



บริษัท ทีเอ็มที สตีล จำกัด (มหาชน)  
TMT STEEL PUBLIC COMPANY LIMITED



Annual Registration Statement / Annual Report 2022  
(56-1 One Report)

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# Message from the Board of Directors

## Overall Economy in 2022

The world has faced volatility from numerous circumstances since the beginning of the year due to the war between Russia and Ukraine, which has caused European economies to face supply chain problems, resulting in skyrocketing prices for consumer goods and energy due to its shortage. This was followed by rising inflation, which hampered global economic growth, as well as changes in Federal Reserve (FED) monetary policies that exponentially increased the US dollar's interest rate in an effort to cool down the overheating economy and inflation. As a result, central banks around the world are compelled to alter their policies in order to increase their interest rates in tandem with the rising US interest rates in order to mitigate the impact of the US dollar's appreciation. In addition, the Zero Covid policy of the Chinese government resulted in the periodic closure of China's major economic zones. This effort to control the spread of the pandemic has had a significant impact on China's economic growth and exacerbated the financial debt issues in the real estate sector, which has a high percentage of the economy's share, making it even more difficult. The circumstances in 2022 increased global economic expansion risk factors. Uncertainty in geopolitical policies has appeared for a period of time due to the protection trade policy, conflicts, and fragile relations between the world's largest economies such as China and the United States.

These factors impacted global economic growth, consumption, global trade and investment throughout 2022. This was contrary to the Company's expectations that the economic growth would accelerate in many countries and continue to recover after the COVID-19 pandemic which appeared to be under control to certain extent and the strict measures in many countries had begun to be relaxed at the end of 2021. However, the phenomenon in 2022 led to a decline in consumption of various types of products, particularly in the categories of ore, metal, copper, and iron which are fundamental raw materials for important production processes and their usage has decreased dramatically. This affected the price of steel products to drop continually throughout the year by at least 25% compared to the previous year. Thailand was also

affected, which caused domestic steel consumption to significantly slow down due to its weak economy. The steel consumption decreased by 12.2 % compared to 2021 (information from the Iron and Steel Institute of Thailand).

## TMT's Operations

In addition to focusing on the development of the production process in order to obtain quality products and create value-added services, the Company emphasized the management of the distribution channel system and efficient product distribution, beginning with the handling of raw materials from manufacturers, processing, collecting products, storage, and transporting goods quickly, completely, and on time. This increases the potential of supply chain business operators, resulting in improved product delivery and services. Due to the challenging situation in 2022, the Company took various risk factors into account by creating a balance between the cost of goods management, which decreased continuously throughout the year, and maintaining product sufficiency so that the customers' business have access to products that can be used continuously at a market-appropriate price. The Company was able to maintain its customer base and sales volume despite a significant decline in the country's overall steel consumption. In 2022, the Company's total revenue was 22,188 million Baht, or approximately equivalent to the 706,722 tons of sales volume. Net profit was 242 million Baht which was a decrease compared to 2021.

Over the past years, the Company has been successful in developing operational systems in all aspects by applying innovative and advanced technology in production, processing, quality control, and product standards. This included a modern and efficient logistic system to support the current and future growth that continues to grow, as well as continuously developing the potential of all employees so that they are prepared and equipped to be leaders at all levels, in every line of work, and have the necessary skills to support the Company's current and future business model. This prepared the Company to be ready to further develop with the appropriate use of digital technology, increase work efficiency between customers and the Company, and provide customers with new experiences

that are convenient, easy, fast, and reduce work processes. It also supported future growth by emphasizing system development to support B2B (Business to Business) operations as well as future business activities and other transactions.

The Company incorporated good corporate governance and conducted business with responsibility to stakeholders, society, and the environment as important practice guidelines in the operation. The key to TMT's success in sustainable development is the participation of personnel at all levels from directors and executives to employees. The Company's operations were also systematic and yielded tangible results. The Company reported its sustainability performance under the topic of Driving Business for Sustainability. In addition, the Company received certification and awards for its continued success in 2022. This demonstrated a commitment to conducting business in accordance with the sustainable development guidelines as evidenced by an "Excellent" or 5-star rating on corporate governance for the second consecutive year, ESG100 Sustainability Certification for the seventh consecutive year, and selection to be listed on the Sustainable Stock Exchange (THSI) list for the third consecutive year. This included a commitment to preventing all forms of corruption by becoming a member of the Coalition Against Corruption of the Thai Private Sector, as well as a focus on environmental concerns. Thus, the Company was certified for environmental management standards (ISO 14001:2015) and was certified for the carbon footprint of the organization by the Thailand Greenhouse Gas Management Organization (TGO). The Company is determined to continuously reduce greenhouse gas emissions from its activities. These were all indications of the dedication to the work of every employee who creates growth and strength together in order to serve as the structure of all imagination.

The Board of Directors would like to express our heartfelt gratitude to our esteemed customers, shareholders, business partners, and trade partners which includes all of the executives and employees of TMT. The Company will strive for continuous improvement to maintain work standards and achieve success in a variety of fields in order to generate value and sustainable returns for all stakeholders.



**Chai Jroongtanapibarn**  
Chairman of the Board





# Awards & Recognitions



## Excellent CG Scoring (5 stars)

The rating of "Excellent" (5 stars) in the Corporate Governance Report of Thai Listed Companies 2022, the 2<sup>nd</sup> consecutive year (2021 - 2022) (CGR) by Thai Institute of Directors (IOD).



## ESG 100

The "ESG 100 Company" for 2022, the 7<sup>th</sup> consecutive year (2016 - 2022) by Thaipat Institute.



## Sustainability Disclosure Award

The Sustainability Disclosure Award for 2022, the 3<sup>rd</sup> consecutive year (2020 - 2022) by Thaipat Institute



## Member of Thai Private Sector Collective Action Against Corruption (CAC)

A member of Thai Private Sector Collective Action Against Corruption (CAC) (renewal for 2021 - 2023) by Thai Institute of Directors (IOD).



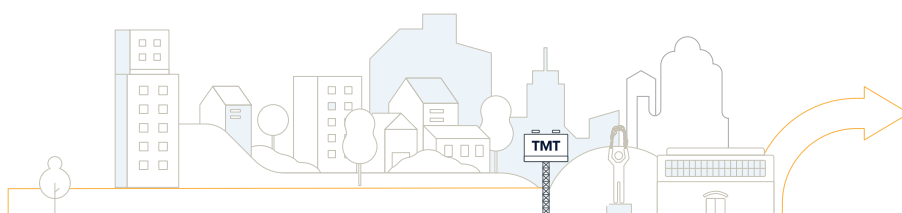
## The list of Thailand Sustainability Investment (THSI)

The list of Thailand Sustainability Investment (THSI), the 3<sup>rd</sup> consecutive year (2020 - 2022) by The Stock Exchange of Thailand (SET)



## CSR-DIW Continuous Award

The CSR-DIW Continuous Award for 2022, the 9<sup>th</sup> consecutive year (2014 - 2022) by the Department of Industrial Work.





### The Excellent Establishment on Labour Relations and Welfare National Level

The Excellent Practices Establishment on Labour Relations and Welfare National Level for 2022, the 3<sup>rd</sup> consecutive year (2020 - 2022) by The Ministry of Labour.



### The Standard on Prevention and Solution to Drug Problems in an Establishment

This shows that the company ability to manage the prevention and solution of drug problems in accordance with standard criteria of the Labour Protection and Welfare Office of Phra Nakhon Si Ayutthaya (2021- 2024)



### MiT (Made in Thailand)

TMT's steel products, 25 items, were certified by MiT (Made in Thailand) from The Federation of Thai Industries.



### The Green Industry Awards Level 4 from the Department of Industrial Works.

This shows that the company adheres to business operations that focus on the development of environmentally friendly production processes as well as continuously improving on environmental management (2021 - 2024).



### Carbon Footprint for Organization

The certification of Carbon Footprint for Organization by Thailand Greenhouse Gas Management Organization (Public Organization)



### ISO 14001 : 2015

### Environmental Management Systems

The certification of ISO 14001:2015 Environmental Management Systems by SGS Thailand.



### TRIS RATING “BBB’ with a “Stable” outlook

The rating at “BBB” with a “stable” outlook, the 6th consecutive year. The rating reflects TMT’s robust market position in the downstream steel industry, a broad range of product offerings, and a diverse customer base.

# Corporate Profile

## TMT STEEL PUBLIC COMPANY LIMITED

Stock Code	:	TMT
Registration Number	:	0107547000800
Type of Business	:	Integrated Steel Service Center
Registered Capital	:	Baht 870,758,034
Issued and Paid-up Capital	:	Baht 870,758,034
Head Office	:	179 Bangkok City Tower 22 <sup>nd</sup> Floor, South Sathorn Rd., Thungmahamek, Sathorn, Bangkok 10120 Thailand Tel : 0 2685 4000 Fax : 0 2670 9090-2
Rama III Plant and Distribution Center	:	129, 131 Rama III Rd., Bangkholaem, Bangkok 10120
Wangnoi Plant and Distribution Center	:	332-333 Moo 5, Paholyothin Rd., Lamsai, Wangnoi, Ayutthaya 13170
Investor Relations	:	Tel : 0 2685 4000 ext. 4003 E-mail : <a href="mailto:ir@tmtsteel.co.th">ir@tmtsteel.co.th</a>
Designated Directors as	:	Fax : 0 2670 9093
Shareholders' representative	:	E-mail : <a href="mailto:ind_dir@tmtsteel.co.th">ind_dir@tmtsteel.co.th</a>
Homepage	:	<a href="http://www.tmtsteel.co.th">www.tmtsteel.co.th</a>

## References

### Share Registrar :

Thailand Securities Depository Company Limited  
93 SET Building, Ratchadaphisek Rd.,  
Dindaeng, Bangkok 10400  
Tel : 0 2009 9999 Fax : 0 2009 9991

### Legal Consultant :

Seri Manop and Doyle Company Limited  
21 Soi Amnuaiwat, Suthisan Rd., Samsennok,  
Huaikhwang, Bangkok 10310  
Tel : 0 2693 2036 Fax : 0 2693 4189

### Auditor :

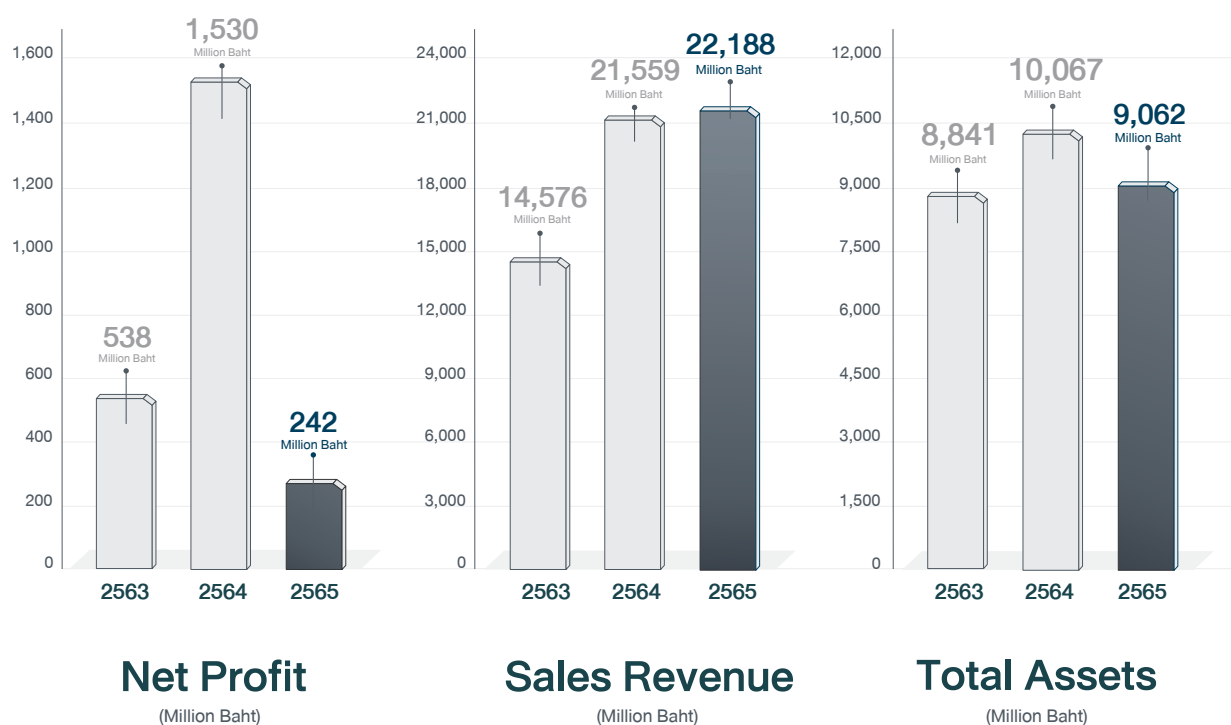
PricewaterhouseCoopers ABAS Company Limited  
179, 15<sup>th</sup> Floor Bangkok City Tower, South Sathorn Rd.,  
Thungmahamek, Sathorn, Bangkok 10120  
Tel : 0 2344 1000 Fax : 0 2286 5050

# Business Operation and Performance



# Financial Highlights

As at 31 December 2022



Summary	(Baht : million)		
	2022	2021	2020
Sales Revenue	22,188	21,559	14,576
Gross Profit	993	2,661	1,266
Net Profit	242	1,530	538
Total Assets	9,062	10,067	8,841
Total Liabilities	5,812	6,313	5,659
Total Shareholder's Equity	3,250	3,754	3,182
Paid-up Capital	871	871	871
Financial Ratio			
	2022	2021	2020
Gross Profit Margin	4.48%	12.34%	8.68%
Net Profit Margin	1.09%	7.10%	3.69%
Return on Assets (ROA)	2.68%	15.20%	6.08%
Return on Fixed Assets (ROFA)	7.74%	50.85%	18.25%
Return on Equity (ROE)	7.46%	40.76%	16.91%
Current Ratio (Time)	1.43	1.49	1.21
Debt to Equity Ratio (Time)	1.79	1.68	1.78
Net Interest Bearing Debt to Equity Ratio (Time)	1.54	1.48	1.27
Interest Coverage Ratio (Time)	3.53	19.48	8.96
Collection period (Day)	50	48	60
Inventory turnover period (Day)	51	50	46
Book Value per share (Baht)	3.73	4.31	3.65

# Policy and Business Overview

## “Providing Structure of your imagination”

This vision statement is what we believe in, and we strive every single day to live up to this commitment. To be different, we challenge ourselves at all times to come up with new creative ideas to provide better solutions to customers and to keep improving our business functions, in order to respond to the ever-changing demand.



TMT is a manufacturer, processor, and distributor of steel products to business operators nationwide in the manufacturing industry, construction industry, and building material distributors. The Company specializes in the efficient management of distribution channels and product distribution which includes the management of raw materials from manufacturers, processing, collection, storage, and delivering products quickly, completely, and on time to reduce storage costs. This enhances the capabilities of business operators in the supply chain system in order to facilitate the expansion and management of the businesses of operators to be more efficient and convenient.

## Corporate Goals

TMT strives to be the leader in the best-integrated steel service center in the country with a vision of “Providing Structure of Your Imagination”. The Company attaches importance to being a structure for the success of every stakeholder, especially as part of the success of our customers’ business. The Company does not only focus on innovation to produce quality products that meet the needs of customers, but focuses on the development of various services in order to help customers maximize production efficiency, production capacity, and maximize the benefits for the business of customers.

The Company set a sales growth target of 10% for at least 3 years in accordance with the investment plan between 2017 and 2022. More information is detailed in the section on Significant Changes and Developments. The plan was to support growth so that the Company could create a production capacity of up to 1 million tons.

Under these challenges, the Company realized that the business must be conducted on the basis of sustainable development by adhering to good corporate governance principles in regard to the economy, society, and the environment, along with appropriate risk management which will build business sustainability from within to deliver good value to all stakeholders and enable the Company to achieve sustainable growth.

## History and Background

Mr. Soon Tarasansombat founded “Soon Huat Iron Work Limited Partnership” in 1976. The business was initially focused on steel trading alone until 1986. Then the business was changed into “Soon Huat Steel Company Limited”. In 1992, the Company eventually changed into a new business model called “Thai Metal Trade Company Limited”.

Thai Metal Trade Company Limited (TMT) was established on April 17, 1992, with an initial paid-up capital of 5 Million Baht. The Company was positioned as a fully integrated steel service center that was able to cover a full range of steel products, have expertise in steel trading, manufacturing, and have an excellent distribution system as well as proactive marketing strategies. Thai Metal Trade was on its way to rapidly guarantee long-term growth.

On September 1, 2004, TMT became a public company. It became a listed company on the Stock Exchange of Thailand on February 18, 2005. This was a bold step forward to enhancing credibility, widening financial instruments and greater business opportunities, and reinforcing sustainable growth.

On April 9, 2019, TMT changed the Company's name to "TMT STEEL PUBLIC COMPANY LIMITED" in order to align with the current business model and future business expansion.

On April 18, 2019, TMT changed its paid-up capital from 435,379,017 Baht to 870,758,034 Baht resulting from the stock dividend payment at the ratio of 1 existing share per 1 new share.

The Company's first plant and distribution center was located on Rama III Road and a substantial investment of more than 1 billion Baht has been spent in the beginning on a plot of land measuring 135 rai in Ayutthaya in order to increase the capacity of the warehouse and production. Currently, the Company has expanded its investment to a total area of 334 rai with 3 billion Baht invested.

The Company is currently one of Thailand's largest integrated steel business operators. The business guidelines have been modified to be in line with various changing factors that occur by emphasizing value enhancement and the success of all stakeholders rather than focusing solely on the distribution of steel products.

## Major Changes and Developments in 2022 are as follows :

- Completed the installation of the second Stretcher Leveling machine and added equipment to increase the production line's efficiency, in the third quarter of 2022, in order to produce STAY FLAT steel with a maximum thickness of 16 millimeters with a production capacity of 180,000 tons/year.

- Installed the fourth Slitter Machine to accommodate the increase of steel tube production lines and the rising customer demand for hot-rolled steel strips. It was completed in the fourth quarter of 2022 with a production capacity of 74,000 tons/year.

- Developed custom-designed steel cutting services with a 5-axis, 3D Laser Cutting Machine for cutting steel tube that require precision and high quality. This machine can cut and punch in accordance with desired patterns with high precision in the same process with a production capacity of 3,600 tons/year.

- Initiated an installation project for Zinc-coated steel forming machine for light structure Lip Z section and Lip C channel section with a production capacity of about 5,000 tons/year. This machine can punch in accordance with custom desired patterns. The installation is expected to be completed by the second quarter of 2023.

- Initiated Solar Rooftop Installation, Project 2, on an area of 17,055 square meters. It can generate 3.782 megawatts of electricity and reduce carbon dioxide emissions by approximately 1,978 tons/year. It is expected to be completed in the fourth quarter of 2023. When it is combined with the first project, it will increase the total electricity-generating capacity by 6.282 megawatts and reduce carbon dioxide emissions by approximately 3,286 tons/year.

- Obtained ISO 14001:2015 environmental management system certification from SGS (Thailand) Company Limited by applying the standards for environmental management and continuous improvement.

- Signed a Memorandum of Understanding (MOU) with Fire One One Company Limited to study and research the feasibility of developing a digital business model through the TMT Digital Business project to develop business innovation and apply technology to business operations. A period of one year was set to study and research from October 12, 2022, to October 12, 2023.

- Signed a Memorandum of Understanding with the Faculty of Agricultural Technology at Valaya Alongkorn Rajabhat University in the patronage of His Majesty the King for the Reforestation Project in order to increase the green area on the vacant land of approximately 85 rai at the factory and the distribution center in Wang Noi District, as well as supporting the research on the Reforestation Project to be published as an academic presentation for the Faculty of Agricultural Technology at Valaya Alongkorn Rajabhat University in the patronage of His Majesty the King.



# Nature of Business

## Products, Services, and Business Innovation Development

TMT is a manufacturer, processor, and distributor of steel products to business operators nationwide in the manufacturing industry, construction industry, and building material distributors. The Company specializes in the efficient management of distribution channels and product distribution which includes the management of raw materials from manufacturers, processing, collection, storage, and delivering products quickly, completely, and on time to reduce storage costs. This enhances the capabilities of business operators in the supply chain system in order to facilitate the expansion and management of the businesses of operators to be more efficient and convenient.

The Company utilizes modern, suitable technology and innovation to improve product quality and create value in both the production process and management in order to meet the diverse needs of customers to maintain its leadership position in Thailand's comprehensive steel service industry. The service model of TMT can be summarized as follows:

### 1. Cold Forming Process

The Company is committed to developing modern and comprehensive steel production lines for general structural work such as steel tubes, carbon steel pressure pipes, C-Channel steel, and pressing production lines.

### 2. Flat Steel Processing

TMT is ready to provide various types of flat steel processing services that utilize modern steel processing machines to meet the diverse and specific needs of customers. For instance, the cut to length line, STAY FLAT (stretcher leveling), and hot-rolled steel strips (slitting).

### 3. Steel Distribution and Service Center

The Company is able to meet the needs of its customers by procuring and collecting all types of steel products. The raw materials, processed products, and finished products are stored

in a large warehouse located in potential strategic locations that can quickly deliver products, cover every area, and have efficient warehouse management. This also reduces the cost of product storage for customers. Customers can be assured that their orders will be delivered promptly. In terms of services, the Company provides pre-processed steel products in various forms, and laser cutting that can cut both steel tubes and steel sheets according to the design, as well as CNC gas cutting, CNC plasma cutting, re-cutting, and band sawing. This includes bending workpieces, etc., as required for a variety of business applications in order to facilitate convenience, reduce the time to prepare workpieces, and improve the work process efficiency of customers.

## Business Innovation Development

The Company places great emphasis on bringing innovation to improve the quality of products and services, creating value in both production and management in order to best meet the different needs of customers, as well as creating opportunities and increasing business competitiveness. This included enhancing employees' quality of life, creating a safe work environment, and reducing the environmental impact on society and the surrounding communities. More details are disclosed under the topic of Driving Business for Sustainability clause Innovation Management and Product Quality Development. The Company allocated a sufficient budget to continually support research, work process development, and various innovations. The expenses over the past three years (2020-2022) were 374,111,221.37 Baht. The expenses included designing, developing, and constructing labor-saving machinery in order to increase efficiency and safety in the production process, developing and installing extensible prototype equipment for other machines in order to create new business opportunities, as well as developing and designing software programs that increase convenience, speed, and accuracy, especially for the product and service delivery. This also included business research and analysis to develop new business models.

## Marketing and Competition

With a complex requirement of customers which is diverse as its industrial needs and variety of its business application, it creates a complicated need not only in pattern, quality, standard or utilization to meet their requirement, but also a need of services which can ensure a committed delivery, secured source of material and valuable recommendation on alternatives of efficient material planning. In the meantime, this management should be synchronized and conformed to upstream material management in both local and foreign mills' constraints and conditions which are described as below:

Mills' Needs	Customers' Needs
<p><b>1. Quantity</b></p> <p>Mills prefer mass production and require a minimum quantity in order to control production costs and achieve economies of scale</p>	<p><b>1. Quantity</b></p> <p>Customers, such as construction companies as well as part and automobile part manufacturers, require limited quantities of products for a certain period of time which may not meet the minimum quantity requirement of mills. In addition, customers need various types of products at one time.</p>
<p><b>2. Pattern</b></p> <p>Mills prefer standard pattern orders which require a normal production process in order to ensure efficiency in the production process.</p>	<p><b>2. Pattern</b></p> <p>Each customer requires different types of products. Some products cannot be completed in a mill's production process and need additional processing.</p>
<p><b>3. Delivery</b></p> <p>Mills prefer mass volume for each delivery together with a small number of shipments and few destinations in order to control transportation costs.</p>	<p><b>3. Delivery</b></p> <p>Customers generally require one-time delivery of several types of products in one order. In addition, many customers mean a lot of destinations.</p>
<p><b>4. Order</b></p> <p>Mills prefer to have a confirmed order in advance and lead time in order to fix the production planning.</p>	<p><b>4. Order</b></p> <p>Consumers may require the product immediately or in a shortened period which makes it difficult to place orders in advance.</p>

The Company, as a full-service center and distribution center, manages and serves the varying preferences of both mills and consumers to meet their requirements at the same time by placing orders to mills in large volume, with some products maintained in its warehouse and others reprocessed in order to provide various products to customers in each industry and value-added service. The Company assists its customers in saving time, reducing handling and storage costs and expenses by providing a product sourcing service. The Company also helps mills reduce transportation costs by delivering the products to each consumer directly.

