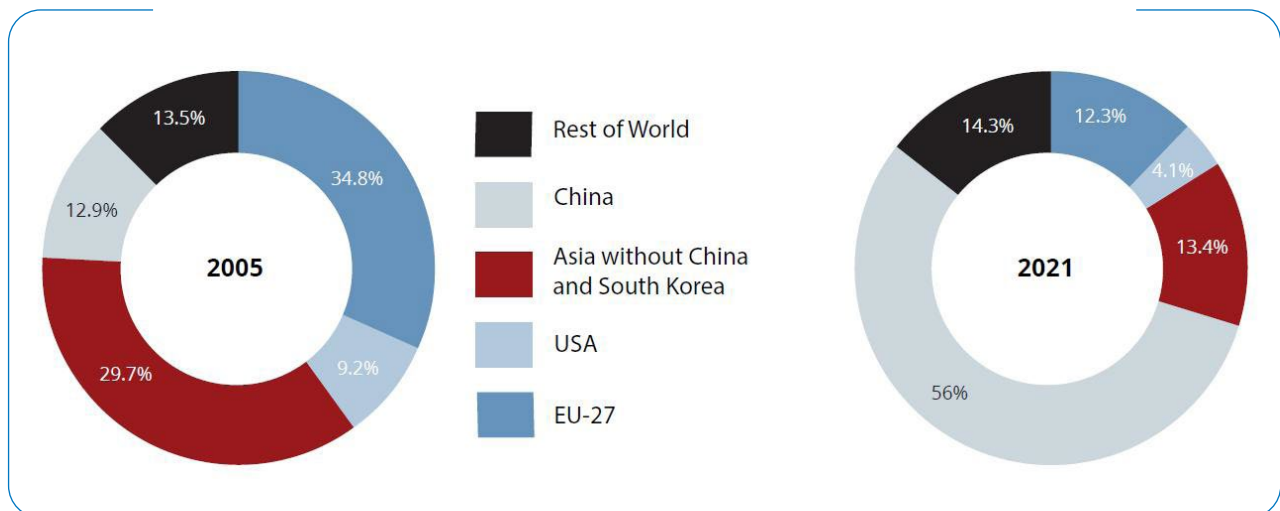
Compound annual growth rate of world stainless melt shop production
(slab/ingot equivalent): 1950 - 2021 (in Mt)



Source: International Stainless Steel Forum (ISSF)

According to the ISSF study above, it is found that the production of stainless steel will increase from 50.9 million tons in 2020 to 58.3 million tons in 2021, accounting for an average annual growth rate from 1950 until 2021 at 5.8 percent.

Regional share of stainless steel production

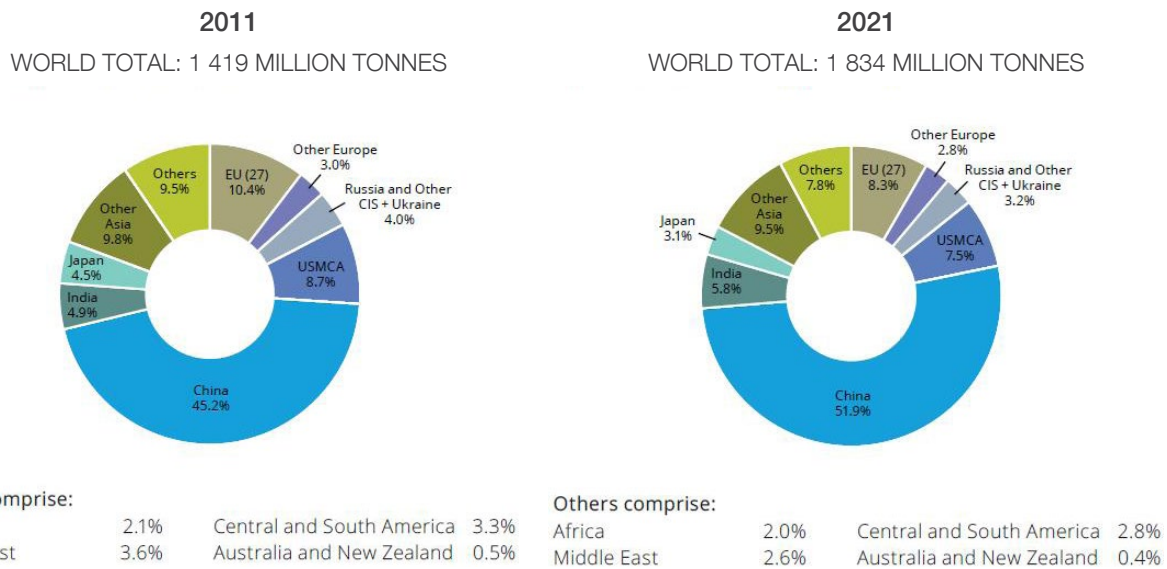


Source: International Stainless Steel Forum (ISSF)

If considering the growth in each region, it is found that the market is dramatically growing in China. China alone increases from 12.9 percent in 2005 to 56% in 2021.

The total global steel demand in 2021 amounts to 1,834 million tons while China's demand for steel increases from 45.2% in 2011 to 51.9% in 2021 as in the diagram.

Apparent Steel Use 2011 to 2021



Source: World Steel in Figures 2022, World Steel Association

c. The Country's Leader in Cold-Rolled Stainless-Steel Market

The Company is the only manufacturer in Thailand and the first in Southeast Asia. With the research and development support under the strong brand of POSCO (South Korea), it results in competitive advantages in export and domestic markets with importers in many areas, whether in terms of good quality, faster delivery and greater flexibility, better after-sales service, distinctive product image, and continuous development of new products and services. These potentials are further enhanced by the acquisition of a major shareholder of POSCO (South Korea), a global stainless-steel manufacturer.

Top steel-producing companies 2021 crude steel production		
Rank	Company	million tonnes
1	China Baowu Group (1)	119.95
2	ArcelorMittal (2)	79.26
3	Ansteel Group (3)	55.65
4	Nippon Steel Corporation (4)	49.46
5	Shagang Group	44.23
6	POSCO	42.96
7	HBIS Group	41.64
8	Jianlong Group	36.71
9	Shougang Group	35.43
10	Tata Steel Group	30.59

Note:

(1) Includes tonnage of Taiyuan Steel and Kunming Steel

(2) Includes 60% in AM/NS India (former Essar Steel)

(3) Includes tonnage of Benxi Steel

(4) Includes Steel Stainless Steel Corporation, Sanyo Special Steel, Ovako, 40% AM/NS India and 31.4% USIMINAS

- Please see more Nippon information on source.

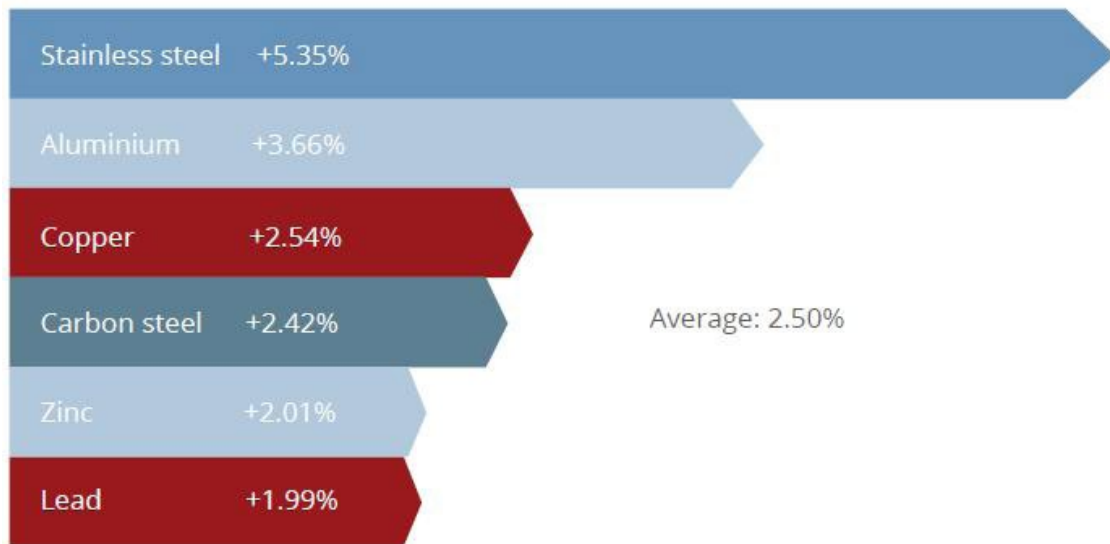
- Ranking of the top steel-producing companies updated in early June every year.

Source: World Steel in Figures 2022, World Steel Association

d. Growth Potential of the Stainless-Steel Market

Stainless steel is a product that has a great opportunity to grow in both domestic and export markets. For the domestic market, this can be seen from the growth rate of stainless steel in the past 41 years which has grown higher than other metals such as lead, copper, zinc, aluminum, or carbon steel.

Compound annual growth rate of major metals (%/year): 1980 - 2021



Source: World stainless association

In addition, having POSCO (Korea) as a major shareholder is a good factor that will allow the Company to have more ability to compete in new product markets which previously could not control. For instance, it helps increasing the ability to sell more niche products, such as the automotive industry, electrical appliance industry, and computer industry. When the Company has opened a cold-rolled stainless steel service center (POS-TSPC), a stainless-steel slitting plant at the Amata Nakorn Industrial Estate, Chonburi Province, the Company has been able to produce products to meet the needs of customers and expand its customer base to more retail customers.

1.2.2.3 Business Operation Goals

a. Increasing Market Share and Sales Volume of Cold-Rolled Stainless Steel in the Country

The Company still aims to increase the market share of cold-rolled stainless steel in the country continuously. It will take advantage of being the only cold-rolled stainless-steel manufacturer in the country with advanced production technology and the shareholder who is one of the world's largest steel manufacturers, and without competitive disadvantage against competitors in the world market both in terms of product quality, fast delivery of goods and services as well as good inventory management and after-sales service. In 2022, the Company has a domestic market share of 45 percent. However, there are risk factors of imports from China, Taiwan, Korea, Japan, Indonesia, and Malaysia, which aim to export part of the excess production capacity, especially the competition with unfair prices. The Company has closely monitored the situation and requested the government to consider and issue appropriate trade measures.

In addition, the Company aims to support research, product development, and market development in order to increase the use of stainless steel in new products because the amount of cold-rolled stainless steel used in Thailand per population is still at a low rate compared to the amount of cold-rolled stainless steel used in foreign countries. The Company has the policy to develop the downstream industry system of the domestic cold-rolled stainless-steel industry to grow even more in order to have higher domestic consumption. In this regard, the Company will be able to expand the sales volume more in the future if the downstream industry of the domestic cold-rolled stainless-steel industry grows more.

The Company has cooperated with customers and distributors of the Company in product development to meet customer requirements, and promoted knowledge and understanding about the properties and applications of stainless steel by the Company itself and through the Thai Stainless Steel Development Association. Seminars, training, research, and feasibility studies of various projects have been organized continuously for entrepreneurs, students, technicians, engineers, as well as government agencies. The Company has also committed to increasing the expansion rate of stainless-steel consumption by increasing the value of the products for small and medium-sized enterprises (SMEs) so that stainless steel products are widely used in various forms. This is, also, to support the policy of providing careers that will cause the growth rate of the use of stainless-steel products of the Company significantly increase in the future.

b. Expanding the Overseas Customer Base to Be More Diverse

In 2022, overseas sales accounted for 54 percent of total sales.

The Company continues to acquire customers through new distributors in the distribution channels of associated companies of POSCO, which are trading companies with additional global distribution networks. In addition, the Company also sets the goal to increase the number of direct customers. It will focus more on customers who are manufacturers of products that use stainless steel as raw materials or large operators.

c. Focusing on Customer Service

The Company continues to strive to increase its competitiveness by aiming to produce and deliver quality products of international standards. The fact that the Company is able to deliver products on time and shortens the customer's ordering time allows the Company to be able to reduce the cost of inventory for customers. In addition, the Company is also committed to developing products to meet the needs of customers continuously.

d. Increasing Production Efficiency

The Company encourages employees in each department to think of innovative projects for their work. For the production line, it aims to increase the efficiency of the main production lines (HAP, CR, APF) by trying to reduce waste in the production process to a minimum on the basis of safety and production cost reduction.

The Company has a complete ERP (Enterprise Resources Planning) management system, which is the same system used by POSCO Group companies around the world to control their production process to be more efficiently from the purchasing system, production system, inventory system, and delivery system.

The Company also received the Outstanding Performance Award for Continuous Innovation Management from POSCO (South Korea) and was selected as one of the achievements by POSCO and its family. This award reflects continuous improvement in the production process. In addition, the Company has completely improved the whole production control system in the Annealing and Pickling of Final (APF). This will have a significant effect on the Company's production quality system in the long run.

In 2022

- The project of removal of sludge and wastewater cost deduction by using sulfur reducing process allowed the Company to save up to 960,000 baht per year.
- HAP was processed by improving the acid use control parameters of HNO-HF and HF and adjusting the production line speed for the production of grade 304 to achieve cost savings for acid use.
- The Rolling Oil Flow system and the automation set system were set up in ZRM3 for S400 products, which saved electricity costs up to 194,095 baht in December 2022.
- BAL was able to reduce the yellow surface (KZ defect) by 0-5% for grade 304, 430, and 430RE products by increasing the H2 flow rate and reducing speed by 20-25%. As a result, it allowed the Company to reduce production costs. For grade 304 products, the costs were reduced by 23,400 baht per ton. For grade 430 and 430RE products, the costs were reduced by 23,800 baht per ton.
- The project of CBL Performance (for 8-m. length) ZRM3 was able to work and stop welding points according to the goal set, increase yield by 0.2% (2.5 m./coil), and help the Company reduce costs by 13.7 million baht.

1.2.3 Procurement of Products or Production

1.2.3.1 General Information

The Company is the only cold-rolled stainless-steel manufacturer in Thailand. The products of other steel manufacturers in the country are carbon steel which is totally different from the Company's products in both the application markets and the target customer groups.

The modern production process allows the Company's cold-rolled stainless steel to have excellent corrosion resistance, a beautiful, smooth, and even surface as well as the same thickness throughout the sheet. The Company's cold-rolled stainless steel has many grades to select according to the demand and suitability of the customer's application. The Company provides technical assistance in order to select the products to meet the needs of customers as much as possible.



The Company's cold-rolled stainless steel is manufactured from selected raw materials with modern production technology. The Company's products have been certified for the production process by ISO 9001:2008 international standards. The cold-rolled stainless steel has been produced in accordance with international standards such as Japan Industrial Standards (JIS), American Society for Testing and Materials (ASTM), European Standards (EN), and Thai Industrial Standards (TIS).

The following table shows the Company's various grades of cold-rolled stainless steel as well as their details, applications, and properties.

General Properties and Applications of Products

Austenitic Products			Properties	Application
Grade	Surface Finish	Thickness		
301	2D,2B	0.3 - 3.0	High strength	Seat belts Coil springs
	BA	0.3 - 1.6		
304	2D,2B	0.3 - 3.0	Corrosion resistance, very good formability and weldability, and easy to clean	Home appliances Water tanks Construction Transportation
	BA	0.3 - 1.6		
304L	2D,2B	0.3 - 3.0	Very good corrosion resistance, sensitization resistance, and good weldability	Tubes Cavity containers Home appliances
	BA	0.3 - 1.6		
316	2D,2B	0.3 - 3.0	Excellent corrosion resistance, especially the pinholes, and strong at high temperatures when molybdenum added	Food production industry Boilers Heat exchangers
	BA	0.3 - 1.6		
316L	2D,2B	0.3 - 3.0	Low carbon, allowing it to be more resistant to intergranular corrosion than grade 316	Chemicals industry Large tanks Hot water tanks
	BA	0.3 - 1.6		
321	2D,2B	0.3 - 3.0	Titanium added, allowing it to be more resistant to intergranular corrosion	Heat exchangers
	BA	0.3 - 1.6		
304J1	2D,2B	0.3 - 3.0	Formability improved by adding copper	Used in works requiring deep formability
	BA	0.3 - 1.6		

Applications of Cold-Rolled Stainless Steel

Cold-rolled stainless steel is a material that has a wide range of uses with properties that are not like any other material, such as not rusting, easy to connect, easy to form, low maintenance cost, and can be reused. Therefore, cold-rolled stainless steel is a material used in many industries continuously as follows:

- **Transportation and Automotive Components**

Energy is saved through design that uses lightweight materials, making it pressure and bumps resistance with textures that can be adjusted to give a modern look. The Company's austenitic stainless-steel grades 301, 304, and the ferritic stainless-steel grades 410L, 430, 439, 441 are economical options for manufacturing various automotive components such as handrails, pedals,



safety belts, decorative weather guards. The ferritic stainless-steel grades 409L, 439, 444, 436L, 436J, and 430J1L are suitable for exhaust systems requiring high heat and corrosion resistance.

- **Home Appliances**

The strength of stainless steel makes it possible to reduce the thickness of the material used, promoting work efficiency and long service life. The modern design of the stainless-steel surface also adds value to the appliances used in the kitchen, hard disk drives, computers, television frames, and furniture. The austenitic stainless-steel grades 304 and 304J1 and the ferritic stainless-steel grades 430, 441, POSRE1, 430M2, POS430RE, and 430J1L help create such appliances endlessly.

- **Household Appliances**

Safety and hygiene are key for household appliances. Stainless steel is, therefore, a suitable material for producing containers for packaging and contact with food since it has high heat resistance, does not corrode easily, and does not change the taste of food. The Company's stainless steel that responds to household applications consists of, for example, the austenitic stainless-steel grades 304, 304L, and 316L, and the ferritic stainless-steel grades 430, POSRE1, POS430RE, and 445NF.

- **Food Industry and Medical Equipment**

In the food, drinks, and medical equipment production industries, smooth and even surface and chemical stability of stainless-steel help eliminate bacterial growth and provide high safety and hygiene. The Company's stainless steels suitable for this application are the austenitic stainless-steel grades 304, 304L, and 316 and the ferritic stainless-steel grades 439, 441, and 436L.

- **Heavy Industry and Power Industry**

Production in heavy industry, chemical industry, and energy industry, such as gas and oil or nuclear, requires special properties of stainless steel which can provide safety, highest heat resistance, and/or mirror-like shiny surface to produce the renewable energy from the sun and reduce environmental pollution. The Company's stainless-steel products for these industries are the austenitic stainless-steel grade 316, 316L, 321, 304J1.

- **Architecture, Construction, and Decoration**

For architecture, construction, and various decorations, both exterior and interior, stainless steel is a material that is widely suitable in this industry in terms of type, grade, thickness, surface finish, and quality according to the purpose of application. The austenitic stainless-steel grades 301, 304, and 316L and the ferritic stainless-steel grades 441, 445NF, and 436L make the creativity of architects and engineers possible and satisfying to users.

1.2.3.2 Factory, Equipment, and Machinery

The Company's cold-rolled stainless-steel factory located in Rayong Industrial Park Industrial Estate, in the eastern coastal industrial area, about 180 kilometers to the southeast, with a total area of 128 rai (205,000 square meters), consists of modern machinery and equipment in technology. In addition, the Company has also installed a quality testing system in every step of production thoroughly by engineers, technicians, and experts to ensure that the Company's products are of high quality and have won the credibility and trust of customers. The Company's products have quality according to international standards of JIS, AISI, and Euro norm. The laboratory is fully equipped with quality inspection equipment, both mechanical and computer inspection or structural analysis cameras to ensure and comply with the highest international standard quality control system. It allows the factory and the stainless-steel production process of the Company to be modern and has better performance than foreign stainless-steel manufacturers in many companies abroad. Our factory is also certified by various international standards related to important production.

The factory started manufacturing cold-rolled stainless steel in 1993, and currently has a production capacity approximately of 200,000 tons of cold-rolled stainless steel per year. In 2007, the Company invested in the installation of a 3rd cold-rolling machine (Sendzimir Line), and later installed additional batch annealing furnaces for a total of 3 furnaces to adjust the quality of stainless steel before going into the cold-rolling process which can support rolling up to 300,000 tons per year. The Company's factory is a cold-rolled stainless-steel factory that imports hot-rolled stainless-steel coils from abroad to be rolled and reduced the size to obtain the thickness and surface required by the customers.

Machinery and main equipment for the manufacturing of cold-rolled stainless steel of the Company are the modern and widely used equipment in all major cold-rolled stainless-steel manufacturers around the world which consists of the followings:

- Batch annealing furnace for ferritic grades
- Annealing and pickling line with a length of 280 meters for hot-rolled and cold-rolled stainless-steel coils
- Annealing and pickling for raw material with a length of 305 meters for hot-rolled stainless-steel coils
- Annealing furnace for a shiny surface finish, Sendzimir Cold-Rolling Mills (ZRM1 and ZRM2) with the speed rate of 600 and 800 meters per minute, respectively, and in 2008, Sendzimir Cold-Rolling Mill (ZRM3) with the speed rate of 800 meters per minute has been commissioned
- Skin pass mill to smooth the steel surface
- Skin pass mill No. 2 to smooth the steel surface
- Tension leveler to smooth the steel surface
- Grinding line to repair the surface
- Slitting line No. 2 for slit edges and wide sheets
- Cut-to-length line to cut into sheets
- Slitting line No. 1 for slit edges and narrow sheets

In addition, the Company has a cold-rolled stainless steel service center (POS-TSPC) and the 2nd stainless steel slitting factory that the Company has purchased from a company in Amata Nakorn Industrial Estate, Chonburi Province, with a total area of 9-3-65.9 rai to provide another channel for customer service for both the services of slitting and cutting cold-rolled stainless steel sheets for special needs with all types of grade, size, thickness, surface, and quantity required by the customers.



1.2.3.3 Passing on and Supporting of Technology from the World's Major Steel Manufacturers

In the past, the Aperam Group (previously known as "Arcelor"), which is the group that co-founded the Company and is one of the world's largest manufacturers of steel and stainless steel, has been passing on and supporting modern and effective production technology to the Company all along. The Company, executives, and employees have been passed on the knowledge, technology, and expertise in the production and distribution of cold-rolled stainless steel from Arcelor Group for more than 10 years. This has resulted in the Company being capable of manufacturing high quality cold-rolled stainless steel with a variety in product forms and a low cost. At present, POSCO (Korea), one of the world's largest steel manufacturers, has become a major shareholder in the Company and has the support of experts and new technologies to increase efficiency and make it even better one step further. It allows the Company to be more confident in the production process that is better because the Company will bring good experiences from two of the world's largest companies to support and develop the quality of work to reach the next highest point.

1.2.3.4 Production Procedures

The production process of the Company starts with bringing raw materials (hot-rolled stainless coils) to be cold-rolled, which the Company will import from overseas manufacturers. The hot-rolled stainless-steel coils are produced from stainless steel scraps which are fused with a mixture in an electric arc furnace. Then, it will go through a process that purifies liquid metal by vacuum. The purified metal will be continuously cast to obtain steel ingots. The aforementioned flat steel ingots will be hot-rolled to reduce the size into the steel coils. The Company will import hot-rolled stainless coils from manufacturers such as POSCO (South Korea), Nippon Steel, and Arcelor. All of the raw material suppliers to the Company are the world's largest manufacturers of hot-rolled stainless-steel coils, and POSCO (South Korea) and Nippon Steel are also shareholders of the Company.

The Company will bring hot-rolled stainless-steel coils pass through a heat treatment process and acid etching. Then, they will be rolled to reduce the size by the Sendzimir Cold-Rolling Mill and baked, acid etched, or through the process of bright annealing with a skin pass again to adjust the surface finishes to meet the needs of customers. The Company's cold-rolled stainless steel production process is as follows:

a. Annealing Process and Removal of Oxides (Pickling)

The ferritic hot-rolled stainless-steel coils are fed into the batch annealing furnace, where the temperature inside the machine is about 850°C, to anneal the hot-rolled stainless-steel coils to be soft and have a complete structure. After the hot-rolled stainless-steel coils have been put through the annealing process, there will be an oxidation reaction on the surface, which will be eliminated in the oxide process. The annealed hot-rolled stainless-steel coil will be passed through an oxide removal bath which contains a mixture of sulfuric acid, hydrofluoric acid, and nitric acid, respectively. For hot-rolled austenitic stainless-steel coils, it is not necessary to be put into a batch annealing furnace but can be brought directly into the process of annealing and pickling.

b. Cold-Rolling Process

Annealed and deoxidized steel will be passed through the Sendzimir Unit for size reduction. The Sendzimir Unit consists of 20 cylindrical rolling balls which force, compress, and roll the stainless steel to be thinner. The thickness of stainless steel will decrease after this process.

c. Surface Finishes Adjusting and Smoothing Process (Skin Passing)

As the smoothness of stainless steel after the 2nd annealing and de-oxide treatment is not suitable for use, the aforementioned stainless-steel sheets must be re-rolled through the surface treatment process to increase the smoothness and shine of the surface.

d. Slitting and Cutting Process

The final process of production is to unroll cold-rolled stainless steel to be cut into sheets according to the size required by the customer, which the finished product is called a cold-rolled stainless-steel sheet; or cut the stainless steel to the specified length and roll back, which the finished product is called a cold-rolled stainless-steel coil or a narrow cold-rolled stainless-steel coil, before delivering to the customers.