## Sources of Supply

In 2022 the Company's products were from its production and procurement from other sources which were raw materials for use in its production and finished goods for sale, described as follows:

### The Production

There are 18 warehouses and factory buildings in total. The Company installed a second stretcher leveling machine to

produce STAY FLAT steel that has a maximum thickness of 16 mm. as well as a slitter machine to accommodate the expansion of steel tube production lines and the rising demand for hot-rolled steel strips. The efficiency of the existing machines was enhanced for maximum effectiveness. The Company also continually enhanced the effectiveness of the operating procedure. In 2022, the Company had a total production capacity for finished goods of 939,935 tons which represented a capacity utilization rate of 74.37%.

#### Raw Material Sourcing

Hot Rolled Coil is the main raw material for the Company's production. The Company purchased Hot Rolled Coil from various domestic and foreign mills, where the domestic sourcing from 4 main suppliers and other suppliers accounted for 82.52 % and the import sourcing was 7.88% of the total products purchasing amount in 2022.

#### Products for Sale Sourcing

The Company sources the products for sale as the customer's requirement which cannot be produced itself or some can be produced but not match with its production planning as the following:

##### 1. Hot Rolled Steel Section

The Company purchased Hot Rolled Steel Section products from various domestic mills, accounting for 12.56 % of the 2022 total products purchased. These products are H or I Sections, Equal and Angle.

##### 2. Cold Forming Steel Section

Though the Company can produce some types of this Cold Forming Steel Section, TMT also purchases the others mostly tubes from various domestic manufacturers which accounted for 0.56 % of the total products purchased in 2022.

##### 3. Hot Rolled Plate

This product type is not the production from Hot Rolled Coil or cannot be processed through the Company's production line. Therefore, the Company purchased from various domestic and foreign mills at 2.41 % of the total product purchase amount.

##### 4. Other Steel Products

As a Total Steel Solution Provider, TMT also sources and procures to serve a variety of customers' needs such as D Formed Bars, Steel Rods, Stainless Steel, Wire Mesh, etc., amounting to 1.95 % of the total products purchased in 2022.

#### Investment Policy Statement in Subsidiaries and Associates

In 2022, the Company did not have any subsidiaries or associated companies due to the fact that the Company aspires to be a world-class steel service center and supply chain solution provider. A policy was established to consider opportunities for synergy, whether in the form of establishing a new company, making business acquisitions, forming joint ventures, or investing in other companies in order to create a network of services. This included distribution, transportation, production, or processing, as well as the distribution and development of new business models in order for the Company's products to meet a wide range of customer needs and reach all domestic and regional markets. In 2022, the Company and Fire One One Company Limited entered a Memorandum of Understanding (MOU) to study and research the feasibility of developing a digital business model. This may result in the consideration of co-investments and co-holding shares in a newly established business in Thailand within a period of 1 year. However, the Company does not have any policy regarding the diversification of its investments in unrelated businesses.

# Revenue structure

The Company's revenue structure over the past three years covering its financial period ended 31 December 2020 to 2022 is as follows:

Product Category	2022		2021		2020	
	Baht	thousands	Baht	%	thousands	%
<b>Trading</b>						
1. Hot-Rolled Coil	549,218	2.46	701,799	3.24	370,164	2.52
2. Hot Formed Shape Steel	2,619,434	11.75	2,757,605	12.74	2,302,073	15.70
3. Steel Tube and C-Channel	125,031	0.56	295,122	1.36	246,882	1.68
4. Sheet and Plate Steel	498,165	2.24	578,188	2.67	459,339	3.13
5. Others*	299,703	1.34	257,165	1.19	144,655	0.99
<b>Total</b>	<b>4,091,551</b>	<b>18.36</b>	<b>4,589,879</b>	<b>21.20</b>	<b>3,523,113</b>	<b>24.03</b>
<b>Processing</b>						
1. Steel Sheet (Cutting)	4,404,759	19.77	4,154,704	19.19	2,636,417	17.98
2. Steel Sheet (Shearing and Pressing)	3,645,932	16.36	3,724,341	17.20	2,417,534	16.49
3. Slit Coil	980,625	4.40	914,513	4.22	546,641	3.73
<b>Cold Formed Steel Processing</b>						
4. Steel Tube	7,395,640	33.19	6,494,094	30.00	4,349,084	29.67
5. C-Channel	1,687,939	7.57	1,706,096	7.88	1,134,836	7.74
<b>Total</b>	<b>18,114,894</b>	<b>81.29</b>	<b>16,993,749</b>	<b>78.49</b>	<b>11,084,512</b>	<b>75.61</b>
<b>Other Income**</b>	<b>77,511</b>	<b>0.35</b>	<b>66,782</b>	<b>0.31</b>	<b>52,771</b>	<b>0.36</b>
<b>Total Revenue</b>	<b>22,283,956</b>	<b>100.00</b>	<b>21,650,410</b>	<b>100.00</b>	<b>14,660,396</b>	<b>100.00</b>

Notes : \* Such as deformed bar, special size and special grade steel

\*\* Such as processing service, delivery service and interest income

# Shareholders Structure/Dividend Policy

## The Top 10 Shareholders of the Company as of August 25, 2022<sup>(1)</sup>

No.	Shareholders	Number of shares	Percentage of shareholding
1	Mr. Soon Tarasansombat	195,300,000	22.43
2	Mr. Paisal Tarasansombat	104,767,700	12.03
3	Mr. Chamnan Tarasansombat	68,112,000	7.82
4	Ms. Patitta Tarasansombat	67,889,800	7.80
5	Mr. Komsan Tarasansombat	66,110,150	7.59
6	Mrs. Pornjit Tarasansombat	64,000,000	7.35
7	CREDIT SUISSE AG, SINGAPORE BRANCH <sup>(2)</sup>	47,000,000	5.40
8	Mrs. Panlapa Tarasansombat	35,621,000	4.09
9	Thai NVDR Company Limited	13,670,952	1.57
10	Mr. Kiat Techapongtada	10,200,000	1.17
11	Other Shareholders	198,086,432	22.75
	<b>Total</b>	<b>870,758,034</b>	<b>100.00</b>

Source : Thailand Securities Depository Company Limited

<sup>(1)</sup> Record date for the right to receive Interim Dividend Payment as of August 25, 2022

<sup>(2)</sup> CREDIT SUISSE AG, SINGAPORE BRANCH 47,000,000 shares of Mr. Paisal Tarasansombat holds 2,000,000 shares and Mr. Chamnan Tarasansombat holds 45,000,000 shares.

## Dividend Policy

The Company's dividend payout policy pays not less than 50 percent of its net profit after legal reserve deduction, which may be changed depending on its financial position, operating results, and future business plans.

Dividend payments for the last 5 years are as follows.

Performance Year	Net Profit (Baht)	Net Profit per share (Baht)	Dividend per share (Baht)			Total Dividend Payment (Baht) <sup>(1)</sup>	Dividend Payout ratio (%)
			Dividend for the year	Dividend (Interim dividend)	Dividend (Final dividend)		
2021	1,530,060,410	1.76	1.30	0.60	0.70	1,131,985,444	74.55%
2020	537,878,156	0.62	0.50	-	-	435,379,017	80.94%
2019	229,946,286	0.26	0.30	-	-	261,227,410	113.60%
2018	405,883,466	0.93	1.07 <sup>(2)</sup>	-	-	465,855,548	114.78%
2017	641,038,206	1.47	1.20	-	-	522,454,820	81.50%

<sup>(1)</sup> Calculated from the number of paid-up shares multiplied by dividend per share.

<sup>(2)</sup> Paid by stock dividend at the rate of 1 existing share: 1 stock dividend (par value of 1 Baht / Share) and cash 0.07 Baht / Share

# Risk Management and Risk Factors

TMT Steel Public Company Limited recognizes the significance of risk management and believes that risk management is a process that will assist the Company in developing its business strategies in order to accomplish its objectives and goals. A good risk management and control system will aid in the reduction of potential obstacles and unforeseen events, the prevention of damage to corporate resources, the enhancement of the capacity to respond effectively to changes in the business environment, the instilling of confidence, and the creation of value for all stakeholder groups. This includes business opportunities for sustainable growth.

The Company developed policies and manuals for risk management and corporate strategy development which were published on its website at [www.tmtsteel.co.th / investor relations / corporate governance / risk management] and approved by the Risk Management and Strategic Development Committee. In order to manage risks prudently and effectively, the international standards for enterprise risk management process were established, risk management results were reported, and the risk management and corporate strategy development were reviewed in order to improve the effectiveness for the Board of Directors to acknowledge at least once a year through the Risk Management and Strategic Development Committee. Risk management was identified as one of the materiality in sustainability issues by the Company. The Company's performance is disclosed under the topic of Driving Business for Sustainability/Risk Management.

In 2022, the Company evaluated significant risk factors that could have an impact on its business operations, financial position, and operating results as well as developing practice guidelines to achieve appropriately controlled risks. The Risk Appetite was determined, the Key Risk Indicators (KRI) were analyzed and reviewed, and tools to control and monitor risks were developed such as the Risk Dashboard, the Risk Heat Map, etc., to prepare appropriate proactive risk management measures in a timely manner.

Risk factors and the risk management guidelines are classified into 6 aspects as follows:

## 1. Strategic Risk

### 1.1 Reliance Risk on Major Raw Material Manufacturers

In 2022, the Company placed orders for hot-rolled steel coils (HRC) from domestic manufacturers as well as domestic and international suppliers. For domestic purchases, the Company purchased products from Sahaviriya Steel Industries Public Company Limited, G J Steel Public Company Limited, and G Steel Public Company Limited, which accounted for 72.51% of the total purchase volume, a decrease of 73.27% compared to 2021. The Company also ordered structural steel products from Siam Yamato Steel Company Limited, the largest structural steel manufacturer in the country. This represented 1.61% of the total purchase volume, a decrease of 2.26% compared to 2021.

Due to the limitation of having only 4 hot-rolled coil manufacturers in the country, the anti-dumping measures, and the anti-circumvention of anti-dumping measures issued by the Department of Foreign Trade continues to be an obstacle for imports. This will expose the Company to the reliance risk of the aforementioned large steel manufacturers. If the manufacturer is unable to deliver the product as scheduled or the manufacturer has to stop production for any reason, the Company may face a shortage of raw materials and not be able to procure raw materials from other sources for replacements.

However, the Company has a policy to maintain inventory levels at 30 days to 60 days, as well as planning to order raw materials 30 to 60 days in advance by cooperating with manufacturers to exchange product information based on customer needs and marketing so that manufacturers can plan production flexibly. In addition, the Company has a policy to maintain good relationships with all its manufacturers as well as other dealers, whether domestic or international manufacturers. This includes manufacturers in foreign countries. This will serve as a backup source and also increase raw material stability and import products that are not subject to anti-dumping measures as a substitute. In 2022, the Company's imports accounted for a total of 7.88% of the total purchase volume, an increase of 2.65% compared to 2021.

**Risk Level : Moderate, at an acceptable level.**

## 1.2 Price Volatility Risk from Hot Rolled Coil (HRC)

In 2022, sales revenue from the distribution and processing of hot rolled coil products accounted for 86.55% of total sales revenue, while it accounted for 85.77% of the sales revenue in 2021. The Company purchased 90.89% of its hot rolled coils from domestic manufacturers in 2022 and 96.73% in 2021. As a result, the price volatility of domestic hot rolled coil had an impact on product costs and inventory management. The price of the domestic hot rolled coil will change and vary in response to the price of hot rolled steel abroad.

The Company attempted to mitigate the impact of price volatility by setting a selling price policy to focus on maintaining margins. In addition, the Company closely monitored raw material prices in order to assess the situation and the trend of raw material prices when ordering and managing raw material inventory, which is the Company's main cost, in order to ensure that it is appropriate and in line with market prices while having sufficient quantity to meet market demand.

**Risk Level : Moderate, at an acceptable level.**

## 2. Financial Risk

### 2.1 Customer Credit Risk

The Company's total trade receivables were 2,749.65 million Baht as of December 31, 2022, representing 12.39% of sales. In 2022, the average collection period was 50 days. The Company's account receivables outstanding was 2,117.78 million Baht which represented 77.02% of net receivables. The Company may have a customer credit risk if the Company's trade receivables have operating problems which may affect the profit and financial position of the Company.

However, the Company has a policy to mitigate this risk by regularly monitoring the quality of debtors and has a policy to set an allowance for doubtful accounts when any unsecured debt is overdue for more than 180 days or when it is discovered that the debtor may actually have repayment problems, whether that debtor will be overdue for 180 days or not. In addition, the Company considers evaluating the allowance for doubtful accounts in accordance with Thai Financial Reporting Standard No. 9. Furthermore, the Company placed great emphasis on carefully considering granting trade credit by establishing a credit committee consisting of executives from various departments to consider credit granting to debtors who had

commercial relationships with the Company for a period of time. The Company may also request financial risk prevention tools and insurance policies for trade receivables in order to manage risks and ensure that the Company's working capital is not impacted. Furthermore, the Company has a diverse and large number of trade receivables. The Company is not tied to any specific group of trade receivables.

**Risk Level : Moderate, at an acceptable level.**

### 2.2 Interest Rate Risk

As of December 31, 2022, the Company's liabilities arising from short-term loans from financial institutions totaled 2,762.50 million Baht, representing 47.53% of total liabilities. Long-term liabilities from financial institutions totaled 2,320.29 million Baht, representing 39.92% of total liabilities. Most of the Company's short-term loans included promissory notes, trust receipts, and letters of credit, which are used for working capital when purchasing products from manufacturers. In general, the repayment period the Company received is longer than the repayment period the Company granted for trade receivables. Long-term loans from financial institutions have a maturity of 5 years and are used to invest in machinery purchases and warehouse construction to support the Company's business expansion.

Changes in market interest rates may affect interest expenses and the Company's performance. Interest expenses accounted for 0.54% of sales in 2022 and accounted for 0.48% of sales in 2021. The Company's interest coverage ratio in 2022 was 3.53 times based on the earnings before interest and taxes, and 19.48 times in 2021.

However, the Company has a policy to mitigate the risk of interest rate volatility by using the longer repayment terms of short-term loans from financial institutions and obtaining additional long-term loans from financial institutions in order to reduce the volatility impact on the overall cost of finance. This includes having sufficient cash flow for business operations to avoid loan liabilities.

**Risk Level: Moderate, at an acceptable level.**

### 2.3 Exchange Rate Risk

In 2022 and 2021, the Company's purchase value from abroad was approximately 7.88% and 2.65% of the total purchase value in US dollars, respectively. As a result,



the Company is vulnerable to the risk of fluctuating exchange rates. The Company mitigated the impact of exchange rate risk by entering into a forward exchange contract, changing the product costs to Thai Baht currency, or making repayments based on the cash flow and the current situation.

In the future, the Company may continue purchasing products from other countries. Therefore, the Company will continue to maintain the policy to mitigate the effect of exchange rate risk in accordance with the aforementioned methods depending on the current situation appropriately.

**Risk Level : Moderate, at an acceptable level.**

### 3. Regulatory Compliance Risk

#### 3.1 Risks Related to the Impact of Measures to Protect Domestic Manufacturers from Steel Dumping

The Ministry of Commerce's anti-dumping measures, which impose a high rate of custom duty on the hot rolled coil and uncoiled from 21 countries, and the Department of Foreign Trade's anti-circumvention of anti-dumping measures resulted in the cost of importing steel products from the aforementioned countries being higher than the cost of domestic manufacturers. As a result, domestic consumers decreased their purchases of imported steel and increased their purchases of domestically produced steel. If domestic steel manufacturers are unable to produce steel in accordance with the quality or quantity demand, this could lead to a shortage of steel raw materials.

The Company maintains its inventory levels policy of 30 to 60 days, as well as plans to order raw materials 30 to 60 days in advance. This has mitigated the impact of such measures to a certain extent.

Risk Level: Low, at an acceptable level.

### 4. Operational Risk

#### 4.1 Human Resource Risks

Human resource management is an important aspect of the Company that must be managed in order to achieve the potential, efficiency, and well-being to be a driving force in driving the business smoothly and continuously. The Company had a total of 1,386 employees in 2022, an increase from 1,311 in 2021.

Effective Human Resource Management will contribute to adequate manpower without becoming a burden to the business. Communication and a positive work environment aid in a consistent and unified direction. Employee empowerment contributes to the organization's ability to continuously develop and grow in tandem with workplace safety and occupational health in order to create a conducive working environment for employees to work safely, efficiently, and happily.

Due to the residual effects of COVID-19 in the previous year, the Company continues to implement measures to prevent and reduce the potential impact on worker migration and the inability to work fully. The Company strictly complied with the COVID-19 control and prevention measures of the Department of Disease Control Ministry of Public Health. This includes continuing to reduce risks from workplace hazards. Furthermore, the Company evaluates and analyzes the manpower plan on a regular basis to ensure that it is in line with business operations in order to maintain a stable production level and shift manpower to thoroughly receive overtime hours, as well as annually evaluates and analyzes employee engagement with the organization to be used as a guideline for improvement and related work development. The Company promotes and supports the development of employees' potential continuously through learning in various forms such as TMT Academy, e-learning, online learning, projects, and activities. This includes developing digital technology knowledge and skills for employees to have an Innovation Mindset, be creative in new things, dare to think, dare to present, use digital technology to participate in development, and continuously improve work processes through the Innovation Mindset Project, Business Innovation for Everyone (Online Learning program), Innovative Thinkers Workshop, Alpha Bootcamp, and Innovation Lab.

Risk Level: Low, at an acceptable level.

### 5. Social and Environmental Risks

#### 5.1 Natural Disasters

Natural disasters are unpredictable events. The great flood in 2011 disrupted the production and transportation of factories and the Wangnoi distribution center. As a result, the Company avoided this risk by purchasing All Risk Insurance with a flood coverage limitation. However, the Company implemented a

plan to reduce the risk of flooding by installing both permanent and movable concrete panels around the factory and around the factory building, as well as a centralized drainage system and tools and equipment to prevent flooding in the factory if a flooding disaster occurs again. This includes an annual inspection of the protection and drainage system, as well as reviewing and improving the business continuity plan on a regular basis. In addition to future construction projects for factory expansion, the Company has plans to prevent risks as mentioned above.

**Risk Level : Moderate, at an acceptable level.**

## 5.2 Epidemics Risk

The Company pays attention to risk factors that may occur in the future which may result in a change in the business model or affect the ability to conduct business in its current form, such as the COVID-19 pandemic. This necessitated adaptation in order to cope with operations under new normal conditions. The Company assessed the risks, impacts, and actions to reduce such impacts. The Company has prepared guidelines for various actions as follows:

- Prepare a contingency plan for epidemics.
- Screen and monitor the risk of disease outbreaks from travel and accommodation of employees.
- Provide information on practice guidelines, create correct understanding with employees, and strictly comply with the practice guidelines to prevent epidemic infections.
- Clean and disinfect employee common areas and equipment.
- Prepare a production backup plan when an infected person is discovered on the Company's premises.
- Provide a Work from Home system
- Have outsiders take risk assessments before entering the Company's premises in order to control such risk.
- Coordinate with external agencies when an infected person is discovered

**Risk Level : Low, acceptable level.**

## 6. Emerging Risk

Emerging risks can manifest in a variety of ways and affect a wide range of business operations. The Company places great importance on emerging risk factors. According to the evaluation and the comprehensive risk management plan, the Company can specify that cybersecurity risks are a significant risk factor that may affect the Company's business model in the future due to the use of information technology to develop a digital business model in order to expand business opportunities.

### Management Approach

The Audit Committee as well as the Risk Management and Strategic Development Committee approved EY Corporate Services Company Limited to be the internal control auditor and be responsible for evaluating cybersecurity risk and preparing a cybersecurity risk assessment report that covers the following significant topics:

- 1) Governance and Organization Structure
- 2) Policy and Standards
- 3) Asset Management
- 4) Privacy Management
- 5) Identity Access Management (IAM)
- 6) Incident Response
- 7) Awareness
- 8) Security Monitoring
- 9) Third-Party Management
- 10) Vulnerability Identification and Remediation

This was accomplished in order to control, monitor and manage emerging risks more efficiently. The operation is expected to be completed in 2023.

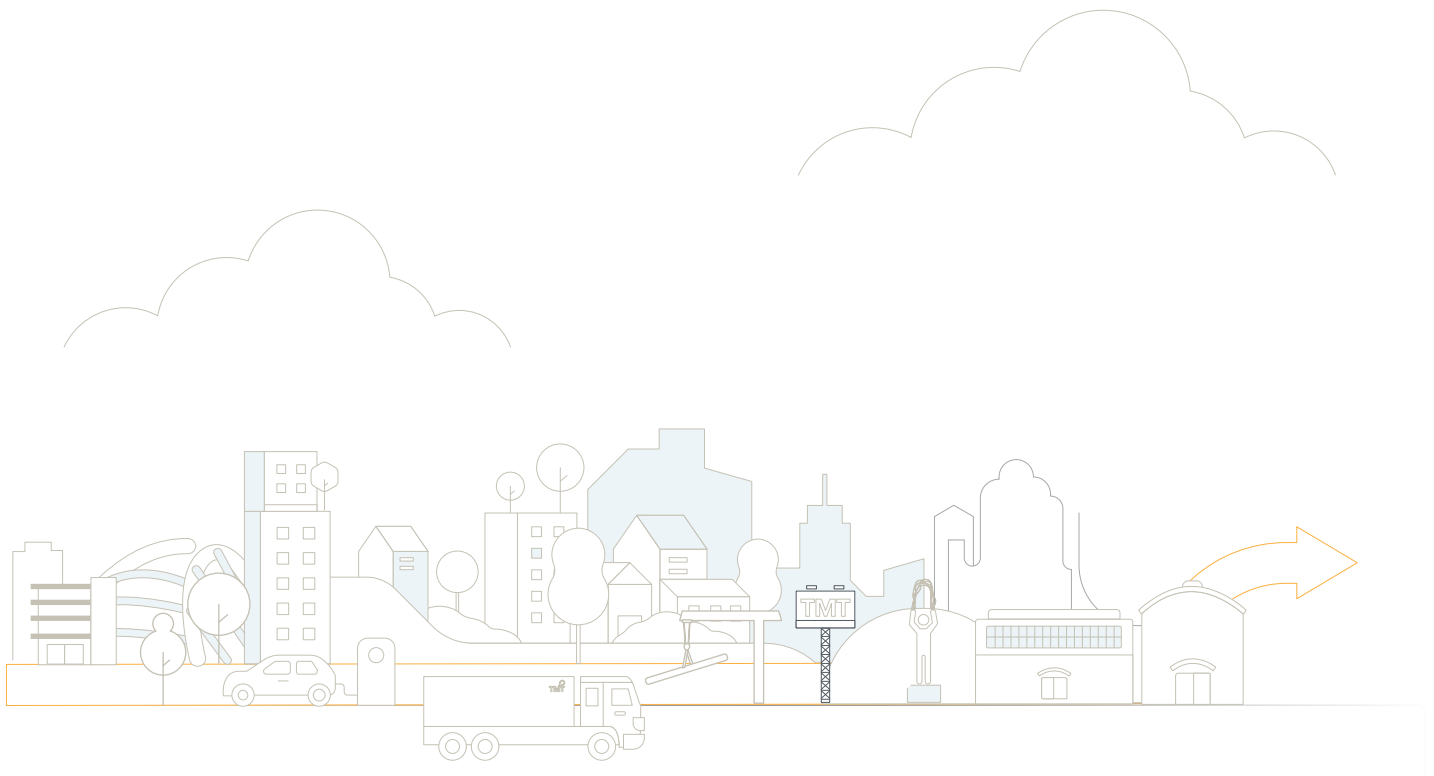
# Driving Business for Sustainability

## Policy and Sustainability Management Goals

TMT Steel Public Company Limited is committed to conducting business on the basis of sustainable development in order to create value for all stakeholders by carrying out policies and 4 main principles. These include good corporate governance principles, economic principles, social principles that cover respecting human rights, and environmental principles, as well as operating the business in order to create value for every stakeholder, committing to support and be a part of the 17 Sustainable Development Goals (SDGs) of the United Nations by 2027. This ensures that the Company's business operations are in a consistent direction with the international goals and creates benefits for all stakeholders.