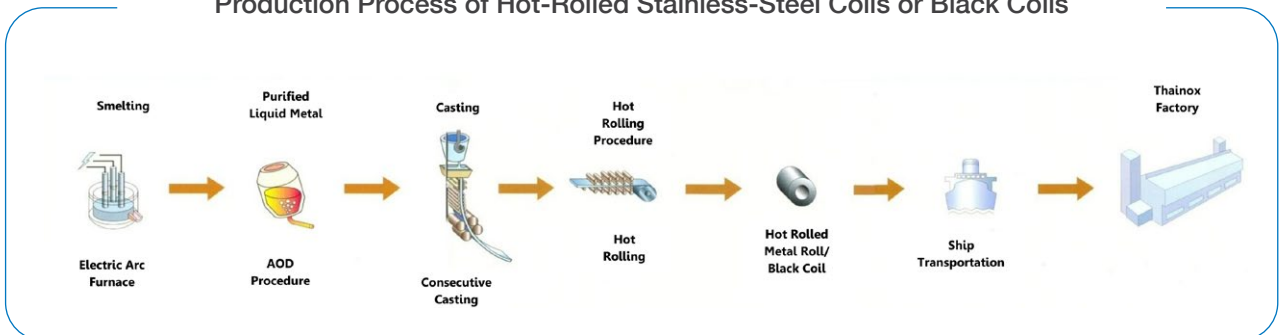
Sendzimir Cold-Rolling Mill



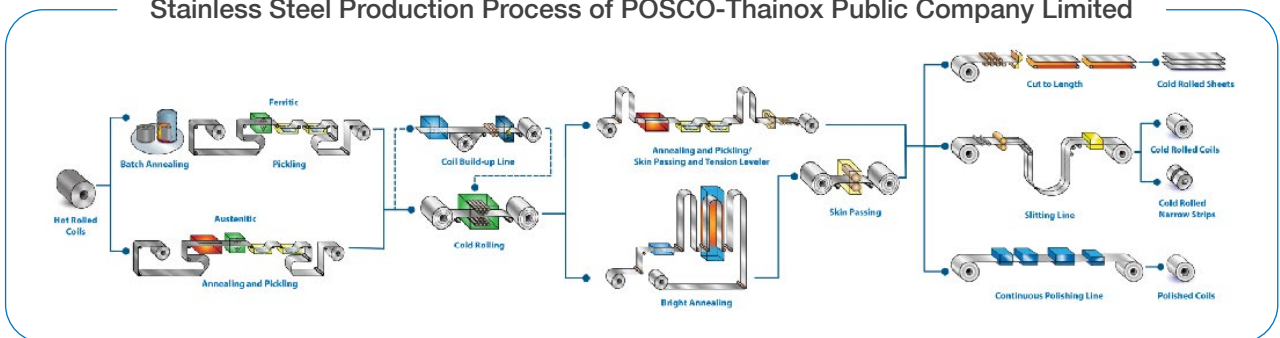
Skin Pass Mill for Steels



Production Process of Hot-Rolled Stainless-Steel Coils or Black Coils



Stainless Steel Production Process of POSCO-Thainox Public Company Limited



1.2.3.5 Research and Development

Since its establishment to the present, the Company has received various technological support from the Aperam Group, which was a major shareholder of the Company, by receiving the knowledge and expertise in production cold-rolled stainless steel for more than 10 years. At the present, the Company has changed its major shareholder to POSCO (Korea), which is the world's top steel manufacturer, from the experiences of the global manufacturer. Therefore, executives and employees of the Company are very confident in producing quality cold-rolled stainless steel according to the needs of a wider variety of customers, as well as receiving research and technological support from POSCO (Korea), which is a major shareholder.

The Company's executives have realized the importance of product quality with production control departments as follows:

a. Production Process Control Department

The production process control department is the department responsible for studying, improving, and developing production processes to make the production process most efficient at a low cost. Its duties are to design, monitor, and control the production process to meet the requirements of standard conditions, including analyzing and providing feedback to the factory department in order to obtain stable quality products that meet the standards and needs of customers.

b. Product Quality Assurance Department

The product quality assurance department is responsible for inspecting and controlling the raw materials quality of products in the production process and finished products of the Company in order to ensure that the Company's products meet the requirements of customers. In addition, the product quality assurance department also sets standards for imported hot-rolled stainless steel. It also serves to claim damages in the event that the raw materials do not meet the requirements.

c. Technical Research & Development Center (TRDC)

The research and development center are the department that focuses on research and development of the quality of the Company's products. The research and development aim to study various processes to solve the problems of product manufacturing, customer return issues, wastewater quality problem, and raw material quality. It supports research and develops the production process, including the development of new-grade products by simulating and testing in the production process together with the production control department. This is to increase efficiency and reduce production costs. It is also responsible for promoting and planning the development of the use of stainless steel in various forms to increase both in current and new markets continuously by providing technical training to customers and helping customers solve various application problems.

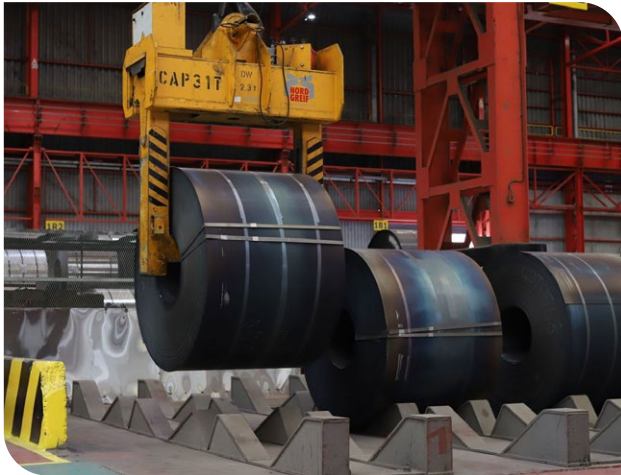


d. Technical Customer Service

In addition, the Company also has a technical service department for customers which is responsible for setting standards for the Company's products, giving suggestions, providing technical advice to customers, encouraging customers to use the product worthwhile, leading to maximum satisfaction in products and services, investigating customer complaints to analyze and diagnose the damage caused to the customers quickly and fairly, acknowledging the needs of the customer, summarizing assessment, and giving suggestions to relevant departments in order to develop product quality to meet the needs of customers.

In addition to the above tasks, the research and development center has studied the quality of the products of the Company and other manufacturers to improve the quality of the Company's products. It mostly focuses on in-depth studies with the factory and customers. This includes testing laboratories that test product properties to meet standards and/or meet customer needs under the management of testing laboratories for testing quality assurance and test results to be in accordance with the standard of ISO/IEC 17025:2005.

In addition to study and research, the Company itself also has research collaboration with universities and well-known educational institutions both domestically and internationally. The Company supports the research of cold-rolled stainless products for many projects. In addition, the Company has also supported students and researchers in metallurgy and focused on coordinating and collaborating more with the research center of POSCO (Korea) to pass on knowledge and production standards so that the customers of the Company continuously receive the best products.



1.2.3.6 Raw Material Procurement Process

The Company imports 100% of raw materials, which are hot-rolled stainless steels, from hot-rolled stainless-steel manufacturers that are the world's largest manufacturers, namely:

1. POSCO Group (South Korea), which is currently the Company's major shareholder, with most of the purchases with the said group
2. Other company groups such as Nippon Steel Stainless Steel Corporation (the Company's shareholder from Japan) and some from China and Indonesia

In addition, regarding the Company's raw materials for the production of hot-rolled austenitic stainless steel, the price fluctuates according to the price of nickel which is a commodity product.

1.2.3.7 Rules and Regulations Related to the Cold-Rolled Stainless-Steel Industry in Thailand

a. Domestic Trade Measures

- Notification of the Central Committee on Prices of Goods and Services

According to the Notification of the Central Committee on Prices of Goods and Services, No. 13 of 2022 on the determination of controlled goods and services dated June 29, 2022, which is a product monitoring measure of the Office of the Central Committee on goods and service prices, Department of Internal Trade, the cold-rolled stainless steel is not a price-controlled product. However, the Company, as a manufacturer, has cooperated with the Department of Internal Trade in informing about movements in quantity and price on a monthly basis to provide the information to the Department of Internal Trade to track market movements.

- Trade Competition Act B.E. 2560

The Trade Competition Act B.E. 2560 of the Trade Competition Commission has principles to supervise business operations and set guidelines to prevent monopoly and unfair trade. The Company has monitored and conducted business operations in order to not fall into the scope of the nature or contrary to the objectives of the Trade Competition Act.

- Anti-Dumping and Countervailing of Foreign Products Act (No. 2), B.E. 2562

Anti-Dumping and Countervailing of Foreign Products Act (No. 2), B.E. 2562 has been amended to the Anti-Dumping and Countervailing of Foreign Products Act, B.E. 2542, which has enacted anti-dumping and subsidy measures and countermeasures to circumvent anti-dumping or subsidy measures. The objective is to provide relief, remedy, and protection for domestic industries from dumping of foreign goods resulting in damage from unfair competition. The Ministry of Commerce is the issuer of methodology and conditions for consideration, including reviewing measures, taking into account the interests of the domestic industry, consumers, and public interests together.

At present, Thailand has imposed anti-dumping measures on cold-rolled stainless-steel coils, sheets, and strips according to the Notification of the Dumping and Subsidy Committee as follows:

1. The Notification of the Dumping and Subsidy Committee on the results of reviewing the necessity of anti-dumping measures on cold-rolled stainless-steel coils, sheets, and strips originating from Japan, Taiwan and, the Republic of Korea further of 2021 has been effective since February 18, 2021, for another 5 years for all cold-rolled stainless-steel products in the amount of 12 coordinates with a dumping margin ranging from 19.82% - 50.99%.
2. The Notification of the Dumping and Subsidy Committee on the results of reviewing the necessity of anti-dumping measures on cold-rolled stainless-steel coils, sheets, and strips originating from the People's Republic of China in the future of 2019 has been effective since December 4, 2019, for another 5 years for all cold-rolled stainless-steel products in the amount of 12 coordinates with a dumping margin ranging from 8.50% - 33.32%

3. The Notification of the Dumping and Subsidy Committee on anti-dumping on cold-rolled stainless-steel coils, sheets, and strips originating from the Republic of Indonesia and Malaysia of 2022 has been effective since November 30, 2022, for a period of 5 years for all cold-rolled stainless-steel products in the amount of 33 coordinates with a dumping margin ranging from 6.28% - 51.69%

b. Foreign Trade Measures

- Anti-dumping measures for stainless steel coils, sheets, or other types originating from or exported from the People's Republic of China, Republic of Korea, Taiwan, and the Kingdom of Thailand or Malaysia have been effective. On January 27, 2023, Malaysia announced the opening of an investigation to review the necessity of anti-dumping measures which are currently under the operation.
- Measures to protect against increased imports of steel and aluminum products of the United States under Section 232 have been effective since 2018.
- Measures to protect the increased imports of 28 types of steel products, which is a second review of the necessity of the measures, have been effective until June 30, 2024. However, the European Union has reviewed the quota annually. Thailand is not on the list of countries subject to import control, effective from July 1, 2022.

c. Requirements and Standards for the Company's Currently Certified Management, Product Testing, and Safety Systems

- ISO 9001:2015, ISO 14001:2015, ISO45001:2018 for System Standard
- ISO/IEC 17015:2017 for Accreditation Standard of Competence of Testing Laboratories
- TIS 1378-2559, JIS G 4312/ JIS G 4313, JIS G 4305, IS 6911-2017 for Industrial Product Standard
- EN 10088-4 for European Union Construction Materials Specification
- PED, AD2000, RoHS, and REACH for Safety Standard

d. Free Trade Area

Free trade area refers to economic group integration aiming to reduce customs tariff between each other within the country group that has made the Agreement to the minimum or to 0 percent according to each framework agreement and apply higher normal tax rates to countries outside the group. The reduction of import duties has resulted in cold-rolled stainless steel being granted preferential treatment for both import and export at a zero rate as well, with bilateral and multilateral trade agreements being established.

At present, Thailand has free trade areas for each status as follows:

1. Free trade areas that are already in effect

- | | |
|---|--|
| 1.1 ASEAN Free Trade Area | 1.10 Thailand-Japan Free Trade Area |
| 1.2 ASEAN-China Free Trade Area | 1.11 Thailand-Peru Free Trade Area |
| 1.3 ASEAN-South Korea Free Trade Area | 1.12 Thailand-India Free Trade Area |
| 1.4 ASEAN-Japan Free Trade Area | 1.13 Thailand-China Free Trade Area |
| 1.5 ASEAN-India Free Trade Area | 1.14 Thailand-Chile Free Trade Area |
| 1.6 ASEAN-Australia-New Zealand Free Trade Area | 1.15 Thailand-Singapore Free Trade Area |
| 1.7 ASEAN-Hong Kong Free Trade Area | 1.16 Regional Economic Partnership Agreement |
| 1.8 Thailand-Australia Free Trade Area | |
| 1.9 Thailand-New Zealand Free Trade Area | |

2. Free Trade Area Under Negotiations

- | | |
|---------------------------------------|--|
| 2.1 Thailand-Pakistan Free Trade Area | 2.3 Thailand-Sri Lanka Free Trade Area |
| 2.2 Thailand-Turkey Free Trade Area | 2.4 ASEAN-Canada Free Trade Area |

3. Free Trade Area That Has Been Planned to Operate in the Future

3.1 Thailand-European Union Free Trade Area

3.2 Free Trade Area of Thailand-European Free Trade Association : (Iceland, Liechtenstein, Norway, and Switzerland)

3.3 Study Preparation for Accession to the Comprehensive and Progressive Agreement for the Trans-Pacific Partnership

(CPTP): In this CPTPP framework negotiation, the Cabinet has assigned the Ministry of Foreign Affairs to head the negotiation team. Recently, the Cabinet is interested in entering into negotiations because the People's Republic of China and the Republic of Taiwan have submitted their intent to join this free trade framework.

For all these negotiations, the Company has always followed up and participated in expressing opinions closely with the government sector.

e. Environmental Impact Requirements

In addition to giving importance to product quality and standards, the Company also attaches importance to taking care and preserving the environment according to the international standard ISO 14001 : 2015. The Company has a wastewater treatment system, smoke dust removal system, and purification of toxin system inside the factory before being released into the environment. The Company has also installed a water quality meter and an on-line air quality meter, which will directly send results to the Department of Industrial Works to confirm the control results of various substances that they are under the law. And there is no pollution caused to the community around the factory. At present, the world is paying more attention to the importance of the environment, society, and governance (ESG) for sustainability. The Company has followed up the process of issuing new laws and regulations of trading in the future, such as:

- Participate in various projects with the Department of Industrial Works, a project to promote industrial factories to have social and community responsibility for sustainable development goals (CSR -DIW to achieve SDGs) and a project with the Department of Industrial Works to obtain certification of eco-industrial factories that are valuable to society (Eco Factory's), etc. (Please see details in 3.1 Sustainability Management in Environment Dimension.)

- Implement the Thailand the Greenhouse Gas Management Organization monitoring system (Public Organization) or TGO in the development of specific requirements (Product Category Rules: PCRs) of steel products to be used as a guideline for calculating the carbon footprint of the product. The Company has implemented an environmental management system in accordance with laws, rules, and requirements, including stakeholder agreements and conducting business responsibly protecting the environment as well as using resources sustainably and having awareness of the change of climate, biodiversity, and ecosystems that may occur in the future to the community and society.

- Follow up on European Union trade legislation and regulations that have been implemented in accordance with The EUROPEAN Green Deal policy framework, such as the design of the Carbon Border Adjustment Mechanism (CBAM) and draft of Circular Economy Laws & Circular Economy Action Plan.

- Follow up on the United States of America environmental legislation or Carbon Border Adjustment, which is presented to both the House of Representatives and United States Senate, to set up a mechanism for collecting carbon taxes on steel products that will be sold in the United States of America.

In 2023, the Company will closely follow up these environmental laws, measures, and regulations since these measures and regulations directly affect the business operations of the Company.

1.2.4 Undelivered Work or Work Value

Currently, the Company does not have high-value projects or parts of work that take a long time to deliver. Usually, the customer's order the products by specifying the type, size, thickness, and quantity of the products, including agreeing on prices from time to time because the products are subject to price volatility and the prices change all the time. Acceptance of project work or work that requires a time period is, therefore, more risky than usual. Currently, the Company does not accept high-value project work or work that takes a long time to be delivered.

1.3 Shareholding Structure of the Company Group

The Company has registered capital of 7,795,709,100 baht
and paid-up capital of 7,795,709,100 baht
divided into ordinary shares of 7,795,709,100 shares
shares at par value of 1 baht

The Company's major shareholders on February 24, 2023, are as follows:

No.	Top 10 Shareholders	# Shares (Shares)	% Shares
1	POSCO Co.,Ltd	5,812,634,019.00	74.56
2	MR. CHALERMCHAI MAHAGITSIRI	789,570,000.00	10.13
3	NIPPON STEEL STAINLESS STEEL CORPORATION	202,127,100.00	2.59
4	MR. CHANINTR CHALISARAPONG	195,000,000.00	2.50
5	MR. SUTHEE LIMATIBUL	56,910,000.00	0.73
6	MRS. SURAT CHALISARAPONG	55,000,000.00	0.71
7	Thai NVDR Company Limited	51,532,662.00	0.66
8	MRS. SUVIMOL SATITYATHIWAT	28,500,000.00	0.37
9	MISS SUPATTRA PANGKARIYA	19,272,100.00	0.25
10	MRS. SUPA YOUNGYEUNSUNTHORN	11,706,800.00	0.15

Since POSCO (South Korea), the major shareholder of the Company (74.56 percent), changed the company structure in March 2022, thus the name was changed to Posco Holding Inc. and separated its steel business into a new company named Posco Co., Ltd.

Subsequently, on December 20, 2022, there was a change in major shareholders of the Company from Posco Holding Inc. to Posco Co., Ltd. The change of major shareholder was made without the change in the management of the Company such as directors and management structure of the Company in any way. And because the shareholding restructuring of the business falls under Clause 9(5)(b) of the Notification T.J. 12/2011, the person who acquired the shares of the business (Posco Co., Ltd) is under the complete control of the person who has total control over the shares of the business (Posco Holding Inc.) prior to the acquisition of such shares. The Company is, therefore, exempted from making a tender offer to general shareholders with the Securities and Exchange Commission.

2. Risk Management

2.1 Risk Factors for the Company's Business Operations

At present, the Company's business operations may face various risks which may affect the Company's operating results. However, there may be other risks in the future that the Company is currently unable to know or the risk that the Company currently considers that there is no material impact on the Company's business operations. The main risk factors can be classified as follows:

2.1.1 Risk from Price Volatility of Products and Raw Materials

Normally, the selling price of the Company's products will change in line with the purchase price of raw materials, the Company may therefore have a risk if the selling price of the product cannot be adjusted in line with the purchase price of raw materials. This will affect the metal margin and profitability rate of the Company. In the past, the Company purchased all the hot-rolled stainless-steel coils (which are the raw materials for cold-rolled stainless-steel production) from overseas companies. The Company has to order raw materials about 2-4 months in advance (depending on the delivery distance from the seller to the main factory of the Company in Rayong Province). Therefore, it may cause the risk to the Company in case that the Company buys raw materials at a high price but cannot sell the Company's products at a higher price.

The Company is exposed to risks due to the adjustment of raw material prices which may be adjusted according to the market price, especially in nickel-containing grades which may have severe adjustments. However, nowadays, applications in the market are increasingly focusing on nickel-free grades. In addition, the speculative situation in the nickel metal market is less intense due to the adjustment in demand and supply in the market causing the adjustment of the price of raw materials to reduce the intensity as well.

The Company has closely monitored the price movements of products and raw materials in the market, including monitoring various in-depth analysis reports in order to manage risks in this area.

However, the Company has sufficient liquidity to be able to absorb impact from the risk of increased product and raw material prices.

2.1.2 Risk of Relying on the Procurement of Raw Materials

Since the Company's main raw material is hot-rolled stainless steel coil which has not yet been produced within the country. Therefore, it must be imported from abroad. This poses a risk in the event that overseas manufacturers are unable to deliver raw materials on time as required.

However, in 2011, POSCO (Korea) became a major shareholder of the Company. As a result, the risk of raw material procurement is reduced. At the same time, the Company also has a good relationship and also procures raw materials from Nippon Steel Group from Japan (Company's another shareholder group) and some from China and Indonesia to diversify risks as well.

2.1.3 Risk of Relying on Few Distributors in the Country and Abroad

In order to accommodate the production that will increase, reduce sales expenses, and reduce the risk of relying on a small number of domestic distributors, the Company has increased its distribution channels of the Company by appointing the number of new distributors in the country. The Company also sells the products by itself directly to major manufacturers that use stainless steel in many countries.

In 2011, after acquiring a major stake of POSCO (Korea), distribution channels to regional markets have been strengthened due to POSCO (Korea) having a network of POSCO International Company Limited with more than 57 branches around the world, which will allow the Company to be able to push more sales to overseas markets than before.

2.1.4 Risk of Increasing Cold-rolled Stainless-Steel Production in the World Market

Steel oversupply in China is still huge. Although the Chinese government has a policy to reduce steel production by ordering to close low-quality factories, operators may turn to produce more high-quality steel for the world market in the future. China is expected to maintain its price advantage through economies of scale due to the availability of iron ore, which can produce good quality steel (however, in the past, China did not invest in advanced technology in factories resulting in the steel that is not of high quality).

A large oversupply has created a strong push for exports to other countries and resulted in intense competition in the market outside of China as well. To prevent dumping from overseas stainless manufacturers, the Company has participated by filing a complaint with the Dumping and Subsidy Committee, Department of Foreign Trade in consideration of anti-dumping measures for cold-rolled stainless-steel products from Japan, South Korea, Taiwan, and China to prevent and counter competition in domestic trade and the Ministry of Commerce has announced measures to counter the importation market of stainless-steel products from China.

2.1.5 Risk of Setting a Price Ceiling on Cold-rolled Stainless Steel

Although stainless steel is not a controlled product according to the notification of the Department of Internal Trade, however, the Department of Internal Trade still asks for cooperation for the Company to inform about cold-rolled stainless steel sheet products to provide information to the Department of Internal Trade to acknowledge the market situation.

However, if the Department of Internal Trade reconsiders and agrees that cold-rolled stainless steel should be designated as a product subject to price control, it will put the Company at risk from pricing. Especially, if the selling price is set lower than the world market price, or the price of raw materials fluctuating high can affect the performance of the Company, this is unfair to the domestic industry and the Company's shareholders.

2.1.6 Risk of Trade Measures and Foreign Environment

At present, in addition to the widely used anti-dumping measures, it can be found that countries have announced the protection measures, measures to protect national security, as well as various environmental measures to reduce global warming and reduce greenhouse gas emissions, such as the European Union's European Green Deal policy. At present, there is no notification of definite calculation criteria, however, the European Union has already had the notification to determine the enforcement period, so the Company is at risk if it is not able to improve and develop to keep up with the time frame.

2.1.7 Risk of Opening of Free Trade Area

The Company is still exposed to risks from free trade area openings. In part of the reduction of import duty on the same type of products that the Company produces, the Company has followed various trading frameworks through meeting attendance and has always expressed its opinions to the Ministry of Commerce, which has been the negotiator. The aforementioned details can be read in Section 1.2.3.7 of Rules and Regulations Related to the Cold-rolled Stainless-Steel Industry in Thailand, subsection D.

2.1.8 Risk of the Changes of Exchange Rate

The Company imports all hot-rolled stainless-steel coils from abroad. The purchase price of raw materials will be determined in Thai baht in the case of purchasing from POSCO (Korea) and in another currency if purchase from Japan or other sources. While the selling price of cold-rolled stainless steel for both domestic and foreign products is determined by referring to the world market price in foreign currency. The risk of the impact of exchange rate volatility on such issues is therefore limited. However, even POSCO (Korea) distributes the raw materials in Thai Baht currency, if it is deemed to be at high risk, this agreement may be terminated at any time. In addition, the usual periods of payment and receipt of money for the purchase of raw materials and the sale of products of the Company are not the same periods. Therefore, the changes in the exchange rate during that period may cause the cost of raw materials to be inconsistent with the selling price of the products.

2.1.9 Risk of Having a Group of Major Shareholders

At present, POSCO (Korea) holds approximately 74.56 percent (as of February 24, 2023) of the Company's paid-up capital. As a result, POSCO (Korea) can control most of the resolutions of the shareholders' meeting, whether it is the appointment of directors or seeking resolutions on other matters that require a majority of the votes of the shareholders' meeting. However, the executives all have the same objective which is to manage business for the benefit of all shareholders, both major and minor by generating the highest profit from the business in order to pay stable dividends to all shareholders, both in the short term and in the long term.

3. Business Drive for Sustainability

Sustainability Management Policy and Goal

A company that can grow and achieve sustainable success must take into account the society as a basis and must have unity with society. The Company as a member of society benefiting from its resources, the Company should look beyond business interests and should contribute to solving social problems and contributing to the prosperity of society, encouraging the conservation of the environment to create a better world. The Company believes that this is the right way to move forward with the management philosophy of corporate citizenship by creating a better future together. If there is communication and shared feelings among stakeholders such as customers, employees, investors, etc., there will be endless innovation and changes. In the end, it will create greater business value and will be sustainable growth in the long term. Therefore, the Company adheres to the philosophy of corporate citizenship which has the following principles:

1. Build a strong industrial ecosystem together with business partners.
 - Manage the business in fair, transparent, and ethical manner.
 - Cooperate and grow together with business partners with mutual care and respect.
 - Support customers' success by providing the best products and services.
2. Be a leader in resolving social problems and building a better society.
 - Pay attention to ongoing social problems and contribute to solving them at the corporate level.
 - Initiate activities that benefit the public in order to develop the locality and community, including preserving the environment.
 - Involve in charitable activities practically which is a part of the commitment to give back to the community and society.
3. Create a workplace that gives happiness and pride by creating a corporate culture based on trust and creativity.
 - Create a workplace that provides happiness and safety to promote the welfare and hygiene of employees.
 - Create a trustworthy and harmonious corporate culture by pushing for fair and stable personnel management.
 - Embrace differences and seek balance between life and work to make a happy workplace come true.

3.1 Sustainability Management in the Environmental Dimension

Environmental Policies and Practices

POSCO-Thainox Public Company Limited (the Company) attaches importance to sustainability, namely economy, society/community, and environment. For environment dimension, the Company is aware of the current climate change status and the impact on the use of water resources and various natural energy sources.

And in addition, in 2022, POSCO-Thainox Public Company Limited has participated in projects with the Department of Industrial Works, such as the project to promote industrial factories with social and community responsibility for sustainable development goals (CSR -DIW to achieve SDGs) and received such awards from the Department of Industrial Works and Ministry of Industry. And the Company has participated in the project with the Department of Industrial Works to obtain the eco-factory certification that is valuable to society (Eco Factory's) of Ministry of Industry. In that year, the Company received bronze awards for



CSR- DIW Award



ECO Factor+sv Award

And in the year 2023, POSCO-Thainox Public Company Limited has joined the environmental promotion project with the Federation of Thai Industries and the Department of Industrial Works, Ministry of Industry.

Environmental Performance

1. Power Management

The Company is committed to finding technology and innovation to increase efficiency of energy consumption for maximum benefit along with developing and improving the production process to reduce greenhouse gas emissions that affect the climate change. The Company uses energy resources to create quality products. The main energy used in the production process is electricity, followed by natural gas. The Company realized of the impact on the environment from the business operations to show the intention to take responsibility for the impact on the environment seriously.

1.1 Fuel Consumption



Fuel Consumption	2020	2021	2022
Natural Gas (cubic feet)	472,971,630	520,411,820	515,483,500

1.2 Electricity Consumption



Electricity Consumption	2020	2021	2022
Amount of Electricity Purchased (kilowatt-hour)	104,769,907	106,712,257	105,171,927

2. Water Management

Water is a resource that the Company recognizes the importance of resource management for the effective use. Thus, it has been pushed for various projects to increase and improve the efficiency of water use for maximum benefit to prevent and reduce the risk of water shortage that will be used in the production process and increase the efficiency of water use to be worthwhile, for example, a study on the reuse of water that has been through the wastewater treatment system in the production process, reducing the use of tap water for general washing in the factory, and water reuse for watering the green area in the factory.

The Company has a water supply system for use within the project and receives raw water from the private sector. The amount of water consumed is as follows:

	Water Consumption			
		2020	2021	2022
	Amount of Water Consumed (cubic meter)	462,795	500,312	627,951

In addition, the Company has operated the wastewater treatment within the factory according to the specified standards. The Company continues to be committed and develop the use of water resources in every production process to be more efficient and worthwhile as possible.

2.1 Tap Water Consumption

	Water Consumption			
		2020	2021	2022
	Amount of Water Consumed (cubic meter)	60,504	54,921	88,754

3. Garbage and Waste Management

Industrial Waste


For industrial waste management, the Company has a plan to set goals to control the use to be little, reused, and recycled as much as possible and disposed of properly as well as selecting effective disposal services that meet legal requirements and is inspected at the waste disposal destination to prevent illegal dumping of industrial waste. Moreover, the Company has monitored the operations of the certified service provider to be responsible for waste disposal to ensure the quality of operations and in accordance with the standards of the Ministry of Industry.

Waste Management

The Company has taken actions to prevent and reduce environmental impacts, including helping to reduce global warming and giving importance to the use of various resources for maximum benefit. The Company manages waste from the production process by segregating waste into 3 categories: general waste, recyclable waste, and hazardous waste.

Garbage segregation is to meet the regulatory waste disposal processes. Garbage segregation process is to meet the regulatory waste disposal process.

3.1 Amount of Garbage and Waste from Business Operation Processes

	Garbage and Waste from the Production Process			
		2020	2021	2022
	Amount of non-hazardous garbage and waste (kilogram)	2,432.36	1,958.94	2,574
	Amount of hazardous garbage and waste (kilogram)	18,216.92	12,190.75	9,751
	Total (Kilogram)	20,649.28	14,149.69	12,325

4. Management to Reduce the Greenhouse Gas Emissions Problem

Pollution Management

The Company is committed to preventing environmental impacts caused by the production process and has implemented an environmental management system in accordance with the laws, rules, and regulations, including stakeholder agreements, and conducting business responsibly, protecting the environment, including using resources sustainably, and being aware of the change of climate, biodiversity, ecosystems that may occur in the future to the community and society, such as emissions of smoke, smell, noise, effluent, industrial waste, principles of pollution management in the production process to reduce pollution emissions as much as possible and handle the pollution through the treatment process to meet the standards according to the laws and regulations of the surrounding community and areas. The Company has implemented the operation of inspecting and measuring air pollution every 6 months and checking the working conditions, etc.

4.1 Amount of Greenhouse Gas Emissions



Greenhouse Gas Emissions	2020	2021	2022
Scope 1 (tons of carbon dioxide equivalent)	0.00	0.00	0.00
Scope 2 (tons of carbon dioxide equivalent)	0.30	0.29	0.29
Scope 3 (tons of carbon dioxide equivalent)	0.00	0.00	0.00
Total (tons of carbon dioxide equivalent)	0.30	0.29	0.29

4.2 Verification of the Amount of Greenhouse Gas Emissions of the Organization



Agency of Verifier	None
Name of Agency of Verifier	None
Name of Agency of Verifier (in English)	None

3.2 Sustainability Management in Social Dimension

Social Policies and Practices

Human Rights Policies

The Company will take appropriate action to prevent human rights violations that may arise from its operations by complying with internationally recognized human rights laws and standards. The Company has established policies and regulations, such as establishing internal guidelines, human rights validation, prevention and mitigation of human rights impacts, investigation or review specific activities that may affect human rights, continuous status monitoring because human rights are subject to risks that may change over time. In addition, the Company provides internal training on human rights management and set up a counseling center for grievances.



- The Company operates by using legal labor. If there is a foreign worker, the employee must have a valid passport and work permit.
- Pay fair wages, provide various welfare as necessary and appropriate, provide equal employment opportunities for people with the required qualifications and abilities, and do not tolerate child labor.
- Do not discriminate against employees based on race, nationality, gender, age, educational background, religion, origin, disability, marital status, and sexual orientation.
- Set a policy to prevent sexual harassment and bullying in the workplace.
- Encourage to maintain a work environment with respect for diverse cultures.
- Listen to community opinions and resolve issues related to human rights violations which are caused by management activities.

Social Performance

1. Employees' Information

The Company takes care and treats employees with fairness and equality, with appropriate welfare and remuneration through the consideration of the the executives, provident fund, giving awards to employees, both monthly and yearly, and special awards such as Recognition Award, Recommended Award, Cost Saving Award, New Record Award, Best Person of the year, Communities Activities Award, Technical Improvement Award, and Innovation Award, etc. There is also protection welfare for all employees which protects more than the minimum required by law by emphasizing the importance of occupational health and safety in the workplace.

1.1 Total Number of Employees



Number of Employees	2020	2021	2022
Male Employee (Person)	451	447	442
Female Employee (Person)	99	100	101
Total (Person)	550	547	543

1.2 Employee Remuneration Payment



Employee Remuneration	2020	2021	2022
Total Employee Remuneration (Million Baht)	539.71	565.45	508.38

1.3 Employee Training and Development



Training and Development	2020	2021	2022
Average Number of Training Hours of Employees (Hour/Person/Year)	2	4	2
Training and Development Expenses	1,560,751	558,856	1,302,022

Employees are a resource that is regarded as extremely important in the Company's business operations and affect the work to achieve the goal. Therefore, in human resource management, the Company realizes and places great importance on the process of personnel recruitment as well as personnel retention. The Company also places importance on employee development to increase their knowledge, ability, skills, and work efficiency.

The new employee will have a supervisor in each line of work to perform training duties in that line of work. Training is also provided both internal and external training. For internal training, the Company invites speakers to pass on the experience and provide additional knowledge to employees. The Company also increases the potential of existing employees in the organization by assigning them to be the training speakers in their fields of expertise.



As for online training through the e-campus system, the Company has encouraged employees to register to learn. There are topics of knowledge both in terms of organizational culture, leadership, safety, knowledge of expertise in various fields.

In addition, the Company has a policy to encourage employees to attend training with qualified personnel from the parent company in Korea to share knowledge, technology, and new developments to develop and improve the company's operations.

1.4 Safety, Occupational Health, and Working Environment



Work Safety

Number of employee injury incidents leading to time off (time)

2020

0

2021

0

2022

0

The Company provides necessary protective equipment for employees working in the factory, such as safety helmets, shoes, glasses, gloves, chemical protection masks in case of leakage, etc. There are also various warning signs within the factory limiting restricted areas. There is also a campaign on safety on a regular basis. The Company allocated the space for the nursing room with professional nurses on duty 24 hours a day and doctors come to give advice once a week. There are ambulances and fire engines that are ready in case of emergencies. The Company also arranged annual health check-ups, health insurance, medical welfare, etc.

In 2022, due to the spread of the corona virus (COVID-19) decreasing its severity, where all employees are thoroughly vaccinated, the Company therefore operates at the normal office (Work on Site).

The Company continues to support the provision of protective equipment for employees to prevent exposure to the virus, such as face masks, alcohol gel, and ATK test kit distribution if there is a risk, etc. And the Company organized office cleaning with disinfectant spray every weekend, including updating public relations vaccination news for employees to have access to vaccination regularly.

1.5 Employee Engagement



Employee Engagement

Proportion of Voluntarily Resigned Employees (%)

2020

4.6

2021

8.3

2022

3.5

2. Community and Society Information

The activities that the Company has implemented for the benefit of the community and society in 2022 are as follows:



February 4-28, 2022, the Company's employees participated in the Bun Khao Lam tradition by joining with the villagers to roast Khao Lam (sticky rice in bamboo). This is a tradition that has been passed down for 50 years of the people of Mabkha Sub-district.



On May 2, 2022, the Company, together with the POSCO group of companies in Thailand, built and donated a multipurpose building of 185 sq m, located in the same area as the War Memorial of Korea at the 21st Infantry Regiment, Chonburi Province, by His Excellency Moon Seoung-hyun, Ambassador at the Embassy of the Republic of Korea to Thailand hosted the opening ceremony, including Gen. Pandit Malai Arisun, President of the Korean Veterans Association, Lt. Gen. Chitiphat Boonchuay, Deputy Director of the Veterans Welfare Organization, and Mr. Wanchai Phanomchai, Director-General of the Department of Industrial Works. It is to emphasize the good relations between Korea and Thailand and express gratitude and remember the sacrifice and the dedication of Thai veterans.

Project to Distribute Benches to Schools in Bangkok

In accordance with the Corporate Citizenship project, the Company is committed to sharing with the community and society. The Company cooperated with Juthawan Company Limited to make benches to be given to 3 schools in Bangkok, totaling 1,050, 000 baht (a bench is worth 30,000 baht each. Juthawan Company contributed 5,000 baht each).



On May 26, 2022, the Company handed over 15 chairs to Bodindecha (Sing Singhaseni) 2 School, totaling 450,000 baht.



On May 27, 2022, the Company handed over 10 chairs to Satri Witthaya 2 School, totaling 300,000 baht.



On June 8, 2022, the Company handed over 10 chairs to Yothinburana School, totalling 300,000 baht.



On June 21, 2022, which is POSCO's Volunteer Week, the Company organized a Global Good Citizenship activity to build good relations between the Company and the community at Mabkha Phatthana Sub-district Municipality. There are both selling cheap consumer products to the villagers in the community, free haircut service, giving items to bedridden patients, repairing the roof of the autistic children's school building, and planting trees.



On July 28, 2022, there were volunteer activities to develop community around Rayong factory by picking up garbage, mowing grass, and cleaning the streets on the occasion of the Birthday Anniversary of His Majesty the King Rama 10.



On August 12, 2022, there were activities to develop community around Rayong factory by picking up garbage, mowing grass, and cleaning the streets on the occasion of National Mother's Day.



On September 11, 2022, the Company supported beverages for Mabkha Sub-district in organizing anti-drug sport activities for villagers in the community to use their free time usefully and away from drugs.



On October 28, 2022, Nong Hin Gao Na community organized a "Sports Day" activity to strengthen the relationship between the community and companies in the community area.



On November 4, 2022, POSCO-Thainox Public Company Limited jointly painted the fence of Mabkha Pattana Subdistrict Municipality Kindergarten School.



On November 7-8, 2022, POSCO-Thainox Public Company Limited jointly made Krathong to give to Mabkha Temple to be sold at Loy Krathong Festival 2022.



On December 1-2, 2022, POSCO-Thainox Public Company Limited was honored to officially be the main sponsor of the 13th Thailand Metallurgy Conference, which was organized by the Department of Metallurgical Engineering, Institute of Engineering, Suranaree University of Technology in collaboration with the National Metal and Materials Technology Center, Metallurgy and Materials Science Research Institute, Chulalongkorn University, and Iron and Steel Institute of Thailand co-hosted the event during December 1-2, 2022 at Chateau de Khaoyai Hotel, Pak Chong, Nakhon Ratchasima.

The Company has organized a POSCO-Thainox Metallurgy Award 2022 contest at the doctorate-master level and undergraduate with the total prize money of 100,000 baht. The goal of this contest is to provide a platform for students across the country to demonstrate their potential in presenting their research on stainless steel in various dimensions using modern technology to create new innovations in the use of stainless steel that can be further developed into commercial utilization and help support the use of stainless steel products in various industries more widely.



December 5, 2022, there were volunteer activities to develop community around Rayong factory by picking up garbage, mowing grass, and cleaning streets on the occasion of National Father's Day.



December 18, 2022, POSCO-Thainox Public Company Limited participated in the "Khon Lek Mini Marathon No.15" activity at Stadium One , Soi Chula 5, Bangkok. The Company sent 4 employees to participate in the activity. In that year, the event organizer granted the money in amount of 2,300,000 baht to 21 organizations that take care and assist the underprivileged.

4. Management Discussion and Analysis (MD&A)

4.1 Overview of Business Operations and Significant Changes

Global Economy Condition

Since the world steel market price situation is fluctuating with higher prices in early 2022 due to the impact of the Russia-Ukraine war making raw materials and steel production costs have higher prices. There are also concerns that there may be a shortage of steel products.

However, since June 2022, world steel prices have weakened and the market has tended to decrease in volatility due to the global steel market adjusted in terms of supply chain and mainly focused on regional trade. The situation of the world steel market price has decreased in July mainly due to the fact that China has locked down cities with the spread of the COVID-19 virus, resulting in a slowdown in steel demand in China.

The global economic situation tends to slow down due to inflation, the problem of the spread of the COVID-19 virus that is still going, and the Russia-Ukraine war that is likely to continue.

Domestic Market Situation

Thailand's steel demand in 2022 has a deteriorating rate than the global average rate due to economic slowdown and high energy costs. Manufacturers in Thailand face the big problem of increasing production costs from energy costs, especially the severe increase in electricity costs in 2022 - 2023, which is a common problem in other industries.

Overview of Business Operations

In 2022, the Company has a market share of cold-rolled stainless steel in the country at 45%, which has decreased compared to 2021 at 49.2%.

However, the Company still focuses on developing products to meet the needs of customers, including building good relationships with customers, encouraging customers to use the Company's products by reducing imports from abroad. For the Company's export aspect, the Company distributes products abroad through contacting customers directly and through the cooperation network of POSCO (South Korea), which has a network all over the world. Most of them are distributed to countries in America, Europe, and Southeast Asia, etc.

This is because the Company has technology to produce quality products, covering both cold-rolled austenitic and ferritic stainless steels and is able to produce products with a variety of surfaces, sizes, thicknesses, and properties according to customer needs. Also, since the Company is the only cold-rolled stainless steel manufacturer in Thailand, the Company, therefor, is able to deliver products to customers quickly and on time and able to supply products to customers immediately in case customers need products urgently. This is an advantage compared to cold-rolled stainless steel importers where customers have to bear the risk from fluctuations in world market prices and exchange rates.

4.2 Performance and Profitability

Revenue Analysis

The Company operates in the business of manufacturing stainless steel for domestic and overseas markets. The Company has revenues from cold-rolled stainless steel sales and services in the amount of 23,521.0 million baht, which is higher than the sales of the year 2021 which is in the amount of 19,131.9 million baht or an increase of 22.9%. The Company obtains revenues from many countries, but stainless steel production and sales offices are still available only in Thailand.

In 2022, the Company's domestic revenues accounted for 46 percent and overseas revenues accounted for 54 percent.

Operation Profit

Performance of the Company from the financial statements under the equity method differs from the same period last year due to the following major reasons:

Statement of Income

- The company recognized 23,521.0 Million Baht revenue from sale and rendering of services of cold rolled stainless steel (226,170 tons with average selling price of 103,997 Baht per ton), which is higher than the sale in the year 2021 amounting to 19,131.9 Million Baht (249,577 tons with average selling price of 76,657 Baht per ton) by 4,389.1 Million Baht or increased by 22.9%.
- Cost of Sales of goods and rendering of services for the year of 2022 totally 22,741.0 Million Baht, increased 5,105.4 Million Baht or increased 28.9% compared to the year 2021, due to the raw material price is increased.
- Gross profit margin totally 780.0 Million Baht or 3.3% to sale compared to the year of 2021 which made gross profit margin 1,496.3 Million Baht or 7.8% to sale.
- Selling and Administrative expenses totally 578.9 Million Baht in the year 2022 increased 80.4 Million Baht compared to the year 2021.
- Gain from exchanged rate totally 48.8 Million Baht is decreased 40.3 Million Baht compared to the year 2021 which made gain from exchange rate 89.1 Million Baht.
- Tax expenses totally 54.1 Million Baht is decreased 167.3 Million Baht compare to the year 2021.
- Net profit for the year 2022 was 206.1 Million Baht, decreased 679.5 Million Baht compared to the year 2021 was net profit 885.6 Million Baht mainly from:
 - 1) Gross profit margin decreased 716.3 Million Baht.
 - 2) Selling and Administrative expense increased 80.4 Million Baht.
 - 3) Gain from exchange rate decreased 40.3 Million Baht.
 - 4) Tax expenses decreased 167.3 Million Baht.

4.3 Ability to Manage Assets**Balance Sheet****Assets**

As of December 31, 2022, the Company's total asset was at 11,611.1 Million Baht, decreased 2,231.0 Million Baht or 16.1% compared to December 31, 2021 due to,

- Cash & cash equivalents was 1,110.5 Million Baht decreased 1,582.9 Million Baht or 58.8% compared to 2,693.4 Million Baht at December 31, 2021.
- Accounts Receivable (net) was 2,758.1 Million Baht, decreased 541.9 Million Baht or 16.4% compared to 3,300.0 Million Baht.
- Inventory was 4,383.9 Million Baht, decreased 116.1 Million Baht or 2.6% compared to 4,500.0 Million Baht end of 2021.
- Property, Plant and Equipment (net) was 2,758.7 Million Baht, decreased by 219.3 Million Baht or 7.4% compared to 2,978.0 Million Baht end of 2021, mainly from depreciation expense of assets during the period.

Account Receivable Analysis

As of December 31, 2022, the Company had net trade receivables of 2,758.14 million baht, compared to December 31, 2021 with the amount of 3,299.96 million baht, or a decrease of 541.82 million baht, representing 16.42%

Unit : Thousand Baht

Trade Accounts Receivable	December 31, 2020	December 31, 2021	December 31, 2022
Not due	2,979,521	3,062,050	2,647,763
Overdue of other business			
- 1- 30 days	201,845	232,606	106,260
- 31- 60 days	15,397	5,312	4,121
- More than 90 days	7,121	6,111	5,991
- More than 1 year	3,821	-	-
Total	3,203,884	3,306,079	2,764,135
Deducted for allowance for doubtful debt	-3,821	-6,111	-5,991
Net trade account receivables	3,200,063	3,299,968	2,758,144
Other receivables	19,232	11,557	134,032
Total trade account receivables and other receivables	3,219,295	3,311,525	2,892,176

The Company has a committee to consider the credit limits and conditions of selling products to customers. The credibility of each new customer is analyzed before the Company proposes terms and conditions of trade. The Company will review the credit rating (if any), financial statements, industry information and certificate of financial position of the bank in some cases. Sales limits are set for each customer and are reviewed annually. Any sales that are above such limits must be approved by the Board of Directors or executives of the Company.

The Company has a policy to set an allowance for doubtful accounts, estimated from the expected amount that may not be collected from debtors. Such amount is estimated by analyzing the debt payment history and expectation of the debtor's future debt payment. The executives will consider the amount to set the allowance for doubtful debt by considering from each debtor. As of December 31, 2022, the Company has an allowance for doubtful debt in the amount of 5.9 million baht.

Investment in Associates

NS-Thainox Auto Company Limited

The Company has invested in the NS-Thainox Auto Company Limited for 49%, which is a joint venture with NS-SL Company Limited and Siam Lotus Company Limited. It was registered for establishment in Thailand on July 17, 2006 and was not listed on the Stock Exchange of Thailand. Its objective is to conduct business, market, sell, and distribute products made from the Company's stainless steel for use in the production of automotive and motorcycles in Thailand, ASEAN member countries, and India.

For the accounting period ending December 31, 2022, the Company recognized share of profit in the consolidated financial statements according to the equity method in the amount of 5.83 million baht and presented the change in the book value of investments in associated companies as of December 31, 2022 in the amount 57.56 million baht.

Other Assets

As of December 31, 2022, the Company has the main fixed assets used in business operations as follows:

List	Proprietor	Net book value
Asset		
1. Land	The Company	318,856,450
2. Land improvement, factory and office buildings	The Company	450,059,598
3. Machinery and factory equipment	The Company	1,915,560,141
4. Office furniture, fixtures and equipment	The Company	30,261,206
5. Vehicles	The Company	422,427
6. Assets under construction	The Company	43,534,258
Total		2,758,694,080

Affordability**Liabilities**

As of December 31, 2022, the Company's total liability was at 2,402.6 Million Baht, decreased 1,614.0 Million Baht or 40.2% compared to 4,016.6 Million Baht end of 2021 due to,

- Accounts payable totally 1,995.2 Million Baht, decreased 1,388.2 Million Baht or 41.0%
- Income tax payable decreased 133.7 Million baht

Shareholders' equity

As of December 31, 2022 Shareholder's equity was at 9,208.5 Million Baht, decreased 617.0 Million Baht compared to the December 31, 2021 mainly due to,

- Net Profit for the year 2022 totally 206.1 Million Baht.
- Dividend payment totally 834.1 Million Baht.

4.4 Factors That May Affect Future Performance

4.4.1 Operation Factors

Price Volatility of Products and Raw Materials

The Company purchases all hot-rolled stainless steel raw materials from abroad and have to order 2-4 months in advance, resulting in a risk if the price of raw materials at the time of ordering and the selling price of products are very different. However, the Company has closely monitored the prices of products and raw materials, including maintaining liquidity to absorb the impact from the risk of product and raw material prices.

Reliance on Raw Material Procurement

The raw material used by the Company is hot-rolled stainless steel which has not yet been produced within the country. Therefore, all of them must be purchased from abroad. The Company has POSCO (South Korea), a hot-rolled stainless steel distributor from South Korea, as a major shareholder which fully supports the procurement of raw materials. This risk is therefore reduced. In addition, the Company also has a reserve source of raw materials, namely Nippon Steel Group from Japan (the Company's shareholders holding 2.59%) and Aperam from France as a reserve source of raw materials.

Determination of the Price Ceiling of Cold-rolled Stainless Steel

Company's products are controlled products, according to the notification of the Central Committee on Goods and Services, Department of Internal Trade, Ministry of Commerce. It is assigned that the Company needs to declare costs, selling prices, and specified details. The Company, therefore, has the risk in this aspect. In the event that the product ceiling is set below the world market price and the price of imported raw materials during the high price period (currently, the Department of Internal Trade canceled the 2014 controlled product and service determination dated January 22, 2014).

4.4.2 Financial Factors

The Company's operations have factors that could affect the Company's financial status in many cases. The Company plans to manage risks by the Financial Management Team in accordance with the policies approved by the Board of Directors to plan and manage risks specifically and comprehensively for each risk, such as exchange rate risk, interest rate risk, lending risk, and use financial derivatives and invest using excess liquidity to manage risks.

Exchange Rate

The Company has exported and imported raw materials, finished goods, machines, and some equipment. Therefore, there is an exchange rate risk arising from future transactions and recognition of assets and liabilities.

Interest Rate

The Company has significant interest rate risk related to financial institutions and low level of loans due to such type of interest rate being adjusted up and down according to the market price or having a fixed rate that is close to the current market rate.

Lending

The Company has no significant lending risk and has a policy to approve customer loans through the credit committee by considering financial statements, history, and business of the customer as important factors.

Financial Liquidity

The Company has carefully operated and planned financial operations in order to maintain the Company's financial liquidity to be in good standing at all times and have a source of funds to reserve in the event of an emergency in the amount that is sufficient to meet the needs of the Company from a trusted financial institution. Good status of the Company enables the Company to be able to provide additional sources of reserve funds in the future.

5. General Information and Other Important Information

5.1 General Information of the Company

Company Name	POSCO- Thainox Public Company limited	Website	www.poscothainox.com
Abbreviation	INOX	Registrar	Thailand Securities Depository Company Limited 93 the Stock Exchange of Thailand Building, Ratchadaphisek Road, Din Daeng, Bangkok 10400 Tel. 02-009-9000
Business Type	Manufacturing and selling of Cold-rolled stainless steel for domestic and export.	Auditors	KPMG Phoomchai Audit Limited Mrs. Wilai Buranakittisopon Certified Public Accountant No. 7358 or Ms. Pornthip Rimdusit Certified Public Accountant No. 5565 or Mr. Bandit Tangpakorn Certified Public Accountant No. 8509
Head Office Location	622 Emporium Tower, 15/6-8 Floor, Sukhumvit Road, Klongton Sub-District, Klongtoey District, Bangkok Telephone 0-2494-3130-47 Fax 0-2494-3148-49	Legal Advisor	Chindech and Associates Company Limited Cover Law and Recovery Company Limited
Factory Location	1) 324 Moo 8, Highway Road No. 3191 Mabkha Subdistrict, Nikhom Phatthana District, Rayong Province 21180 Telephone (038) 636125-32 Fax (038) 636-099 2) 700/453 Moo 7 Amata Nakorn Industrial Estate Mueang Chonburi District, Chonburi Province 20000 Telephone (038) 454141-3 Fax (038) 454179	Financial Advisor	None
Company Registration Number	0107547000419	Consultant or Manager Under Management Contract	None

5.2 General Information of the Joint venture

Company Name	: NS-Thainox Auto Company Limited NS-Thainox Auto Co., Ltd.
Business Type	: Conducting business of, marketing, selling, and distributing products made of stainless steel for use in the automotive and motorcycle industries in Thailand.
Head Office Location	: 1 MD Tower, 20th Floor, Soi Bangna-Trad 25, Bangna-Trad Road, KM.3, Bangna Nuea Subdistrict, Bangna District, Bangkok Telephone (02) 744-0720 Fax (02) 744-0240
shares	: The Company holds the ordinary shares for 49 percent of the total shares.

5.3 Rights and Benefits from Investment Promotion Certificates

The Company receives rights and benefits under the Investment Promotion Act B.E. 2520 on being a cold-rolled stainless steel manufacturer with the following main criteria:

The Company obtained 4 Patents from the Board of Investment and Has the Following Benefits:

For the benefits of	Investment Promotion Certificate No. 1141/2534 Cold Rolled Stainless Steel	Investment Promotion Certificate No. 1165/2540 Production of cold-rolled stainless steel coils and sheets	Promotion Certificate No. 1023(2)/2552 Production of cold-rolled stainless steel sheet with shiny surface	Investment Promotion Certificate No. 1592/ Wait/2556 Metal sheet cutting and processing
Section 25 permits to import foreign workers who are skilled workers in a reasonable amount and for a reasonable period of time.	/	/	/	/
Section 26 permits foreign workers to work in specific positions according to the number and period of time approved by the Board of Directors.	/	/	/	/
Section 27 allows ownership of land in the amount that the Board of Directors deems appropriate.	/	/	/	/
Section 28 exempts import duty on machinery approved by the Board of Directors.	Expired	Expired	N/A	N/A
Section 29 reduces half of import duty on machinery as approved by the Board of Directors, except machinery with import duty less than 10 percent will not receive the reduction.	N / A	N / A	Expired	N/A
Section 31 exempts corporate income tax.	Expired	Expired	/	N/A
Section 34 exempts from including dividends from promoted activities in the calculation of income tax.	Expired	Expired	/	N/A
Section 35 (1) receives a 90 percent reduction of trade tax for the sale of products from the normal rate.	/	N / A	N / A	N/A
Section 35 (2) reduced 50 percent of corporate income tax on net profits received from investment for 5 years from the expiration date under Section 31.	Expired	Expired	N / A	N/A
Section 35 (3) deducts transportation costs, electricity costs, and water costs twice the cost incurs for 10 years.	N / A	/	N / A	N/A
Section 35 (4) permits to deduct the investments of the installation of utilities for 25 % of investments other than regular depreciation deductions.	N / A	/	N / A	N/A
Section 36 exempts of import duty on raw materials and essential materials imported from abroad for use in production for export.	Expired	Expired	Expired	Expired
Section 37 permits to bring or transfer money out of the Kingdom in foreign currencies.	/	/	/	/

5.4 Legal Disputes

As of December 31, 2022, the Company has legal disputes as follows:

Dispute between the Company and Great Central (International) Company Limited

On August 26, 2019, the Company was sued by Great Central (International) Company Limited (hereinafter referred to as "the Disputing Party") by filing a lawsuit with the Southern Bangkok Civil Court. The pretext that relies on the basis of the charge which Disputing Party stated in the complaint is a breach of the compromise contract. The contract was made in 2014 and the compromise contract was amended again in 2018. The Disputing Party claimed that the amendment of such contract resulted in the original compromise agreement being terminated. The Company, therefore, has no right to cash the check with the bank.