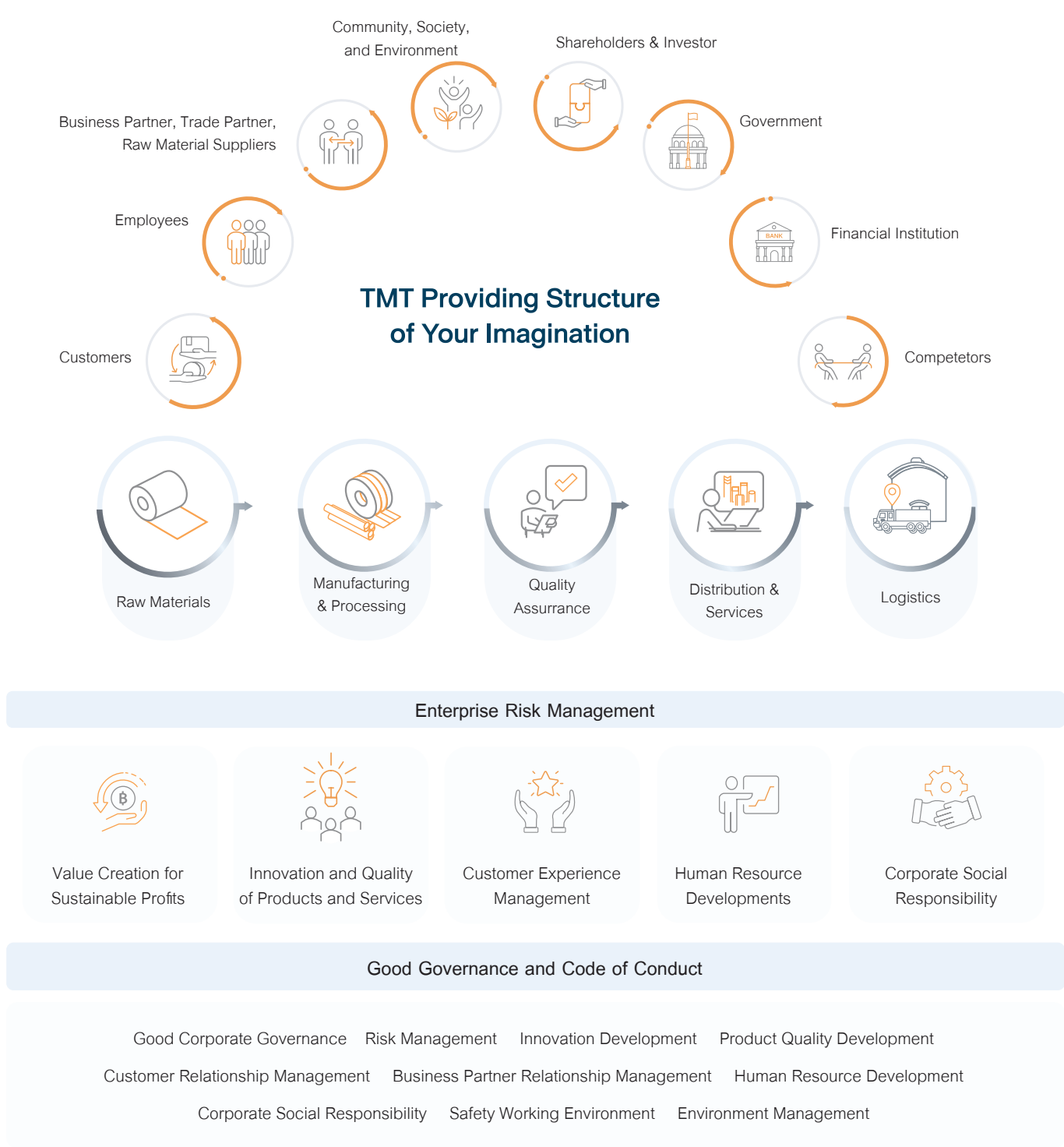
The Company established a Corporate Governance and Sustainability Committee by aiming to be an efficient mechanism for the Board of Directors to supervise sustainable development, review and communicate the policy and practice guidelines through the subcommittee and sustainable development working group of the Company in all 7 aspects, namely 1) Corporate Governance, 2) Economic and Risk Management, 3) Social and Community Development, 4) Environment and Safety, 5) Labor and Human Rights, 6) Innovation and Technology Development, and 7) Communication and Whistleblowing. This includes corporate governance, economy, society and community development, the environment and safety, labor and human rights, innovation and technology development, and communication & whistleblowing report so that TMT is an organization that operates its business with responsibility, transparency, and fairness in order to build confidence among stakeholders and develop the Company toward sustainable growth.

The details of the “Sustainability Policy” are disclosed on the website at [[www.tmtsteel.co.th](http://www.tmtsteel.co.th) / investor-relations / other policies / sustainability policy]



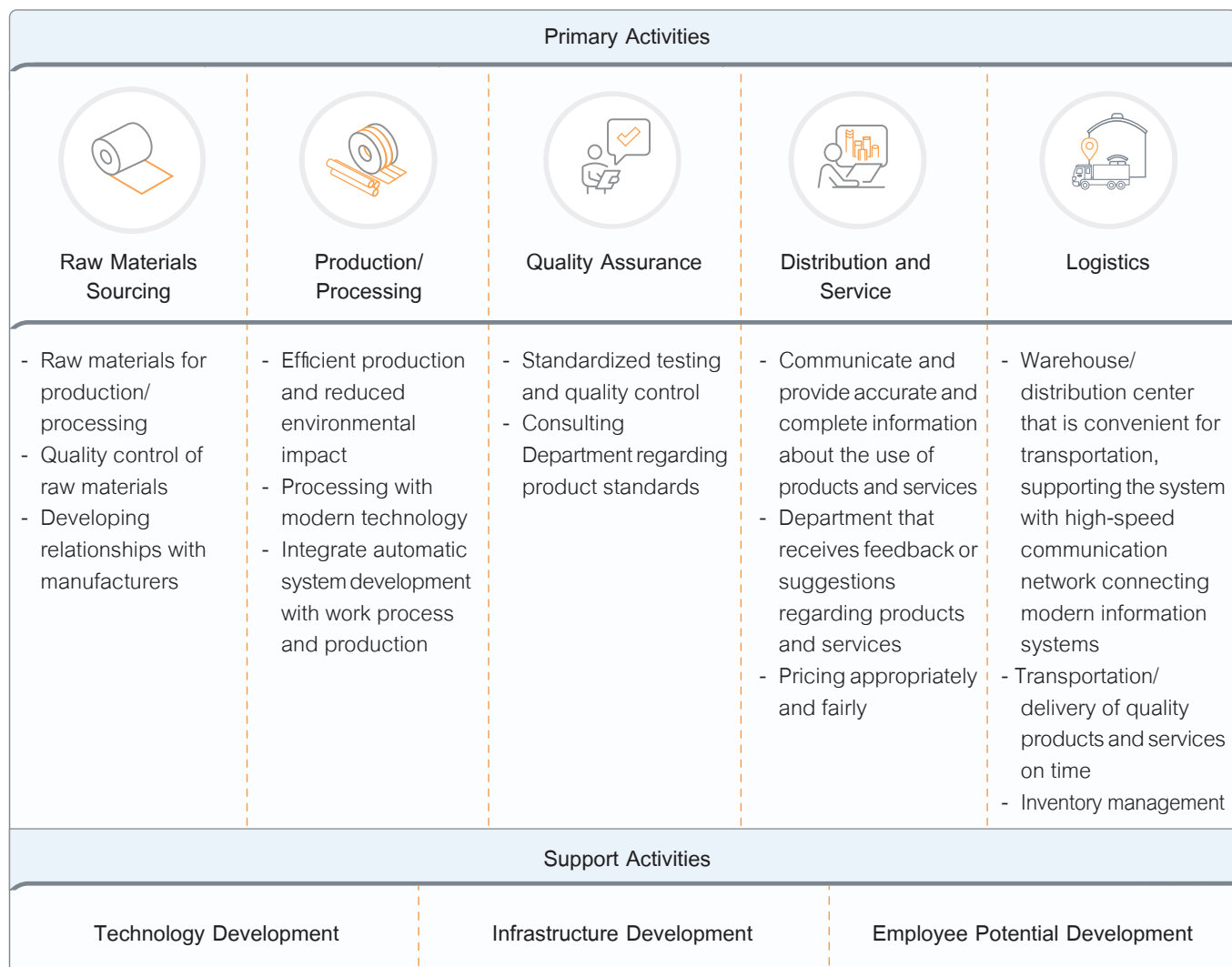
# Managing the Impact on Business Value Chain Stakeholders

## Business Value Chain

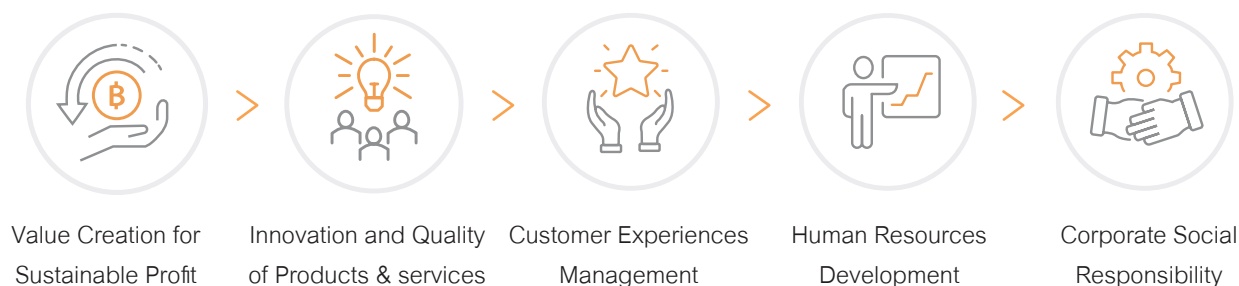


With the vision, “Providing Structure of your Imagination”, TMT is a comprehensive steel service provider that meets every possible expectation of all stakeholders by providing counsel and advice, helping with product sourcing and new services, as well as creating a wide range of options to add value to the

business cooperation process under an integrated management system that serves all needs. This consists of 5 main activities which are linked together in accordance with the overall business operation context. They are as follows:



The Company established 5 aspects of business operation principles to manage risk appropriately and comply with good governance principles and the business code of conduct in order to ensure that the Company's business processes deliver sustainable value to all stakeholders. These include :





This goes together with managing sustainability issues that cover economic, social and environmental dimensions, and take all stakeholders into account in order for the Company to achieve sustainable growth. The Company has described these details in Analysis of Significant Sustainability Issues.

## Analysis of Business Value Chain Stakeholders

The Company analyzed and identified the major stakeholders from the Company's business operations beginning with raw material sourcing, production and processing, quality checks, distribution and service, to storage




and delivery. All activities are important to the Company's business operations and are relevant to all stakeholders. Therefore, the Company incorporated the interests of stakeholders into its plans and sustainability issues. This included providing communication methods by establishing channels for feedback and suggestions, whether formal or informal, as well as promoting participation with all stakeholders in order to respond effectively to the needs and expectations, and continue to create value and sustainable returns so that the Company can respond effectively to the needs and expectations. Participation with stakeholders can be summed up as follows :

Stakeholders	Relevance to Business Processes	Engagement/ Frequency	Expectations	Responding to Expectations
 Customers	<ul style="list-style-type: none"> <li>Distribution and Service</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction survey once a year</li> <li>Meet regularly with customers through the year to be aware of their needs</li> <li>Provide regular visits to factories and production processes throughout the year</li> <li>Train to consistently educate customers throughout the year</li> <li>Communicate to customers via an online channel, Website, Facebook, Line</li> </ul>	<ul style="list-style-type: none"> <li>Quality products and services</li> <li>Complete range of products</li> <li>Correct usage of steel products</li> <li>On-time delivery</li> <li>Steel knowledge, standards and guideline for application</li> </ul>	<ul style="list-style-type: none"> <li>Develop innovations in products and services</li> <li>Produce quality products that meet customers' needs</li> <li>Logistics management to have on-time delivery</li> <li>Provide technical and academic consultations by the Technical Service Team</li> <li>Systematic inventory management in order to have products ready to instantly respond to customers' needs</li> <li>Adopt the appropriate digital technology to enhance work efficiency.</li> </ul>

Stakeholders	Relevance to Business Processes	Engagement/ Frequency	Expectations	Responding to Expectations
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Production/ Processing</li> <li>• Quality Inspection</li> <li>• Logistics</li> <li>• Distribution and Service</li> </ul>	<ul style="list-style-type: none"> <li>• Channels to receive suggestions, comments and complaints through the company's complaint system throughout the year</li> <li>• Survey of corporate values or employee satisfaction once a year</li> <li>• Internal communication channels such as TMT Magazine, email, Line@, Touch Point and public relations board at least once a month</li> <li>• CEO Message (VDO/E-mail)</li> <li>• Meeting of Welfare Committee in the workplace 4 times per year</li> <li>• Employee Forum : listen to suggestions and opinions from employee representative 1 time.</li> <li>• Training seminars according to the company's training plan</li> <li>• E-Learning 178 courses</li> <li>• TMT Talk &amp; Knowledge Sharing 5 times/year</li> </ul>	<ul style="list-style-type: none"> <li>• Career Advancement</li> <li>• Acquiring development of capabilities</li> <li>• Benefits both monetary and non-monetary</li> <li>• Equality without discrimination</li> <li>• Promote and supervise work safety</li> </ul>	<ul style="list-style-type: none"> <li>• Equitable and fair treatment, and respect for human rights</li> <li>• Communicate business Targets and policies via CEO Message / TMT Talk</li> <li>• Performance evaluations 2 times per year</li> <li>• Develop employees to be promoted</li> <li>• Talent Management</li> <li>• Average staff development is 20.25 hours/person</li> <li>• Join the wage survey with the HR Center each year</li> <li>• 9 Projects for employee benefits whether monetary or non-monetary.</li> </ul>



Stakeholders	Relevance to Business Processes	Engagement/ Frequency	Expectations	Responding to Expectations
 <p>Business Partners, Trade Partners, Raw Material Suppliers</p>	<ul style="list-style-type: none"> <li>Procurement of Raw Materials</li> <li>Production/ Processing</li> <li>Logistics</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate trade partners once a year</li> <li>Meeting online Regularly with partners to have plans for purchase orders throughout the year</li> <li>Partner development through training programs and knowledge training for partner employees</li> </ul>	<ul style="list-style-type: none"> <li>Fair competition without discrimination</li> <li>Efficient procurement system that is transparent and verifiable</li> <li>Joint business continuity stability</li> </ul>	<ul style="list-style-type: none"> <li>Have policies and practice guidelines regarding procurement</li> <li>Develop trade partners to have good practice guidelines such as Code of Business Conduct of trade partners and anti-corruption policy</li> <li>Trained 37 partner employees through the Smart Truck Driver Project</li> </ul>
 <p>Community, Society and the Environment</p>	<ul style="list-style-type: none"> <li>Production/ Processing</li> <li>Logistics</li> </ul>	<ul style="list-style-type: none"> <li>Community visits 4 times per year</li> <li>Install a solar rooftop generation system of 2.5 MW to generate electricity from renewable energy</li> <li>Cooperate with the education sector to organize bilateral education and internships</li> <li>Cooperate to prevent and solve drug problems in the workplace (Mor Yor Sor.)</li> <li>Environmental management system assessment by external agencies</li> <li>Greenhouse gas emissions assessment by the Thailand Greenhouse Gas Management Organization (TGO)</li> </ul>	<ul style="list-style-type: none"> <li>Caring for the environment around the community</li> <li>Conduct business that does not negatively impact the community</li> <li>Share useful thing to promote a good quality of life for people in the community</li> </ul>	<ul style="list-style-type: none"> <li>Improve the production process and environmentally friendly work processes by controlling air and noise pollution</li> <li>Improve the environment inside and outside the factory so it is clean and increase green space</li> <li>Regularly share and provide knowledge for institutions, departments, and organizations on issues that the company has expertise</li> <li>Support resources and equipment that is useful such as a steel project for sustainability, etc.</li> <li>Signing an MOU with educational institutions in bilateral projects.</li> </ul>

Stakeholders	Relevance to Business Processes	Engagement/ Frequency	Expectations	Responding to Expectations
 Shareholders, Investors, Analysts	<ul style="list-style-type: none"> <li>• Distribution, and Services</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders' Meeting once a year</li> <li>• Analyst Meeting once a year</li> <li>• Opportunity Day 1 time per year</li> <li>• Provide channels for inquiries through the investor relations website and telephones throughout the year</li> </ul>	<ul style="list-style-type: none"> <li>• Operating results of the company</li> <li>• Transparency in business operations and good corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Report / 56-1 One Report</li> <li>• Explanation of operating results through the company website and the Stock Exchange of Thailand</li> <li>• Manage the company's operating results under appropriate risk management</li> <li>• Proceed according to the investment plan</li> <li>• CG Score 5 Stars (2<sup>nd</sup> year)</li> <li>• Listed in the ESG100 group of companies (7<sup>th</sup> year)</li> <li>• Listed in SET THSI (3<sup>rd</sup> year)</li> </ul>
 Government Sectors	<ul style="list-style-type: none"> <li>• Product/ Processing</li> <li>• Quality Inspection</li> <li>• Logistics</li> <li>• Distribution and Service</li> </ul>	<ul style="list-style-type: none"> <li>• Report business performance and operating results to relevant government agencies at the specified frequency</li> <li>• Continuous participation in government activities and projects</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with regulations, laws and policies of regulatory agencies</li> </ul>	<ul style="list-style-type: none"> <li>• Report business results and provide information that is true, correct, and complete as stipulated</li> <li>• Cooperate and support various projects of government agencies</li> <li>• Comply with related the laws</li> <li>• Certified by MiT (Made in Thailand)</li> <li>• Certified Industrial product licenses</li> </ul>
 Financial Institution	<ul style="list-style-type: none"> <li>• Product/ Processing</li> <li>• Quality Inspection</li> <li>• Logistics</li> <li>• Distribution and Service</li> </ul>	<ul style="list-style-type: none"> <li>• Business update meeting 1 time / quarter</li> <li>• Negotiation for terms and conditions</li> <li>• Joint seminars 4 times/year</li> </ul>	<ul style="list-style-type: none"> <li>• Operate business as plan and target</li> <li>• Paid back as terms and conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Disclose the Company's performance via the website of the Company and the stock exchange</li> <li>• Manage the Company's operating results under appropriate risk management</li> <li>• Operate business as Investment Plan</li> </ul>

Stakeholders	Relevance to Business Processes	Engagement/ Frequency	Expectations	Responding to Expectations
 <b>Competitors</b>	<ul style="list-style-type: none"> <li>Distribution and Service</li> </ul>	<ul style="list-style-type: none"> <li>Joint meetings with associations and organizations that are relevant to the business according to the agenda and appropriate opportunities</li> <li>Provide channels to regularly receive suggestions, comments, and complaints through the company complaint system</li> </ul>	<ul style="list-style-type: none"> <li>Company business information</li> <li>Market share</li> <li>Conduct business transparently and fairly</li> </ul>	<ul style="list-style-type: none"> <li>Disclose operating results through the company website and the Stock Exchange of Thailand.</li> <li>Create fair business competition conditions</li> </ul>

## Analysis of Significant Sustainability Issues

### 1. Identification Significant Issues

This was considered from the analysis of external factors, challenges in the steel industry, and sustainability issues that were significant or had an impact on stakeholders and businesses (economy, society, environment). This included analysis of internal factors which were weaknesses, strengths, risk factors, and the business performance of the Company.

### 2. Prioritization

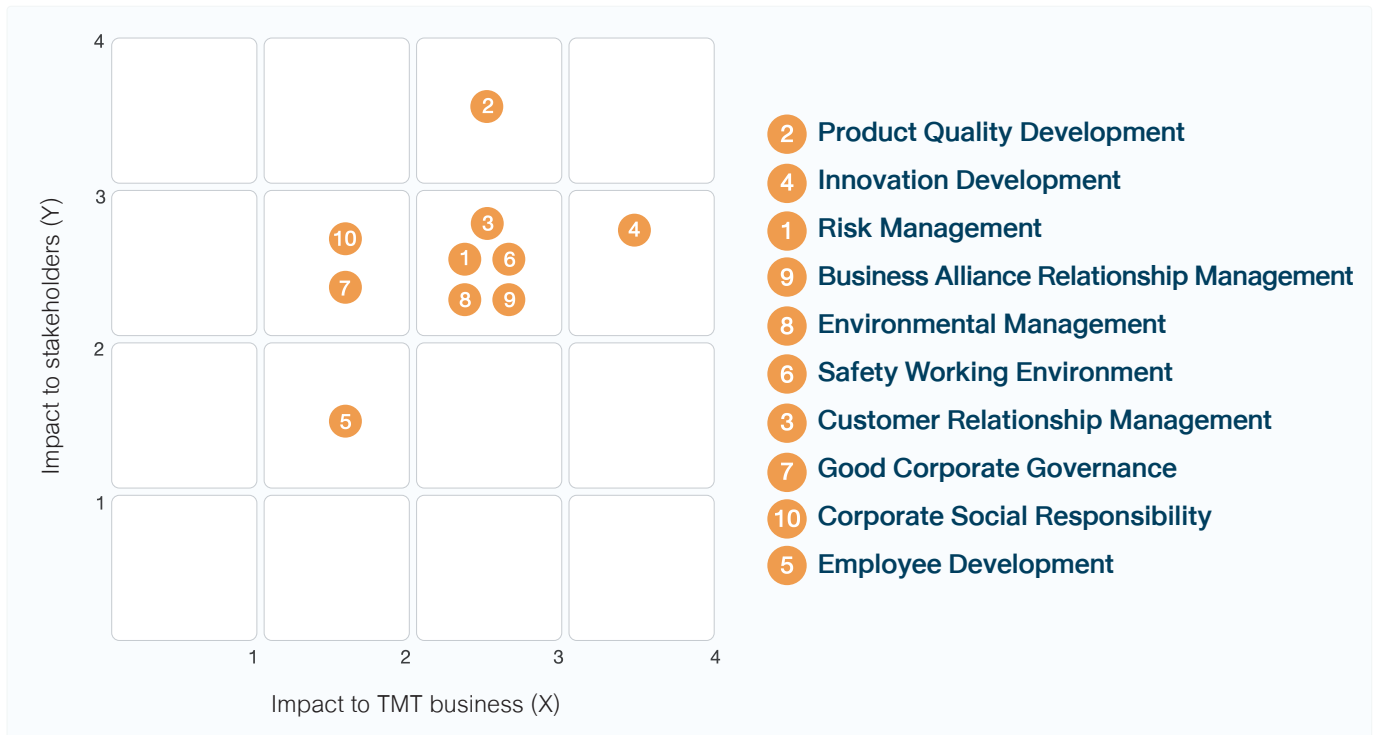
The Company considered the priority of issues by measuring the importance from the Company's perspective, external stakeholders, both in terms of opportunities and the impact each issue had on the economy, society and the environment.

### 3. Verification Issues

The Sustainability Subcommittee and Working Group proposed issues raised from prioritization and a reporting framework to the Board of Directors for approval after it had been approved by the Corporate Governance and Sustainability Committee in order to be disclosed in the 56-1 One Report and disseminated on the Company's website. In addition, the Company assigned the relevant departments, subcommittees and working groups to review the accuracy and completeness of significant issues in order to cover all aspects, whether in the economic, social, or environmental dimension. The Company's annual significant issues are analyzed through business value chain stakeholders. The results will be used to formulate policies, strategies/operational plans, and goals in order to appropriately manage significant sustainability issues.

There are materiality issues in 2022 as follow;

## Materiality 2022



As a result of the preparation of significant issues, the Company categorized the significant issues and established sustainability operation plans to be in accordance with the strategy which covered the aspects of economic, social, environmental, and stakeholder dimensions as follows:



## Economic Dimension



### Corporate Governance for Sustainability

#### Policy

The Board of Directors realized the importance of the Company's good corporate governance by adhering to moral and ethical principles as a guideline in conducting business. The Company established various policies in order to perform duties with responsibility, caution, honesty, anti-corruption, and uphold virtues. This included products and service development that focus on value creation and added long-term value to the business and is equally responsible to all stakeholders. This will enable the Company to progress, have sustainable growth and gain trust from shareholders, investors and all stakeholders. The details of Good Corporate Governance Principles, Code of Business Conduct, Measures and best practice guidelines for code of business conduct also Code of business conduct for partners, contractors and subcontractors are disseminated on the website at [www.tmtsteel.co.th / investor relations / corporate governance / principles of good corporate governance and code of business conduct]

#### Goals

- Receive 5 stars rating from the evaluation of good corporate governance by the Thai Institute of Directors Association.
- Be consecutively selected to be on the sustainability stocks list or Thailand Sustainability Investment (THSI) by the Stock Exchange of Thailand every year.
- Be consecutively selected to be one of the ESG100 securities groups with outstanding performance in environmental, social and governance by Thaipat Institute every year.

#### Strategies/Operational Plans

- Comply with the laws governing the Company's business operations and the entire business chain.
- Improve the internal control processes, regulations and the Company's Articles of Association to be consistent with the situation at all times.
- Apply the good corporate governance principles for listed companies in 2017 (CG Code).

#### Operations

The Governance and Sustainability Committee was appointed to be an effective mechanism for the Board of Directors to supervise and oversee the Company so that it operates in accordance with good corporate governance guidelines and builds confidence, trust, and value for stakeholders in order to create sustainability and stability for the business. In 2022, the Corporate Governance and Sustainability Committee assigned a Corporate Governance working group to review and take action on various matters and then report to the Board of Directors and the Audit Committee to acknowledge after it was approved by the Corporate Governance and Sustainability Committee. This is as follows:

1. Implemented a corporate governance policy, a code of business conduct, best practice guidelines for a code of business conduct, an Anti-Corruption policy, a securities trading policy, and other related policies to cover all stakeholders. This included business partners, consultants and business agents through effective channels of communication.
2. Complied with the laws governing the Company's business operations across the entire business chain. In 2022, the Company was not prosecuted for non-compliance with the law and there were no complaints against the Company.
3. Reviewed the Company's regulations as well as Articles of Association to be up to date.
4. Reviewed the internal control system. The Audit Committee considered and appointed EY Corporate Services Company Limited to be responsible for planning, auditing and reviewing the Audit Committee-approved plans. In 2022, EY Corporate Services Company Limited reviewed the internal control system, submitted the review report and reported to the Audit Committee for consideration.
5. Appropriately applied the good corporate governance principles for listed companies in 2017 (CG Code) with the business context. The Company explained the details of the business operations in "Part 2: Corporate Governance".

#### Operations

- Received an "excellent" or five-star rating for corporate governance for the second consecutive year.
- Selected to be on the Sustainability stocks list or Thailand Sustainability Investment (THSI) in 2022 for the third consecutive year.

- Selected as 1 of the ESG 100 listed companies from Thaipat Institute, as an organization with outstanding performance on environment, social and governance ESG for the 7<sup>th</sup> consecutive year.



## **Risk Management**

### **Policy**

TMT Steel Public Company Limited realized the importance of risk management. We believe that risk management is one of the processes that will help the Company develop business strategies to achieve its objectives and goals. A good risk management and control system will help reduce obstacles or any unexpected events that might arise, and prevent damage to corporate resources. It also helps to increase the adaptation ability to the changing business environment effectively, build confidence, and create value for all stakeholders as well as creating business opportunities to drive the organization to sustainable growth. The details of the "Risk Management Policy and Corporate Strategy Development" are published on the website at [ [www.tmtsteel.co.th / investor relations / other policies / risk management policy and corporate strategy development](http://www.tmtsteel.co.th / investor relations / other policies / risk management policy and corporate strategy development).]

### **Goals**

- To be a stable and consistent product provider.
- Deliver the value of products and services.

### **Strategies/Operational Plans**

The Risk Management and Strategic Development Committee reviewed the risk management policy and considered the approval of the 2022 revised version of the Enterprise Risk Management Manual to be used as an operational procedure guideline, for communication, and efficient work process development under appropriately controlled risk. The Enterprise Risk Management Manual covers principles, strategies, and risk management frameworks as well as the structure, roles, and responsibilities of stakeholders as well as the risk management process which was developed based on the international standards of enterprise risk management by the Committee of Sponsoring Organizations of the Tread way Commission (COSO) (2017 Enterprise Risk Management – Integrated Framework). There are 6 components

of enterprise risks, namely: 1. Strategic Risk 2. Operational Risk 3. Financial Risk 4. Compliance Risk 5. ESG Risk and 6. Emerging Risk. The details regarding the Risk Management Manual are disseminated on the website [[www.tmtsteel.co.th / investor relations / corporate governance / risk management / risk management manual](http://www.tmtsteel.co.th / investor relations / corporate governance / risk management / risk management manual)].

### **Operations**

1. Determine the structure, roles, and responsibilities in enterprise risk management. The Company appointed Mr. Prawas Sontawakul Chief Operating Officer, to be the chairman of the Sustainable Development Subcommittee, holding the highest operational level position responsible for risk management in order to ensure compliance with the specified risk management policy.

2. Set up a Risk Management Team to be responsible for enterprise risk management in accordance with the risk management policy, develop the corporate strategy, and report the performance to the Chairman of the Sustainable Development Subcommittee and the Board of Directors through the Risk Management and Corporate Strategy Development Committee, twice a year.

3. Determine Risk Owner and Risk Champion to represent the department by identifying, assessing, and reviewing corporate risks. This includes gathering risk information, risk management measures, and the risk assessment results of the responsible party and submitting them to the Risk Management Working Group.

4. Establish a process for risk identification and evaluation of enterprise risks. Prepare a Risk Matrix, Risk Parameter, Risk Appetite, and Key Risk Indicator: KRI, as well as the development of various tools to control and monitor risks, such as the Risk Dashboard and Risk Heat Map, etc., in order to develop proactive risk management measures that are appropriate and timely. Prepare Risk Profiles, Risk Monitoring & Reporting, and systematic enterprise risk management. The risk factors and operational guidelines for risk management are summarized in Part 1, under the topic "Risk Management."

5. Establish guidelines and integration risk across departments. Establish guidelines to develop skills, knowledge, and abilities of any relevant personnel for enterprise risk management.

6. Cultivate risk awareness among employees at all levels, foster a risk management culture that can effectively manage risks in the same direction throughout the organization, and develop shared values to achieve the organization's goals.

7. Improve internal and external risk communication and cross-departmental risk management knowledge sharing as well as maintaining regular communication with those involved in risk management.

#### Performance

- Business was not disrupted.
- There were no complaints or disputes that affected the operations and the business performance.
- Delivered value of products and services to customers continually. There was stability and consistency in services, the availability of goods, as well as product quality and standards. The customers were satisfied with the products and services of TMT. The average rate of satisfaction for all aspects was equal to 89%.



### Innovation Management and Product Quality Development

#### Policy

Under the rapid technological change, the Company is aware of the importance of bringing innovation to improve the quality of products and create value in the production process and management in order to best meet the different needs of customers and maintain leadership in the service center business and the distribution of steel products to various industries in Thailand. This also fosters the continual development of process innovation from within in order to increase productivity, reduce work time, create a safe work environment for employees, and reduce the environmental impact. This is an important foundation for sustainable growth.

The Company disseminated the policy on the website [[www.tmtsteel.co.th/InvestorRelations/CorporateGovernance/otherpolicy/Innovationpolicy](http://www.tmtsteel.co.th/InvestorRelations/CorporateGovernance/otherpolicy/Innovationpolicy)].

#### Goals

- Customer satisfaction percentage for products is higher than 80%.
- Production capacity increased to 1 million tons.

- Use technology to increase efficiency in the work process every year.

- There are results due to the improvement and development of employees every year.

#### Strategies/Operational Plans

- Study and understand customer needs to improve quality, product standards, and services to meet the needs and satisfaction of all customer groups.
- Utilize various technologies in the production process to increase productivity, reduce production procedures, and make work processes more efficient.
- Evaluate, review risks and opportunities to develop the business and the work processes.
- Promote a work culture that encourages learning, constant improvement, and development. Encourage employees to be creative in order to develop/modify work processes and successfully implement the project.

#### Operations

1. Use technology to improve efficiency in work process development

The Company implemented semi-automatic and automatic systems, information technology systems, and installed modern equipment and tools for the work and as part of the production process in order to increase efficiency, productivity, and safety at work as well as reducing hazardous risk, waste, and energy consumption that may affect the environment in order to be prepared for the automatic production line in the future. The following important projects are being implemented:

1. Expanded the Development of Auto Feed Shearing Version 2, in conjunction with the Auto Vacuum Lifting system at the flat steel cutting machine. Compared to the prototype and the first version, this automated system will replace 29% and 17% of the laborers exposed to risk from moving steel sheets and feeding cuts respectively. It also eliminates 100% of risks from accidents which increases the overall efficiency, cutting precision, and quality of workpieces.

2. Completed the installation of the second Stretcher Leveling machine and added equipment to increase the production line's efficiency in order to produce STAY FLAT steel with a maximum thickness of 16 millimeters. This was an



improvement over the first machine, which produced a thickness of 9 millimeters. Therefore, the Company became a manufacturer of special flat steel sheets under the trademark of  TMT is the first and only company in Thailand that produces steel with thicknesses ranging from 1 to 16 millimeters and has a total production capacity of 300,000 tons per year in order to meet the needs of customers to their greatest advantage, increase productivity, reduce work time, and decrease customer business losses.

3. Designed and installed a Coil Rack for the storage, movement, and preparation of slitting coils, which was the raw material used to manufacture steel tube and C-shaped steel structures. This reduces the amount of time employees spend lifting raw materials with a crane. After the installation of the equipment, the number of lifting cycles decreased from 3 times per 20 tons of raw materials to only 1 time per 20 tons of raw materials. This reduced the time for bringing raw materials into the production process from 30 minutes to 5 minutes. Employees can access information about coil racks and slitting coils in the warehouse by searching from the application which the employee has created and developed. It also reduces the risk of accidents by 100% and increases the storage space for raw materials from 4,000 tons to 8,000 tons from horizontal to vertical storage, due to the Coil Rack's ability to stack two layers.

4. Enhanced the effectiveness of customer service through the implementation of information technology systems such as GD FINDI Phase 2-Enhancement and the CRM Enhancement system, which have been continuously developed in conjunction with modern transportation management processes, and the integration of the information technology system with the work process. In 2022, 89% of customers were satisfied with TMT's services.

5. Signed a Memorandum of Understanding (MOU) with Fire One One Company Limited to study and research the feasibility of developing a digital business model through the TMT Digital Business Project in order to develop business innovation and integrate technology into business operations. The duration of the study and research is 1 year. It started on October 12, 2022, and ends on October 12, 2023.

## **2. Promote a work culture that supports continuous improvement and development.**

The Company promoted creative development activities,

whether they were methods, models, sequences, procedures, or devices. This started from work process improvement for the operating staff to the departmental level in order to improve existing procedures, reduce errors, and help increase quality or add value to the work responsibilities. This also instilled an awareness of continuous development which is an important factor for sustainable innovation development as well as developing employees to be ready for digital technology change. The Company supported different departments to create development projects from the work processes of employees, beginning at the operational level to the supervisor level. Over the past year, employees were able to create and extend the following results:

1) Results from work improvement and development by factory staff 333 tasks.

2) The projects and activities that promote creativity and employee engagement include the Think Idea Project season 3. There were 22 competitive ideas from employees.

3) The TMT Innovation project continued for a second year to develop technological and digital knowledge and skills. This allowed employees to have an Innovation Mindset so that they could be creative with new ideas, dare to think, present ideas, and utilize digital technology to develop and improve work processes. This included fostering the internal development of Innovation thinkers and new business innovations. The following actions were taken:

- Developed employees to have an Innovation Mindset through an online learning program that is called Business Innovation for Everyone Program and Alpha Bootcamp.

- Encouraged the TMT Innovation Lab Team to develop the skills necessary to promote an innovation culture within the organization and to apply those skills to one project of actual work. This included giving suggestions for improvement from various departments. There was a total of 3

- Organized a Digital Clinic to provide advice and develop guidelines for automating and digitizing the work process. In the past year, 1 development idea was proposed by employees.

- Organized presentations to pitch ideas to executives for the Sand Box experiment. In the past year, 3 pitching ideas were proposed so that the Alpha Bootcamp group could develop their innovation skills through practice and use the results to improve their work.

### 3. Development of Product Quality and Standards

1. Developed custom-designed steel cutting services with a 5-axis 3D Laser Cutting Machine for cutting steel tubes that require precision and high quality. This machine can cut and punch in accordance with desired patterns with high precision in the same process so that customers can use them immediately.

2. Certify for MiT or Made in Thailand certification from the Federation of Thai Industries. TMT's 25 steel products have been certified and registered as manufactured in Thailand for the second consecutive year. This helps to increase customer confidence domestically and internationally in the quality and standards of steel products produced in Thailand. This also increases the opportunity for sustainable steel product development in the future.

3. Obtain a license to manufacture industrial products certified by the Thai Industrial Standards Institute (TISI) of the Ministry of Industry. This helps to increase customer confidence in quality that meets the specified standards. The details are as follows:

- TIS 50-2561 cold-rolled flat steel, galvanized by hot dip method, coil sheets, strip sheets, cutting sheets, and corrugated sheets.
- TIS 1499-2563 Hot rolled flat steel for welded structures.
- TIS 1501-2552 Hot rolled flat carbon steel for mechanical structures.
- TIS.1884-2542 Hot rolled high-strength steel coils, strips, thick sheets, thin sheets, with improved forming properties for automotive body structures.

#### Performance

- The customer satisfaction rate with the product was 89%.
- Total capacity utilization was 74.37%
- Utilized technology to increase work process efficiency in 5 issues.
- 358 works resulted from improvements, developments, and extending the creativity of employees.



## Relationship Management with Business Partners

### Policy

The Company sustainably manages its supply chain to earn the trust of its stakeholders, create value, effectively increase competitiveness, and mitigate business risk. This includes social and environmental risks as well as supply chain governance. As a result, the Company places a significant emphasis on treating its business partners and trade partners fairly for the development and maintenance of good relationships. This includes supporting and encouraging business partners and all trade partners to conduct business while taking social and environmental responsibilities and good corporate governance into consideration. The Company studied and integrated sustainability issues and supply chain into management in order to increase cooperation and business competitiveness, as well as meet the needs of all of its stakeholders, with supply chain management.

### Goals

- No complaints from outsiders.
- Obtain raw materials and factors as agreed upon.

### Strategies/Operational Plans

- Define roles, duties, and responsibilities within the organization's supply chain management.
- Establish processes/procedures/methods/guidelines that integrate sustainability issues with management.
- Engage with business partners and trade partners to communicate the Company's expectations and intentions regarding sustainability management, as well as to discover ways to increase potential, competitiveness, and cooperation.

### Operations

- Treat business partners and trade partners fairly and comply with the terms of trade agreements by adhering to human rights principles and providing whistleblowing and feedback channels via the Company's website.
- Establish criteria for the selection of trade partners, suppliers, and new service providers in order to demonstrate compliance with safety, labor and human rights, and environmental rules, policies, and regulations.

- Prepare a guideline for determining payment terms for trade partners, then disseminate and communicate it via the Company's website [www.tmtsteel.co.th / investor relations / corporate governance / related policies / guidelines for determining the payment period for business partners].

- Disseminate and communicate the Company's Code of Business Conduct to business partners via the Company's website. This includes communicating anti-corruption and no-gift policies as well as inviting business partners to take part in the Thai Private Sector Collective Action Coalition Against Corruption (CAC). Details are disseminated at [www.tmtsteel.co.th / investor relations / corporate governance / code of business conduct / code of business conduct for partners, contractors, and subcontractors]

- Drive business partner management and trade partners with sustainability by incorporating Quality Management Systems (ISO9001), Occupational Health and Safety Management Systems (ISO45001), and Environmental Management Systems (ISO14001 including significant code of conduct, social responsibilities and human rights through annual supplier self-audits to properly identify and manage supply chain risk.

- Build good relationships by visiting and studying the factories of business partners and main trade partners. This includes inviting them to visit the Company's factory and holding regular meetings to discuss needs, expectations, and guidelines for cooperation, as well as continuously improving the quality of raw materials together.

- The Smart Truck Driver project was carried out for the second consecutive year. In 2022, 37 partner truck drivers were trained as they are essential to delivering products to customers. The Company also places an emphasis on training company's truck drivers in product delivery, best practices, and safety consciousness. The Smart Truck Driver Project increased work productivity and business collaboration for sustainability as follows:

- The customer receives products on time.
- The trucks are in good condition and ready to be used.
- Drivers are responsible and comply with traffic regulations.
- Reduce the risk of road accidents which protects both lives and property.

- Drivers are pleased with their development, stable careers, and incomes.

- Trade partners' revenue grows steadily with the Company.

## Performance

- The Company did not receive any complaints from outsiders.
- The evaluation results from business partners had a total average score of 91.49%
- Obtained raw materials and factors as agreed upon.
- There were no violations of human rights.



## Customer Relationship Management

### Policy

Over the past years, the Company has never stopped committing to modern technology and qualified personnel development in order to be ready to meet all customer needs with a variety of services. This included being a center for all types of steel distribution with a large warehouse, industrial steel processing, a manufacturer of cold-formed structural steel for construction and adding value to products to meet all customer needs with the service of experienced and professional employees.

### Goals

- A customer satisfaction rating higher than 80% or an increase from the previous year.

### Strategies/Operational Plans

- Provide suggestions to solve problems, help with product sourcing, create new services, and invent various options for customers. This includes adding value to the product under an integrated management system to meet customer needs in all aspects.
- Visit customers regularly to understand their needs and develop quality products and services that meet the needs of customers.
- Survey customer satisfaction and use the results to improve and develop better services.
- Be open to suggestions and complaints via the Company's website [www.tmtsteel.co.th / contact us] and multiple channels of communication. More information is

available at [www.tmtsteel.co.th/investor relations/corporate governance/prevention and anti-corruption/whistleblowing and complaint].

- Arrange regular meetings within the Company to communicate and exchange information regarding the needs of customers so that all parties involved are informed, understand the needs of customers, and are able to respond to the needs of each customer appropriately, accurately, and timely.

### Operations

The Company recognizes and highly appreciates customers for its success and sustainable growth. The Company strives to respond to customer needs in order to create maximum customer satisfaction. In addition to the implementation of the aforementioned strategies and plans, including a channel to receive feedback through the Company's website at [www.tmtsteel.co.th] the Company implemented the following activities in 2022:

1. Improve and develop customer satisfaction from the 2021's survey results found that the factor that most impacted purchase decisions was "product quality". The Company analyzed and prioritized the survey results, interviewed additional target customers and considered the following actions in 2022 :

- Install a second Stretcher Leveling machine and add equipment to enhance the efficiency of the production line in order to increase the production capacity of STAY FLAT steel which totals 300,000 tons/year that covers a thickness of 1 – 16 millimeters to meet the needs of customers, especially in terms of high-quality steel so that customers receive the greatest benefit, increase productivity, reduce work time, and minimize the loss to the customer's business.

- Develop custom-designed steel cutting services with a 5-axis 3D Laser Cutting Machine for cutting steel tube that require precision and high quality. This machine can cut and punch in accordance with desired patterns with high precision in the same process so that customers can use them immediately.

- Apply for MiT or Made in Thailand certification from the Federation of Thai Industries. TMT's 25 steel products have been certified as manufactured in Thailand for the second consecutive year. This helps to increase customer confidence domestically and internationally in the quality and standards of

steel products produced in Thailand. This also increases the opportunity for sustainable steel product development in the future.

- Obtain a license to manufacture industrial products certified by the Thai Industrial Standards Institute (TISI) of the Ministry of Industry. This helps to increase customer confidence in quality that meets the specified standards. The details are as follows:

1. TIS 50-2561 cold-rolled flat steel, galvanized by hot dip method, coil sheets, strip sheets, cutting sheets, and corrugated sheets.

2. TIS 1499-2563 Hot rolled flat steel for welded structures.

3. TIS 1501-2552 Hot rolled flat carbon steel for mechanical structures.

4. TIS.1884-2542 Hot rolled high-strength steel coils, strips, thick sheets, thin sheets, with improved forming properties for automotive body structures.

- Utilize information technology to link and collect existing databases in order to analyze the business needs of customers. This includes finding new alternatives for customers to facilitate the business operations and work process of customers to be simpler and more efficient.

2. Factory for visiting and meetings for customers. Due to the COVID-19 pandemic, the Company has been concerned about its customers' safety and good hygiene. Therefore, the Company established standards for working with customers to prevent the spread of COVID-19. This included improving work styles, communication, and customer meetings via online systems to provide convenience for customers through another channel.

3. In 2022, the average score on the satisfaction survey was 89%. The result indicates that customers were most satisfied with the statement "TMT's products meet the required standards". Factors that influence purchase decisions are product quality, delivery, price, service, and product variety, respectively. The feedback received from customers in 2022 will be analyzed and prioritized to make improvements and development. The relevant departments share responsibility for achieving the set goals.

### Performance

- The average customer satisfaction rating was 89%

## Social Dimension

### Human Resources and Human Rights Management and Employee Development



#### Human Resources and Human Rights Management Policy

The Company recognizes that employees are highly valuable human resources. Therefore, the Company values all employees with equality and fairness and is also committed to the development of personnel at all levels so that they have knowledge, experience, and expertise to strive for mutual success, building trust with customers and all stakeholders by creating a corporate culture of creativity and promoting a safe working environment. This includes the management of appropriate remuneration and welfare that is comparable with industries of the same nature as well as emphasizing the respect of human rights for all business value chain stakeholders.