On August 31, 2022, **the civil court dismissed the case against the Company** and the plaintiff appealed to the court. Subsequently, the Company requested an extension of time for filing a statement to the court by the end of February 2023. The Company believes that it will be able to defend against such allegations. Therefore, the Company did not record estimated liabilities from such lawsuit in the financial statements.

Part 2 : Corporate Governance

6. Corporate Governance Policy

To obtain transparency and benefit in business operations, the Company has placed importance on good corporate governance with the following guidelines:

6.1 Corporate Governance Policy

From the fact that the Company has foreseen the importance of corporate governance, resulting in the Company being assessed on corporate governance for the year 2022 as follows:

1. Assessment Results on Corporate Governance for Listed Company

The Company received a “good” rating (3 stars) from a survey on corporate governance of all listed companies which conducted by the Thai Institute of Directors in collaboration with the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

2. Result of quality assessment of the annual general meeting of shareholders, the Company has received assessment result of level 4 TIA from organizing the project of the Thai Investors Association.

3. The company has been certified as a member of the Thai private sector’s anti-corruption collective action group. During the meeting of the Collective Action Committee (CAC) in the second quarter of 2022, the company’s certification as a member of the Thai private sector’s anti-corruption collective action group was approved. The CAC provides a platform for businesses to participate in solving corruption issues, allowing organizations in the business sector to participate and help define policies and mechanisms to prevent corruption. This will directly contribute to reducing the risk of corruption-related issues.

The company’s board of directors will continue to adhere to and recognize the importance and necessity of good corporate governance and establish policies regarding the supervision of the company’s operations in accordance with the details outlined above.

Rights of Shareholders

1

The Company shall treat all shareholders fairly and equitably with respect to their access to information. The Company shall inform shareholders of its progress on an ongoing basis through direct means, such as sending circular letters to shareholders, providing basic information to shareholders when requested, or making information available through the Company’s website or the Stock Exchange of Thailand’s website. In addition, as all shares of the Company are common shares without any preferred shares, all shareholders have equal rights, including the right to one vote per share on matters such as receiving dividends and voting at shareholder meetings.

2

The Company recognizes that all shareholders are the owners of the Company. Therefore, the Company shall notify all shareholders of the meeting schedule and agenda no less than seven or fourteen days in advance, as required by the Company’s regulations. The Company shall also announce the meeting schedule in a Thai-language newspaper no less than three days in advance to ensure that shareholders are informed and have enough time to study the relevant information before attending the meeting. In addition, during the Annual General Meeting on April 20, 2018, the Company passed a resolution to amend Article 33 of the Company’s regulations, allowing shareholders who hold no less than ten percent of the total shares to call for an Extraordinary General Meeting.

3

The invitation to the shareholders' meeting shall clearly specify the meeting agenda, objectives, and the Board of Directors' opinions on each item as required by law. It shall also include details about the meeting, such as the Board's nomination of directors and their biographical information, the company's auditor, and their fees. The Company shall also announce its dividend payment policy, the reasons for the policy, and other relevant information. Furthermore, the invitation shall contain general information to facilitate shareholders' attendance at the meeting, such as the appointment of independent proxies to attend the meeting on behalf of shareholders who cannot attend, proxy forms, supporting documents, and a map to the meeting venue.

4

During shareholder meetings, the company has a policy to facilitate shareholder participation by providing convenient transportation arrangements, certified staff to assist, and an interpreter for international investors. Representatives from the Stock Exchange of Thailand, the Securities and Exchange Commission, accountants, and the Thai Investors Association are also invited to attend.

5

After each shareholder meeting, the company will disclose the resolutions and voting results, including the number of votes for, against, and abstaining, as well as the voting method and the number of shareholders and board members present. Questions or concerns raised by shareholders during the meeting will be recorded and made available for review. The meeting proceedings will also be made available on the company's website.

6

In annual general meetings, the board of directors will be rotated in groups of three as required by law, and they may be re-elected to serve again. The company provides individual voting for the election of board members, giving shareholders a genuine opportunity to choose the candidates they prefer.

7

The company also proposes remuneration for the board of directors, including monthly compensation and annual bonuses, without any special privileges. The proposal is considered by the board of directors based on appropriateness and compared with compensation of board members of other companies registered in the stock exchange, economic conditions, operational results, and other factors. The proposal is then presented to the shareholder meeting for approval. At present, five out of nine board members have waived their right to receive compensation during their tenure as board members.

8

The company has provided shareholders with the opportunity to propose agenda items, submit questions, and nominate board members in advance of every shareholder meeting. Shareholders who own at least 1,000,000 shares and have held them for at least one year prior to the meeting are eligible to do so. There is no limit to the number of questions that can be submitted, and the opportunity is open to all shareholders regardless of the number of shares held. This is to encourage shareholder engagement and to allow shareholders to express their opinions and ask questions related to the company's affairs to the board of directors.

9

As of February 24, 2023, the company's free float ratio is 15.31%, which is in line with the Stock Exchange's criteria.

Code of Conduct

The company has a code of conduct that applies to all employees, as well as contractors, sub-contractors, representatives, and consultants of the company. The principles are as follows:

1. Fundamental Responsibility of the Company

The company must operate on the basis of honesty and orderly management, with the aim of developing and growing together with stakeholders in all areas, while continuously innovating to sustainably increase the overall value of the organization. This should be coupled with promoting ethics to become a company that business partners want to work with, investors want to invest in, and people want to work for.

2. Mission to Customers

The company places the utmost importance on delivering the highest quality products and services to customers, in order to gain their trust in selecting the company's products and providing accurate information.

3. Mission to Business Partners and Stakeholders

The company will establish a free trade system based on mutual trust, maintain and protect information, and comply with agreements and relevant laws, while developing relationships with business partners and stakeholders to mutually benefit and grow together through fair trade conditions and sustainable expansion of the business chain.

4. Mission to Shareholders and Investors

The company will create the ability to profit through transparent and efficient management, while continuously and sustainably increasing the organization's value through innovation and respecting the rights of shareholders and investors by fully disclosing information in a timely manner, enabling them to make informed decisions efficiently.

5. Mission to Employees

The Company will respect their ideas and provide them with opportunities to fully utilize their potential, ensure equal opportunities for all employees regardless of gender, age, ethnicity, religion, education, or other irrelevant factors, and promote a corporate culture of trust and mutual understanding. The Company also focuses on employees' personal and professional development by balancing their personal and work life, providing opportunities for education and career advancement, evaluating performance and fairly compensating employees, and promoting open communication to create a positive work environment.

6. Mission to Nation and Society

The Company will conduct its business in compliance with the laws of each relevant country, act as a responsible citizen for the society, respect local customs and culture, and contribute to the prosperity and growth of the community.

7. Mission to Protecting and Conserving the Environment and Biodiversity

The Company will establish an effective and friendly environmental risk management system, evaluate the environmental impact of its business activities, and raise awareness among all stakeholders of the impact of the environment. The Company is committed to reducing the release of pollutants to the minimum level, using environmentally friendly production processes and appropriate technologies, preventing pollution, reducing carbon emissions, minimizing the use of fossil fuels or materials from fossil fuels, reducing greenhouse gas emissions, using energy efficiently, and conserving biodiversity.

Code of Ethics

The Company has adopted and adheres to the ethical code of conduct provided by the Korean Post, and considers it the duty and responsibility of its employees to follow the Code of Ethics. The Company also has penalties for any violations of the ethical code of conduct.

Compliance with Ethical Standards Responsibilities

Employees of the company must adhere to the rules and regulations of each country and region where they conduct business operations. They must uphold the dignity and reputation of the company and work with honesty, integrity, fairness, and reliability in all aspects of their work and business relationships. Employees must not engage in any actions that may cause conflicts of interest between the company and themselves or others, due to differences in gender, race, disability, religion, or respect for individual differences. Together, employees must create a culture of ethical standards within the organization.

Roles and Responsibilities of Employees and Leaders

Employees must understand the ethical standards and consult with their supervisors or managers in case of any ethical issues. If there is any wrongdoing, it must be reported to the responsible party with caution about its impact. If employees engage in any violation of ethical standards, they must be held accountable for their actions. Leaders must prevent and eliminate any actions that violate the ethical standards within the organization with careful decision-making and taking responsibility for any damages caused by their actions or actions of their subordinates. Leaders must uphold the company's standards without seeking personal gain, dividing the organization, and promoting good values while respecting the diversity of individuals. Furthermore, they should train, monitor, and provide advice on ethical matters to their subordinates.

In addition, the company has established standards and codes of ethics for employees to follow, including issues such as receiving money or valuable items, accepting certifications, offering conveniences, giving money or valuable items to express congratulations or condolences, responding to claims or suggestions, conducting financial transactions with stakeholders, receiving support funds for activities, using budgets, safeguarding information and assets, and complying with laws to prevent corruption.

Anti-Corruption Policies of the Company

The company continues to operate under the principles of good governance and transparency. The company has been certified as a member of the Thai private sector's anti-corruption collective action group. During the meeting of the Collective Action Committee (CAC) in the second quarter of 2022, the company's certification as a member of the Thai private sector's anti-corruption collective action group was approved. The CAC provides a platform for businesses to participate in solving corruption issues, allowing organizations in the business sector to participate and help define policies and mechanisms to prevent corruption. This will directly contribute to reducing the risk of corruption-related issues.

However, since the company's largest shareholder is Posco (South Korea), which holds more than 75% of the company's shares, the company is classified as a subsidiary of Posco, which is a registered company in the New York Stock Exchange. Therefore, the company must comply with the U.S. Foreign Corrupt Practices Act (FCPA) regarding anti-corruption in various forms, which has a higher standard than Thailand's law.

- The company will focus on measures to prevent any actions that violate the FCPA law by providing training to all executives and employees of the company and emphasizing the importance of ethics. This will be done through one-on-one training sessions, as well as disseminating information on new ethical standards for employees to study.

- Posco (South Korea) will participate in training and verifying the company, adhering to the FCPA law compliance guidelines.

- A manual for complying with the FCPA law will be provided for employees to use as a reference for a company-wide plan for ethical practices across the global Posco network.

- Senior executives of the company are expected to lead in combating corruption and complying with the FCPA law.

The company has arranged for regular training and communication of policies and practices to combat corruption to all employees on a quarterly basis.

Whistleblower Policy

In addition to complying with the FCPA, the company has established standards and ethical practices for employees to follow, regardless of whether it involves receiving money or other valuable items, such as certification, convenience benefits, gift giving, expressing congratulations or condolences, responding to complaints or suggestions, conducting financial transactions with stakeholders, receiving support for activities, using budgets, protecting data and assets, and complying with anti-corruption laws. This is to ensure that employees are aware of their own ethics and morality, and to help monitor misconduct within the organization. The policy applies to all members of the company, including executives, officers, employees, temporary employees, and all employees under contract.

- To provide employees with opportunities to report and complain to management about any violation or violation of laws, regulations, or company policies, especially acts of fraud, deception, misconduct, sexual harassment, or any similar offense that damages the organization.
- To create a good working environment for employees and to support reporting of actions that may cause harm to the company.
- To reduce the likelihood of wrongdoing and to prevent and combat misconduct from the outset.
- To establish necessary requirements as a protective and preventive tool to protect employees from threats and harassment, or from being victims of unfair acts.

The company has established procedures for receiving and processing complaints, requiring employees who witness or become aware of any incidents to report the details as specified and notify the company's responsible complaint officer. The company also has a procedure for protecting employees who submit complaints to the company by keeping the complainant's name confidential, allowing the complainant to receive protection and be ready to protect the company's interests.

Currently, the HR manager, the head of the HR team, and the internal audit manager are authorized to access the complaint center. The responsible person will then investigate and seek opinions from senior management who are not involved in the wrongdoing or are not directly responsible for the accused person, and consider appropriate punishment according to the company's regulations. The complainant has the right to receive rewards according to the company's regulations and as deemed appropriate by the company.

In addition, stakeholders or external individuals who have suffered losses can submit complaints to the company's board of directors by notifying the board of directors in writing and sending them to the company's address or by sending details of the wrongdoing to whistleblower@poscothainox.com. The company will keep the complainant's name and information confidential.

The Good Practices for Directors

1. The company mandates that its board of directors adhere to the Code of Best Practices for Registered Directors, as outlined by the Stock Exchange of Thailand. The directors must understand their roles and responsibilities and utilize their knowledge, abilities, and experiences to benefit the business while conducting themselves with integrity. They must fulfill their duties in accordance with the law, the company's objectives and regulations, as well as resolutions passed at shareholder meetings, which prioritize honesty, ethical behavior, and consideration for the company's and shareholders' best interests.

2. The company has a structured plan for dividing responsibilities among the board of directors, including the possibility of appointing additional committees to further define roles, duties, and responsibilities.

3. Each director may serve on a maximum of 5 registered companies to ensure they can carry out their duties effectively.

4. Independent directors may serve for a maximum of 9 consecutive years, and currently, no independent director has held a position for longer than 9 years.

6.2 Sub-Committees

The board of directors consists of two subcommittees: the board of directors and the audit committee. Further details on the roles and responsibilities of each subcommittee can be found in section 7 of the Corporate Governance Structure.

6.3 Nomination and Appointment of Directors and Top Executives

Although the company does not have a nominating committee to screen candidates for appointment to the board of directors, the company has a policy of identifying and selecting individuals who are suitable to serve as directors based on various factors, such as their knowledge, skills, relevant business experience, or ability to contribute to the company's business in the future. These individuals are presented to the company's board of directors and subsequently to the shareholders' meeting. The company has established criteria for appointment and removal of directors as follows:

1. The board of directors of the company shall consist of at least 9 members, and not less than half of the total number of directors must be residents of the Kingdom of Thailand.
 2. At every annual general meeting of shareholders, one-third of the total number of directors shall resign. If the number of directors cannot be divided exactly into three, the number closest to one-third shall be retired. The retired commissioner may be re-elected. The directors who shall retire from office in the first and second years after the company's registration shall be drawn by lot. In subsequent years, the director who has been in office the longest will be relieved of his or her duties.
 3. In the voting process, the shareholders' meeting shall elect directors based on the following criteria and methods:
 - 1) Each shareholder is entitled to one vote per share.
 - 2) Each shareholder shall cast all votes owned by him or her in accordance with section 3.1 to elect one or more individuals to serve as directors, but votes cannot be split among different individuals.
 - 3) The individual(s) who receive(s) the highest number of votes shall be elected as director(s) up to the number of directors to be appointed or elected at that meeting. In the event that individuals receive the same number of votes that exceeds the number of directors to be appointed or elected at that meeting, the chairman shall cast the deciding vote.
 4. In the event that a director position becomes vacant for reasons other than the expiration of the term, the board of directors shall appoint an individual who has the qualifications and does not have any disqualifications according to Article 17 of the company's regulations (directors must be natural persons who may or may not be shareholders of the company and (1) have attained legal age, (2) are not bankrupt or quasi-bankrupt persons, (3) have not been sentenced to imprisonment for offenses related to dishonesty, and (4) have not been removed from government or state agencies for malfeasance) to serve as a director for the next board meeting, unless the remaining term of the director is less than 2 months. The person appointed to fill the vacancy will serve as a director for the remainder of the term of the director being replaced. A resolution of the board of directors in any given term shall require the affirmative votes of not less than three-fourths of the remaining directors.
- At a shareholders' meeting, a director may be removed from office before the expiration of the term by a vote of not less than three-fourths of the total votes of the shareholders present and entitled to vote, whose total shareholding is not less than one-half of the total shares held by the shareholders present and entitled to vote.
- As for the appointment of high-level executives of the company, the company will consider candidates proposed by POSCO (South Korea) who possess the necessary qualifications to serve as executives. The company will evaluate the candidates' experience, achievements, and expertise to maximize the benefit to the company.

6.4 Supervision of Joint Company Operations

The principles of appointing the board of directors of NS-Thailand Auto Co., Ltd. ("Joint Company") are as follows:

The Joint Company's board of directors shall be elected by a general meeting of shareholders.

The board of directors shall consist of 5 directors, with 2 directors appointed by a majority vote of Group A shareholders and 3 directors appointed by a majority vote of Group B shareholders.

The board of directors shall select one director appointed by a majority vote of Group A shareholders to be the chairman and one director appointed by a majority vote of Group B shareholders to be the managing director.

The Joint Company, as a member of Group A shareholders, has nominated 2 persons to be directors, with 1 of the 2 nominated persons being the chairman of the board of directors, Mr. Byungchul Yu, and the other person being a director, Mr. Jaesung Yoon.

Further details regarding the Joint Company's board of directors can be found in Attachment 2.

6.5 Management of Internal Data Usage

The company has regulations for the use of internal data that has not been disclosed for its own benefit or for the benefit of others, as follows:

1. Directors, executives, employees, and staff of the company must maintain confidentiality and/or the internal data of the company.
2. Directors, executives, employees, and staff of the company must not disclose confidential information and/or internal data of the company for their own benefit or for the benefit of any other person, either directly or indirectly, regardless of whether or not they receive compensation.
3. Directors, executives, employees, and staff of the company must not buy, transfer, or receive transfers of securities of the company using confidential information and/or internal data of the company, or engage in any other legal transactions using confidential information and/or internal data of the company that may cause harm to the company, either directly or indirectly.

This requirement also includes spouses and children who have not yet reached the age of majority of the directors, executives, employees, and staff of the company. Anyone who violates these regulations will be considered to have committed a serious offense.

Information Security Policy

The company has an Information Security Policy for its information system to establish work practices, regulations, and security measures that employees must adhere to in order to protect the company's information assets and prevent theft, breaches, and unlawful access to the organization's data. It is the responsibility of every employee to safeguard the company's assets, including its various data, from theft, infringement, or unauthorized access, and the company provides regular training to maintain the knowledge and awareness of its employees about security measures. The company has implemented a system to prevent data breaches and unauthorized use of company data. Any export of the company's data to outside parties must be approved by a supervisor or authority before it can be exported.

This policy applies to all employees at all levels and can be extended to third parties, including partners, contractors, consultants, and others who work with the company.

7. Corporate Governance Structure

The company recognizes the importance of managing and administering its employees and management structure, and therefore operates transparently and with checks and balances that allow the company's management structure to exercise their authority. As a shareholder, the company's ultimate owner, has the authority to control the company's management structure, and the company's board of directors and audit committee have the responsibility to oversee the management and employees of the company, ensure responsible work practices, and protect the interests of shareholders in the long term.

The board of directors can be divided into 2 committees: the company committee and the audit committee, which are detailed as follows:

7.1 Board of Directors and Audit Committee

7.1.1 Board of Directors

The Board of Directors of the company consists of directors with diverse expertise and experience in the financial business and various professions. As of December 31, 2022, the company had nine directors, and their names are listed below for 2022.

List of the Board of Directors	Director position	First appointment date of director
1. Mr. Manjae Lee	Chairman of the board*	13 - Nov - 2014
	(Non-executive directors, Independent direct)	
2. Mr. Youngchul Kwon	Director	8 - Jan - 2019
	(Executive directors)	
3. Mr. Jiseob Choi	Director	14 - Jan - 2021
	(Executive directors)	
4. Mr. Jaesung Yoon**	Director	22 - Dec - 2022
	(Executive directors)	
5. Mr. Hoyoung Kim***	Director	28 - Apr - 2022
	(Non-executive directors)	
6. Mr. Chalermchai Mahagitsiri	Director	20 - Sep - 2011
	(Non-executive directors)	
7. Mr. Shinya Ozono	Director	12 - Nov - 2020
	(Non-executive directors)	
8. Mr. Songsak Limbanyen	Director	17 - Feb - 2017
	(Non-executive directors, Independent direct)	
9. Mr. Noppadon Sarawasi	Director	13 - Nov - 2014
	(Non-executive directors, Independent direct)	

* Mr. Manjae Lee assumed the position of Chairman of the Board, replacing Mr. Youngchul Kwon, on August 9, 2022, following the principle of good corporate governance 3.2 for the registered company in 2017.

**Ms. Sangeun Son resigned from the position of director on December 22, 2022, and Mr. Jaesung Yoon assumed the position.

*** Mr. Seungjo Kim resigned from the position of director of the company on February 28, 2022, and Mr. Hoyoung Kim was appointed as his replacement on April 28, 2022.

As of December 31, 2022, the directors and related parties did not hold any securities of the company except for Mr. Chalernsak Mahagitsiri, who held 789,570,000 shares, or 10.13% of the total shares, as of the latest share registration closing date of February 24, 2022.

If any director or related party purchases or sells the securities of the company, they must report their shareholding and gains or losses to the company in accordance with the criteria of the stock market within 3 days from the date of the transaction. The board of directors must also prepare an annual report on their gains and losses.

Authorized Signatories of the Company

As of December 31, 2022, the authorized signatories of the company were Mr. Youngchul Kwon, Mr. Jiseob Choi, and Mr. Jaesung Yoon, who signed and affixed the company's seal together.

Office Term of the Directors

According to Public Limited Companies Act, B.E. 2535 and the Company's regulations, in every annual shareholder's meeting, one-third of the Board of Directors must resign. If the number of directors cannot be divided into three, the number closest to one-third shall resign, and the director who has served the longest shall resign. The outgoing director can be re-elected.

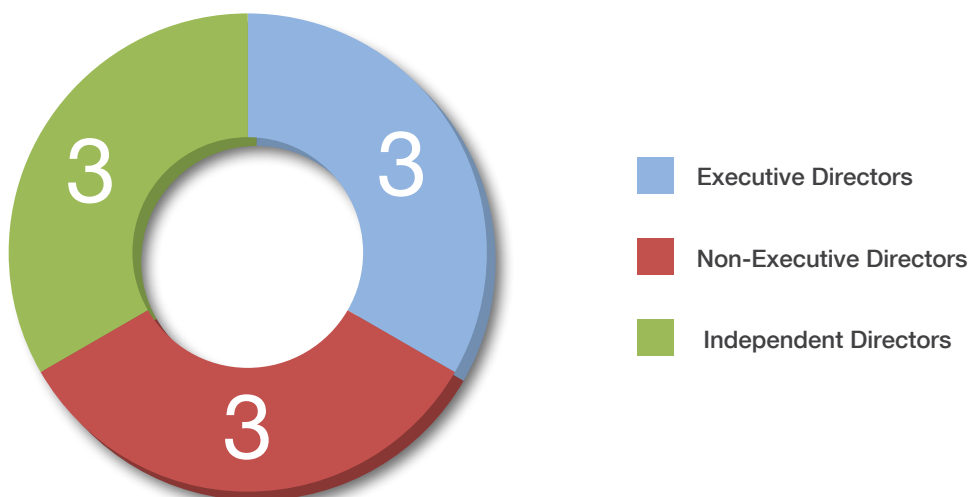
Furthermore, if a director position becomes vacant due to reasons other than the expiration of the term, the Board of Directors may appoint a qualified and unrestricted person to fill the position until the next Board meeting, provided that the remaining term of the outgoing director is not less than two months. The appointment must be approved by a vote of no less than three-fourths of the remaining directors.

Currently, the Board of Directors of the Company consists of 9 members. Therefore, each director must resign every 3 years and has the right to be re-elected.

Balance of Non-Executive Directors

The Company's regulations require that the Board of Directors must have at least 5 members, and as of December 31, 2022, the Company's Board of Directors consisted of 9 members, including 3 employed directors and 6 non-employee directors, which is more than half of the total number of directors. Additionally, there must be at least 3 independent directors

Structure of the Company's Directors



7.1.2 Audit Committee

As of December 31, 2022, the audit committee of the company consists of three audit committee members, all of whom are experienced and knowledgeable in business management and finance. They are Mr. Manjae Lee, and Mr. Songsak Limbanyen and Mr. Noppadol Sarawasi, who are specialists in economics and commerce.

	Name	Position
1	Mr. Manjae Lee	Chairman of the Board / Independent Director/ Chairman of the Audit Committee
2	Mr. Noppadol Sarawasi	Independent Director / Audit Committee member
3	Mr. Songsak Limbanyen	Independent Director / Audit Committee member

All audit committee members of the company are independent directors who do not hold any direct or indirect shares, have never been executives, employees, legal advisors, or accountants, and have never been business partners or competitors of the company or its affiliates. This ensures that all members of the audit committee can provide an independent review and make decisions under the authority of the audit committee.

Term of Office of the Audit Committee

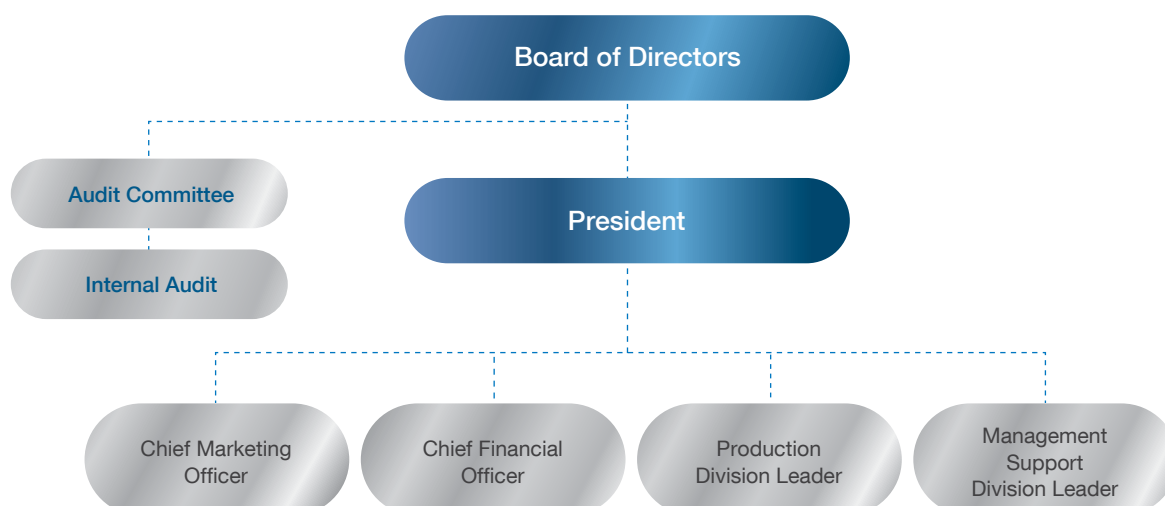
Each audit committee member has a term of office of not more than three years. However, a committee member who has completed the maximum term of office may be re-elected. If a committee member has served in office for more than 9 years or 3 consecutive terms, the board must re-evaluate their independence.