The Company disseminated the policy on the website [[www.tmtsteel.co.th / investor relations / corporate governance / related policies / human rights policy](http://www.tmtsteel.co.th/investor-relations/corporate-governance/related-policies/human-rights-policy)].

#### Goals

- An average score of 80% or higher for employee engagement
- A turnover rate of less than 10%.
- TMT employees receive training for an average of 20 hours of training/person/year.
- No labor disputes and no human rights violations.

#### Strategies/Operational Plans

- Comply with human rights principles in accordance with the Thai labor standards and Thai business's social responsibility (TLS 8001-2010).
- Create and promote a good work environment.
- Study and analyze the needs of employees which includes analyzing the need for employee development.
- Promote a work culture that encourages learning, continuous improvement and development.
- Promote and develop employees to have career advancement and use their full potential.

#### Human Resource Management Operations

The Company places importance on employee care and development by adhering to the compliance of human rights policies, Thai labor standards, social responsibility of Thai Business (TLS 8001-2553), the business code of conduct, and related policies to ensure that the Company's business operations are able to achieve the objectives and corporate values, as well as build credibility and strengthen relationships with employees and all other stakeholders. The Company took the following significant actions in 2022:

1. Developed online recruitment methods that included 1) online job applications that made it easier for applicants to apply for jobs by scanning a QR Code. The Company was able to collect data to consider job vacancies and manpower quickly 2) Video Conference interviews utilizing the Microsoft Team System to facilitate convenience for job candidates, save time, and save travel costs. This allowed the Company to interview more candidates.

2. Carried out the Friend-Refer-Friends Project for the 12th consecutive year in order to increase Recruitment channels and opportunities for suitable candidates during job openings. The Company rewards employees who recommend qualified friends or acquaintances to apply for jobs and successfully complete probation. 54 employees were hired through the Friend-Refer-Friends Project.

3. Signed a Memorandum of Understanding on the cooperation in Bilateral Projects with Rattanaaburi Technical College in Surin as an additional institute for the Company's bilateral project, bringing the total to 9 institutions, in order to provide opportunities for second-year vocational diploma students to gain professional experience in the workplace. This year, 69 students from 7 institutions expressed interest and participated in the bilateral internship program.

4. Successfully recruited employees in accordance with the organization's growth objectives. As of December 31, 2022, the Company had a total of 1,386 employees, an increase of 75 employees which represented a 5.72% increase from 2021. The details are as follows:

Number of Employees	People	2563	2564	2565
		1,268	1,311	1,386

5. Studied and analyzed the survey results of employee satisfaction and engagement by taking the 2021 survey results to develop and improve human resource operations. This included collecting, analyzing, and prioritizing information from employee discussions for project implementation or activities that are achievable or plan to proceed continuously as follows:

1) Determined both short-term and long-term employee remuneration policies. In regards to short-term remuneration, the Company considered employment methods, remuneration, welfare, and benefits to be appropriate and fair for the roles, duties, responsibilities, and employee potential at each level along with the Company's performance. This was compared to companies in the same industry located in close proximity. In 2022, the Company increased the annual wage rate for employees by adjusting the wage structure in each workgroup and using the employee performance for the wage annual increase calculation. This included adjusting daily wages to be higher than the government-mandated minimum wage by considering competitiveness and internal fairness along with the adjustment of bonus rates for employees in the production department who use different skills and perform different tasks in order to align with working conditions and create motivation. In regards to long-term remuneration, the Company established a provident fund for employees and increased group insurance coverage benefits for health, life, and accidental insurance coverage for the benefit of employees' health and hygiene.

2) Provided an additional shuttle bus on the Wang Noi - Saraburi route to facilitate employees who commute and live along the route.

3) Provided financial assistance to employees whose current residences were affected by the 2022 flood in Phra Nakhon Si Ayutthaya and neighboring provinces. This totaled 28 employees for a total of 140,000 Baht.

4) Each year, the Company provided an educational scholarship program for the children of TMT employees to support and encourage employees in the target group to be willing to strive for good performance. This was used as a criterion to grant scholarships to children of employees in order to boost their morale and spirits. This year, there were 47 applicants, and 20 of them met the criteria. This scholarship was categorized into 3 levels as follows:

- Elementary Level: 1,500 Baht per scholarship. There were 10 recipients of scholarships. This scholarship

totaled 15,000 Baht.

- Middle School Level: 3,000 Baht per scholarship. There were 5 recipients of scholarships. This scholarship totaled 15,000 Baht.

- High School Level: 3,000 Baht per scholarship. There were 5 recipients of scholarships. This scholarship totaled 15,000 Baht.

5) Care for employees during the COVID-19 pandemic by raising awareness in various aspects through education and regular communication. This included the management of a suitable and safe working environment including the establishment of policies and operating plans to systematically supervise and manage employees, allowing employees to work from home by taking into account safety when traveling to work. In addition, the Company collaborated with Wang Noi Hospital to encourage employees to receive 3 vaccination boosters.

6) Organized activities to promote participation and good relationships with employees within the organization, such as Songkran activities, Labor Day activities, and Ignite Talk activities to spark the idea of working in the modern world, as well as 30th-anniversary celebration activities along with TMT Day and online TMT Talk activity on the topic "Then Now and to the Future" by the CEO, CFO, and COO. On the occasion of the 30th anniversary, the Company gave commemorative 30-year TMT jackets as a souvenir to all employees. Generation XYZ Talk activities were also held to exchange views for different age groups in order to create an understanding of working together. Blood donation activity has been carried out for 5 consecutive years by organizing blood donation activities an average of 4 times a year to provide opportunities for employees to assist society and promote good health for employees.

7) Improved the work environment and amenities to promote a good quality of life for employees such as renovating rooms and replacing new furniture in the staff dormitories. This included adjusting the stadium inside the dormitory, providing hot water bottles, water coolers in the factory, and ice machines, as well as improving relaxation corners and installing additional televisions, etc.

8) Organized massage activities to reduce the risk of Office Syndrome for employees and reduced the rate of sick leave due to the symptoms by visually impaired people from the Foundation for the Promotion of Careers for the Blind



in an effort to encourage people with disabilities to have careers and earn their own income.

6. In 2022, the Company provided monetary and non-monetary programs and welfare to its employees. There were a total of 9 projects aimed at fostering motivation, morale, and encouragement as well as providing TMT employees with a good quality of life and excellent working conditions.

7. Organized the election of a workplace welfare committee in 2022 as a replacement of the previous committee that completed the term. Meetings were held quarterly. This included organizing employee discussion activities to provide employees with opportunities to offer opinions and suggestions that will be beneficial to the organization's overall improvement and development. This will be forwarded to all parties involved for consideration. The Company pays attention to every issue raised by employees at all levels.

8. Surveyed employee satisfaction and engagement with the organization. The survey results in 2022 were 83.50%. The result was communicated through the Company's internal communication channels. A summary of significant issues was proposed to executives, managers, supervisors, and the welfare committee for acknowledgment in order to formulate relevant operational plans in 2023.

### Human Rights Actions

The Company is aware of operating a business in accordance with the respect to human rights principles which is a fundamental right of freedom and human equality without discrimination in order to ensure that the Company's activities and business operations are carried out according to the objectives. There are guidelines that prevent human rights violations against relevant stakeholders. In 2022, the Company took the following significant actions:

1. Reviewed human rights policy by specifying the treatment of business value chain stakeholders which covered the most important issues of non-discrimination, equality, fairness, and not using child labor or forced labor. This was communicated to all employees and disseminated on the Company's website [www.tmtsteel.co.th / investor relations / corporate governance / related policies / human rights policy].

2. Considered employment according to knowledge and ability that is suitable for the position through the Recruitment and Selection Committee. This included considering

remuneration, potential development opportunities, and career advancement equally, without discrimination based on race, nationality, skin color, gender, language, religion, political opinion, female gender, disabilities, local people, LGBT groups, and the elderly.

3. Reviewed the privacy policy of TMT Steel Public Company Limited and informed all employees and external parties and disseminated the information on the website [www.tmtsteel.co.th / Investor Relations / Corporate Governance / Related Policies / Privacy Policy]. This also included the continuous creation of employee knowledge and understanding through various communication channels within the organization in order to prevent employees from breaching the personal information of those involved.

4. Provided channels to receive both internal and external complaints. The Company disclosed the protection measures for whistleblowers or complainants and complaint channels on the website at [www.tmtsteel.co.th / investor relations / corporate governance / prevention and anti-corruption / receiving clues and complaints ]. In 2022, the Company did not receive any complaints from employees, subcontractors of the Company, or external parties.

5. Communicated measures and best practices in the Code of Conduct compliance to employees for acknowledgment via various communication channels.

6. Improved the 2022 supplier/subcontractor assessment form (Supplier Self Audit) and set criteria to select business partners, vendors, and new service providers. Significant environmental issues, labor and human rights, and business code of conduct were evaluated to ensure that the Company conducts a comprehensive assessment of ESG risks.

7. Promoted the employment of people with disabilities in accordance with the Promotion and Development of the Quality of Life of Persons with Disabilities Act of 2007 by employing 1 full-time hearing-impaired employee. The Company also collaborated with the Phra Nakhon Si Ayutthaya Provincial Employment Office to hire people with disabilities or their caregivers for subcontracting or contracting services to do community-beneficial work in order to promote careers and income for 2 people with disabilities who domicile in Phra Nakhon Si Ayutthaya.

8. The Company does not support the violation of intellectual or copyright property. There is a policy regarding

the infringement of intellectual property rights to prevent employees and the Company from violating information technology law and copyright infringement as well as regulations related to the Company's operations.



## **Employee Development**

Every employee is valued by the Company, and the appropriate development plans have been prepared for employees at all levels. TMT Knowledge Center is a learning and development center for employees. The employee development plan was designed and developed by the Company based on the corporate goals and strategies. The Company also surveyed the needs for employee training and development by interviewing executives in each department, analyzing job positions, performance appraisals, and individual development plans, and also implementing the development in accordance with the plan. This included developing a work environment and culture that promotes creativity and a work culture that encourages creativity through ongoing knowledge-promoting activities for employees.

In 2022, employees received an average of 20.25 hours of training per person. This was an increase from 2021 as a result of the improvement in COVID-19. This allowed for normal training to continue. The Company was able to organize 80% of the training according to the annual training plan and the departmental development plans through the following projects and activities:

- TMT Talk activity on the topic, "Then Now and to the Future" on the occasion of the Company's 30th-anniversary celebration. The Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Operating Officer (COO) discussed and exchanged ideas about the rapid change in working styles. This included the growth of TMT over the past 3 decades, raising employees' awareness of the Company's current and future vision, goals, and strategies. The Company also reinforced confidence for employees to grow alongside TMT. This was an online activity in order to reach employees at all levels.
- Promote online learning by utilizing an e-learning system and an online platform. There were a total of 95 courses from which employees could select and allocate their time to learn on their own. Other forms of learning, such as Project-Based Learning, Coaching, On the Job Training (OJT),

etc., were made available to employees at all levels in the organization.

- The TMT Innovation project continued for 2 consecutive years to develop technological and digital skills and knowledge, enabling employees to have an Innovation Mindset, be creative in new things, dare to think, dare to present, and use digital technology to contribute to the development and improvement of work processes. This included the internal development of Innovation Thinkers and new business innovations. The operations are as follows:

- 1) Developed employees to have Innovation Mindset through the Ignite Talk activity on the topic "New World, Now and Next" and Business Innovation for Everyone (Online Learning), Innovative Thinkers Workshop, and Alpha Bootcamp.

- 2) Promoted the TMT Innovation Lab Team to develop an innovation culture within the organization and to apply innovation skills to the project. This included providing suggestions for improving the work of various departments for a total of 3 jobs.

- 3) Organized a Digital Clinic to provide guidance and developed guidelines for automating and digitizing the work process. 1 idea was approved for development.

- 4) Organized an Idea Pitching for executives' presentation. In the past year, 3 ideas were proposed to the Alpha Bootcamp group to develop their innovation skills through practice and to use the results for work improvement.

- TMT Academy's Knowledge Management. There are learning and training courses that cover every department. New courses have been added, and the original course has been improved to stay updated. The knowledge was passed on to employees, particularly new employees so that they would have the necessary knowledge, skills, and ability to perform their assigned tasks correctly.

- Reviewed the corporate core values and prepared the Leadership Competency of employees at all levels in order to prepare and develop the employee potential in accordance with the Company's future business model.

- The Change Network Capability Building Project was organized to develop and train 35 supervisory-level employees from each department to be Change Leaders in order to encourage the application of knowledge. The evaluation results of this course indicated that the Change Leaders had an average understanding of knowledge and their understanding after



training was 86.36%. 6 pilot projects under human resources (HR) were created which would lead to further development plans in 2023.

In addition, the Company placed importance on performance management and career management of employees at all levels. The operations are as follows:

- Require employees to set annual goals and key performance indicators (KPIs) with their supervisors in accordance with the Company's goals and strategies. This will lead to the performance evaluation twice a year. The evaluation criteria were clear and the evaluation was divided into two parts: 60% KPIs and 40% core value compliance. The results of the evaluation will be used to determine annual remuneration and as a guide to the development of employee potential. The evaluation results and annual remuneration were notified to all employees through their supervisors in order to encourage employees to improve their performance and their career advancement.

- Career Management, the Company created career paths for employees at all levels. There are guidelines for developing employees' competence in each position, as well as opportunities for career rotation to meet increased capabilities. Furthermore, employees promoted to the supervisor level and above are required to develop an Individual Development Plan (IDP), follow up, and systematically report the self-development results to executives for acknowledgment. Over the past year, 158 employees were promoted from within. 13 employees were promoted to the management level, 13 to the supervisor level, 31 to the staff level, and 101 to the operational level. This accounted for 11.30% of the total employees.

- Talent Management was accomplished by selecting high-performing employees from across all departments to be in the Focus Group via the New Gen Project to create an individual development plan (IDP). 25 employees were trained, followed up continuously, and reported self-improvement to the executives systematically. Therefore, this focus group was knowledgeable and competent, which resulted in 40% career advancement. In addition to their confidence and contentment with the organization, the focus group has a retention rate of 100%. The results from this focus group will be used to plan the next group of talent management for the Company's next generation.

- Establish a succession plan for significant positions by creating a Successor Profile that will serve as a guideline for building, developing, and recruiting personnel who are prepared and qualified to serve as leaders at all levels and in every field. The criteria were established for target employees to jointly develop self-potential development plans in order to prepare for future career advancement.

#### Performance

- The evaluation rate of employee engagement was 83.50%.
- The turnover rate was 17.16%.
- TMT employees were continually developed with an average of 20.25 hours/person/year of training.
- There were no cases of labor disputes or human rights violations.



### Occupational Health and Safety

#### Policy

The Company is committed to developing a safety management system to be in compliance with any laws and related regulations in order to prevent and reduce occupational hazards with the cooperation of all our employees. The details of the "Occupational Health and Safety Policy" are disclosed on the website at [ [www.tmtsteel.co.th](http://www.tmtsteel.co.th) / investor relations / corporate governance / others policies / occupational health and safety policy.]

#### Goals

- Compliance with laws and related regulations.
- Reduce the Injury Frequency Rate: (IFR) of employees every year.

#### Strategy/Operational Plans

- Comply with relevant laws, rules, and regulations of the safety and environmental management system.
- Reduce workplace hazards
- Improve the Work Environment
- Build and promote safety awareness among employees.

## Operations

1. Comply with any relevant laws, rules, and regulations, including the requirements of the safety and environmental management system.

- Assess regulatory compliance with any related laws and requirements every 6 months.
- Control and take corrective actions to improve operations in accordance with the applicable laws or regulations.

## 2. Reduce Workplace Hazards

- Review risk assessment whenever there is a new activity or changes to the working methods and annually revise them so they are up to date.
- Establish plans and methods to eliminate hazards and reduce occupational health and safety risks using a "hierarchy of control".
- Provide controlling and planning procedures for both temporary and permanent organizational changes.
- Provide a process to control and plan changes that occur within the organization, whether temporary or permanent.
- Regularly review and conduct emergency response plans at least once per year.
- Construct a Safety Interlock System and Sensor Systems on the fence and machine guarding to increase safety.
- Monitor industrial hygiene and the environment.

3. Build and Promote Safety Awareness among Employees.

The Company has occupational health and safety management in accordance with the requirements of the Occupational Health and Safety Management System Standards (ISO 45001:2018) in order to develop and promote knowledge regarding a safe workplace to employees. Over the past year, the Company organized various activities to promote the following safety behaviors:

1. Organize the training course "Workers Who Use Liquefied Petroleum Gas" for target employees. There were 3 groups of employees that attended this training course, for a total of 13 employees. This was equivalent to 100% of the target group.

2. Organize "TMT Zero Accidents" to promote safe work practices among all employees and reduce work-related accidents. Employees were divided into 6 groups, namely, Production 1, Production 2, Production 3, Warehouse 1, Warehouse 2, Engineering and Maintenance, and the last group was Support/Office. Security officers will monitor employees' safe work practices in a variety of areas and give points. Employees or supervisors in the area will be informed immediately if unsafe behavior is observed. At the end of each month, the Safe Work Practices Score will be calculated. If a group's score is higher than 70 points or there are no work-related accidents, they will receive a lunch coupon (valued at 50 Baht/person/month).

## 4. Improve the Work Environment

1) Improve the Work Environment and Comply with Lighting Standards

The 2021 lighting measurement results in the factory and production department (E) found that the daytime lighting measurement results met the standard of 69.64% but were only 25% at nighttime. Therefore, the area was improved by replacing 150W LED light bulbs with 200W LED light bulbs and fluorescent light bulbs with LED light bulbs in the warehouse area. In 2022, the daytime lighting measurement results surpassed the benchmark, increasing to 71.74% during the daytime and 56.04% at nighttime.

## 2) Anti Bird Idea Project

To promote a safe working environment, good hygiene, and reduce the risk of disease carried by pigeons to employees, the Anti Bird Idea Project was established to allow interested employees to participate in the project and submit ideas or inventions that could aid in reducing the number of pigeons (without killing the birds). The selected ideas or inventions will be implemented for 1 week. After the devices were installed, the number of pigeons and pigeon droppings decreased significantly because there was no place for the birds to stand. However, the anti-bird devices may be unable to eliminate all pigeons. Therefore, other measures must be considered to use alongside this device as well.

## 3) Hearing Conservation Project

There are a total of 4 buildings in the production areas and in warehouses where noise levels in working areas exceed 85 dB(A). The results of operations are as follows:

- Provided training to educate all employees in the mentioned areas on the Company's Hearing Conservation Policy, ears and hearing, types of hearing loss, hearing tests, evaluation and noise control, as well as hearing protection equipment and related laws.

- Prepared and installed a noise map in the production area and warehouses for a total of 4 buildings and designated these areas as noise monitoring and hearing monitoring areas.

## 5. COVID-19 Preventative Measures

1) The Company strictly complies with the epidemic control and prevention measures in accordance with the guidelines of the Ministry of Health's Department of Disease Control. The Company created and disseminated an epidemic control and prevention plan on the Company's website at [www.tmtsteel.co.th / investor relations / corporate governance / risk management / control and prevention of tmt's covid-19.]

2) There are inspection and monitoring measures to prevent and control the spread of COVID-19. Every employee was required to follow the following procedures:

- Check employee travel history to prevent outbreaks within the Company and screen employees on a regular basis by surveying employee's risk data.
- Always provide useful information to employees during the COVID-19 pandemic.
- Provide and arrange vaccinations for employees. All employees received COVID-19 vaccine boosters.
- Require random testing to proactively look for people infected with Covid-19 by randomly checking 40 employees with an ATK test every Monday.

3) Screen all external visitors by requiring them to submit a COVID-19 risk assessment form before visiting the factory or working in the factory area. A preliminary screening test with an ATK test kit is also required.

4) Provide hand sanitizer gel in every building and office. In addition, disinfectant sprayers for material surfaces were required to be used on a regular basis when cleaning the common areas.

## Performance

- The Company was certified with ISO 45001: 2018 for the Surveillance round from SGS (Thailand) Company Limited

in July 2022. No inconsistencies were found in the evaluation results.

- Injury Frequency Rate (IFR) in 2022 was 5.96, a decrease from 2021 by 32.50%.
- There were 15 incidents or work-related injuries where employees had to take leave of absence.
- There were no employees who died as a result of operations.
- There were 3 workplace improvement projects.
- Developed and promoted employee safety awareness with 2 projects.



## Society/Community Engagement and Development

The Company is aware of its coexistence with the community and society as well as giving importance to all stakeholders. The Company learns to develop and live in harmony with the community by engaging in activities that build understanding as well as promoting community and social engagement. This ensures that the Company's business activities do not have an impact or cause distress to normal lifestyles and the surrounding community so that the Company can meet the needs and expectations as well as mutually create sustainable value and returns. Details of the "Corporate Social Responsibility" are disclosed on the website at [www.tmtsteel.co.th / investor-relations / relatedpolicies / corporatesocialresponsibilitypolicy.]

## Goals

- There were no external complaints.
- Continue to implement projects that create cooperation between the Company and society every year.

## Strategies/Operation Plans

- Engage with all stakeholders by making the best use of TMT's resources, potential, and expertise.
- Create positive experiences for all stakeholders through the collaboration of beneficial activities or projects.
- Communicate and promote understanding of business operations based on sustainable development in order to create value with all stakeholders.

## Operations

The Company complied with social responsibility policy, focusing on community engagement and development to promote a good quality of life for the community, whether economically, socially, or environmentally, by prioritizing the community's needs and necessities. Additionally, the Company promotes and raises awareness among all employees throughout the organization in order to create good relationships and demonstrates friendship with the community through collaboration with the community, assigning representatives to consult with the community on a variety of issues from conservation to problem analysis, in order to gather accurate information from the community. This included a satisfaction survey of surrounding communities from community representatives. In 2022, the Company received an average satisfaction assessment score of 80% from surrounding communities. The results were analyzed, prioritized, and considered alongside various projects with the goal of promoting a good quality of life, creating knowledge, developing the potential of individuals in the community and society, and adding value to the Company's products. Priority will be given to nearby communities that are likely to be directly impacted by the



Visited the area to speak with community representatives.

Company's operations. The Company places a high value on assisting and promoting a good quality of living for Thai society without discriminating and fully supports the community in every way possible. The following projects were undertaken over the last year:

### 1. Steel for Sustainability Project

**Project Objectives :** Provide support for steel for the benefit of the community and society as well as promote a higher standard of living and quality of life. Encourage the community to have steel structure buildings that are strong, safe, and appropriate as well as having the necessary knowledge to use steel for the appropriate types of work and add value to the Company's products. The Company supported steel to the community as follows:

- Donated cold-formed structural steel to the Yomana Tham Thamma School in order to construct a roof over the yard that holds school activities. This provides indoor activity space for students.
- Designed and installed steel handrails for students with special needs at the Ayutthaya Provincial Special Education Center to use when getting up or sitting down during bathroom routines.



### 2. From School to the Steel Factory Project

**Project Objectives :** Promote understanding of steel, steel production/processing, and working in the steel industry. The Company collaborates with a variety of organizations and institutions, which includes providing support for learning spaces for teachers, students, interns, and students in bilateral projects and helps to promote the Company's image to create employer branding. Several educational institutions are interested in collaborating with the Company as follows:



- Teachers and students from the Faculty of Science majoring in Industrial Chemistry at King Mongkut's Institute of Technology Ladkrabang and the Faculty of Engineering majoring in Industrial Engineering at Khon Kaen University visited the Company to see the production and fabrication of steel products, storage, and the laboratory room.