At present, no audit committee member has served for more than nine years, and all members have no conflicts of interest or diverging interests from the company. Thus, they can perform their duties independently for the benefit of the company and all shareholders.

Vision and Integration or Separation of Positions

From the governance structure in item 7, it can be seen that the company has two committees, the board of directors and the audit committee, to ensure clear delegation of authority, which will maximize the effectiveness of setting the direction and operating the business of the company. The board of directors is responsible for setting the company's goals and delegating authority to the audit committee and senior management.

7.2 Executive Committee



On December 31, 2022, the company had 5 executives in accordance with the announcement of the Securities and Exchange Commission's regulation No. TJ 23/2008 regarding the definition of executives for compliance with Section 3/1 of the Securities and Exchange Act, B.E. B.E. 2535, as follows:

List	Executive position
1. Mr. Youngchul Kwon	President
2. Mr. Jiseob Choi	Chief Marketing Officer
3. Mr. Jaesung Yoon	Chief Financial Officer
4. Mr. Byungchul Yu	Production Division Leader
5. Ms. Sangeun Son	Management Support Division Leader

Powers and Duties of the Chief Executive Officer

The board of directors of the company has changed the chairman from the CEO to an independent director on August 9, 2022, in accordance with the Good Corporate Governance principle 3.2 for registered companies in 2020, which specifies that the board should choose a suitable person to be the chairman and ensure that the board's composition and operation enable independent decision making.

The following are the guiding principles:

3.2.1 The Chairman should be an independent director.

3.2.2 The Chairman of the Board of Directors and the CEO have different responsibilities. The Board of Directors should clearly define the roles and responsibilities of the Chairman of the Board of Directors and the CEO. To prevent any individual from having unrestricted authority, the Chairman of the Board of Directors should be distinguished from the CEO.

The Managing Director will not have any authority to conduct business in accordance with the above regulations if the Managing Director and/or any "conflicted person" as defined in the Securities and Exchange Commission and Stock Exchange Commission's Announcement No. 12/2000 regarding the offering and issuance of new shares, dated March 22, 2000 (as amended), may have an exceptional interest or a conflict of interest. However, this exception will not apply if the Managing Director engages in normal course of business of the company.

7.3 The person who is directly responsible for controlling and overseeing accounting, company secretary, head of internal audit, and head of compliance of the company.

The person who is directly responsible for controlling and overseeing accounting	Ms. Pattamika Dee-in
Company Secretary	The board of directors appointed Ms. Yaowapha Komaintaksin as the company secretary on November 12, 2015, as shown in Attachment 1.
Head of Internal Audit	Mr. Seungin Choi's qualifications are shown in attachment 3.
The Chief Compliance Officer	-

The responsibilities of the company secretary shall be in accordance with the Securities and Exchange Act and other duties assigned by the board of directors, including:

1. Preparing and keeping the register of directors, minutes of board meetings, reports of board meetings and annual reports, notices of shareholder meetings, and reports of shareholder meetings.
2. Keeping stakeholder reports reported by directors or executives.
3. Performing other duties as specified by the Securities and Exchange Commission.
4. Performing other duties as assigned by the board of directors.

7.4 Directors and Executives' Remuneration

Total Compensation of the Company's Board of Directors

The company will consider compensation by comparing and referencing with other registered companies in the securities market and within the same or related industries, as well as considering the company's performance and the current economic situation. In 2022, the compensation and bonus for the Board of Directors are as follows:

1) Board members will receive a meeting fee of 35,000 baht per month, and the five board members have waived the right to receive compensation in this regard since taking office. In 2022, all board members received a total meeting fee of 1,680,000 baht.

2) Board members are entitled to receive a bonus for the past year's performance, approved by the shareholder meeting, in accordance with the company's Article 23.

For the performance in 2022, the Board of Directors will propose to the shareholder meeting to approve a bonus for each board member not exceeding 350,000 baht, based on the proportion of attendance at the board meetings. In the past year, there were a total of 7 board meetings.

In addition, independent directors/audit committee members are entitled to an additional special bonus of 50,000 baht per year.

All board members are eligible for a bonus only when they hold a position as a board member in 2023 and continue to hold the position until the shareholder meeting approves the bonus. Apart from the aforementioned, there will be no other benefits.

Table showing remuneration of individual directors

(Other directors not listed here have expressed their willingness to waive their remuneration and bonus.)

Director	Number of Board Meeting	Meeting allowance (35,000 Baht/ Month)	Bonus* (50,000 Baht/ times)	Special bonus* (50,000 Baht/ Year)	Total
Mr. Chalermchai Mahagitsiri	4/7	420,000	200,000	-	620,000
Mr. Manjae Lee	7/7	420,000	350,000	50,000	820,000
Mr. Songsak Limbanyen	7/7	420,000	350,000	50,000	820,000
Mr. Noppadon Sarawasi	7/7	420,000	350,000	50,000	820,000
Total		1,680,000	1,250,000	150,000	3,080,000

*Bonus will be paid only after getting approval from the shareholder meeting

Executives' Remuneration

Regarding the remuneration of executives, the company determines the remuneration of executives based on the policy and regulations of hiring practices and links it to the company's performance and the performance of each executive.

Directors and Executives' Remuneration	Unit : Baht		
	2022	2021	2020
Directors' Remuneration	2,930,000.00	2,540,000.00	2,550,000.00
Short-Term Benefits	87,213,768.25	79,012,975.22	79,583,427.14
Benefits after Resignation			
Other Long-Term Benefits			-
Total	90,143,768.25	81,552,975.22	82,133,427.14

7.5 Personnel

The company has divided its main business functions into four departments, each with a corresponding number of employees as follows:



The Company's Employee Development Policy

The company places great importance on its employees as a valuable resource for its business operations and achieving its objectives. Therefore, the company is committed to managing its human resources by implementing rigorous recruitment processes and ensuring employee development, skills improvement, and job performance enhancement through internal and external training programs.

The company has a policy of continuous employee development with the aim of increasing knowledge, skills, expertise, and job efficiency at all levels. The company also provides on-the-job training for new employees, with each department having a designated supervisor to oversee the training process. Additionally, the company invites external experts to provide training and share their experiences with employees. The company also encourages its own employees to become trainers in their areas of expertise.

The company also provides opportunities for employees and executives in various departments to attend relevant training and seminars aimed at enhancing their job performance. Furthermore, the company has a policy of supporting employees in attending training programs, and may invite qualified personnel from its parent company in Korea to share knowledge, technology, and new developments to improve the company's operations.

To support its continuous learning and knowledge-sharing culture, the company has training policies aimed at:



The training provided to employees will be based on courses relevant to their respective job roles. This training will be divided into in-house training, external training, and training conducted in foreign countries, as deemed appropriate and necessary for the employees.

In addition, the company has provisions for employee leave for educational purposes and leave for training and development. The company also offers educational assistance benefits to employees, as deemed appropriate.

8. Corporate Governance Key Performance Report

8.1 The Board of Directors' Meeting

The company regulations require that board meetings be held at least every three months. In the year 2022, there were a total of 7 board meetings held. When calling a board meeting, the chairman appoints the company secretary to be responsible for calling the meeting. The invitation letter for the board meeting is sent to each board member in advance, either 7 or 14 days prior to the meeting, except in urgent cases where the meeting can be called without prior notice. The invitation letter includes the meeting agenda, date, time, and location, as well as supporting documents for each agenda item. Each board member is expected to study and prepare for the meeting before attending. If a board member is unable to attend, they must notify the company in advance, at least 1-2 days before the meeting. The company will send the meeting reports and resolutions to any board member who is unable to attend, so they can be informed and/or express their opinions on the next board meeting.

In the past year, 2022, all board members attended more than half of the board meetings held.

No.	Date	Attendance	Agenda for acknowledgement only	Approved Agenda	Not approved Agenda
1/2022	February 18, 2022	8/9	1	8	0
2/2022	March 3, 2022	7/9	0	3	0
3/2022	May 13, 2022	8/9	1	4	0
4/2022	August 9, 2022	7/9	2	4	0
5/2022	September 6, 2022	7/9	2	0	0
6/2022	November 11, 2022	8/9	1	4	0
7/2022	December 22, 2022	7/9	0	4	0
Total			7	27	0

List	Position	Resigned Date	Actual No. of Attending	Expected No. of Attending	AGM 2022 attending
1. Mr. Manjae Lee	Chairman of the Board	-	7	7	Attended
2. Mr. Youngchul Kwon	Director	-	7	7	Attended
3. Mr. Jiseob Choi	Director	-	7	7	Attended
4. Mr. Jaesung Yoon	Director	-	0	0	Not attend
5. Mr. Hoyoung Kim	Director	-	1	5	Not attend
6. Mr. Chalermchai Mahagitsiri	Director	-	4	7	Attended
7. Mr. Shinya Ozono	Director	-	6	7	Attended
8. Mr. Songsak Limbanyen	Director	-	7	7	Attended
9. Mr. Noppadon Sarawasi	Director	-	7	7	Attended
10. Mr. Seungjo Kim	Director	February 28, 2022	0	1	Not attend
11. Ms. Sangeun Son	Director	Decemder 22, 2022	6	7	Attended

Scope of duties of the Board of Directors

1. The company's board of directors has the authority and responsibility to manage the company in accordance with the law, objectives, regulations, and resolutions adopted by the shareholders' meeting with integrity and prudence to safeguard the interests of the company.
2. The board reviews and approves the company's vision, mission, and strategies, sets goals, directions, policies, plans, and budgets.
3. The board certifies the accuracy of the company's financial reports and information disclosed to the public.
4. The board considers significant transactions, including those that are abnormal, such as selling the company's assets, expanding operations, increasing investments, and resolving important legal disputes.
5. The board supervises the company's operations based on good governance, ethics, and sustainability, and ensures the existence and disclosure of business ethics and/or a code of conduct for the board, executives, and employees.
6. The board ensures a diverse board structure that covers multiple aspects for the benefit of the company's operations.
7. Provide orientation for new directors.
8. Regularly monitor and ensure attendance of directors at meetings.
9. Support training for directors, executives, and employees of the company to enhance their knowledge in relevant fields.
10. Control and supervise the management and administration of the board of directors according to the policies assigned, except in matters that require approval from the shareholders' meeting, such as increasing or reducing capital, issuing debentures, selling or transferring all or part of the business of the company to others, amending the articles of association or regulations of the company, among others.
11. Consider interrelated transactions and the acquisition and disposal of important assets of the company according to the criteria of the Securities and Exchange Commission and other government agencies.
12. Take care and consider the interests of all stakeholders of the company to avoid conflicts of interest.

8.2 Audit Committee Meeting

The company shall call a meeting of the Audit Committee, auditors, internal auditors, and other relevant parties at least 7 business days in advance, except in urgent cases where it may be called within a shorter period of time. In 2012, there were a total of 4 meetings of the Audit Committee called, and one meeting between the Audit Committee and the company's auditors, which did not include any members of the management team, in accordance with good corporate governance principles. In all of the meetings of the Audit Committee held throughout 2012, all of the committee members were in attendance.

	Director	Position	Number of Audit Committee Meeting
1	Mr. Manjae Lee	Chairman of Audit committee	4/4
2	Mr. Noppadon Sarawasi	Audit committee member	4/4
3	Mr. Songsak Limbanyen	Audit committee member	4/4

Scope of Authority, Responsibilities, and Duties of the Audit Committee

1. Ensuring that the company reports its financial statements accurately and sufficiently.
2. Ensuring that the company has appropriate and effective internal control and internal audit systems, as well as considering the independence of the internal audit function.
3. Ensuring that the company complies with securities and stock exchange regulations and laws relevant to the company's business.
4. Selecting and recommending the appointment and compensation of the company's auditors, and considering the independence of the auditors by holding meetings with them at least once a year without the involvement of management.
5. Considering related transactions or transactions that may create conflicts of interest to ensure compliance with relevant regulations.
6. Preparing an annual report on the company's governance oversight, which must be included in the company's annual report and must address important issues as specified by the Stock Exchange of Thailand. The report must be signed by the Chairman of the Audit Committee.
7. Performing any other tasks assigned by the company's Board of Directors with the approval of the Audit Committee.

9. Internal Control and Connected Transactions

9.1 Internal Control and Risk Management

The company places great importance on its internal control system. The board of directors has appointed and delegated the audit committee to verify the various functions within the company to ensure that the internal control system is adequate, appropriate, and efficient in preventing and reducing risks to a minimum, such as leaks, waste, or misconduct. Additionally, the company verifies the accounting system and financial reports to ensure their accuracy, reliability, compliance with laws and regulations, and compliance with good corporate governance principles. This ensures that all company operations are consistent and achieve the objectives set by the management.

9.1.1 Internal Controls and Internal Audit Internal Control

The company continuously emphasizes the importance of internal control by appointing and delegating the audit committee to verify the internal control system, with a focus on making it adequate, appropriate, and efficient for business operations and effective resource utilization, asset protection, risk prevention, error reduction, and compliance with laws, regulations, and relevant rules. The company also oversees good corporate governance practices.

Internal Audit

The company has an independent internal audit department, and internal audit reports related to internal audits are reported to the audit committee. Reports related to the organization's management are reported to the chairman of the board of directors under the internal audit charter, which clearly defines the responsibilities, objectives, and responsibilities.

The internal audit department verifies the operations of various departments in the company and evaluates the internal control system according to the annual audit plan approved by the audit committee and management. The evaluation criteria are based on the importance of the business process or work process and the level of risk. The department also provides advice and recommendations to the management of each department to improve their internal control, including rules and procedures to increase efficiency and effectiveness in operations, which are continually updated and improved.

9.1.2 Internal Audit Department

The company's board of directors has appointed Mr. Seungin Choi as the head of internal financial audit to perform an audit of the company's operations and report to the audit committee. She was appointed on April 2022, and the history of the internal audit department can be found in Attachment 3.

9.2 Related Party Transactions

9.2.1 Details of Transactions Between Related Parties

In the past, the company had a major shareholder group of Azzilors, with whom the company traded through its affiliates. As a result, the company had accounts with related companies, mostly consisting of debts, costs, and expenses, as well as some assets and revenues of the company, which were related to the related companies. The selling prices of the company with related companies and the prices of raw materials purchased by the company from related companies were similar to the prices that the company had with others. However, in March 2004, the former major shareholder group of the company (the Azzilor group) sold all of its shares to another major shareholder of the company. As a result, the company did not have any related party transactions with the former major shareholder group thereafter, but with related companies instead.

On January 29, 2007, Posco (South Korea) participated in a joint venture with the company by holding 1,200 million shares or 15.39 percent of the company's equity to become a partner with the company. There was a contract for assistance in sourcing raw materials for production for a period of 3 years, which could be automatically renewed for another 3 years. The company also made a general distribution agreement for non-corrosive steel products to cover customers in markets other than Thailand. The aforementioned agreement was for a period of 3 years and could be automatically renewed for another 3 years.

The company terminated the above-mentioned contract according to the report of the 5/2016 committee meeting on November 11, 2016. However, the management believed that canceling the agreement would provide more flexibility in sourcing raw materials from other sources worldwide. Regarding distribution, Posco (South Korea) still provided good support as before, and the cancellation of the agreement did not have a significant impact.

According to the report of the 8/2011 committee meeting on September 14, 2011, there was a resolution approving Posco (South Korea) to conduct full due diligence and to purchase shares from the major shareholder to acquire the company's operations. The sale of land and property that were not the company's main assets, consisting of three plots located on Phra Ram 4 Road, Narathiwat Rachanakarin Road, and in Sikhui District, Nakhon Ratchasima Province, was also approved. All transactions were completed during the third quarter of 2011, with Posco (South Korea) as the foreign shareholder and major shareholder of the company.

In addition, the company invested in NS-Thainox Auto Limited on July 17, 2006 (the date of the company's registration) for 4.9 million baht or 49% to market, sell, and distribute products made from the company's non-corrosive steel for use in the automotive and motorcycle industries in Thailand, ASEAN countries, and India. For the financial statements for the year ended December 31, 2019, NS-Thainox Auto Limited acknowledged a share of profit in the financial statements according to the proportionate consolidation method in the amount of 1.898 million baht.

The company has business plans according to the report of the 2/2008 board meeting held on February 28, 2008, which approved the establishment of a new company, Thai Stainless Components Limited, with the objective of producing and distributing products made from stainless steel as raw materials and finished components for export, with a total investment of 140 million baht. The company invested 51% of the capital, and Intersider Acciai S.P.A. from Italy invested the remaining 49%. The subsidiary company was registered with the Ministry of Commerce on May 29, 2008, and as of December 31, 2008, the company had called for the payment of 25% of the share price of 10 baht per share, totaling 14 million shares. In July 2008, the company received payment for the shares, amounting to 35 million baht.

According to the report of the second board meeting of 2011 on March 22, 2011, a resolution was passed to terminate the joint venture and the shareholder agreement between Thai Stainless Composite Co., Ltd. and at the second ordinary shareholders meeting on December 29, 2011, the subsidiary approved the financial statements, which were deemed to be completed in accordance with commercial and accounting laws. The subsidiary was registered with the Ministry of Commerce for liquidation on April 18, 2011, and the registration of the completed financial statements was made on December 30, 2011. The company has received the investment return from the subsidiary's completed financial statements on December 29 and 30, 2011.

To demonstrate transparency in transactions between companies, the company requested the Thai and Korean Revenue Departments to prepare an Advance Pricing Agreement (APA) for transactions between POSCO and POSCO (Thailand) Limited, established in the Republic of Korea under Article 25 of the Agreement to Avoid Double Taxation between Thailand and the Republic of Korea, and under the Revenue Department's Order No. 113/2002 on May 16, 2002, to determine the transfer pricing used for transactions between affiliated companies in Thailand and the Republic of Korea based on the Arm's Length principle, under the laws of each country, which covers a period of 5 years from the end of the accounting period as of December 31, 2013, to the end of the accounting period as of December 31, 2017, which has been completed.

In addition, the company has requested the preparation of a second version of the APA between Thailand and the Republic of Korea, covering a 5-year period starting from the end of the accounting period as of December 31, 2018, to the end of the accounting period as of December 31, 2022

As of December 31, 2022, there were outstanding transactions between the company and related companies or persons that may have conflicts of interest, and related companies summarized as follows:

Name of entities	Nature of relationships	Transactions	Financial statements in which the equity method is applied/ Separate financial statements (in thousand Baht)		Detail
			2022	2021	
POSCO Holding Inc	Ultimate parent company	(1) Purchase of raw materials	1,331,715		Purchase of raw materials
POSCO Co., Ltd.	Parent company, 74.56% shareholding	(1) Trade accounts payable (2) Other payables (3) Purchase of raw materials (4) Other receivables (5) Sale of scrap (6) Other service expense	215,676 15,556 6,078,944 - - 16,666	1,536,064 4,500 8,643,792 - - 4,500	Purchase of raw materials Other service expense Purchase of raw materials Sale of scrap Sale of scrap Other service expense
POSCO International Corporation	Sister company	(1) Trade accounts receivable (2) Other receivables (3) Sale of goods (4) Sale of scrap (5) Trade accounts payable (6) Purchase of raw materials (7) Other payables	544,630 - 7,003,750 392,363 1,664,758 11,777,915 2,099	407,409 525 2,787,210 369,877 1,734,123 7,761,891 -	Sale of goods Sale of scrap Sale of finished goods Sale of scrap Purchase of raw materials Purchase of raw materials Other payables
POSCO Asia Co., Ltd.	Sister company	(1) Trade accounts receivable (2) Sale of goods (3) Purchase of raw materials (4) Trade accounts payable (5) Other service expense (6) Other payables	- - - - 499 -	- - 215,403 - 293 24	Sale of goods Sale of finished goods Purchase of raw materials Purchase of raw materials Other service fee Other service fee
POSCO ICT Co., Ltd.	Sister company	(1) Other payables (2) Service expense	1,572 18,960	1,449 19,085	Purchase of asset and other service fee Communication expense
POSCO Group University	Sister company	(1) Other payables (2) Other service expense	29 743	- 140	Training expense Training expense
POSCO (Thailand) Company Limited	Sister company	(1) Trade accounts receivable (2) Other payables (3) Sale of goods (4) Purchase of goods (5) Other expense (6) Interest income	- 3,899 - - 132,099 -	- 4,302 - - 46,747 -	Sale of goods Service expense Sale of finished goods Purchase of raw materials Service expense Interest from lending loan
POSCO Vietnam Processing Center Co., Ltd.	Sister company	(1) Trade accounts receivable (2) Sale of goods	2,810 10,562	- -	Sale of goods Sale of finished goods

Name of entities	Nature of relationships	Transactions	Financial statements in which the equity method is applied/ Separate financial statements (in thousand Baht)		Detail
			2022	2021	
POSCO Coated Steel (Thailand) Co., Ltd.	Sister company	(1) Other receivables (2) Other payables (3) Other service expense (4) Incomes from service (5) Interest income	- 470 3,171 5,192 -	233 223 3,046 4,513 -	Service fee Purchase of other service fee Other service fee Income from other service fee Interest from lending loan
NS-Thainox Auto Company Limited	An associate, 49% shares held by the Company	(1) Trade accounts receivable (2) Sale of goods	26,683 96,733	17,370 60,904	Sale of goods Sale of finished goods
NIPPON STEEL Stainless Steel Corporation	Sister company, 2.59% shareholding	(1) Accrued Expenses (2) Technical assistance expense	62 236	41 152	Technical assistance expense Technical assistance expense
POSCO International (Thailand) Co., Ltd	Sister company	(1) Trade accounts receivable (2) Trade accounts payable (3) Purchase of goods (4) Sale of goods (5) Other service expense	56,372 - 1,839,952 271,505 10,482	43,014 - 994,621 213,271 -	Purchase of raw materials Purchase of raw materials Sale of finished goods Other service expense
POSCO Human Co., Ltd	Sister company	(1) Other service expense (2) Other payable	84 -	39 -	Other service fee Other service fee
POSCO VST Co., Ltd.	Sister company	(1) Sale of goods (2) Trade accounts receivable	- -	442,302 138,768	Sale of raw materials Sale of raw materials
POSCO-MKPC SDN BHD	Sister company	(1) Other service expense	13	11	Other service expense
PT. POSCO-INDONESIA JAKARTA PROCESSING CENTER	Sister company	(1) Other service expense	34	24	Other service expense
Key management personee	Persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company	(1) Key management personnel compensation	90,144	81,553	Actual paid director's remuneration, the directors' bonus approved by the Annual General Meeting 2022

9.2.2 Guarantee Transactions

In 2022 the company had no guarantee transactions

9.2.3 Necessity and Rationality of Related Transactions

Currently, the company engages in a significant amount of trading transactions with related companies. This is because the related companies are major players in the stainless-steel industry both domestically and internationally, and they provide support to the company in various ways, such as product distribution, procurement of raw materials, financial support, and business consulting. However, these transactions with individuals who may have conflicts of interest are conducted for the maximum benefit of the company, and they follow normal business trade conditions as with general business partners who rely on product purchases or services. The company's management sets the process for approving such transactions, similar to conducting business with regular customers, and there is no preferential treatment. Additionally, the company has a policy to ensure that transactions are carried out according to market price mechanisms.

9.2.4 Measures or Procedures Regarding the Approval of the Connected Transactions

In the future, these transactions may be divided into two types: regular and continuous transactions and irregular transactions. The approval processes for these 2 types are as follows:

Regular and Continuous Transactions

The company has established criteria that require transactions to adhere to standard trading conditions and to be carried out at a fair price, as determined by the Audit Committee, which is responsible for reviewing and approving the validity of the criteria for each transaction.

Irregular Transactions

In cases where the Audit Committee lacks expertise regarding irregular transactions, the company appoints an independent expert, such as an accountant or appraiser, who has no conflict of interest with the transaction, to provide a neutral opinion. The Committee or the shareholders' meeting will then review the opinion of the Audit Committee or the independent expert before deciding whether to proceed with the transaction.

9.2.5 Trends in Future Transactions

In the future, the company's transactions will proceed as usual business practices with no special transactions or benefits being transferred between the company, its subsidiaries, related companies, and shareholders. The pricing policy between the company and related businesses will be set according to the usual market prices applied to unaffiliated persons or entities. The Audit Committee is responsible for reviewing and verifying the company's Internal Control and Internal Audit systems to ensure their effectiveness and suitability. In addition, the Audit Committee is responsible for considering the disclosure of the company's information in the event of related transactions or potential conflicts of interest to ensure accuracy and completeness. Disclosure of related transactions must comply with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as accounting standards for disclosing information related to affiliated persons or entities, as established by the Institute of Certified Accountants and Auditors of Thailand.