- Promote research and develop the experiences of teachers and students through the "Reforestation in Factory Project" in collaboration with the Faculty of Agricultural Technology at Valaya Alongkorn Rajabhat University, under royal patronage, by signing a memorandum of understanding for the Reforestation Project in order to increase the green area on the vacant land of approximately 85 rai at the factory and the distribution center in Wang Noi District, as well as supporting the research on the Reforestation Project to be published as academic presentation. This project gives the Company advantages as follows: 1) increases green area at the factory 2) creates a healthy environment for the factory's surrounding communities 3) reduces future carbon taxes and 4) when trees reach the age of six years, they will be able to reduce 100 tons of carbon dioxide annually.



- Signed a memorandum of understanding with Rattanaaburi Technical College in Surin. In this project, students are trained to work at the Company's manufacturing and distribution center in Wang Noi in order to improve their experience, develop their practical skills, and create qualified personnel for Thailand's industry.

- Created educational opportunities and promoted vocational skills training so that the students are ready for the real work environment. The Company accepts student interns

and bilateral students. There were 18 undergraduate students participating in the Company's internship and 69 bilateral students at the high vocational level. This is a collaboration between the Company and a total of 19 technical colleges. Last year, the Company recruited 15 employees from the bilateral programs who graduated and applied for work at the factory. This helps the Company reduce the amount of time and the cost of recruitment by approximately 15,000 Baht.

- Participated in the preparation of the Occupational Standard and Professional Qualifications in the steel production and fabrication industry phase 2 for the Professional Qualification of Steel Pipe Quality Controller and Maintenance Technician Project by co-establishing a representative from certified institutes and serving as an examiner for the Institute of Professional Qualifications (Public Organization) in order to promote professional standards in the workplace.

### 3. TMT : Sharing for Sustainability Project

Objectives: Provide fundamental assistance in various fields for the quality of life for people in the community. This includes equipment and various tools and also encourages people in the community to have an income by providing appropriate support which the Company can offer as follows:

- Donated 1 laser printer to Damrongtham Center, Wang Noi, Phra Nakhon Si Ayutthaya to support the officials in providing services to the community.

- Provided consumer goods and drinking water to 180 families affected by flooding in Moo 6, Ban Kum, Bang Ban, Phra Nakhon Si Ayutthaya.

- Continuously supported the waste-to-merit project. The Company collaborated with other companies in the area to donate income from the sale of waste to Lam Sai Subdistrict Administrative Organization, Wang Noi District, in order to help disadvantaged groups, the elderly, and bedridden patients in the area.

- Designed and created an online catalog called "Amazing OTOP Products of Phra Nakhon Si Ayutthaya" to promote the community's OTOP products in Phra Nakhon Si Ayutthaya through the Company's internal communication channels and generated income for the community by introducing products.

- Supported products in the community in order to generate income for the community by co-designing and ordering small coin purse from OTOP products in the Ban Lam Sai community and square-shaped card holders with birthday cards from the Children's Foundation as a reward for participation in the Company's activities and birthday gifts for employees.

#### Performance

- There were no external complaints.
- Conducted 3 projects that created cooperation between the Company and society each year. These projects have been carried out continually.
- The Company received an average satisfaction score of 80% from the surrounding communities.



## Environmental Dimensions

- **Efficient Energy and Resource Management**
- **Greenhouse Gas Management**

### Policy

The Company is committed to environmental management by reducing emissions and energy consumption of natural resources for a sustainable environment. The Company disseminated the policy on the website at [www.tmtsteel.co.th/investor relations/corporate governance/others policy / environmental policy]

### Goals

- Reduce greenhouse gas emissions per unit of production (ton CO<sub>2</sub>eq/ton product) by 20% compared to the base year (2018) by 2027.
- Received ISO 14001:2015 Certification
- Reduce water and waste
- Increase of Green Areas
- Reduce electric energy consumption by 0.54%.

### Strategy/Operational Plans

- Assess electricity consumption, water consumption, and fuel consumption.
- Set operational goals.
- Plan to control/reduce electricity consumption, reduce water consumption, and fuel consumption.
- Implement the plans.
- Compare performance and goals.
- Review, analyze and resolve mistakes.

### Operations



#### Efficient energy and resource management

The Company appointed an energy management working group to create efficient and sustainable energy management guidelines. In addition, an environment and safety working group was organized to manage the business in accordance with the environmental and safety dimensions relevant to sustainable development. The results of the

Environmental Aspect assessment helped the Company to be aware of the business activities that significantly affect the environment which is electricity consumption. The Company focused on operating business in an environmentally friendly way by using renewable energy as follows:

#### 1. Installation of Air Compressor For Steel Tube Production Line

**Goal :** Reduce electricity consumption by 0.54% and save electricity by 107,633 kWh/year which is equivalent to 401,985 Baht/year.

**Performance :** 13 air compressors were installed at the steel tube production line in factory D, F, G, and P. This can reduce electricity consumption by 107,633 kWh/year and save approximately 446,120 Baht/year.

In 2022, the Company's electricity consumption amounted to 18,593,648 kWh, an increase of 3.03% compared to the previous year. This was due to the expansion of production capacity and the installation of 3 new machines that required electricity. The new machines began operation in the third quarter of 2022. However, the Company has efficient energy management, a good lighting system, and electrical control system equipment that is regularly maintained as well as the Solar Rooftop Project 2. When this is combined with Solar Rooftop Project 1, the total production capacity will increase to 6.282 megawatts in order to meet future demand. The Company will continue to organize energy conservation projects annually.

#### 2. Water and Waste Management

**Goal :** The Company set a short-term goal to reduce water and waste in the production process by 5% per year, compared to the previous year, by implementing the following projects in the steel tube production line, which are the Company's main products as follow:

**Performance :** The Company installed a mill-scale scrap filtration system at the tube-production machine in order to increase the value of the water use cycle and filter the sludge from the water. In 2022, the production process of the tube-production machine with water consumption (oil sludge) was 0.72 kg/ton of production (produced tube weight (ton)), a decrease of 20.88% from 2021 (0.91 cubic meter/ton of production). The amount of iron sludge contaminated with oil was 0.77 kg/ton of production, a decrease of 1.28% from 2021 (0.78 cubic meters/ton of production).

In 2022, the Company consumed 76,350 cubic meters or 186.10 liters/person/day of tap water. This was an increase from 2021 which was 71,222 cubic meters or 183.53 liters/person/day. Since the Company has continuously expanded its production capacity every year, the number of employees and new machines have increased. The majority percentage of tap water consumption is employees' daily consumption, followed by the production process. However, the Company continues to be rigorous in maintaining and inspecting the condition of the water distribution system throughout the production process in order to consistently meet the standards. Every parameter regarding the wastewater discharged from the factory is in accordance with the quality standards as defined by the law. Moreover, this includes raising employee awareness of the importance of using water resources wisely through internal communication channels as well as upgrading the office buildings and Knowledge Center's faucets to a sensor-based system.

### 3. Garbage, Waste, and Pollution Management

Establish standard procedures for industrial waste and unused material management. Industrial waste and unused materials are classified into two categories which are hazardous and non-hazardous waste. Both types can be classified as waste that can be sold and waste that cannot be sold. In addition, scrap steel from production is classified as a non-hazardous waste in which 100% of it can be recycled or sold. The Company set the KPI of the production department to reduce the amount of scrap steel from the production process. There is a systematic scrap steel management in which there is an area to separate the scrap steel into different types. A scrap metal compactor is used to increase efficiency in recycling scrap steel.

### 4. ISO 14001:2015 Project

**Goal :** Create an environmental management system that meets international standards.

**Performance :** In 2022, the Company implemented an environmental management project (ISO 14001:2015) beginning in June 2022 by defining corporate environmental issues, assessing environmental risks and opportunities as well as environmental management planning. As a result, the Company

received ISO 14001:2015 certification on November 15, 2022, from both NAC and UKAS, and was audited by SGS (Thailand) Company Limited.



## Greenhouse Gas Management

### Goal :

- The short-term goal is to reduce the organization's carbon footprint by 5% per year, and the long-term goal is to reduce the organization's carbon footprint by 20% by 2027.
- Assess the greenhouse gas emissions from the activities of the organization.
- Determine the causes of significant greenhouse gas emissions and find a solution to reduce the amount of greenhouse gas.

### Performance :

The Company's greenhouse gas emissions from corporate activities amounted to 1,046,140 tonCO<sub>2</sub>eq. Scope 3 emissions, indirect greenhouse gas emissions, are the highest greenhouse gas emissions which include the purchase of raw materials and services from fuel and energy-related activities, upstream and downstream transportation and distribution, and the use of outsourced personnel or agencies to conduct the Company's primary business activities. When only Scope 3 emissions were calculated, the greenhouse gas emissions equaled 1,034,887 tonCO<sub>2</sub>eq, which accounted for 98.92% of all the greenhouse gas emissions.

In 2022, the Company increased its proportion of recycled steel raw material purchases, resulting in a decrease in greenhouse gas emissions to 333,441 tonCO<sub>2</sub>eq or 24.17% in greenhouse gas emissions compared to 2021. Therefore, the Company has achieved its goal to have a 20% greenhouse gas emissions reduction by 2027. The Company is also committed to reducing the production of greenhouse gas emissions. The goal is to continue reducing greenhouse gas emissions by 5% per year in order to eventually reach Net Zero goals



Comparison of total greenhouse gas emissions (tonnes of carbon dioxide equivalent) for the 3 years between 2020-2022.

greenhouse gas emissions	Unit	2563	2564 <sup>(2)</sup>	2565
Scope 1,2,3 Corporate Carbon Footprint	on CO2eq	10,577.01	1,379,581.00	1,046,140.00
Scope 1 Emissions	on CO2eq	1,972.46	1,908.00	1,958.00
Scope 2 Emissions	on CO2eq	8,568.33	8,309.00	9,295.00
Scope 3 Emissions	on CO2eq	36.22	1,369,364.00	1,034,887.00

In 2022, the Company's greenhouse gas emission data was validated and verified by ECEE Company Limited, which is a registered company for the Verification of Carbon Footprint for Organizations by Greenhouse Gas Management Organization (Public Organization).

**Remarks :**

<sup>(1)</sup> In 2021, the Thailand Greenhouse Gas Management Organization (TGO) required the Company to conduct an additional evaluation of the significance of Scope 3: indirect greenhouse gas emissions. The Company used 2021 data as the base year for calculating its greenhouse gas emissions target.

<sup>(2)</sup> Because the data used in the 2021 annual report was evaluated prior to validation and verification. Therefore, the Company updated the information after being validated and verified as of August 23, 2022."

**Increase of Green Areas**

Increase green areas inside the factory to filter out air pollution and create a good environment, both within the Company and nearby areas. The Company registered trees in the factory area. In the previous year, there were 1,068 trees which represented 27 rai or 13.35% of the total area that filter air pollution and create a good environment.

The Company collaborated with the Faculty of Agricultural Technology, Valaya Alongkorn Rajabhat University under royal patronage and signed a Memorandum of Understanding for the Reforestation Project to increase the green area on approximately 85 rai of vacant land that will not be developed within the next 5-10 years. The operation began in November 2022, with the expected benefits as follows:

- Increase green areas within the factory
- Create a good environment for the surrounding community
- Help reduce future carbon taxes

- When the tree is 6 years old, it can absorb carbon dioxide (CO<sub>2</sub>) equivalent to 100 tonnes of carbon/year

**Performance**

- Reduce electricity consumption from the Energy Conservation Project by 107,633 kilowatt-hours/year and save electricity costs by approximately 401,985 Baht/year
- Reduce water consumption from the mill scale waste filtration system installation project at the tube production machine, which saves 0.72 kg/ton product or 20.88% less water compared to 2021.
- The amount of greenhouse gas emissions decreased by 24.17% or 333,441 tonCO<sub>2</sub>eq compared to 2021.
- There are no wastewaters that require treatment before being discharged in the production of steel tube.
- Manage garbage, waste, and pollution in accordance with industrial waste and unused materials management standards.

## Sustainable Development Goals (SDGs)

The Company is committed to supporting and taking part in the United Nations Sustainable Development Goals (SDGs) to ensure that the Company conducts business in accordance with international goals and creates benefits for all stakeholders. The performance of the Company in 2022 was consistent with 16 Sustainable Development Goals. The Company is in the process of studying and developing operational guidelines to support Goal 14: Life Below Water, and is striving to achieve all 17 goals in the future.



Source : <https://thailand.un.org/th/sdgs/17>

The operations can be summarized as follows :

Sustainable Development Goals (SDGs)	The Company's Sustainability Issues	Activities/ Projects that Support the Goal	Benefits to the Company	Benefits to Society and the Environment
<b>1 No Poverty</b> 	<ul style="list-style-type: none"> <li>Human Resource and Human Rights Management</li> <li>Society/ Community Engagement and Development</li> </ul>	<ul style="list-style-type: none"> <li>Monetary welfare programs for employees</li> <li>Friend-Refer- Friends Project</li> <li>Waste to Merit Project</li> <li>Support community products to generate income for the community</li> </ul>	<ul style="list-style-type: none"> <li>Motivate employees</li> <li>Increase employment channels and reduce the time for recruitment</li> <li>Build good relationships with the community</li> </ul>	<ul style="list-style-type: none"> <li>Promote employment</li> <li>Generate income for community stores</li> <li>Distribute income from employees to the community</li> </ul>
<b>2 Zero Hunger</b> 	<ul style="list-style-type: none"> <li>Human Resources and Human Rights Management</li> <li>Society/ Community Engagement and Development</li> </ul>	<ul style="list-style-type: none"> <li>Meal allowances and free meals at the Company's cafeteria</li> <li>Provide consumer goods and drinking water to flood victims in Moo 6 Ban Kum, Bang Ban District, Phra Nakhon Si Ayutthaya</li> </ul>	<ul style="list-style-type: none"> <li>Motivate Employees</li> <li>Build good relationships with the community</li> <li>The community cooperated with the Company's activities</li> </ul>	<ul style="list-style-type: none"> <li>Promote quality of living for people in the community to have access to adequate food by giving food boxes purchased from stores in the community for COVID-19 patients in Bangkok</li> </ul>

Sustainable Development Goals (SDGs)	The Company's Sustainability Issues	Activities/ Projects that Support the Goal	Benefits to the Company	Benefits to Society and the Environment
3 Good Health and Well Being 	<ul style="list-style-type: none"> <li>Human Resource and Human Rights Management</li> <li>Occupational health and safety</li> <li>Innovation management and product quality development</li> </ul>	<ul style="list-style-type: none"> <li>Care for employees during the COVID-19 pandemic</li> <li>Provide COVID-19 vaccination boosters for employees and subcontractors</li> <li>Apply semi-automatic systems and information technology systems, Install modern equipment and tools to be used in work processes and certain production processes in order to increase work safety</li> </ul>	<ul style="list-style-type: none"> <li>Create bonds with employees</li> <li>Reduce the sick leave rate for employees</li> <li>Reduce accidents</li> </ul>	<ul style="list-style-type: none"> <li>Employees are in good health and reduce illness</li> <li>Prevent the spread of COVID-19</li> <li>Reduce the spread of influenza to people nearby</li> </ul>
4 Quality Education 	<ul style="list-style-type: none"> <li>Employee potential Development</li> <li>Society/ Community Engagement and Development</li> </ul>	<ul style="list-style-type: none"> <li>Employee Training Program</li> <li>Dual Vocational Training projects</li> <li>From School to Steel Factory Project</li> <li>Scholarship Project for the children of employees</li> </ul>	<ul style="list-style-type: none"> <li>More employees have quality knowledge and skills</li> <li>Increase employment opportunities for students/ project participating students</li> <li>Build relationships with employees</li> </ul>	<ul style="list-style-type: none"> <li>Support equal and inclusive education and promote lifelong learning for employees, employees' children, students and teachers</li> </ul>
5 Gender Equality 	<ul style="list-style-type: none"> <li>Human Resource and Human Rights Management</li> <li>Employee potential development</li> </ul>	<ul style="list-style-type: none"> <li>Human Rights Policy/ Equitable Treatment of Labor</li> <li>Recruit women to work in suitable positions</li> <li>Have women work at the management level</li> </ul>	<ul style="list-style-type: none"> <li>Have employees who are qualified for the job and position.</li> <li>Employees fully utilize their potential at work</li> <li>Build relationships with employees</li> </ul>	<ul style="list-style-type: none"> <li>Promote gender equality</li> <li>Develop the role of women to be able to work and earn wages</li> <li>No discrimination in employment</li> </ul>
6 Clean Water and Sanitation 	<ul style="list-style-type: none"> <li>Energy and resources management</li> <li>Human Resource and Human Rights Management</li> </ul>	<ul style="list-style-type: none"> <li>Effectively manage water and wastewater as well as conserves water</li> <li>Always create water-saving awareness among employees through internal communication channels and using faucets with sensors in the toilet at the Knowledge Center building</li> <li>Install a water cooler and ice maker in the factory</li> </ul>	<ul style="list-style-type: none"> <li>encourage employee engagement</li> <li>Build good relationships with the community</li> </ul>	<ul style="list-style-type: none"> <li>Communities have clean and safe drinking water</li> <li>Reduce costs for the community</li> </ul>

Sustainable Development Goals (SDGs)	The Company's Sustainability Issues	Activities/ Projects that Support the Goal	Benefits to the Company	Benefits to Society and the Environment
7 Affordable and Clean Energy 	<ul style="list-style-type: none"> <li>Cost-effective energy and resources management</li> <li>Greenhouse gas management</li> </ul>	<ul style="list-style-type: none"> <li>Initiated the installation of a solar rooftop project 2</li> <li>Improved the building to use more natural light</li> </ul>	<ul style="list-style-type: none"> <li>Reduce the consumption of main energy and use more alternative energy</li> <li>Reduce costs for the Company in the long run</li> </ul>	<ul style="list-style-type: none"> <li>Reduce greenhouse gas emissions</li> <li>Increase awareness of alternative energy use</li> </ul>
8 Decent Work and Economic Growth 	<ul style="list-style-type: none"> <li>Human Resource and Human Rights Management</li> <li>Employee potential development</li> </ul>	<ul style="list-style-type: none"> <li>Employee promotion</li> <li>Talent Management/ Succession Plan</li> <li>Compliance with human rights principles</li> <li>Legal Employment</li> </ul>	<ul style="list-style-type: none"> <li>Increase productivity in the production process</li> <li>Create bonds with employees</li> <li>Reduce turnover rate</li> </ul>	<ul style="list-style-type: none"> <li>Promote effective employment and appropriate positions for women and men</li> <li>Promote career advancement for employees</li> <li>Employees and their families have a better quality of life from a stable job and income</li> </ul>
9 Industry, innovation and infrastructure 	<ul style="list-style-type: none"> <li>Innovation management and product quality development</li> </ul>	<ul style="list-style-type: none"> <li>Utilized technology in the semi-automatic and automatic systems in the production process</li> <li>Optimize the effectiveness of production lines to be able to produce STAY FLAT steel with a maximum range of thickness up to 16 millimeters</li> <li>Develop new products such as Carbon Steel Pressure Pipe</li> <li>Promote a culture of continuous work improvement</li> </ul>	<ul style="list-style-type: none"> <li>Reduce the occurrence of waste</li> <li>Increase the quality of products and services</li> <li>Increase productivity in work processes</li> <li>Increase customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Investment in technology and innovation</li> <li>High-quality steel sheet products</li> <li>Environmentally-friendly production and reduce energy consumption</li> </ul>
10 Reduce Inequality 	<ul style="list-style-type: none"> <li>Human Resource and Human Rights Management</li> <li>Employee potential development</li> <li>Society/ Community Engagement and Development</li> </ul>	<ul style="list-style-type: none"> <li>Human rights policy /Equitable treatment of labor without discrimination</li> <li>Employ people with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>No prosecution for non-compliance with the law and no labor disputes</li> <li>Build engagement with employees</li> </ul>	<ul style="list-style-type: none"> <li>Promote equality in society</li> </ul>

Sustainable Development Goals (SDGs)	The Company's Sustainability Issues	Activities/ Projects that Support the Goal	Benefits to the Company	Benefits to Society and the Environment
11 Sustainable Cities and Communities 	<ul style="list-style-type: none"> <li>Society/Community Engagement and Development</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Steel Project to support steel for public use</li> </ul>	<ul style="list-style-type: none"> <li>Create value for TMT's steel products to be well-known in the community</li> <li>Promote awareness that TMT's steel products have high quality and standards</li> </ul>	<ul style="list-style-type: none"> <li>Encourage the community to have steel structure buildings that are strong, safe and suitable</li> <li>Promote a better quality of life for people in the community</li> <li>Use the correct type of steel in a safe manner</li> </ul>
12 Responsible Consumption and Production 	<ul style="list-style-type: none"> <li>Innovation management and product quality development</li> <li>Cost-effective energy and resources management</li> <li>Greenhouse gas management</li> </ul>	<ul style="list-style-type: none"> <li>Operate in accordance with the environmental impact reduction policy</li> <li>Received ISO 14001:2015 environmental management system certification</li> <li>Certified MiT or Made in Thailand</li> <li>Received a license to make industrial TIS products.</li> <li>Verified by Carbon footprint for organization</li> </ul>	<ul style="list-style-type: none"> <li>Reduce energy consumption</li> <li>Reduce the occurrence of waste in the production process</li> <li>100% of scrap steel can be sold and recycled</li> <li>Create added value for the Company's products</li> </ul>	<ul style="list-style-type: none"> <li>Use resources efficiently</li> <li>Support the circular economy</li> <li>Create consumer confidence domestically and internationally regarding the quality and standards of steel products manufactured in Thailand and increase future sustainable development of steel products</li> </ul>
13 Climate Action 	<ul style="list-style-type: none"> <li>Cost-effective energy and resources management</li> <li>Greenhouse gas management</li> </ul>	<ul style="list-style-type: none"> <li>Carbon Footprint Project to reduce carbon dioxide emissions</li> <li>Initiated the installation of a solar rooftop, project 2</li> <li>Water management</li> <li>Increased the green areas by initiating a reforestation project in the factory</li> </ul>	<ul style="list-style-type: none"> <li>Reduce the consumption of main energy and use more alternative energy</li> <li>Reduce costs for the Company in the long run</li> </ul>	<ul style="list-style-type: none"> <li>Reduce greenhouse gas emissions that cause global warming</li> <li>Increase awareness of alternative energy use</li> </ul>
15 Life on Land 	<ul style="list-style-type: none"> <li>Society/Community Engagement and Development</li> <li>Cost-effective energy and resources management</li> <li>Greenhouse gas management</li> </ul>	<ul style="list-style-type: none"> <li>Plant and register trees in the factory</li> <li>Study and plan a reforestation project in the factory</li> </ul>	<ul style="list-style-type: none"> <li>Increase green area inside the factory</li> <li>Engage with remote communities and increase the Company's knowledge regarding forest care and carbon credit information</li> <li>Utilize empty spaces in the factory</li> </ul>	<ul style="list-style-type: none"> <li>Increase green areas</li> <li>Promote sustainable forest management and resolve deforestation</li> <li>Support agricultural technology</li> </ul>

Sustainable Development Goals (SDGs)	The Company's Sustainability Issues	Activities/ Projects that Support the Goal	Benefits to the Company	Benefits to Society and the Environment
16 Peace and Justice, Strong Institutions 	<ul style="list-style-type: none"> <li>Corporate governance for sustainability</li> <li>Risk Management</li> <li>Human Resource and Human Rights Management</li> </ul>	<ul style="list-style-type: none"> <li>Comply with the Thai Labor Standards (TLS) for human rights</li> <li>Privacy policy/ Personal Data Protection</li> <li>Risk Management Policy</li> <li>Corporate Anti-Corruption Policy</li> <li>Participate in drug prevention and solution in the workplace project</li> <li>Measures and best practices for the Code of Business Conduct</li> <li>Code of Business Conduct for business partners</li> </ul>	<ul style="list-style-type: none"> <li>no prosecution for non-compliance with the law and no labor disputes</li> <li>Build credibility and transparency in the Company's business</li> <li>Promote morality and ethics</li> </ul>	<ul style="list-style-type: none"> <li>Reduce conflicts</li> <li>Reduce social problems</li> <li>Prevention and anti-corruption</li> <li>Promote morality and ethics</li> </ul>
17 Partnership for the Goal 	<ul style="list-style-type: none"> <li>Innovation management and product quality development</li> <li>Society/ Community Engagement and Development</li> <li>Customer relationship management</li> <li>Business partner's Relationship management</li> </ul>	<ul style="list-style-type: none"> <li>Further develop and expand advanced production innovation of the second stretcher leveling machine from the United States to develop Stay Flat products to have a variety of thicknesses and increase overall production capacity</li> <li>Have a work plan with the client in order to offer products and services as desired</li> <li>Signed a Memorandum of Understanding with Fire One One Company Limited to study and research the feasibility of developing a digital business model through the TMT Digital Business project</li> <li>Signed a Memorandum of Understanding in cooperation on the reforestation project in the factory with Valaya Alongkorn Rajabhat University under royal patronage</li> <li>Smart Truck Driver Project</li> </ul>	<ul style="list-style-type: none"> <li>Learn new technologies from foreign partners and specialists</li> <li>increase productivity in the production process</li> <li>Increase quality of products and services</li> <li>Increase customer satisfaction</li> <li>Create added value for the Company's products</li> <li>Develop business partnerships with customers, business partners, and trade partners</li> </ul>	<ul style="list-style-type: none"> <li>Enhance the quality of steel sheet products in Thailand</li> <li>Help customers' businesses to have more success from using quality products</li> </ul>

This report represents the information from January 1, 2022, to December 31, 2022.