Financial Statements

The financial summary for the past 3 years is shown in the table below

Statement of financial position (Separate Financial Statement) (in Baht)	2020	%	2021	%	2022	%
Assets						
<i>Current assets</i>						
Cash and cash equivalents	1,054,328,925	9.7%	2,693,419,894	19.5%	1,110,485,373	9.6%
Current investments	17,267,382	0.2%		0.0%		0.0%
Trade accounts receivable	3,200,063,310	29.5%	3,299,968,353	23.9%	2,758,144,295	23.9%
Current portion of receivables under debt restructuring	4,048,703	0.0%	3,738,420	0.0%	-	0.0%
Other receivables	19,231,869	0.2%	11,557,448	0.1%	134,031,653	1.2%
Inventories	3,162,619,227	29.1%	4,499,941,774	32.6%	4,383,939,319	37.9%
Other current assets	116,692,652	1.1%	170,790,805	1.2%	248,491,482	2.1%
Total current assets	7,574,252,068	69.7%	10,679,416,694	77.4%	8,635,092,122	74.7%
<i>Non-current assets</i>						
Investment in an associate	4,900,000	0.0%	4,900,000	0.0%	4,900,000	0.0%
Receivables under debt restructuring	2,200,331	0.0%		0.0%		0.0%
Property, plant and equipment	3,148,162,472	29.0%	2,978,034,444	21.6%	2,758,694,080	23.9%
Right-of-use assets	40,622,923	0.4%	22,596,137	0.2%	14,163,236	0.1%
Intangible assets	10,757,944	0.1%	8,290,376	0.1%	4,609,861	0.0%
Deferred tax assets	26,576,430	0.2%	35,205,518	0.3%	77,235,220	0.7%
Other non-current assets	55,418,180	0.5%	66,837,636	0.5%	63,796,164	0.6%
Total non-current assets	3,288,638,280	30.3%	3,115,864,111	22.6%	2,923,398,561	25.3%
Total assets	10,862,890,348	100.0%	13,795,280,805	100.0%	11,558,490,683	100.0%

Statement of financial position (Separate Financial Statement) (in Baht)	2020	%	2021	%	2022	%
Liabilities and equity						
<i>Current liabilities</i>						
Trade accounts payable	1,525,704,896	14.0%	3,383,380,443	24.5%	1,995,179,931	17.3%
Other payables	208,510,588	1.9%	290,872,788	2.1%	227,381,898	2.0%
Current portion of lease liabilities	19,758,137	0.2%	16,360,625	0.1%	10,591,381	0.1%
Current income tax payable	12,199,432	0.1%	133,721,492	1.0%	-	0.0%
Total current liabilities	1,766,173,053	16.3%	3,824,335,348	27.7%	2,233,153,210	19.3%
<i>Non-current liabilities</i>						
Lease liabilities	21,050,468	0.2%	6,494,085	0.0%	3,732,023	0.0%
Provisions for employee benefits	192,143,451	1.8%	185,766,457	1.3%	165,692,782	1.4%
Total non-current liabilities	213,193,919	2.0%	192,260,542	1.4%	169,424,805	1.5%
Total liabilities	1,979,366,972	18.2%	4,016,595,890	29.1%	2,402,578,015	20.8%
<i>Equity</i>						
Share capital : Authorised share capital (7,795,709,100 ordinary shares, par value at Baht 1 per share)	7,795,709,100	71.8%	7,795,709,100	56.5%	7,795,709,100	67.4%
Issued and paid-up share capital (7,795,709,100 ordinary shares, par value at Baht 1 per share)	7,795,709,100	71.8%	7,795,709,100	56.5%	7,795,709,100	67.4%
Share premium on ordinary shares	332,131,264	3.1%	332,131,264	2.4%	332,131,264	2.9%
Retained earnings						
Appropriated - legal reserve	514,056,069	4.7%	561,690,546	4.1%	571,703,131	4.9%
Unappropriated	241,626,943	2.2%	1,089,154,005	7.9%	456,369,173	3.9%
Total equity	8,883,523,376	81.8%	9,778,684,915	70.9%	9,155,912,668	79.2%
Total liabilities and equity	10,862,890,348	100.0%	13,795,280,805	100.0%	11,558,490,683	100.0%

Statement of comprehensive income (in Baht)	2020	%	2021	%	2022	%
<i>Income</i>						
Revenue from sale of goods and rendering of services	13,177,517,744	99.7%	19,131,918,500	99.4%	23,520,966,558	99.7%
Net foreign exchange gain	21,814,564	0.2%	89,059,711	0.5%	48,796,654	0.2%
Other income	17,127,580	0.1%	18,640,451	0.1%	18,761,992	0.1%
Total income	13,216,459,888	100.0%	19,239,618,662	100.0%	23,588,525,204	100.0%
<i>Expenses</i>						
Cost of sales of goods and rendering of services	12,764,346,903	96.4%	17,635,582,846	97.3%	22,740,973,763	97.5%
Distribution costs	122,788,977	0.9%	136,396,994	0.8%	152,827,907	0.7%
Administrative expenses	355,986,763	2.7%	362,053,310	2.0%	426,064,591	1.8%
Total expenses	13,243,122,643	100.0%	18,134,033,150	100.0%	23,319,866,261	100.0%
Profit from operating activities	(26,662,755)		1,105,585,512		268,658,943	
Finance costs	(1,094,914)		(2,095,823)		(14,298,946)	
Share of profit of an associate accounted for using equity method	-		-		-	
Profit before tax expense	(27,757,669)		1,103,489,689		254,359,997	
Tax expense	(8,682,993)		221,369,742		54,108,300	
Profit for the year	(19,074,676)		882,119,947		200,251,697	
Other comprehensive income						
<i>Item that will not be reclassified to profit or loss</i>						
Gain on remeasurements of defined benefit plans	(4,464,153)		16,301,990		13,896,162	
Income tax relating to items that will not be reclassified	892,831		(3,260,398)		(2,779,232)	
Total item that will not be reclassified to profit or loss	(3,571,322)		13,041,592		11,116,930	
Other comprehensive income for the year, net of tax	(3,571,322)		13,041,592		11,116,930	
Total comprehensive income for the year	(22,645,998)		895,161,539		211,368,627	
Basic earnings per share	(0.0024)		0.1132		0.0257	

Statement of cash flows (Separate Financial Statement) (in Baht)	2020	2021	2022
<i>Cash flows from operating activities</i>			
Profit for the year	(19,074,676)	882,119,947	200,251,697
Adjustments to reconcile profit to cash receipts (payments)			
Tax expense	(8,682,993)	221,369,742	54,108,300
Finance costs	1,094,914	2,095,823	14,298,946
Depreciation and amortisation	439,795,366	395,568,318	361,607,213
Provisions for employee benefits	23,793,394	16,626,640	4,711,646
Provision for goods returned	(1,372,912)	3,127,881	6,312,576
Unrealised (gain) loss on exchange rates	(95,503,377)	1,635,700	(31,714,516)
Loss on fair value adjustment of current investments	4,294,409		-
Gain on disposals of current investments	(758,328)	(435,274)	-
Expected credit loss	(120,000)	2,290,000	1,966,046
Loss on devaluation of inventories	(24,182,762)	1,025,840	173,577,041
Loss from write-off of property, plant and equipment	2,738,609	3,878,753	36,451,110
Loss from write-off of intangible asset		-	10,226
(Gain) loss on disposals of property, plant and equipment	2,316,161	1,113,480	(2,967)
Interest income	(6,321,605)	(2,482,572)	(2,125,881)
<i>Cash flows from operating activities</i>	318,016,200	1,527,934,278	819,451,437
Trade accounts receivable	(955,611,086)	(105,016,190)	517,895,454
Receivables under debt restructuring	2,107,938	2,510,614	2,122,796
Other receivables	28,736,329	7,713,551	(5,568,090)
Inventories	738,319,248	(1,338,348,387)	(57,574,586)
Other current assets	178,021,685	(75,453,127)	(77,893,075)
Other non-current assets	(1,520,418)	9,756,792	3,041,472
Trade accounts payable	(746,453,989)	1,865,496,217	(1,337,573,287)
Other payables	(20,759,172)	79,249,307	(70,446,838)
Net cash from (used in) operations	(459,143,265)	1,973,843,055	(206,544,717)
Provisions for employee benefits paid	(8,287,597)	(6,701,644)	(10,889,158)
Taxes paid	(11,772,572)	(111,558,442)	(348,389,462)
Net cash from (used in) operating activities	(479,203,434)	1,855,582,969	(565,823,337)

Statement of cash flows (Separate Financial Statement) (in Baht)	2020	2021	2022
<i>Cash flows from investing activities</i>			
Proceeds from sale of property, plant and equipment	1,371,452	796,976	3,000
Acquisition of property, plant and equipment	(334,125,855)	200,015,376	(147,344,751)
Acquisition of intangible assets	(2,221,152)	(1,719,210)	(856,003)
	457,661,013		
Proceeds from mutual funds closing	219,124,777	17,702,656	-
Interest received	6,321,605	2,453,639	1,628,962
Net cash used in investing activities	348,131,840	(180,781,315)	(146,568,792)
<i>Cash flows from financing activities</i>			
Proceeds from short-term loans from financial institutions		-	1,926,320,500
Repayment of short-term loans from financial institutions		-	(1,926,320,500)
Dividends paid to owners of the Company		-	(834,140,874)
Payment of lease liabilities	(27,359,155)	(26,954,454)	(26,945,354)
Finance cost paid	(1,094,914)	(2,095,823)	(14,298,946)
Net cash used in financing activities	(28,454,069)	(29,050,277)	(875,385,174)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rate	(159,525,663)	1,645,751,377	(1,587,777,303)
Effect of exchange rate changes on cash and cash equivalents	71,837,038	(6,660,408)	4,842,782
Net increase (decrease) in cash and cash equivalents	(87,688,625)	1,639,090,969	(1,582,934,521)
Cash and cash equivalents at 1 January	1,142,017,550	1,054,328,925	2,693,419,894
Cash and cash equivalents at 31 December	1,054,328,925	2,693,419,894	1,110,485,373
<i>Non-cash transactions</i>			
Unpaid liabilities from purchase of property, plant, and equipment	78,381,796	32,861,782	26,594,234
Right-of-use assets increased		10,627,540	18,745,688

Financial Ratio	31/12/2020	31/12/2021	31/12/2022
Liquidity Ratios			
Current Ratio	4.29	2.79	3.87
Quick Ratio	2.5	1.62	1.9
Efficiency Ratios			
Total Asset Turnover	1.21	1.39	2.04
Fixed Asset Turnover	4.19	6.42	8.53
Collection Period	89	63	43
Accounts Receivable Turnover	4.12	5.8	8.53
Days Sales in inventory	90	93	70
Inventory Turnover	4.04	3.92	5.19
Average Payment Period	44	70	32
Accounts Payable Turnover	8.37	5.21	11.4
Profitability Ratios			
Gross Profit Margin	3.14	7.82	3.32
Operating Profit Margin	-0.5	5.22	0.85
Net Profit Margin	-0.14	4.61	0.85
Return on Assets	-0.18	6.39	1.73
Return on Fix Assets	-0.61	29.62	7.26
Return on Equity	-0.21	9.02	2.19
Earning before Tax to Total Assets	-0.26	8	2.2
Financial Policy Ratios			
Debt Ratio	0.18	0.29	0.21
Debt to equity	0.22	0.41	0.26
Registered Capital to Total Assets	71.76	56.51	67.45
Equity to Total Assets	81.78	70.88	79.21
Interest Coverage	-24.35	527.52	15.38
Long term debt to total assets	0.19	0.05	-
Growth ratios			
Revenue Growth	-9.17	45.57	22.35
Sales Growth	-8.52	45.19	22.94
Net Profit Growth	50.53	4,724.56	-77.3
Total Assets Growth	-6.31	26.99	-16.21

Report of the Board of Directors' Responsibility on the Company's Financial Statements

The Board of Directors is responsible for the Company's consolidated financial statements and any financial information disclosed in the Company's annual report. Such financial statements were prepared in accordance with the general acceptance-accounting standard in Thailand with appropriated financial policy. The reports were carefully considered and prepared with sufficient information in the notes to the financial statements and were generally practiced.

The Board of Directors also set out and maintained for the efficient internal control system to obtain reasonable assurance that the financial information had been booked in proper way and completely enough to maintain the Company's assets and be aware of weak point in order to prevent whether from any dishonesty or significant error.

The Board of Directors had appointed the Audit Committee of which comprised 3 independent directors with qualification according to SET/SEC regulations and notification for being the audit committee's members to be responsible for the quality of the financial statements and the internal control system. The opinion of the Audit Committee has already been disclosed in the annual report.

The Company's consolidated financial statements have been audited by KPMG Phoomchai Audit Co., Ltd with full support from the Board of Directors. So that, the auditor could audit and provide their opinions in accordance with the accounting standard and such opinion has been disclosed in the Company's annual report.

The Board of Directors satisfied that the Company's internal control system was sufficient to obtain reasonable assurance in the Company's consolidated financial statements as of December 31, 2022 which was accurate and compiled to the accounting standard and related law and regulations.



(Mr. Manjae Lee)
Chairman of the Board
POSCO-Thainox Public Company Limited

POSCO-Thainox Public Company Limited

Financial statements for the year ended
31 December 2022
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of POSCO-Thainox Public Company Limited

Opinion

I have audited the financial statements in which the equity method is applied and separate financial statements of POSCO-Thainox Public Company Limited (the "Company"), which comprise the statement of financial position in which the equity method is applied and separate statement of financial position as at 31 December 2022, the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements in which the equity method is applied and separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements in which the Equity Method is Applied and Separate Financial Statements* section of my report. I am independent of the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the financial statements in which the equity method is applied and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements in which the equity method is applied and separate financial statements of the current period. These matters were addressed in the context of my audit of the financial statements in which the equity method is applied and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



Valuation of inventory	
Refer to Note 3(g) and 8 to the financial statements in which the equity method is applied and separate financial statements	
The key audit matter	How the matter was addressed in the audit
Inventories are a significant balance and carried in the financial statements at the lower of cost and net realisable value. The Company's main inventory is stainless-steel which can be subject to price volatility depending on the demand and supply in the global market. As a result there is a risk that the carrying value of inventories may exceed its net realisable value, this is focus area in my audit.	<p>My audit procedures in this area included the following:</p> <ul style="list-style-type: none"> • obtaining an understanding of the net realisable value of inventories process through inquiry of the Company's management directly responsible in this area, evaluating the design of internal control process and performing sampling test of implementation as well as operating effectiveness of controls; • assessment of the net realisable value of inventories by checking with the selling price less the estimated cost, necessary to make the sale for a sample of items; • comparing the actual results for the year with the Company's historical estimation of allowance for decline in value of inventories and future operating plan to evaluate the appropriateness of the Company's estimation related to the valuation of inventories; and • considering in the adequacy of the Company's disclosure in accordance with the Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements in which the equity method is applied and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements in which the equity method is applied and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements in which the equity method is applied and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements in which the equity method is applied and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.



Responsibilities of Management and Those Charged with Governance for the Financial Statements in which the Equity Method is Applied and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in which the equity method is applied and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements in which the equity method is applied and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements in which the equity method is applied and separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements in which the Equity Method is Applied and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements in which the equity method is applied and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements in which the equity method is applied and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements in which the equity method is applied and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements in which the equity method is applied and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements in which the equity method is applied and separate financial statements, including the disclosures, and whether the financial statements in which the equity method is applied and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of equity-accounted investees of the Company to express an opinion on the financial statements in which the equity method is applied. I am responsible for the direction, supervision and performance of the audit of the financial statements in which the equity method is applied. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements in which the equity method is applied and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Banthit Tangpakorn)
Certified Public Accountant
Registration No. 8509

KPMG Phoomchai Audit Ltd.
Bangkok
10 February 2023

POSCO-Thainox Public Company Limited

Statement of financial position

Assets	Note	Financial statements in which the equity method is applied		Separate financial statements	
		31 December		31 December	
		2022	2021	2022	2021
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	5	1,110,485,373	2,693,419,894	1,110,485,373	2,693,419,894
Trade accounts receivable	4, 6	2,758,144,295	3,299,968,353	2,758,144,295	3,299,968,353
Current portion of receivables under debt restructuring	7	-	3,738,420	-	3,738,420
Other receivables	4	134,031,653	11,557,448	134,031,653	11,557,448
Inventories	8	4,383,939,319	4,499,941,774	4,383,939,319	4,499,941,774
Other current assets		248,491,482	170,790,805	248,491,482	170,790,805
Total current assets		8,635,092,122	10,679,416,694	8,635,092,122	10,679,416,694
Non-current assets					
Investment in an associate	9	57,563,317	51,732,898	4,900,000	4,900,000
Property, plant and equipment	10	2,758,694,080	2,978,034,444	2,758,694,080	2,978,034,444
Right-of-use assets	11	14,163,236	22,596,137	14,163,236	22,596,137
Intangible assets		4,609,861	8,290,376	4,609,861	8,290,376
Deferred tax assets	21	77,235,220	35,205,518	77,235,220	35,205,518
Other non-current assets		63,796,164	66,837,636	63,796,164	66,837,636
Total non-current assets		2,976,061,878	3,162,697,009	2,923,398,561	3,115,864,111
Total assets		11,611,154,000	13,842,113,703	11,558,490,683	13,795,280,805

The accompanying notes are an integral part of these financial statements.

POSCO-Thainox Public Company Limited

Statement of financial position

Liabilities and equity	Note	Financial statements in which the equity method is applied		Separate financial statements	
		31 December		31 December	
		2022	2021	2022	2021
<i>(in Baht)</i>					
Current liabilities					
Trade accounts payable	4, 24	1,995,179,931	3,383,380,443	1,995,179,931	3,383,380,443
Other payables	4, 12	227,381,898	290,872,788	227,381,898	290,872,788
Current portion of lease liabilities	11, 24	10,591,381	16,360,625	10,591,381	16,360,625
Current income tax payable		-	133,721,492	-	133,721,492
Total current liabilities		2,233,153,210	3,824,335,348	2,233,153,210	3,824,335,348
Non-current liabilities					
Lease liabilities	11, 24	3,732,023	6,494,085	3,732,023	6,494,085
Provisions for employee benefits	13	165,692,782	185,766,457	165,692,782	185,766,457
Total non-current liabilities		169,424,805	192,260,542	169,424,805	192,260,542
Total liabilities		2,402,578,015	4,016,595,890	2,402,578,015	4,016,595,890
Equity					
Share capital :					
Authorised share capital (7,795,709,100 ordinary shares, par value at Baht 1 per share)		7,795,709,100	7,795,709,100	7,795,709,100	7,795,709,100
Issued and paid-up share capital (7,795,709,100 ordinary shares, par value at Baht 1 per share)		7,795,709,100	7,795,709,100	7,795,709,100	7,795,709,100
Share premium on ordinary shares		332,131,264	332,131,264	332,131,264	332,131,264
Retained earnings					
Appropriated - legal reserve	14	571,703,131	561,690,546	571,703,131	561,690,546
Unappropriated		509,032,490	1,135,986,903	456,369,173	1,089,154,005
Total equity		9,208,575,985	9,825,517,813	9,155,912,668	9,778,684,915
Total liabilities and equity		11,611,154,000	13,842,113,703	11,558,490,683	13,795,280,805

The accompanying notes are an integral part of these financial statements.

POSCO-Thainox Public Company Limited
Statement of comprehensive income

		Financial statements in which the equity method is applied		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2022	2021	2022	2021
		(in Baht)			
Income					
Revenue from sale of goods and rendering of services	4, 15	23,520,966,558	19,131,918,500	23,520,966,558	19,131,918,500
Net foreign exchange gain		48,796,654	89,059,711	48,796,654	89,059,711
Other income	4, 16	18,761,992	18,640,451	18,761,992	18,640,451
Total income		23,588,525,204	19,239,618,662	23,588,525,204	19,239,618,662
Expenses					
	4				
Cost of sales of goods and rendering of services	8	22,740,973,763	17,635,582,846	22,740,973,763	17,635,582,846
Distribution costs	17	152,827,907	136,396,994	152,827,907	136,396,994
Administrative expenses	18	426,064,591	362,053,310	426,064,591	362,053,310
Total expenses		23,319,866,261	18,134,033,150	23,319,866,261	18,134,033,150
Profit from operating activities		268,658,943	1,105,585,512	268,658,943	1,105,585,512
Finance costs		(14,298,946)	(2,095,823)	(14,298,946)	(2,095,823)
Share of profit of an associate accounted for using equity method	9	5,830,419	3,464,363	-	-
Profit before tax expense		260,190,416	1,106,954,052	254,359,997	1,103,489,689
Tax expense	21	54,108,300	221,369,742	54,108,300	221,369,742
Profit for the year		206,082,116	885,584,310	200,251,697	882,119,947
Other comprehensive income					
Item that will not be reclassified to profit or loss					
Gain on remeasurements of defined benefit plans	13	13,896,162	16,301,990	13,896,162	16,301,990
Income tax relating to items that will not be reclassified	21	(2,779,232)	(3,260,398)	(2,779,232)	(3,260,398)
Total item that will not be reclassified to profit or loss		11,116,930	13,041,592	11,116,930	13,041,592
Other comprehensive income for the year, net of tax		11,116,930	13,041,592	11,116,930	13,041,592
Total comprehensive income for the year		217,199,046	898,625,902	211,368,627	895,161,539
Basic earnings per share	22	0.0264	0.1136	0.0257	0.1132

The accompanying notes are an integral part of these financial statements.

POSCO-Thainox Public Company Limited
Statement of changes in equity

Financial statements in which the equity method is applied						
	Note	Issued and paid-up share capital	Retained earnings			Total equity
			Share premium	Legal reserve (in Baht)	Unappropriated	
Year ended 31 December 2021						
Balance at 1 January 2021		7,795,709,100	332,131,264	514,056,069	284,995,478	8,926,891,911
Comprehensive income for the year						
Profit		-	-	-	885,584,310	885,584,310
Other comprehensive income		-	-	-	13,041,592	13,041,592
Total comprehensive income for the year		-	-	-	898,625,902	898,625,902
Transfer to legal reserve	14	-	-	47,634,477	(47,634,477)	-
Balance at 31 December 2021		7,795,709,100	332,131,264	561,690,546	1,135,986,903	9,825,517,813
Year ended 31 December 2022						
Balance at 1 January 2022		7,795,709,100	332,131,264	561,690,546	1,135,986,903	9,825,517,813
Transactions with owners, recorded directly in equity						
Distributions to owners	23	-	-	-	(834,140,874)	(834,140,874)
Dividends		-	-	-	(834,140,874)	(834,140,874)
Total distributions to owners		-	-	-	-	-
Comprehensive income for the year						
Profit		-	-	-	206,082,116	206,082,116
Other comprehensive income		-	-	-	11,116,930	11,116,930
Total comprehensive income for the year		-	-	-	217,199,046	217,199,046
Transfer to legal reserve	28	-	-	10,012,585	(10,012,585)	-
Balance at 31 December 2022		7,795,709,100	332,131,264	571,703,131	509,032,490	9,208,575,985

The accompanying notes are an integral part of these financial statements.

POSCO-Thainox Public Company Limited
Statement of changes in equity

		Separate financial statements			
	Note	Issued and paid-up share capital	Share premium	Retained earnings	
				Legal reserve (in Baht)	Unappropriated
Year ended 31 December 2021					
Balance at 1 January 2021		7,795,709,100	332,131,264	514,056,069	241,626,943
Comprehensive income for the year					
Profit		-	-	-	882,119,947
Other comprehensive income		-	-	-	13,041,592
Total comprehensive income for the year		-	-	-	895,161,539
Transfer to legal reserve	14	-	-	47,634,477	(47,634,477)
Balance at 31 December 2021		7,795,709,100	332,131,264	561,690,546	1,089,154,005
Year ended 31 December 2022					
Balance at 1 January 2022		7,795,709,100	332,131,264	561,690,546	1,089,154,005
Transactions with owners, recorded directly in equity					
<i>Distributions to owners</i>					
Dividends	23	-	-	-	(834,140,874)
Total distributions to owners		-	-	-	(834,140,874)
Comprehensive income for the year					
Profit		-	-	-	200,251,697
Other comprehensive income		-	-	-	11,116,930
Total comprehensive income for the year		-	-	-	211,368,627
Transfer to legal reserve	28	-	-	10,012,585	(10,012,585)
Balance at 31 December 2022		7,795,709,100	332,131,264	571,703,131	456,369,173
					9,155,912,668

The accompanying notes are an integral part of these financial statements.

POSCO-Thainox Public Company Limited
Statement of cash flows

		Financial statements in which the equity method is applied		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2022	2021	2022	2021
		(in Baht)			
Cash flows from operating activities					
Profit for the year		206,082,116	885,584,310	200,251,697	882,119,947
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Tax expense	21	54,108,300	221,369,742	54,108,300	221,369,742
Finance costs		14,298,946	2,095,823	14,298,946	2,095,823
Depreciation and amortisation		361,607,213	395,568,318	361,607,213	395,568,318
Provisions for employee benefits	13	4,711,646	16,626,640	4,711,646	16,626,640
Provision for goods returned		6,312,576	3,127,881	6,312,576	3,127,881
Unrealised (gain) loss on exchange rates		(31,714,516)	1,635,700	(31,714,516)	1,635,700
Gain on disposals of current investments		-	(435,274)	-	(435,274)
Share of profit of an associate accounted for using equity method	9	(5,830,419)	(3,464,363)	-	-
Expected credit loss	6, 7	1,966,046	2,290,000	1,966,046	2,290,000
Loss on devaluation of inventories	8	173,577,041	1,025,840	173,577,041	1,025,840
Loss from write-off of property, plant and equipment		36,451,110	3,878,753	36,451,110	3,878,753
Loss from write-off of intangible asset		10,226	-	10,226	-
(Gain) loss on disposals of property, plant and equipment		(2,967)	1,113,480	(2,967)	1,113,480
Interest income		(2,125,881)	(2,482,572)	(2,125,881)	(2,482,572)
		819,451,437	1,527,934,278	819,451,437	1,527,934,278
Changes in operating assets and liabilities					
Trade accounts receivable		517,895,454	(105,016,190)	517,895,454	(105,016,190)
Receivables under debt restructuring		2,122,796	2,510,614	2,122,796	2,510,614
Other receivables		(5,568,090)	7,713,551	(5,568,090)	7,713,551
Inventories		(57,574,586)	(1,338,348,387)	(57,574,586)	(1,338,348,387)
Other current assets		(77,893,075)	(75,453,127)	(77,893,075)	(75,453,127)
Other non-current assets		3,041,472	9,756,792	3,041,472	9,756,792
Trade accounts payable		(1,337,573,287)	1,865,496,217	(1,337,573,287)	1,865,496,217
Other payables		(70,446,838)	79,249,307	(70,446,838)	79,249,307
Net cash from (used in) operations		(206,544,717)	1,973,843,055	(206,544,717)	1,973,843,055
Provisions for employee benefits paid	13	(10,889,158)	(6,701,644)	(10,889,158)	(6,701,644)
Taxes paid		(348,389,462)	(111,558,442)	(348,389,462)	(111,558,442)
Net cash from (used in) operating activities		(565,823,337)	1,855,582,969	(565,823,337)	1,855,582,969

The accompanying notes are an integral part of these financial statements.

POSCO-Thainox Public Company Limited
Statement of cash flows

		Financial statements in which the equity method is applied		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2022	2021	2022	2021
		(in Baht)			
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		3,000	796,976	3,000	796,976
Acquisition of property, plant and equipment		(147,344,751)	(200,015,376)	(147,344,751)	(200,015,376)
Acquisition of intangible assets		(856,003)	(1,719,210)	(856,003)	(1,719,210)
Proceeds from mutual funds closing		-	17,702,656	-	17,702,656
Interest received		1,628,962	2,453,639	1,628,962	2,453,639
Net cash used in investing activities		(146,568,792)	(180,781,315)	(146,568,792)	(180,781,315)
Cash flows from financing activities					
Proceeds from short-term loans from financial institutions		1,926,320,500	-	1,926,320,500	-
Repayment of short-term loans from financial institutions		(1,926,320,500)	-	(1,926,320,500)	-
Dividends paid to owners of the Company	23	(834,140,874)	-	(834,140,874)	-
Payment of lease liabilities	11	(26,945,354)	(26,954,454)	(26,945,354)	(26,954,454)
Finance cost paid		(14,298,946)	(2,095,823)	(14,298,946)	(2,095,823)
Net cash used in financing activities		(875,385,174)	(29,050,277)	(875,385,174)	(29,050,277)
Net increase (decrease) in cash and cash equivalents,					
before effect of exchange rate		(1,587,777,303)	1,645,751,377	(1,587,777,303)	1,645,751,377
Effect of exchange rate changes on					
cash and cash equivalents		4,842,782	(6,660,408)	4,842,782	(6,660,408)
Net increase (decrease) in cash and cash equivalents		(1,582,934,521)	1,639,090,969	(1,582,934,521)	1,639,090,969
Cash and cash equivalents at 1 January		2,693,419,894	1,054,328,925	2,693,419,894	1,054,328,925
Cash and cash equivalents at 31 December	5	1,110,485,373	2,693,419,894	1,110,485,373	2,693,419,894
Non-cash transactions					
Unpaid liabilities from purchase of					
property, plant, and equipment		26,594,234	32,861,782	26,594,234	32,861,782
Right-of-use assets increased		18,745,688	10,627,540	18,745,688	10,627,540

The accompanying notes are an integral part of these financial statements.

POSCO-Thainox Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

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POSCO-Thainox Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

These notes form an integral part of the financial statements.

The financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorised for issue by the Board of Directors on 10 February 2023.

1 General information

POSCO-Thainox Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in December 2004. The Company’s registered head office and branch offices as follows;

- Head office : 622 Emporium Tower, Floor 15/6-8, Sukhumvit Road, Klongton, Klongtoey, Bangkok 10110, Thailand.
- Branch office 1 : 324 Moo 8, Highway 3191 Road, Tambol Mabkha, Nikom Pattana, Rayong 21180, Thailand.
- Branch office 2 : 700/453 Amata Nakorn Industrial Estate, Moo 7, Tambol Donhwaror, Amphur Muang, Chonburi 20000, Thailand.

In December 2022, all of the Company’s shares were acquired by POSCO Co., Ltd. from POSCO Holding Inc. (formerly "POSCO") which was the former major shareholder. As a result, the new parent company has changed to POSCO Co., Ltd. and the new ultimate controlling party of the Company has changed to POSCO Holding Inc.

The principal activities of the Company are production and sales of cold-rolled stainless steel for use as raw material in the production of household appliances such as kitchenette, sinks, washing machines etc., including other industries.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded to the nearest thousand unless otherwise stated.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

POSCO-Thainox Public Company Limited**Notes to the financial statements****For the year ended 31 December 2022****3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of preparation the financial statements in which the equity method is applied

The financial statements in which the equity method is applied relate to the Company and its interests in an associate.

Interests in equity-accounted investees

The Company's interests in equity-accounted investees comprise interests in an associate.

An associate is the entity in which the Company has significant influence, but not control or joint control, over the financial and operating policies.

Interests in an associate is accounted for using the equity method. It is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements in which the equity method is applied include the Company's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

(b) Investments in an associate

Investments in an associate in separate financial statement and are measured at cost less allowance for impairment losses.

(c) Foreign currencies*Foreign currency transactions*

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences are generally recognised in profit or loss.

(d) Financial instruments*(d.1) Classification and measurement*

Financial assets and financial liabilities (except trade accounts receivable (see note 3(f))) are initially recognised when the Company becomes a party to the contractual provisions of the instrument, and measured at fair value, plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition.

POSCO-Thainox Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Company's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(d.2) Derecognition and offset

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and the Company intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Impairment of financial assets other than trade accounts receivable

The Company recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI, and loan commitments issued which are not measured at FVTPL.

The Company recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

POSCO-Thainox Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Company considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'. The Company recognises ECLs for low credit risk financial asset as 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Company.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company takes action such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

(d.4) Write offs

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(d.5) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(d.6) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

POSCO-Thainox Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received.

(e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments which have maturities of three months or less from the date of acquisition.

(f) Trade accounts receivable

A trade accounts receivable is recognised when the Company has an unconditional right to receive consideration. A trade accounts receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Company estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost principle. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

A right to recover returned products is recognised when the products are expected to be returned by customers and measured by reference to the former carrying amount of the sold inventories less any expected costs to recover those products.

(h) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Difference between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

POSCO-Thainox Public Company Limited**Notes to the financial statements****For the year ended 31 December 2022***Depreciation*

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

Land improvement, factory, and office buildings	5 - 32 years
Machinery and factory equipment	2 - 25 years
Office furniture, fixtures and equipment	3 - 20 years
Vehicles	5 years

(i) Intangible assets*Golf membership*

Golf membership that is acquired by the Company and has infinite useful lives is measured at cost less than accumulated impairment losses.

Software licences

Software licences that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software licences	3 - 10 years
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No amortisation is provided on software under installation.

(j) Leases

At inception of a contract, the Company assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Company has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

POSCO-Thainox Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Company uses the Company's incremental borrowing rate to discount the lease payments to the present value. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(k) *Impairment of non-financial assets*

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss of asset recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) *Contract liabilities*

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Company receives or has an unconditional right to receive non-refundable consideration from the customer before the Company recognises the related revenue.

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(m) Employee benefits

Defined contribution plan

Obligations for contributions to the Company's provident funds are expensed as the related service is provided.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(n) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(o) Revenue from contracts with customers

(1) Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

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Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Company estimates the returns based on the historical return data, does not recognise revenue for this transaction and remains recognition of inventory for the estimated products to be returned.

Revenue for rendering of services is recognised over time based on stage of completion. The stage of completion is assessed based on surveys of work performed. The related costs are recognised in profit or loss when they are incurred.

For bundled packages, the Company recognises revenue from sales of products and rendering of services separately if a product or service is separately identifiable from other items and a customer can benefit from it or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices.

(2) Contract balances

Contract assets are recognised when the Company has recognised revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Company is entitled to, less allowance for expected credit loss. The contract assets are classified as trade accounts receivable when the Company has an unconditional right to receive consideration.

Contract liabilities are the obligation to transfer goods or services to the customer. The contract liabilities are recognised when the Company receives or has an unconditional right to receive non-refundable consideration from the customer before the Company recognises the related revenue.

A refund liability is the obligation to refund some or all of the consideration received from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The refund liability is reassessed at each reporting date and make a corresponding change to the amount of revenue recognised.

(p) Other income

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

(q) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

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Notes to the financial statements

For the year ended 31 December 2022

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) *Earnings per share*

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(s) *Segment reporting*

Segment results that are reported to the Company's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, other income, administrative expenses, and finance cost.

4 Related parties

Related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Company; a person or entity that is under common control or under the same significant influence as the Company; or a person or entity over which the Company has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making.

Relationships with parent, ultimate parent and an associate are described in note 1 and 9. Other related parties which the Company had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
POSCO Co., Ltd.	South Korea	Parent company, 74.56% shareholding
POSCO Holding Inc. (formerly "POSCO")	South Korea	Ultimate parent company
NIPPON STEEL Stainless Steel Corporation	Japan	Sister company, 2.59% shareholding
POSCO (Thailand) Company Limited	Thailand	Sister company
POSCO International (Thailand) Co., Ltd	Thailand	Sister company
POSCO Coated Steel (Thailand) Co., Ltd.	Thailand	Sister company
POSCO International Corporation	South Korea	Sister company
POSCO Asia Co., Ltd.	Hong Kong	Sister company
POSCO ICT Co., Ltd.	South Korea	Sister company
POSCO Group University	South Korea	Sister company
POSCO Japan Co., Ltd.	Japan	Sister company
PT. POSCO-INDONESIA JAKARTA PROCESSING CENTER	Indonesia	Sister company

POSCO-Thainox Public Company Limited
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For the year ended 31 December 2022

Name of entities	Country of incorporation/ nationality	Nature of relationships
POSCO VST Co., Ltd.	Vietnam	Sister company
POSCO Vietnam Processing Center Co., Ltd.	Vietnam	Sister company
POSCO Human Co., Ltd	South Korea	Sister company
POSCO America Corporation	United States of America	Sister company
POSCO-MKPC SDN BHD	Malaysia	Sister company
Key management personnel	Multi-nationalities	Persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company
Mahagitsiri family	Thailand	Major shareholders, 10.13% or more shareholding, and directors

The pricing policies of transactions are explained further below:

Transactions	Pricing policies
Sale of goods and rendering of services	Market price
Sale of scrap	Market price
Interest income	Contractually agreed prices
Other income	Contractually agreed prices
Purchase of raw materials and rendering of services	Market price
Communication expense	Contractually agreed prices
Transportation expense	Market price
Technical assistance expense	Contractually agreed prices or mutual agree rate
Other expenses	Contractually agreed prices
Key management personnel	Approve from resolution of the annual general meeting of shareholders, and mutual agree rate

	Financial statements in which the equity method is applied/ Separate financial statements	
Significant transactions with related parties	2022	2021
Year ended 31 December	(in thousand Baht)	
Parent		
Purchase of raw materials and rendering of services	11,638	8,643,792
Ultimate parent		
Purchase of raw materials and rendering of services	1,331,715	-
Associate		
Sale of goods and rendering of services	96,733	60,904
Key management personnel		
Key management personnel compensation		
Director's remuneration	2,930	2,540
Short-term benefits	87,214	79,013
Total key management personnel compensation	<u>90,144</u>	<u>81,553</u>

POSCO-Thainox Public Company Limited
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Significant transactions with related parties
Year ended 31 December

Other related parties

	Financial statements in which the equity method is applied/ Separate financial statements	
	2022	2021
	(in thousand Baht)	
Sale of goods and rendering of services	7,285,817	3,442,783
Sale of scrap	392,363	369,877
Other incomes	5,192	4,513
Purchase of raw materials and rendering of services	19,685,174	8,971,915
Communication expense	18,960	19,085
Transportation expenses	129,759	46,091
Technical assistance expense	16,936	4,652
Other expenses	17,333	4,209

Balances as at 31 December with related parties were as follows:

	Financial statements in which the equity method is applied/ Separate financial statements	
	2022	2021
	(in thousand Baht)	
<i>Trade accounts receivable</i>		
Associate	26,684	17,370
Other related parties	603,811	450,423
Total	630,495	467,793
<i>Other receivables</i>		
Other related parties	(2,099)	758
Total	(2,099)	758
<i>Trade accounts payable</i>		
Parent	215,676	1,536,064
Other related parties	1,664,822	1,734,123
Total	1,880,498	3,270,187
<i>Other payables</i>		
Parent	15,556	4,500
Other related parties	5,906	6,039
Total	21,462	10,539

Significant agreements with related parties

Service agreements

The Company entered into a contract of Global IT Outsourcing Service with a related party, POSCO ICT Co., Ltd., covering 1 year starting from 1 January 2022 to 31 December 2022. Under the term of this contract, the Company has obligation to pay USD 299,994 (equivalent to Baht 10.42 million) (2021: USD 287,880 (equivalent to Baht 9.67 million)).

POSCO-Thainox Public Company Limited**Notes to the financial statements****For the year ended 31 December 2022**

The Company entered into a contract of IMS System Operation SV Service with a related party, POSCO ICT Co., Ltd., covering 2 years starting from 1 January 2021 to 31 December 2022. Under the term of this contract, the Company has obligation to pay USD 15,853 per month (*equivalent to Baht 0.55 million*) (2021: USD 15,853 (*equivalent to Baht 0.53 million*)).

The Company entered into a contract of International Leased line for using International Private Leases Line (IPLC) and its maintenance with a related party, POSCO ICT Co., Ltd., covering 1 year starting from 7 November 2020 to 6 November 2021. Under the term of this contract, the Company has obligation to pay KRW 4,705,000 per month (2021: KRW 4,705,000 (*equivalent to Baht 0.14 million*)). Later, the Company renewed the contract for a period of 1 year starting from 7 November 2021 to 6 November 2022. Under the term of this contract, the Company has obligation to pay KRW 4,705,000 per month (*equivalent to Baht 0.13 million*). Later, the Company amended the contract of 1 year starting from 1 June 2022 to 31 May 2023. Under the term of this contract, the Company has obligation to pay KRW 4,440,000 per month (*equivalent to Baht 0.12 million*). Later, the Company entered into the new contract for a period of 1 year starting from 9 December 2022 to 19 December 2023. Under the term of this contract, the Company has obligation to pay KRW 6,090,000 per month (*equivalent to Baht 0.17 million*) and other service KRW 1,500,000 (*equivalent to Baht 0.04 million*).

Cash Pooling and Loan facility agreements

On 15 July 2018, the Company entered into the loan facility agreements with POSCO (Thailand) Co., Ltd. and POSCO Coated Steel (Thailand) Co., Ltd. to provide loan facilities to both companies under the cash pooling agreement in the amount not more than Baht 100 million. Such transactions were approved by the Company's Board of Director meeting held on 14 May 2018. The interest rate in each loans agreement was refer the interest rate which announced from the Bank of Thailand.

As at 31 December 2022 and 2021, the Company has commitment with related parties as follows:

	Financial statements in which the equity method is applied/ Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Capital commitments		
Intangible asset	-	336
Other commitments		
Purchase orders for goods and supplies	460,391	2,274,539

5 Cash and cash equivalents

	Financial statements in which the equity method is applied/ Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Cash on hand	125	119
Cash at banks - savings accounts	1,066,394	2,674,222
Cash at banks - current accounts	43,966	19,079
Total	1,110,485	2,693,420

POSCO-Thainox Public Company Limited
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6 Trade accounts receivable

	Financial statements in which the equity method is applied/ Separate financial statements	
<i>At 31 December</i>	2022	2021
	<i>(in thousand Baht)</i>	
Within credit terms	2,647,763	3,062,050
Overdue:		
1 - 30 days	106,260	232,606
31 - 60 days	4,121	5,312
More than 90 days	5,991	6,111
Total	2,764,135	3,306,079
Less allowance for expected credit loss	(5,991)	(6,111)
Net	2,758,144	3,299,968

	Financial statements in which the equity method is applied/ Separate financial statements	
<i>Allowance for expected credit loss</i>	2022	2021
	<i>(in thousand Baht)</i>	
At 1 January	6,111	3,821
Addition	-	2,400
Reversal	(120)	(110)
At 31 December	5,991	6,111

Information of credit risk is disclosed in note 24.

7 Receivables under debt restructuring

	Financial statements in which the equity method is applied/ Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Within one year	100,493	102,616
After one year	8,261	8,261
	108,754	110,877
Less allowance for expected credit loss	(100,720)	(98,634)
	8,034	12,243
Less future interest income on debt restructuring	(8,034)	(8,505)
Present value of receivables under debt restructuring	-	3,738
Receivables under debt restructuring		
- current	-	3,738
Total	-	3,738

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	Financial statements in which the equity method is applied/ Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
<i>Allowance for expected credit loss</i>		
At 1 January	98,634	98,634
Addition	2,443	-
Reversal	(357)	-
At 31 December	100,720	98,634

As at 31 December 2022 and 2021, details of receivables whose debts have been restructured compared with trade accounts receivable, both in the financial statements in which the equity method is applied and separate financial statements are as follows:

	Receivables under debt restructuring	Total trade accounts receivable
As at 31 December 2022		
Number of receivables	2	108
Balance of receivables <i>(in thousand Baht)</i>	108,754	2,764,135
	Receivables under debt restructuring	Total trade accounts receivable
As at 31 December 2021		
Number of receivables	2	110
Balance of receivables <i>(in thousand Baht)</i>	110,877	3,306,079

8 Inventories

	Financial statements in which the equity method is applied/ Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Finished goods	1,345,221	1,239,123
Work in progress	1,893,080	923,297
Raw materials	948,293	966,854
Factory supplies and spare parts	219,513	227,198
Goods in transit	205,939	1,198,000
Total	4,612,046	4,554,472
<i>Less allowance for decline in value of inventories</i>	<i>(228,107)</i>	<i>(54,530)</i>
Net	4,383,939	4,499,942

Inventories recognised as an expense in 'cost of sales of goods and rendering of services':

- Cost of good and rendering of service	22,567,397	17,634,557
- Write-down to net realisable value	173,577	1,026
Total	22,740,974	17,635,583

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9 Investment in an associate

Investment in an associate as at 31 December 2022 and 2021, were as follows:

	Financial statements in which the equity method is applied/ Separate financial statements					
	Type of business	Country of corporation	Ownership interest		Paid-up capital	
			2022	2021	2022	2021
			(in thousand Baht)			
<i>Associate</i>			2022	2021	Cost	Equity
NS-Thainox Auto Company Limited	Trading of stainless steels	Thailand	49	49	10,000	10,000
Total			49	49	4,900	4,900
					57,563	51,733

An associate was incorporated and mainly operate in Thailand.

None of the Company's associate are publicly and consequently do not have published price quotation.

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An associate

The following table summarises the financial information of an associate as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies.

The table also reconciles the summarised financial information to the carrying amount of the Company's interest in the company.

	NS-Thainox Auto Company Limited	
	2022	2021
	<i>(in thousand Baht)</i>	
Revenue from sale of goods and rendering of service	120,260	83,304
Cost of sales of goods and rendering of service	(95,771)	(63,644)
Gross profit	24,489	19,660
Other income	170	166
Profit before expenses	24,659	19,826
Administration expenses	(11,123)	(11,569)
Profit before tax expense	13,536	8,257
Tax expense	(1,637)	(1,188)
Profit for the year	11,899	7,069
Total comprehensive income (100%)	11,899	7,069
Total comprehensive income (49% hold)	5,830	3,464
Company's share of total comprehensive income	5,830	3,464
Current assets	143,322	126,200
Non-current assets	952	821
Current liabilities	(24,579)	(19,535)
Non-current liabilities	(2,219)	(1,908)
Net assets (100%)	117,476	105,578
Company's share of net assets (49% hold)	57,563	51,733
Carrying amount of interest in an associate	57,563	51,733

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10 Property, plant and equipment

Financial statements in which the equity method is applied/ Separate financial statements						
	Land	Land improvement, factory and office buildings	Machinery and factory equipment	Office furniture, fixtures and equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction
						Total
Cost						
At 1 January 2021	318,856	2,830,287	9,767,243	225,659	8,112	13,671,213
Additions	-	7,374	13,982	3,728	-	200,016
Transfer in (out)	-	-	630,655	963	-	-
Disposals and write-off	-	(985)	(232,613)	(6,040)	(1,548)	(241,186)
At 31 December 2021 and 1 January 2022	318,856	2,836,676	10,179,267	224,310	6,564	13,630,043
Additions	-	8,693	62,649	10,528	93	147,345
Transfer in (out)	-	9,867	74,328	2,023	-	-
Disposals and write-off	-	(56,420)	(170,205)	(36,244)	(848)	(263,717)
At 31 December 2022	318,856	2,798,816	10,146,039	200,617	5,809	13,513,671
Depreciation						
At 1 January 2021	-	(2,266,101)	(8,074,458)	(175,049)	(7,443)	(10,523,051)
Depreciation charge for the year	-	(67,878)	(277,380)	(18,929)	(168)	(364,355)
Disposals and write-off	-	228	227,633	5,988	1,548	235,397
At 31 December 2021 and 1 January 2022	-	(2,333,751)	(8,124,205)	(187,990)	(6,063)	(10,652,009)
Depreciation charge for the year	-	(66,303)	(245,341)	(18,418)	(171)	(330,233)
Disposals and write-off	-	51,298	139,067	36,052	848	227,265
At 31 December 2022	-	(2,348,756)	(8,230,479)	(170,356)	(5,386)	(10,754,977)

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Financial statements in which the equity method is applied/ Separate financial statements

	Land	Land improvement, factory and office buildings	Machinery and factory equipment	Office furniture, fixtures and equipment (in thousand Baht)	Vehicles	Assets under construction	Total
<i>Net book value</i>							
At 31 December 2021	318,856	502,925	2,055,062	36,320	501	64,370	2,978,034
At 31 December 2022	318,856	450,060	1,915,560	30,261	423	43,534	2,758,694

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2022 amounted to Baht 8,053.86 million (2021: Baht 6,832.18 million).

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Notes to the financial statements
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11 Leases

<i>At 31 December</i>	Financial statements in which the equity method is applied/ Separate financial statement	
	2022	2021
	<i>(in thousand Baht)</i>	
<i>Right-of-use assets</i>		
Buildings	7,158	14,242
Vehicles	7,005	8,354
Total	14,163	22,596

In 2022 additions to the right-of-use assets of the Company were Baht 18.75 million (2021: Baht 10.63 million).

Extension options

The Company has extension options on property leases exercisable up to one year before the end of the contract period. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess so.

<i>For the year ended 31 December</i>	Financial statements in which the equity method is applied/ Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
<i>Amounts recognised in profit or loss</i>		
Depreciation of right-of-use assets:		
- Buildings	17,356	18,090
- Vehicles	9,400	8,937
Interest on lease liabilities	331	524
Expenses relating to short-term leases	2,235	1,671
Expenses relating to leases of low-value assets	365	358

In 2022, total cash outflow for leases of the Company were Baht 26.95 million (2021: Baht 26.95 million).

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Notes to the financial statements
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12 Other payables

	Financial statements in which the equity method is applied/ Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Accrued service expense	26,885	37,351
Payables on purchase of property, plant, and equipment	26,594	32,861
Accrued utilities expenses	24,541	23,521
Accrued tax expense	21,051	21,588
Provision for goods returned	19,747	13,435
Accrued bonus	17,905	16,466
Advance received from customers	16,305	56,877
Accrued natural gas expense	13,934	10,996
Contract liabilities	12,470	21,228
Accrued transportation expense	8,823	28,456
Others	39,127	28,094
Total	227,382	290,873

13 Provisions for employee benefit

	Financial statements in which the equity method is applied/ Separate financial statements	
<i>At 31 December</i>	2022	2021
	<i>(in thousand Baht)</i>	
Post-employment benefits - Defined benefit plan	139,123	149,680
Other long-term employee benefits	26,570	36,086
Total	165,693	185,766

Defined benefit plan

The Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

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Present value of the defined benefit obligations

	Financial statements in which the equity method is applied/ Separate financial statements	
	<i>Note</i>	
	2022	2021
	<i>(in thousand Baht)</i>	
At 1 January	149,680	158,646
<i>Recognised in profit or loss:</i>	19	
Current service cost	7,810	9,055
Interest on obligation	2,985	1,959
	10,795	11,014
<i>Recognised in other comprehensive income</i>		
Actuarial gain		
- Financial assumptions	(11,471)	(11,170)
- Experience adjustment	(2,425)	(5,132)
	(13,896)	(16,302)
Benefit paid	(7,456)	(3,678)
At 31 December	139,123	149,680

Other long-term employee benefits

Present value of the other long-term employee benefits obligations

	Financial statements in which the equity method is applied/ Separate financial statements	
	<i>Note</i>	
	2022	2021
	<i>(in thousand Baht)</i>	
At 1 January	36,086	33,497
<i>Recognised in profit or loss:</i>	19	
Current service cost	2,074	4,321
Reversal of other long-term employee benefits	(3,962)	-
Interest on obligation	581	361
Actuarial (gain) loss		
- Financial assumptions	(3,087)	1,555
- Experience adjustment	(1,689)	(625)
	(6,083)	5,612
Benefit paid	(3,433)	(3,023)
At 31 December	26,570	36,086

POSCO-Thainox Public Company Limited
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<i>Principal actuarial assumptions</i>	Financial statements in which the equity method is applied/ Separate financial statements	
	2022	2021
	(%)	
Discount rate	3.10	2.10
Future salary growth	5.00	5.00
Gold price inflation rate	1.50	3.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2022, the weighted-average duration of the defined benefit obligation was 7.29 years (2021: 7.87 years).

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.

<i>Effect to the defined benefit obligation At 31 December</i>	Financial statements in which the equity method is applied/ Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Discount rate	(10,052)	(10,699)	11,471	14,165
Future salary growth	12,567	14,308	(11,201)	(12,700)
<i>Other long-term employee benefits</i>				
Discount rate	(1,258)	(1,691)	1,410	1,911

14 Legal reserve

Section 116 of the Public Limited Companies Act B.E. 2535 (1992) Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

15 Segment information and disaggregation of revenue

Management considers that the Company operates in a single line of business, namely the stainless steel in both local and export markets, and has, therefore, only one major business segment.

Geographical information

The Company has revenue from many geographical location. The manufacture of stainless steel and sales offices are managed in Thailand. In presenting geographical information, revenue is based on the geographical location of the customer. There are no material assets located in other countries.

POSCO-Thainox Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

Information about revenue and profit by geographical information for the year ended 31 December 2022 and 2021 are the following;

<i>For the year ended 31 December</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Disaggregation of revenue				
Revenue by geographical location				
Local	12,633,999	13,147,248	12,633,999	13,147,248
Export	10,886,968	5,984,671	10,886,968	5,984,671
Total revenue	23,520,967	19,131,919	23,520,967	19,131,919
Major products and service lines				
Revenue from sale of goods	23,009,755	18,868,778	23,009,755	18,868,778
Revenue from rendering of services	511,212	263,141	511,212	263,141
Total revenue	23,520,967	19,131,919	23,520,967	19,131,919
Timing of revenue recognition				
At a point in time	23,010,222	18,869,656	23,010,222	18,869,656
Over time	510,745	262,263	510,745	262,263
Total revenue	23,520,967	19,131,919	23,520,967	19,131,919
Profit before tax expense by geographical location				
Local	102,620	672,335	102,620	672,335
Export	135,440	332,632	135,440	332,632
Total	238,060	1,004,967	238,060	1,004,967
Unallocated revenues	67,559	107,700	67,559	107,700
Unallocated expenses	(51,259)	(9,177)	(51,259)	(9,177)
Share of profit of investment in an associate	5,830	3,464	-	-
Profit before tax expense	260,190	1,106,954	254,360	1,103,490

Major customer

Revenues from a major customer of the Company represent approximately Baht 6,577.46 million (2021: Baht 3,157.09 million) of the Company's total revenues.