For more information and suggestions, please contact:

**Governance and Sustainability Committee**

**TMT Steel Public Company Limited**

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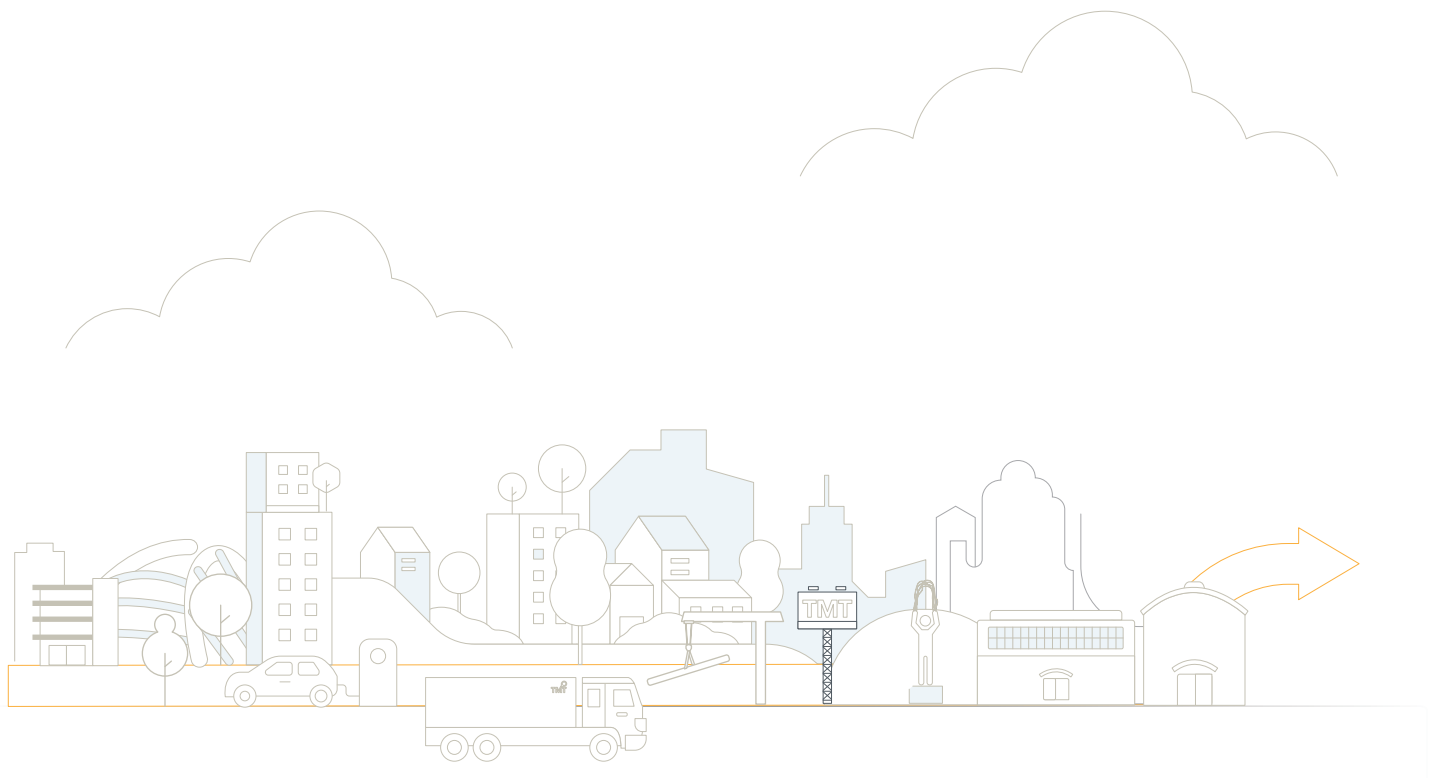
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## ตารางสรุปผลการดำเนินงานตาม SET ESG Metrics

SET ESG	GRI Standards	SDGs	ESG Indicators	Unit	2020	2021	2022			
Environmental Dimension (E)										
E1 Environmental Policy and Compliance Standards										
E1.1C	GRI 103	-	Environmental management policy and guidelines	Yes/No	Yes	Yes	Yes			
E1.2C			Number of cases or incidents of legal violations or negative environmental impacts, with explanation ofmitigation measures	No. of cases	No	No	No			
E2 Energy Management										
E2.1C	GRI 302		Energy management plan	Yes/No	Yes	Yes	Yes			
E2.2C			Energy consumption (electricity/fuel)	kWh	17,140,080.00	16,621,160.00	18,593,648.00			
E2.3C			Renewable energy consumption	kWh	3,074,926.68	2,991,732.97	2,973,737.99			
E3 Water Management										
E3.1C	GRI 303		Water management plan	Yes/No	Yes	Yes	Yes			
E3.2C			Volume of water consumption	Cubic meters	80,629	71,222	76,350			
E4 Waste Management										
E4.1C	GRI 306		Waste management plan	Yes/No	Yes	Yes	Yes			
E4.2 C			Volume of waste generated	kilograms	5,834,730.00	4,802,970.00	4,942,340.00			
E5 Greenhouse Gas Management										
E5.1C	GRI 305		Greenhouse gas management plan	Yes/No	Yes	Yes	Yes			
E5.2C			Scope 1 and 2 greenhouse gas emissions	tonCO2eq	10,540.79	10,217.00	11,253.00			
E5.3C			External verification of greenhouse gas emissions data	Yes/No	Yes	Yes	Yes			
E5.5R			Total greenhouse gas emissions (Scopes 1, 2 and 3)	tonCO2eq	10,547.01	1,379,581	1,046,140.00			
Social Dimension (S)										
S1 Human Rights										
S1.1C	GRI 412		Human rights policy and guidelines	Yes/No	Yes	Yes	Yes			
S2 Fair Labor Practices										
Employment										
S2.1C	GRI 401		Total number of employees	People	Total 1,268		Total 1,311		Total 1,386	
					Male 879	Female 389	Male 918	Female 393	Male 987	Female 399
S2.2C	GRI 405		Number of employees with disabilities and/or elderly employees	People	1	1	1			
Employee Compensation										
S2.3C	GRI 405	  	Total employee compensation	Baht	409,573,125.98	535,686,112.85	435,484,659.92			
S2.4C			Percentage of employees enrolled in provident funds	%	54.02%	52.09%	52.38%			
Employee Development										
S2.6C	GRI 404		Employee development plans or activities	Yes/No	Yes	Yes	Yes			
S2.7C			Average hours of employee training	hours/ person/ year	17	13.86	20.25			



SET ESG	GRI Standards	SDGs	ESG Indicators	Unit	2020	2021	2022
Occupational Safety, Health and Environment							
S2.12C	GRI 403		Occupational safety, health and environment improvement plans or activities	Yes/No	Yes	Yes	Yes
S2.13C			Number of incidents or injuries leading to lost work time	No. of incidents /injuries	4	14	15
Promoting Employee Relations and Employee Engagement							
S2.16C	GRI 402		Employee engagement and retention plan	Yes/No	Yes	Yes	Yes
S2.17C	GRI 407		Percentage of voluntary employee turnover	%	17.41%	17.94%	17.16%
S2.18C			Number of significant labor disputes, and remediation measures	No. of cases	No	No	No
S3 Responsibility to Customers/Consumers							
Consumer Rights							
S3.1C	GRI 102-43		Consumer data protection policy and guidelines	Yes/No	Yes	Yes	Yes
S3.2C			Number of incidents of consumer data breaches, and remediation measures	No. of incidents	No	No	No
S3.3C	GRI 418		Number of incidents or complaints relating to consumer rights violations, and remediation measures	No. of incidents/ complaints	No	No	No
S4 Responsibility to Communities/Societies							
S4.1C	GRI 413		Policy on developing and engaging with communities/ societies affected by the business	Yes/No	Yes	Yes	Yes
S4.2C			Plans to support the development and engagement of communities/societies affected by the business	Yes/No	Yes	Yes	Yes
S4.3C			Number of conflicts with communities/societies, and remediation measures	No. of cases	No	No	No
Governance and Economic Dimension (G)							
G1 Policy, Structure and Governance System							
Board Composition							
G1.1C	GRI 102-18		Profiles of individual directors	Yes/No	Yes	Yes	Yes
G1.2C			Number of board members	People	7	7	7
G1.3C			Number of independent directors	People	3	3	3
			Percentage of male directors to female directors	%	86%	86%	86%
G1.4C			Number of non-executive directors	People	4	4	4
G1.5C			Number of female directors	People	1	1	1
			Percentage of female independent directors to all directors	%	14%	14%	14%
G1.6C			Independent chairman of the board	Yes/No	Yes	Yes	Yes
G1.7C			Separation of the roles of chairman and CEO	Yes/No	Yes	Yes	Yes
G1.8C			Independent directors in each sub-committee	Yes/No	Yes	Yes	Yes
G1.9C			Independent chairman of each sub-committee	Yes/No	Yes	Yes	Yes
G1.10C	Number of years of tenure for individual directors	Yes/No	Yes	Yes	Yes		
Board Roles and Responsibilities							
G1.11C	GRI 102-26		Number of board meetings	No. of meetings	7	7	7
G1.12C			Board performance	Yes/No	Yes	Yes	Yes
G1.13C			Number of audit committee meetings	No. of meetings	4	4	4
G1.14C			Audit committee performance	Yes/No	Yes	Yes	Yes
G1.15C			Number of sub-committee meetings	No. of meetings	2-4	2-4	2-4
G1.16C			Performance of each sub-committee	Yes/No	Yes	Yes	Yes

SET ESG	GRI Standards	SDGs	ESG Indicators	Unit	2020	2021	2022
Director Recruitment							
G1.18C	GRI 102-24		Policy and criteria for recruiting directors with qualifications that align with organizational strategy	Yes/No	Yes	Yes	Yes
G1.19C			Analysis of directors' skills and experience according to business needs (board skill matrix)	Yes/No	Yes	Yes	Yes
G1.20C			Profiles of newly appointed directors	Yes/No	No	No	No
Director and Senior Executive Remuneration							
G1.21C	GRI 102-38		Goal 8Policy and criteria for director remuneration	Yes/No	No	Yes	Yes
G1.23C			Other non-financial compensation for directors	Yes/No	No	No	No
G1.24C			Policy and criteria for senior executive remuneration	Yes/No	Yes	Yes	Yes
Director Development							
G1.27C	GRI 102-27		Director development policy	Yes/No	Yes	Yes	Yes
Performance Evaluation of the Board of Directors and Senior Executives							
G1.29C	GRI 102-28		Criteria for evaluating board performance	Yes/No	Yes	Yes	Yes
G1.30C			Board performance results by committee	Yes/No	Yes	Yes	Yes
G1.31C			Board performance results by each sub-committee	Yes/No	Yes	Yes	Yes
Business Code of Conduct							
G1.34C	GRI 102-17		Code of conduct	Yes/No	Yes	Yes	Yes
G1.35C			Anti-corruption policy and guidelines	Yes/No	Yes	Yes	Yes
G1.36C			Number of code of conduct violations or incidents of corruption, and remediation measures	No. of cases	No	No	No
G1.37C			Grievance and whistleblowing policy and guidelines	Yes/No	Yes	Yes	Yes
G2 Sustainability Policy and Strategy							
G2.1C	GRI 102-55		Sustainability policy and targets at the organization level	Yes/No	Yes	Yes	Yes
G3 Sustainability Risk Management							
G3.1C	GRI 102-15		Sustainability risk management policy and guidelines	Yes/No	Yes	Yes	Yes
G3.2C			ESG risks and opportunities	Yes/No	Yes	Yes	Yes
G3.3C			Emerging risks	Yes/No	No	In process	Yes
G3.4C			Business continuity plans (BCP)	Yes/No	Yes	Yes	Yes
G4 Sustainable Supply Chain Management							
G4.1C	GRI 308		Sustainable supply chain management policy and guidelines	Yes/No	No	Yes	Yes
G4.2C	GRI 414		Sustainable supply chain management plan	Yes/No	Yes	Yes	Yes
G5 Innovation Development							
G5.1C	-		Innovation development policy and guidelines at the organization level	Yes/No	Yes	Yes	Yes
G5.2C			Process to develop and promote an innovation culture	Yes/No	Yes	Yes	Yes
G5.4R			Benefits received from innovation development	Yes/No	Yes	Yes	Yes

# Management Discussion and Analysis

## Performance

The Company faced challenges throughout 2022, particularly the volatility of steel prices on the global and domestic markets which remained high during the first quarter due to China's decreased production capacity and exports as a result of the Net Zero policy, the COVID-19 pandemic, and the impact of Russia-Ukraine war. As a result, the global steel supply decreased and there was concern about temporary steel shortages as Russia and Ukraine are major steel exporters in the global market. However, global and domestic steel prices declined toward the end of the second quarter as a result of Russia's sanctions. Russia then began dumping steel products into the Chinese market which is the world's largest steel

consumption market. In addition, major cities in China had been locked down due to the Zero Covid policy, and demand in the construction industry for Chinese real estate declined. Inflation also accelerated due to the war. Many countries had to implement inflation control measures in order to slow down the market demand of an ongoing surplus inventory in the second half of 2022. Due to these factors, the Company's net profit in 2022 was 242.45 million Baht, a decrease of 84.15% from 2021. The Company's gross profit margin was 4.48%, decrease from the previous year which was 12.34% as a result of the average selling price falling faster than the cost of goods at the end of the second and third quarters. By the end of 2022, the allowance for net realizable values on inventory (NRV) was 25.73 million Baht.



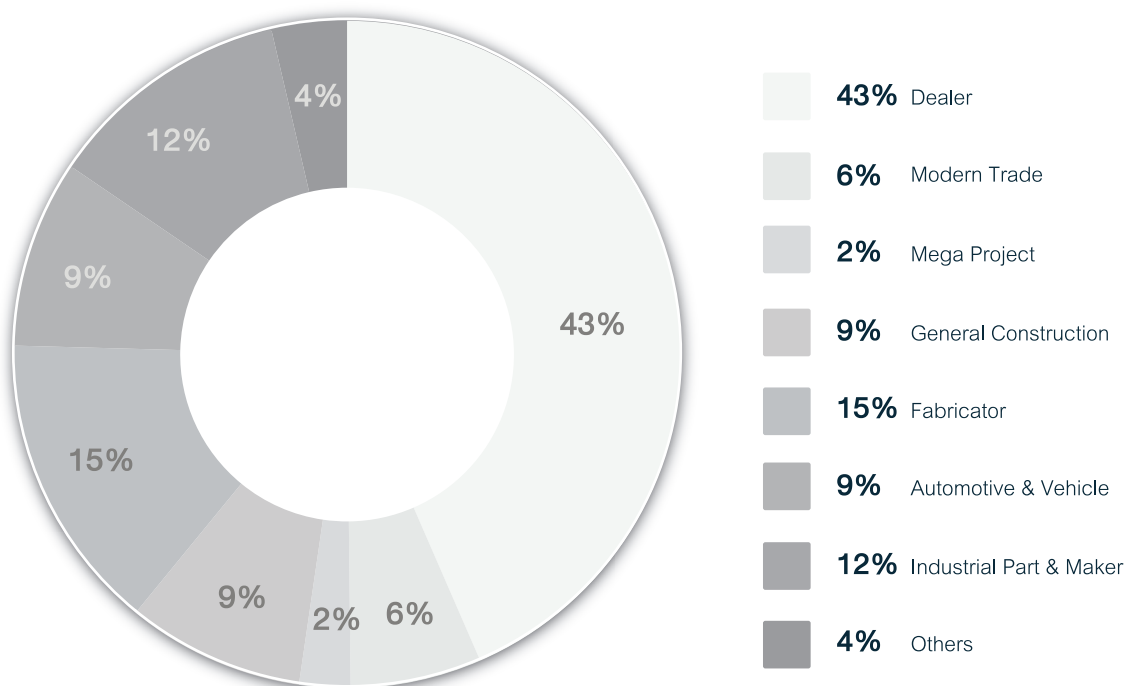
In 2022, the total sales volume was 706,722 tons, a decrease of 0.76% from 2021 due to a slowdown in domestic demand, the impact on production costs from rising energy prices, and concerns over inflation control measures. Due to a variety of customer groups and an increase in production capacity since 2017, the Company was able to produce a wide range of products that are complete and meet the needs of customers. As a result, the Company only had a slight decrease

in sales volume from 2021, while domestic demand for finished steel products shrank from the previous year by 12.20%.

## Sales Revenue

The Company's sales revenue in 2022 was 22,188 million Baht, an increase of 2.92% compared to the previous year. This was an increase in the average selling price of 3.68%. The sales volume decreased by 0.76%. The average selling price in 2022

## Revenue Structure 2022 (Classified by Business Group)



was 31.42 Baht per kilogram. The sales revenue structure can be divided into business groups as follows:

In regards to the Company's sales proportion in 2022, the ratio of processed products to procured products was 81:19 compared to 79:21 in 2021. This was due to the continuing capacity expansion of the Company since 2017.

### Operating Expenses

In 2022, the Company's selling expenses totaled 208.86 million Baht, an increase of 21.0 million Baht or 11.18% from the previous year. This was an increase in transportation costs of approximately 9.5 million Baht from the rise in fuel prices and increased marketing expenses of 11.5 million Baht.

Administrative expenses were 442.63 million Baht, a decrease of 93.45 million Baht or 17.43% from 2021, which was a decrease in employee costs and a decrease in remuneration for directors of approximately 92 million Baht as a result of a decrease in bonuses, allowances, and other administrative expenses of approximately 1.45 million Baht.

The Company's interest expenses in 2022 equaled 118.71 million Baht, an increase of 15.79 million Baht or 15.34% compared to the previous year. This was due to an increase in interest expenses on short-term loans from the rising interest rates and an increased revolving credit in tandem with product prices and interest expenses on long-term loans for investment

in machinery purchases and warehouse construction to support the business expansion of the Company.

### Financial Position

#### Assets

In 2022, the Company's total assets were 9,061.70 million Baht, a decrease of 9.99% from the previous year which was 10,067.39 million Baht. The current assets decreased by 1,143.12 million Baht or a decrease of 16.64%. Significant changes in current assets can be summarized as follows:

- Trade and other receivables decreased in the amount of 579 million Baht which was a decrease in sales volume in the fourth quarter due to a decrease in product prices which were in accordance with the direction of product prices in the market. This resulted in a decrease in unpaid customers compared to the same period in the previous year.
- The inventories decreased by 487 million Baht. This was a decrease from the previous year due to a decline in finished steel and raw material prices in accordance with domestic and international market conditions in which the steel and raw material prices dropped. In 2022, the average sales period was 50 days in accordance with the policy of maintaining an adequate inventory for the average sales period of 30-60 days.

- The advance payments for product purchases decreased by 138 million Baht in order to maintain an appropriate and adequate inventory level in accordance with the inventory maintenance policy to mitigate risk from reliance on major shareholders.

The proportion of current assets was 1.43 times higher than current liabilities. It was 1.49 times in 2021.

In 2022, the Company's non-current assets increased by 137.44 million Baht or 4.3% due to the following factors:

1. An increase in the acquisition of assets of 347.62 million Baht, most of which was an investment in machinery, construction projects, factory equipment, and vehicles to support future business expansion. The disposal of assets was 2.16 million Baht. The net intangible assets, which were computer programs, increased by 13.48 million Baht. The depreciation and amortization were 268.6 million Baht.
2. Right-of-Use assets, which is a property rental transaction in the Financial Reporting Standard 16, increased by 36.35 million Baht. Right-of-use assets depreciation was 23.98 million Baht. The increased Right-of-Use during the year was 60.32 million Baht.
3. Net deferred tax assets increased by 10.37 million Baht.

#### Liabilities

In 2022, the Company's total liabilities were 5,811.76 million Baht, a decrease of 501.6 million Baht or 7.95% from the previous year. This can be summarized as follows:

- Short-term loans from financial institutions decreased by 723 million Baht. Trade and other payables increased by 114 million Baht in accordance with the increased purchase orders.
- Derivative liabilities increased by 4 million Baht due to currency forward contracts.
- Income tax payable decreased by 123 million Baht due to a decrease in net profit losses in the third quarter.
- Advance received from customers increased by 14 million Baht from customers' down payments.
- The current portion of long-term debt increased by 100 million Baht in accordance with the repayment conditions due in 2023. The Company's operating cash flow is sufficient to pay off all debts in this section.

- Long-term loans increased by 53 million Baht, which were long-term loans from financial institutions with a 5-year maturity that was payable in installments.

- The current portion of long-term lease liabilities increased by a total of 37 million Baht due to an adjustment that was in accordance with the Financial Reporting Standard 16. This became effective in 2020

- Employee benefit obligations increased by 21 million Baht in accordance with the employee benefits reserve required by the law.

The Company's debt-to-equity ratio was 1.79 times, an increase from the previous year of 1.68 times. The net interest-bearing debt-to-equity ratio was 1.54 times, an increase from the previous year of 1.48 times. The interest coverage ratio was 3.53 times, a decrease from 19.48 times last year.

#### Equity

In 2022, the Company's shareholders' equity equaled 3,249.94 million Baht, a decrease of 504.07 million Baht or 13.43% from the previous year which was 3,754.01 million Baht. This decrease was due to a decrease in dividend payments of 740.14 million Baht and an increase in comprehensive income of 236.08 million Baht. The Company has allocated the retained earnings as a legal reserve which was required by law in 2021.

### Factors that May Affect the Financial Position or Business Operations in the Future

#### 1. Price and Market Quantity

The protracted Russia-Ukraine war since February 2022 has continued until the present day and is unlikely to end and it has the potential to escalate into more conflicts with other nations. This may affect the fluctuating or rising costs of raw materials and energy. Economic sanctions on Russia have raised concerns over supply shortages as Russia and Ukraine are the major steel exporters in the world market. The reopening of China after the cancellation of the Zero Covid policy, China's economic stimulus measures that resulted from the slowdown of the construction industry in the real estate sector in China, and the geopolitical conflict between the United States-North Korea-South Korea and between the United States-China-Taiwan may cause repercussions that push inflation even further.