POSCO-Thainox Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

16 Other income

	Financial statements in which the equity method is applied/ Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Gain on disposal of scrap material	12,718	7,767
Service revenue	3,292	4,513
Interest income	2,126	2,518
Gain on disposal of current investments	-	435
Others	626	3,407
Total	18,762	18,640

17 Distribution costs

	Financial statements in which the equity method is applied/ Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Transportation expenses	128,872	117,694
Commission expenses	3,813	4,917
Travelling expenses	9,152	4,273
Insurance expenses	4,126	3,789
Entertainment expenses	2,144	1,199
Others	4,721	4,525
Total	152,828	136,397

18 Administrative expenses

	Financial statements in which the equity method is applied/ Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Employee benefits expenses	248,597	234,891
Depreciation and amortisation	44,992	45,887
Service fee	46,874	45,380
Loss on disposal and write-off of property, plant and equipment	36,451	7,081
Supplies expense	12,467	9,027
Donations	8,688	6,602
Entertainment expenses	4,380	2,732
Repair and maintenance expense	2,919	2,692
Expected credit loss	1,966	2,290
Rental expenses	943	363
Others	17,788	5,108
Total	426,065	362,053

POSCO-Thainox Public Company Limited**Notes to the financial statements****For the year ended 31 December 2022****19 Employee benefit expenses**

	Financial statements in which the equity method is applied/ Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Wages salaries and bonus	449,786	423,026
Welfare	115,975	109,976
Defined benefit plans	10,795	11,014
(Reversal of) other long-term employee benefits	(6,083)	5,612
Others	29,735	15,817
Total	600,208	565,445

Defined contribution plan

The defined contribution plan comprise provident fund established by the Company for its employees. Membership to the fund is on a voluntary basis. Contribution is made monthly by the employees at rates ranging from 4% to 15% of their basic salaries and by the Company at rates ranging from 6% to 8% of the employees' basic salaries. The provident fund are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

20 Expense by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Financial statements in which the equity method is applied/ Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
<i>Included in cost of sales of goods and rendering of services:</i>		
Changes in inventories of finished goods and work in progress	1,075,881	356,303
Raw materials and consumables used	18,000,239	16,693,411
Depreciation and amortisation	316,615	350,049
Employee benefit expenses	351,612	330,554
<i>Included in distribution cost:</i>		
Transportation expenses	128,872	117,694
Commission expenses	3,813	4,917
<i>Included in administrative expenses:</i>		
Employee benefit expenses	248,597	234,891
Depreciation and amortisation	44,992	45,887

POSCO-Thainox Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

21 Income tax

<i>Income tax recognised in profit or loss</i>	Financial statements in which the equity method is applied/ Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Current tax expense		
Current year	97,981	233,142
Adjustment for prior years	936	117
	98,917	233,259
Deferred tax expense		
Movements in temporary differences	(44,809)	(11,889)
Total tax expense	54,108	221,370

	Financial statements in which the equity method is applied/ Separate financial statements					
	Before tax	2022 Tax expense	Net of tax	Before tax	2021 Tax expense	Net of tax
			<i>(in thousand Baht)</i>			
Income tax recognised in other comprehensive income						
Defined benefit plan actuarial gains	13,896	(2,779)	11,117	16,302	(3,260)	13,042
Total	13,896	(2,779)	11,117	16,302	(3,260)	13,042

<i>Reconciliation of effective tax rate</i>	Financial statements in which the equity method is applied			
	2022	2021		
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		260,190		1,106,954
Income tax using the Thai corporation tax rate	20	52,038	20	221,391
Associate's results net of tax		(1,166)		(693)
Income not subject to tax		(94)		(119)
Expenses not deductible for tax purposes		2,394		3,252
Expenses additionally deductible tax		-		(2,579)
Under provided in prior years		936		118
Total	20.80	54,108	20.00	221,370

POSCO-Thainox Public Company Limited**Notes to the financial statements****For the year ended 31 December 2022****Reconciliation of effective tax rate**

	Separate financial statements			
	2022	2021	2022	2021
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		<u>254,360</u>		<u>1,103,490</u>
Income tax using the Thai corporation tax rate	20	50,872	20	220,698
Income not subject to tax		(94)		(119)
Expenses not deductible for tax purposes		2,394		3,252
Expenses additionally deductible tax		-		(2,579)
Under provided in prior years		936		118
Total	<u>21.27</u>	<u>54,108</u>	<u>20.06</u>	<u>221,370</u>

Financial statements in which the equity method is applied/

Deferred tax	Separate financial statements			
	Assets		Liabilities	
At 31 December	2022	2021	2022	2021
		(in thousand Baht)		
Total	106,578	75,218	(29,343)	(40,012)
Set off of tax	(29,343)	(40,012)	29,343	40,012
Net deferred tax assets	<u>77,235</u>	<u>35,206</u>	<u>-</u>	<u>-</u>

**Financial statements in
which the equity
method is applied/
Separate financial statements
(Charged) / Credited to:**

Deferred tax	At 1 January	Profit or loss (in thousand Baht)	Other comprehensive income	At 31 December
2022				
Deferred tax assets				
Trade accounts receivable	1,222	(24)	-	1,198
Receivables under debt restructuring	19,727	417	-	20,144
Inventories	10,906	34,715	-	45,621
Property, plant and equipment	17	(17)	-	-
Provisions for employee benefit	36,361	(443)	(2,779)	33,139
Other payables - provision for goods returned	2,687	1,262	-	3,949
Other payables - contract liability	4,246	(1,751)	-	2,495
Right-of-use assets	52	(20)	-	32
Total	<u>75,218</u>	<u>34,139</u>	<u>(2,779)</u>	<u>106,578</u>
Deferred tax liabilities				
Property, plant and equipment	(35,904)	7,897	-	(28,007)
Other payables - accrued expense	(4,108)	2,772	-	(1,336)
Total	<u>(40,012)</u>	<u>10,669</u>	<u>-</u>	<u>(29,343)</u>
Net	<u>35,206</u>	<u>44,808</u>	<u>(2,779)</u>	<u>77,235</u>

POSCO-Thainox Public Company Limited**Notes to the financial statements****For the year ended 31 December 2022**

	At 1 January	Financial statements in which the equity method is applied/ Separate financial statements (Charged) / Credited to:		At 31 December
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax				
2021				
Deferred tax assets				
Trade accounts receivable	764	458	-	1,222
Current investment	732	(732)	-	-
Receivables under debt restructuring	19,727	-	-	19,727
Inventories	10,701	205	-	10,906
Property, plant and equipment	83	(66)	-	17
Provisions for employee benefit	38,071	1,550	(3,260)	36,361
Other payables - provision for goods returned	2,061	626	-	2,687
Other payables - contract liability	590	3,656	-	4,246
Right-of-use assets	-	52	-	52
Total	72,729	5,749	(3,260)	75,218
Deferred tax liabilities				
Property, plant and equipment	(45,414)	9,510	-	(35,904)
Other payables - accrued expense	(739)	(3,369)	-	(4,108)
Total	(46,153)	6,141	-	(40,012)
Net	26,576	11,890	(3,260)	35,206

22 Earnings per share

	Financial statements in which the equity method is applied		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders				
Profit attributable to ordinary shareholders of the Company (basic)	206,082	885,584	200,252	882,120
Number of ordinary shares outstanding (basic) at 31 December	7,795,709	7,795,709	7,795,709	7,795,709
Earnings per share (basic) (in Baht)	0.0264	0.1136	0.0257	0.1132

23 Dividends

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
2022				
Annual dividend	28 April 2022	May 2022	0.107	834

POSCO-Thainox Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

24 Financial instruments

(a) Financial risk management policies

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(a.1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

(a.1.1) Trade accounts receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 15.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's commercial terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

The Company limits its exposure to credit risk from trade accounts receivable by establishing a maximum payment period of 3 months. Outstanding trade accounts receivable are regularly monitored by the Company. An impairment analysis is performed by the Company at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade accounts receivable to reflect differences between economic conditions in the past, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

POSCO-Thainox Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

Information relevant to trade accounts receivable are disclosed in note 6 and 7.

(a.1.2) Cash and cash equivalent

The Company's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Company considers to have low credit risk.

(a.2) Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Financial statements in which the equity method is applied/ Separate financial statements					
Contractual cash flows					
<i>At 31 December</i>	Carrying amount	1 year or less	More than 1 year but less than 2 years (in thousand Baht)	More than 2 years but less than 5 years	Total
2022					
<i>Non-derivative financial liabilities</i>					
Trade accounts payable	1,995,180	1,995,180	-	-	1,995,180
Lease liabilities	14,323	10,591	2,006	1,726	14,323
	<u>2,009,503</u>	<u>2,005,771</u>	<u>2,006</u>	<u>1,726</u>	<u>2,009,503</u>
2021					
<i>Non-derivative financial liabilities</i>					
Trade accounts payable	3,383,380	3,383,380	-	-	3,383,380
Lease liabilities	22,855	16,361	6,437	57	22,855
	<u>3,406,235</u>	<u>3,399,741</u>	<u>6,437</u>	<u>57</u>	<u>3,406,235</u>

POSCO-Thainox Public Company Limited
Notes to the financial statements
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(a.3) Foreign currency risk

The Company is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies.

	Financial statements in which the equity method is applied/ Separate financial statements					
	2022			2021		
<i>Exposure to foreign currencies as at 31 December</i>	United States Dollars	Euro	Total (in thousand Baht)	United States Dollars	Euro	Total
Cash and cash equivalents	429,999	-	429,999	1,487,328	-	1,487,328
Trade accounts receivable	742,880	-	742,880	588,321	-	588,321
Other receivables	484	-	484	525	-	525
Trade accounts payable	(1,705,165)	(3,507)	(1,708,672)	(1,762,501)	(11,966)	(1,774,467)
Other payables	(5,823)	(1,761)	(7,584)	(13,016)	(13,241)	(26,257)
Net statement of financial position exposure	(537,625)	(5,268)	(542,893)	300,657	(25,207)	275,450
Estimated forecast sales	57,339	-	57,339	140,769	-	140,769
Estimated forecast purchases	(856,179)	(27,196)	(883,375)	(5,638,249)	(25,798)	(5,664,047)
Net exposure	(1,336,465)	(32,464)	(1,368,929)	(5,196,823)	(51,005)	(5,247,828)

Sensitivity analysis

A reasonably possible strengthening (weakening) of Thai Baht against all other foreign currencies at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i>Impact to profit or loss</i>	Movement (%)	Financial statements in which the equity method is applied/ Separate financial statements	
		Strengthening (in thousand Baht)	Weakening
2022			
United States Dollars	10	(53,763)	53,763
Euro	10	(527)	527
2021			
United States Dollars	10	20,345	(20,345)
Euro	10	(3,099)	3,099

25 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

POSCO-Thainox Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

26 Commitments with non-related parties

	Financial statements in which the equity method is applied/ Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Plant and equipment	60,563	69,219
<i>Other commitments</i>		
Lease commitments	536	675
Unnegotiated letters of credits for goods and supplies	40,391	35,441
Purchase orders for goods and supplies	552,978	3,497,053
Bank guarantees	975	2,119
Total	594,880	3,535,288

27 Contingent liabilities

As at 31 December 2022 and 2021 the Company has court cases as follows:

Breach of compromise agreement

In 2019, a company sued the Company regarding the breach of a compromise agreement. The Plaintiff claimed that the Company breached the compromise agreement and caused damage to the Plaintiff. Baht 3 million together with interest at rate 7.5% per annum was claimed against the Company. As at 31 August 2022, the Court of First Instance gave the judgement dismisses all claims against the Company and a company filed an appeal against the Court. The Company to file motion to Court to extend the period of appeal by the end of February 2023, which this could be extended twice. The Company believes that it will be able to successfully defend the claim and accordingly the Company did not record any provision for this legal case in its financial statements.

28 Events after the reporting periods

At the board of directors meeting of the Company held on 10 February 2023, the board of directors approved to propose the appropriation of dividend for the year ended 31 December 2022 of Baht 0.024 per share, amounting to Baht 189.44 million and appropriation of legal reserve of Baht 10.01 million to the annual general meeting of the shareholders which will be held in April 2023.

The attachment

The attachment 1

1.1 Details of directors, managements, and company secretary (as of December 31, 2022)

No.	Name list (Appointed date)	Age	Education & Training program	No. of Share holding (%)	Relative	Work experiences		
						Year	Position	Organization
1	Mr. Manjae Lee Chairman of the Board / Chairman of the Audit Committee / Independent director (November 13, 2014)	71	- B.A. Economics, Yonsei University, Republic of Korea	-	-	2022 - Present 2014 - Present Present 2012 - 2016	Chairman of the Board Chairman of the Audit Committee / Independent director Managing Director President	POSCO-Thainox PCL. POSCO-Thainox PCL. MExcellent Corporation Co., Ltd. Korean – Thai Chamber of Commerce
2	Mr. Youngchul Kwon Director / President / Authorized Director (January 8, 2019)	59	- Master degree of Ferrous Technology, Pohang University of Science and Technology, Republic of Korea - Bachelor degree of Metallurgy, Hanyang University, Republic of Korea	-	-	2022 - Present 2019 - 2022 2015 - 2018 2011 - 2015 2004 - 2011	Director / President Chairman of the Board / President Manager of STS Rolling Department Chief Technology Officer STS Rolling Department Team Leader	POSCO-Thainox PCL. POSCO-Thainox PCL. POSCO POSCO VST POSCO
3	Mr. Jiseob choi Director / Chief Marketing Officer / Authorized Director (January 14, 2021)	54	Bachelor Degree Management, Sogang University, Republic of Korea	-	-	2021 - Present 2019 - 2020 2018 2562 - 2561	Director / Chief Marketing Officer Managing director Team leader of CHQ wire rod marketing Team Leader of STS Strategy Group, STS Division	POSCO-Thainox PCL. POSCO (THAILAND) CO., LTD. POSCO POSCO
4	Mr. Jaesung Yoon Director / Chief Financial Officer / Authorized Director (December 22, 2022)	35	Bachelor's degree of Economics, Yonsei University, Republic of Korea - e-learning CFO's Orientation , The Stock Exchange of Thailand (2023)	-	-	2022 - Present 2022 - Present 2022 2020 - 2022 2019 - 2020 2017 - 2018 2014 - 2017	Director / Chief Financial Officer Director Manager, Planning & Coordination, Corporate Planning Department Manager, Accounting, Finance Department Junior Manager, Business Analysis, Corporate Planning Department. Junior Manager, Cost Management & Analysis, Finance Department Assistant Manager, Overseas Business Management, Marketing Department	POSCO-Thainox PCL. NS-Thainox Auto Co., Ltd. POSCO POSCO POSCO POSCO POSCO
5	Mr. Hoyoung Kim Director (April 28, 2022)	48	Bachelor's degree in Economic, Pusan University, Republic of Korea	-	-	2022 - Present 2022 - Present 2019 - 2022 2015 - 2018	Director Head of Business Management Group Section leader of Financial Strategy Group Section leader of Accounting Group	POSCO-Thainox PCL. POSCO POSCO POSCO

No.	Name list (Appointed date)	Age	Education & Training program	No. of Share holding (%)	Relative	Work experiences		
						Year	Position	Organization
6	Mr. Chalermchai Mahagitsiri Director (April 21, 2009)	44	- M.S. in Finance, Boston University, United States of America - B.S. in Finance, Suffolk University, United States of America - Personal Data Protection Act, Ragnar Corporation Company Limited, 2022 - Digital Edge Fusion (DEF), Sripatum University, Class 1, 2017 - Ultra Wealth - Investment Like A Master, Class 2, 2016 - Academy of Business Creativity (ABC), Sripatum University, Class 4, 2016 - Capital Market Academy Leadership Program, Capital Market Academy (CMA), Class 17, 2013 - Director Certification Program (DCP), Thai Institute of Directors Association (IOD), Class 53/2005 - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD), Class 30/2004	10.13	-	Positions in Listed Companies in The Stock Exchange of Thailand (SET)		
						2018 - Present	Chairman of the Board of Directors	Unique Mining Services PCL.
						2015 - Present	Chairman of the Investment Committee	Thoresen Thai Agencies PCL.
						2013 - Present	Chairman of the Board of Directors	PM Thoresen Asia Holdings PCL.
						2012 - Present	Executive Director, President and Chief Executive Officer and Member of the Executive Committee	Thoresen Thai Agencies PCL.
						2011 - Present	Director	POSCO-Thainox PCL.
						2011 - Present	Director and President	Thai Film Industries PCL.
						2012 - 2018	Vice Chairman	Unique Mining Services PCL.
						2009 - 2011	Director / Assistant Chairman of Board of Director and Chief Executive Officer	POSCO-Thainox PCL.
						Positions in Listed Companies in Other Countries		
						2012 - Present	Director, Chief Executive Officer and Executive Vice Chairman	Mermaid Maritime PCL.
						2015 - 2019	Director	Sino Grandness Food Industry Group Ltd.
						Positions in Other Companies/Organizations		
						2022 - Present	Director	Strom (Thailand) Co., Ltd.
						2022 - Present	Director	dwp cityspace Ltd.
						2022 - Present	Director	High Cloud Music Co. Ltd
						2022 - Present	Director	TTA Chao Phraya Express Boat Joint Venture
						2022 - Present	Director	Petrolift (Thailand) Co., Ltd.
						2022 - Present	Director	P80 Jet Co., Ltd.
						2022 - Present	Director	P80 Air Ltd.
						2021 - Present	Director	Thoresen FSO Co., Ltd.
						2021 - Present	Director	Skootar Beyond Co., Ltd.
						2020 - Present	Director	PM80 Bio Research Group Ltd.
						2020 - Present	Director	Praneat Co., Ltd.
						2020 - Present	Director	Mermaid Ventures Co., Ltd.
						2019 - Present	Director	Thoresen Klong Padung Krungkasem Joint Venture (Thailand)
						2019 - Present	Director	Natural Aura Co., Ltd.
						2019 - Present	Director	Natural Drink Co., Ltd.
						2018 - Present	Director	Asia Infrastructure Management (Thailand) Co., Ltd.
						2018 - Present	Director	CM Corporate Co., Ltd.
						2018 - Present	Director	Siam Taco Company Limited
						2018 - Present	Director	Four One One Ecommerce Co., Ltd.
						2018 - Present	Director	PTGC Co., Ltd.
						2017 - Present	Director	Thoresen Shipping (Thailand) Co., Ltd.
						2016 - Present	Director	Mermaid Subsea Services Saudi Arabia Co., Ltd.
						2016 - Present	Director	PMT Property Co., Ltd.
						2016 - Present	Director	Laser Game Asia Ltd.
						2016 - Present	Director	TTA Mariner Co., Ltd.
						2014 - Present	Director	Mermaid International Ventures
						2014 - Present	Director	Premo Shipping Public Company Limited
						2014 - Present	Director	Thoresen Shipping FZE
						2014 - Present	Director	Mermaid Maritime Mauritius Ltd.
						2014 - Present	Director	Chidlom Marine Services & Supplies Ltd.
						2014 - Present	Director	Gulf Agency Company (Thailand) Ltd.
						2014 - Present	Director	GAC Thoresen Logistics Ltd.
						2014 - Present	Director	PH Macaron (Thailand) Co., Ltd.
						2014 - Present	Director	Athene Holdings Ltd.

[illegible]

No.	Name list (Appointed date)	Age	Education & Training program	No. of Share holding (%)	Relative	Work experiences		
						Year	Position	Organization
8	Mr. Noppadon Sarawasi Independent Director / Audit Committee (November 13, 2014)	69	- B.A. (Economics), Kasetsart University - MA. Economics, Middle Tennessee State University, United State of America - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD), Class 132/2016	-	-	2014 - Present 2012 - 2013 2009 - 2012 2007 - 2009	Independent Director / Audit Committee Deputy Permanent Secretary Commercial Advisor Deputy Director General	POSCO-Thainox PCL. Minister of Commerce Minister of Commerce Department of Trade Negotiations
9	Mr. Songsak Limbanyen Independent Director / Audit Committee (February 17, 2017)	71	- B.Sc. (M.E), Prince of Songkhla University - The Graduate Diploma in Mechanical Engineer, Chulalongkorn University - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD), Class 170/2020	-	-	2017 - Present 2010 2009 2009 2008 2004	Independent Director / Audit Committee Deputy Secretary General Executive Director Director Director Director	POSCO-Thainox PCL. Head of Chinese Desk, India and South Asia Desk Investment Promotion Bureau Investment Promotion Bureau2 Investment Development Assistance Bureau Investment Facilitation Division
10	Mr. Byungchul Yu Production division Leader	53	- Master of Material Science, Pohang University of Science and Technology, Republic of Korea - Bachelor of Metallurgical Engineering, Hanyang University, Republic of Korea - Visiting Researcher , University of California at San Diego, USA	-	-	2017 - 2021 2014 - 2017 2013 - 2014 2551 - 2556	Production division Leader Team manager of Stainless Rolling Department Team manager of Hot Rolling Department General manager	POSCO-Thainox PCL. POSCO POSCO Zhangjiagang Pohang Stainless Steel Company (ZPSS) POSCO
12	Ms. Yaowapha Komiantaksin Company Secretary	49	- MBA, Mahanakorn University of Technology -B. Sc. (Economics), Kasetsart University - Company Reporting Program (CRP) 14/ Thai Institute of Directors Association (IOD)			2015 – Present 2014 – 2015 2012 – 2014	Treasury Team leader / Company Secretary Vice president, Dealer Department Section Manager of Treasury Department	POSCO-Thainox PCL. Land and Houses Fund Management Co., Ltd. Toyota Leasing (Thailand) Co., Ltd.

1.2 Duties and Responsibilities of Company Secretary

The company secretary is responsible to both the board of directors and shareholders and must carry out their duties with honesty, integrity, and reasonable care. They are to perform their duties in accordance with the policies of the board of directors, provide advice to the board in the preparation of various reports and presentations required by law, such as financial reports, and ensure that these reports are accurate and presented on time as approved by the board. Additionally, they are responsible for providing information on laws and regulations related to the company's operations, such as securities registration and disclosure requirements. Furthermore, the company secretary must ensure that the company's regulations are consistent with the objectives of the company and provide information for the board's decision-making process.

1. Responsibilities to Shareholders and Investors

The company secretary is responsible for communicating with shareholders regarding matters related to shareholder meetings and reporting on these meetings. They are also responsible for preparing accurate and complete annual reports to provide information to shareholders for decision-making purposes. As for the responsibility to general investors, the company secretary is responsible for disclosing important information about the company in a timely, accurate, and transparent manner.

2. Responsibilities to the Board of Directors and the Company

The company secretary is responsible for assisting the board of directors in various matters, such as managing board meetings, preparing meeting agendas, preparing reports on meetings, and managing and maintaining documents related to the company, such as the registry of directors, meeting schedules, meeting reports, and annual reports. They must also ensure that the reports on the directors and executives' interests are collected and handled according to the law. Additionally, the company secretary is responsible for providing advice to the board on matters related to the company's operations, procedures, and guidelines, as well as seeking advice from external experts as required by the board.

2. Relationship of Directors, Executives, and Controllers with Subsidiary Companies

Name	POSCO-Thainox Public Company Limited	NS-Thainox Auto Company Limited (Joint Company)	POSCO (Korea) (Controller)
1. Mr. Manjae Lee	X	-	-
2. Mr. Youngchul Kwon	//	-	-
3. Mr. Jiseob Choi	//	-	-
4. Mr. Jaesung Yoon	//	/	-
5. Mr. Hoyoung Kim	/	-	-
6. Mr. Chalermchai Mahagitsiri	/	-	-
7. Mr. Shinya Ozono	/	-	-
8. Mr. Noppadon Sarawasi	/	-	-
9. Mr. Songsak Limbanyen	/	-	-

Remarks : X = Chairman of the Board, / = Director, // = Executive Director

The attachment 2

Directors' detail of Joint Company

The Company holds the ordinary shares for 49 percent of the total shares of NS-Thainox Auto Company Limited. Thus, NS-Thainox Auto Company Limited is considered as Joint Company which has directors details as follows;

List	NS-Thainox Auto Company Limited	POSCO-Thainox Public Company Limited
1. Mr. Byungchul Yu ⁽¹⁾	X	//
2. Mr. Jaesung Yoon ⁽²⁾	/	/, //
3. Mr. Akira Sawayama	/	-
4. Mr. Koichi Iuchi	/	-
5. Mr. Manabu Tani	/	-

Remarks : X = Chairman of the Board, / = Director, // = Executive Director

(1) Appointed in replacement of Mr. Taehyung Kang

(2) Appointed in replacement of Mr. Byungjoo Choi

The attachment 3

Details of Internal Auditor

Name	Mr. Seungin Choi
Position	Internal Auditor
Education	Bachelor of Business Administration in Tax & Accounting, KYUNGHEE CYBER UNIVERSITY, Seoul, KOREA
Work experiences	2022 - Present Team Leader, Internal Audit Team 2018 - 2021 Team Leader, Finance Department 2013 - 2017 Supervisor, Finance Department
Training program	Course of Internal Control over Financial Reporting, POSCO Corporate Citizenship, ESG management, Global Information security

The attachment 4

Assessment

- None -

The attachment 5

The corporate governance policies and Code of Ethics

Details shown on the Company's website at www.poscothainox.com

The attachment 6



Audit Committee Report 2022

To Shareholders of POSCO-Thainox Public Company Limited

The Audit Committee of POSCO-Thainox Public Company Limited consists of three independent directors who have experiences in investment management, finance, accounting and organization management; Mr. Man Jae Lee is a Chairman of Audit Committee, Mr. Noppadon Sarawasi and Mr. Songsak Limbanyen are members of Audit Committee. They have authorities, duties and responsibilities to the Board of Directors according to the charter of the Audit Committee.

In 2022, the Audit Committee has completed the duties independently, focusing on the internal control, the good corporate governance, and the transparent administration of management. The external auditors and the leaders of internal audit team had the meeting with the management 4 times which can be summarized as follows:

1. The Audit Committee has quarterly and yearly reviewed the company's financial statements by the equity method and the separate financial statement 2022 in order to ensure that the financial statements of the company have been completed in accordance with the generally accepted accounting principles, and disclosed the significant information in the note to the financial statements.
2. The Audit Committee had a meeting with the external auditors without the company's management to significantly consider and recommend for preparation and auditing the financial statements 2022. The Audit Committee agreed that the financial statements of the company have been prepared correctly in accordance with the generally accepted accounting principles and in compliance with regulations and laws associated with adherence.
3. The Audit Committee has considered the transactions related to the company and its subsidiary according to rules of the Stock Exchange of Thailand. The Audit Committee agreed that such transactions were reasonable and appropriate disclosure as per the financial statements.
4. The Audit Committee has reviewed the report of the Audit operations 2022 the scope of work, and the monitoring audit to assure its independency and efficiency as planned and a quarterly basis. Besides, the Audit Committee has also reviewed the plan of internal audit included the occurring issues, the recommendations, and the plan of management operations for improvement & development, in order to assure the company's adequate and effective internal control system and risk management.
5. The Audit Committee has informed the President to consider the nomination and remuneration of the external auditor, and propose to the shareholders for further approval.

The Audit Committee agreed that the financial statements has been completed with sufficient disclosures according to the generally accepted accounting principles, the disclosure of related transactions or the results that may pose a conflict of interest, the efficiency system of risk management and internal control, the good corporate governance, and the compliance with relevant laws and regulations.

A handwritten signature in black ink, appearing to read "Man Jae Lee", written over a horizontal line.

Mr. Man Jae Lee
Chairman of the Audit Committee



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