This may prompt countries to implement inflation control measures resulting in a decrease in market demand. There is a possibility that the prices of raw materials and finished goods will fluctuate and decline.

## 2. Economic Conditions

In 2022, the Thai and global economies encountered problems and risk factors that have been ongoing and interrelated effects from the Russia-Ukraine war, international trade conflicts, geopolitical changes, the lockdown of major cities in China due to the Zero Covid policy, and a decrease in demand from the construction industry of the real estate sector in China as well as political factors, especially countries that implemented inflation control measures which have resulted in economic slowdowns, both domestically and internationally. This resulted in uncertainty and a lack of confidence in investing from both the private sector and the government. However, due to the government's reopening policy that welcomed tourists from different countries in the middle of last year, the cancellation of China's Zero Covid measures at the end of the year that allowed their citizens to leave the country beginning in January, the economy in the service and tourism sectors have expanded and grown from the previous year. There is a tendency for continued expansion due to the expected increase in the number of tourists this year.

However, due to the economic slowdown in major countries in America, Europe, and Asia, this may result in uncertainty over the economic situation in 2023 which may result in a decline in exports or a slowdown of the domestic economy.

Therefore, the Company's market base must expand widely across multiple segments to lessen the risk of unequal cycles of downturn and recovery in each market as well as promote the value and build business strength together. If the Company is unable to diversify and maintain its market base, the Company's sustainable growth and operations may be impacted.

## Environmental, Social, and Governance (ESG) Performance

Due to economic fragility and economic structures impacted by both new risks and geopolitical conflicts, the Company prioritizes sustainable development guidelines by

focusing on value creation for stakeholders as an essential foundation for mutual growth and development. Environmental, social, and governance issues and corporate governance have been utilized by the Company to prepare for potential future changes. The significant operations can be summarized as follows:

### • Safety and Occupational Health for a Good Working Environment and Community Coexistence

The Company acknowledges that the epidemic persisted throughout the year and may continue into the following year. Therefore, the significance of workplace safety and occupational health as well as its extension to public health safety for nearby communities and the supply chain stakeholders will result in business stability. The Company has taken the following actions:

1. Continued to educate and communicate with employees regarding COVID-19 measures and practices which included health, hygiene, and safety risks for employees.
2. Supported and encouraged employees and subcontractors to receive COVID-19 vaccination boosters. Encouraged employees with children to voluntarily attend a COVID-19 vaccination seminar for children by Wang Noi Hospital.
3. Initiated an installation of the Solar Rooftop Project 2. It had a budget of 78 million Baht on an area of 17,055 square meters in order to generate 3.782 megawatts of electricity and reduce carbon dioxide emissions by approximately 1,978 tons/year. This project is expected to be completed in the fourth quarter of 2023. When combined with the first project, the total power generation capacity will increase to 6.282 megawatts and reduce carbon dioxide emissions by approximately 3,286 tons/year.
4. Initiated a reforestation project in the factory by signing a Memorandum of Understanding to collaborate with Valaya Alongkorn Rajabhat University under royal patronage to develop a reforestation area at the factory and the distribution center in Wang Noi District on an area of approximately 85 rai into a green area. When the trees reach the age of six years, they will be able to absorb 100 tons of carbon dioxide per year.

### • Value Creation for Stakeholders in the Supply Chain

The capability and business competitiveness of the overall domestic economic sector have declined. Therefore,

the Company placed an emphasis on value creation and business partner cooperation in order to strengthen their business position and will increase the significance of the supply chain stakeholders in order to develop a network of cooperation and business expansion. The Company has taken the following actions:

1. Communicated and disseminated the business code of conduct for business partners, Anti-Corruption Policy, and privacy policy of TMT Steel Public Company Limited to be served as a criterion for sustainable business cooperation.

2. Sustainably driven Business Partner and Supplier Management by integrating the Quality Management System Standard (ISO9001), the Occupational Health and Safety Management System Standard (ISO45001), and the Environmental Management System Standard (ISO14001). This included significant issues in the business code of conduct, social responsibility, and respect for human rights by conducting a Supplier Self-Audit annually to effectively identify and manage risks.

3. Studied and researched the feasibility of digital business model development through the TMT Digital Business Project to develop business innovation and integrate technology with business operations by signing a Memorandum of Understanding (MOU) to carry out the project with Fire One One Company Limited.

- **Promotion and Employee Potential Development**

With a commitment to being a service provider for every imaginable structure, employees are the most important aspect of the business that will create and promote success. Therefore, the Company prioritizes the development of knowledge and enables employees to engage in self-improvement and take part in sharing knowledge with communities, society, and business partners. The Company has taken the following actions:

Developed personnel to be equipped for any changes through the TMT Innovation Project. This was organized for the second consecutive year to develop technological and digital knowledge and skills so that employees have an Innovation Mindset, are creative in attempting new things, dare to think, dare to present, and use digital technology in the development and improvement of work processes. This will result in the creation of Innovation Thinkers and new business innovations in the organization.

## **Future of Operations**

The Company is committed to operating the business as a comprehensive steel service center that strives to meet the needs of customers in all respects by equipping employees and investing in warehouse expansion to maintain adequate inventory levels and ensure sufficiency and stability. The Company constructed a factory and added another machine to the production line in 2023 on a new plot of land in which it had previously invested in order to increase production capacity, create variety and stability of products to support the investment in future public and private utility projects which are expected to occur. Utilized new technologies and innovations to enhance production efficiency and work processes by emphasizing the systematic application of tools that expedite management. Building a cooperation network among business partners to increase the effectiveness of product management and delivery. These factors will enable the Company to achieve its mission of expanding its market share while simultaneously creating business value for its customers.



# Table of Financial Statement

TMT Steel Public Company Limited  
Statement of Financial Position  
As at 31 December 2020-2022

(Baht: Thousand)

	2022	%	2021	%	2020	%
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	141,427.39	1.56%	121,336.14	1.21%	1,130,671.82	12.79%
Trade accounts receivable and other receivables	2,788,466.20	30.77%	3,367,019.60	33.44%	2,337,438.84	26.44%
Inventories, net	2,744,523.02	30.29%	3,231,522.86	32.10%	1,931,629.21	21.85%
Advance payments for purchases of inventories	5,718.12	0.06%	144,039.90	1.43%	353,288.64	4.00%
Income tax refundable	19,666.79	0.22%	-	0.00%	-	0.00%
Other current assets	26,572.41	0.29%	5,578.20	0.06%	35,874.08	0.41%
<b>Total current assets</b>	<b>5,726,373.92</b>	<b>63.19%</b>	<b>6,869,496.69</b>	<b>68.24%</b>	<b>5,788,902.59</b>	<b>65.48%</b>
<b>Non-current assets</b>						
Investment properties	55,729.00	0.61%	55,729.00	0.55%	55,729.00	0.63%
Property, plant and equipment, net	3,138,509.66	34.63%	3,053,275.80	30.33%	2,905,411.57	32.86%
Right-of-use assets, net	50,672.12	0.56%	14,325.03	0.14%	36,390.16	0.41%
Intangible assets, net	40,039.38	0.44%	34,900.38	0.35%	23,969.50	0.27%
Deferred income tax assets, net	45,057.97	0.50%	34,685.88	0.34%	25,183.93	0.28%
Other non-current assets	5,316.25	0.06%	4,972.39	0.05%	5,095.39	0.06%
<b>Total non-current assets</b>	<b>3,335,324.38</b>	<b>36.81%</b>	<b>3,197,888.47</b>	<b>31.76%</b>	<b>3,051,779.55</b>	<b>34.52%</b>
<b>Total assets</b>	<b>9,061,698.30</b>	<b>100.00%</b>	<b>10,067,385.17</b>	<b>100.00%</b>	<b>8,840,682.14</b>	<b>100.00%</b>
<b>Liabilities and equity</b>						
<b>Current liabilities</b>						
Short-term borrowings from financial institutions	2,762,496.20	30.49%	3,485,596.98	34.62%	3,136,554.57	35.48%
Trade accounts payable and other payables	513,050.44	5.66%	399,198.54	3.97%	296,448.00	3.35%
Derivative liabilities	4,439.29	0.05%	-	0.00%	626.30	0.01%
Income tax payable	-	0.00%	122,715.47	1.22%	80,671.98	0.91%
Advance received from customers for goods	56,969.27	0.63%	42,475.35	0.42%	37,548.63	0.42%
Current portion of long-term borrowing	-	0.00%	-	0.00%	-	0.00%
from a financial institution	639,317.84	7.06%	539,269.30	5.36%	199,657.97	2.26%
Current portion of lease liabilities	23,409.63	0.26%	10,705.05	0.11%	23,385.97	0.26%
Current portion of debentures	-	0.00%	-	0.00%	999,590.00	11.31%
<b>Total current liabilities</b>	<b>3,999,682.68</b>	<b>44.14%</b>	<b>4,599,960.69</b>	<b>45.69%</b>	<b>4,774,483.42</b>	<b>54.01%</b>

TMT Steel Public Company Limited  
Statement of Financial Position  
As at 31 December 2020-2022

(Baht: Thousand)

	2022	%	2021	%	2020	%
<b>Non-current liabilities</b>						
Long-term borrowings from financial institutions	1,680,976.80	18.55%	1,627,618.61	16.17%	799,333.00	9.04%
Lease liabilities	27,867.97	0.31%	4,028.33	0.04%	13,532.79	0.15%
Employee benefit obligations	103,228.85	1.14%	81,770.40	0.81%	71,630.35	0.81%
<b>Total non-current liabilities</b>	<b>1,812,073.62</b>	<b>20.00%</b>	<b>1,713,417.33</b>	<b>17.02%</b>	<b>884,496.15</b>	<b>10.00%</b>
<b>Total liabilities</b>	<b>5,811,756.31</b>	<b>64.14%</b>	<b>6,313,378.02</b>	<b>62.71%</b>	<b>5,658,979.56</b>	<b>64.01%</b>
<b>Equity</b>						
Share capital						
Authorised share capital						
870,758,034 ordinary shares of par Baht 1 each	870,758.03		870,758.03		870,758.03	
Issued and paid-up share capital						
870,758,034 ordinary shares of paid-up Baht	870,758.03	9.61%	870,758.03	8.65%	870,758.03	9.85%
1 each						
Premium on share capital	427,323.20	4.72%	427,323.20	4.24%	427,323.20	4.83%
Retained earnings						
Appropriated - Legal reserve	87,075.80	0.96%	87,075.80	0.86%	75,391.49	0.85%
Unappropriated	1,864,784.96	20.58%	2,368,850.11	23.53%	1,808,229.85	20.45%
<b>Total equity</b>	<b>3,249,942.00</b>	<b>35.86%</b>	<b>3,754,007.15</b>	<b>37.29%</b>	<b>3,181,702.57</b>	<b>35.99%</b>
<b>Total liabilities and equity</b>	<b>9,061,698.30</b>	<b>100.00%</b>	<b>10,067,385.17</b>	<b>100.00%</b>	<b>8,840,682.14</b>	<b>100.00%</b>

TMT Steel Public Company Limited  
Statement of Comprehensive Income  
As at 31 December 2020-2022

(Baht: Thousand)

	2022	2021	2020
Sales	22,187,858.68	21,559,340.19	14,575,724.81
Costs of sales	(21,194,904.41)	(18,897,845.93)	(13,309,865.35)
<b>Gross profit</b>	<b>992,954.27</b>	<b>2,661,494.26</b>	<b>1,265,859.46</b>
Other income	77,510.55	66,782.25	52,770.77
Selling expenses	(208,863.46)	(187,860.96)	(174,716.13)
Administrative expenses	(442,631.32)	(536,084.62)	(408,736.08)
Finance costs - interest expenses	(118,708.93)	(102,917.85)	(82,064.85)
<b>Profit before income tax</b>	<b>300,261.11</b>	<b>1,901,413.08</b>	<b>653,113.15</b>
Income tax	(57,806.91)	(371,352.67)	(115,235.00)
<b>Profit for the year</b>	<b>242,454.20</b>	<b>1,530,060.41</b>	<b>537,878.16</b>
<b>Other comprehensive income:</b>			
<b>Item that will not be reclassified to profit or loss</b>			
Remeasurements of post-employee benefit obligations	(7,968.77)	-	-
Income tax on items that will not be reclassified	1,593.76	-	-
<b>Other comprehensive income for the year, net of tax</b>	<b>(6,375.02)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>236,079.18</b>	<b>1,530,060.41</b>	<b>537,878.16</b>
<b>Earnings per share</b>			
Basic earnings per share	0.27	1.76	0.62

**TMT Steel Public Company Limited**  
**Statement of Cash Flows**  
As at 31 December 2020-2022

(Baht: Thousand)

	2022	2021	2020
<b>Cash flows from operating activities</b>			
Profit before income tax	300,261.11	1,901,413.08	653,113.15
Adjustments for :			
Loss allowance	4,309.70	33,195.42	26,144.96
Loss (Gain) on declining in value of inventories	25,733.44	4,718.36	(3,364.61)
Depreciation and amortisation	292,541.52	270,404.00	257,226.82
Loss (Gain) on disposals of equipment	(50.30)	1,328.24	(349.04)
(Gain) Loss on derivatives	4,439.29	(626.30)	626.30
Employee benefit expenses	14,944.62	11,360.04	9,801.24
Interest expenses	118,708.93	102,917.85	82,064.85
Cash flows before changes in operating assets and liabilities	760,888.31	2,324,710.70	1,025,263.67
Changes in operating assets and liabilities:			
Trade accounts receivable and other receivables	574,243.70	(1,062,776.19)	85,272.59
Inventories	461,266.40	(1,304,612.01)	(532,892.50)
Advance payments for purchases of inventories	138,321.78	209,248.74	(346,355.21)
Other current assets	(20,994.21)	30,295.88	(34,497.58)
Other non-current assets	(343.86)	123.00	129.67
Trade accounts payable and other payables	129,774.36	101,964.59	90,364.37
Advance receipts from customers for goods	14,493.92	4,926.72	18,964.04
Employee benefit obligations paid	(1,454.93)	(1,220.00)	-
Cash generated from operating activities before interest and income tax paid	2,056,195.47	302,661.44	306,249.04
Interest paid	(119,403.98)	(103,761.93)	(82,053.78)
Income tax paid	(208,967.51)	(338,811.13)	(59,581.69)
Net cash (used in) generated from operating activities	1,727,823.98	(139,911.63)	164,613.57
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	(359,707.49)	(392,407.32)	(189,027.45)
Purchases of intangible assets	(15,823.46)	(15,790.04)	(4,344.13)
Proceeds from disposals of equipment and intangible assets	2,211.41	3,889.32	4,700.53
Net cash used in investing activities	(373,319.54)	(404,308.03)	(188,671.05)

**TMT Steel Public Company Limited**  
**Statement of Cash Flows**  
As at 31 December 2020-2022

(Baht: Thousand)

	2022	2021	2020
<b>Cash flows from financing activities</b>			
Proceeds from short-term borrowings			
from financial institutions	25,245,577.07	21,235,843.13	17,905,608.32
Repayments to short-term borrowings			-
from financial institutions	(25,968,677.84)	(20,886,800.72)	(17,722,918.53)
Repayments to debenture	-	(1,000,000.00)	-
Proceeds from long-term borrowings			
from financial institutions	743,245.00	1,443,629.00	1,000,000.00
Repayments to long-term borrowings			
from financial institutions	(590,000.00)	(275,000.00)	-
Payments for front-end fees of loan agreement	(635.01)	(1,405.01)	(1,010.01)
Payments for lease liabilities	(23,778.09)	(23,626.58)	(22,340.24)
Dividends paid	(740,144.33)	(957,755.84)	(261,227.35)
<b>Net cash (used in) generated from financing activities</b>	<b>(1,334,413.20)</b>	<b>(465,116.02)</b>	<b>898,112.20</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>20,091.24</b>	<b>(1,009,335.68)</b>	<b>874,054.72</b>
Opening balance	121,336.14	1,130,671.82	256,617.10
<b>Closing balance</b>	<b>141,427.39</b>	<b>121,336.14</b>	<b>1,130,671.82</b>
<b>Cash and cash equivalents are made up as follows:</b>			
- Cash on hand	351.13	509.37	429.89
- Deposits at financial institutions	141,076.26	120,826.77	1,130,241.94
<b></b>	<b>141,427.39</b>	<b>121,336.14</b>	<b>1,130,671.82</b>

**Non-cash transactions**

Significant non-cash transactions for the years ended 31 December 2022 and 2021 are as follows:

Other payables from purchases of property, plant and equipment	5,098.60	17,184.27	16,858.79
Other payables from purchases of intangible assets	255.00	2,600.00	212.50

TMT Steel Public Company Limited  
Financial Ratio  
For the year ended 31 December 2020-2022

	Year 2022	Year 2021	Year 2020
<b><u>Liquidity ratio</u></b>			
Current Ratio (time)	1.43	1.49	1.21
Quick Ratio (time)	0.72	0.75	0.72
Operating Cash Flow to Current Liabilities (time)	0.40	-0.03	0.04
Account Receivable Turnover (time)	7.28	7.61	6.13
Average Collection Period (day)	50	48	60
Inventory Turnover (time)	7.09	7.32	8.00
Average Inventory Period (day)	51	50	46
Account Payable Turnover (time)	188.69	180.58	146.87
Average Payment Period (day)	2	2	2
Cash Cycle (day)	99	96	104
<b><u>Profitability ratio</u></b>			
EBITDA margin	3.21	10.55	6.81
Gross Profit Margin (%)	4.48	12.34	8.68
Operating profit margin (%)	1.54	8.99	4.68
Other income to total income (%)	0.44	1.88	0.99
Cash from operation to operating profit (%)	506.00	-7.15	24.07
Operating Cash Flow to Operating Profit (time)	5.06	-0.07	0.24
Net Profit Margin (%)	1.09	7.10	3.69
Return on Equity (%)	7.46	40.76	16.91
Return on equity (ROE) (Average)	6.92	44.12	17.67
Fixed asset turnover ratio (Time)	6.68	6.76	4.79
<b><u>Efficiency ratio</u></b>			
Return on Asset (%)	2.68	15.20	6.08
Return on Fixed Assets (%)	7.74	50.85	18.25
Total Assets Turnover (time)	2.32	2.28	1.82
<b><u>Financial policy ratio</u></b>			
Debt to Equity Ratio (time)	1.79	1.68	1.78
Net Interest Bearing Debt to Equity Ratio* (time)	1.54	1.48	1.27
Interest Coverage Ratio (time)	3.53	19.48	8.96
EBITDA Coverage Ratio (Cash basis) (time)	1.37	-0.09	0.29
<b><u>Per Share Information</u></b>			
Book Value Per Share: BVPS (Baht)	3.73	4.31	3.65
Earnings Per Share : EPS (Baht) (Par Value per share THB 1)	0.27	1.76	0.62

Note: \* The company issued debentures in 2018, such debentures were redeemed in April 2021. The Company maintained the Net Interest Bearing Debt to Equity Ratio stood at not more than 2:1 (two to one) throughout the term of the debentures at each fiscal year-end, calculated from the information shown in the consolidated financial statements for the year 2019-2020.

# Corporate Governance





# Corporate Governance Policy

## Overview of Corporate Governance Policy and Practices

The Board of Directors has realized the significance of the Company's good corporate governance by endorsing the moral and ethics as business principles in order to conduct the business with responsibilities, due care, and loyalty to bring efficient, transparent, and trustworthy growth from our shareholders, investors, and stakeholders. The Board therefore established the good corporate governance principle and guidelines so as to preserve such policy, which can be divided into 5 chapters as follows;

1. Rights of shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. The Board's responsibilities

The details of the Company's good corporate governance are disclosed on the website at [[www.tmtsteel.co.th / investor relations /corporate governance / good corporate governance](http://www.tmtsteel.co.th/investor-relations/corporate-governance/good-corporate-governance)]

## Policy and Practice for The Board of Directors

### (1) Board of Directors

The Board of Directors has established the board diversity policy, which the Board should be comprised of appropriate diversity of necessary skills, experience and particular expertise without any discrimination of gender, race, religion or age in order to combine and enhance the various capabilities for the best benefit of the Company and establish the sustainable development for the Company.

The Board of Directors has its quorum of 7 persons comprised of 3 independent directors, 3 executive directors and 1 director who is not in management position. The Chairman of the Board is an independent director. In this regard, such proportion is well counterbalanced in the Board and complies with laws. Further Information about their scope of work, duties, and responsibilities is detailed in the Management Structure section.

The term of directorship complied with the regulation detailed in the Company's Articles of Association at the Annual General Meeting of Shareholders, one-third of the Board of Directors shall retire by rotation, and if the number of directors cannot be divided exactly into three parts, directors in a number close to one-third shall vacate office. The directors who remained in office for the longest time shall vacate office and such directors can be re-elected.

The directors who are positioned in the Board are forbidden to position in the Company that may have conflicts of interest in order to perform their duty efficiently unless the shareholders' meeting had been notified prior to appointment thereto. Further details of members of the Board's working experience are provided in the Board of Directors and Executives section.

The details of the work experience of each director are disclosed in the section "Details of Directors, Executives, Controlling Persons and the Company Secretary".

### (2) Subcommittees

The Board of Directors appointed 4 subcommittees, the Audit Committee, the Nomination and Remuneration Committee, the Risk Management and Corporate Strategy Development Committee, and the Corporate Governance and Sustainability Committee. The qualifications, period of position holding and the scope of duties and responsibilities were defined in accordance with each committee's charter. The name of the subcommittees, their responsibilities, number of meetings, the number of meetings attended, and their performance will be reported to the Board of Directors' Meeting for acknowledgment on a regular basis. The performance over the past year will be disclosed in the 56-1 One Report annually. The details are disclosed in the section, "Corporate Governance Structure".

### (3) Leadership and Vision

The Board of Directors shall possess leadership, vision, and independence on decision-making to set out the business development plan and targets and to consider the operating budget for the optimum benefits to shareholders and for the

business growth of the Company. In 2022, the Board of Directors reviewed the vision, policies and strategies which were implemented during the year and evaluated and followed up the result to make sure that such execution is effective. In the meantime, the target for the year 2022 was delivered and also communicated to the management and staff for their acknowledgment in order to set their KPI together.

#### **(4) Board of Directors' Meeting**

The Company scheduled meetings throughout the year in advance and proposed to the Board of Directors for acknowledgment at the end of the year in order to add the meeting to their schedules. Special meetings may be arranged when it is deemed necessary and appropriate. This will be agreed upon and the directors will be notified in advance. The Board of Directors will receive the meeting invitation letter at least seven days prior to the meeting and the Board of Directors established a policy regarding the quorum of the Board of Directors in the Board of Director Charter stating that at least two-thirds of the total number of directors must be present in order for the Board of Directors to vote during a meeting.

When a meeting is adjourned, the Company Secretary is responsible for preparing and submitting meeting minutes to the Board of Directors for approval at the following meeting. The chairman of the Board shall affix his signature to certify the accuracy. The certified meeting minutes and the supporting documents for each agenda will be systematically stored electronically in accordance with the level of confidential documents for convenient reference searching.

In addition, the Board of Directors scheduled meetings of non-executive directors to exchange views on management guidelines, the business operation and the duty performance review of independent directors annually. The summary of meeting resolutions shall be proposed to the Board of Directors' acknowledgement. The details are disclosed in the section "Meeting of the Board of Directors and Sub-committees".

#### **(5) The Nomination and Appointment of Directors and Senior Executives**

The Nomination and Remuneration Committee considered, recruited, and nominated qualified persons that meet specified criteria and also considered other qualifications that were in line with the Company's business strategy. A

succession plan was prepared to replace directors and senior executives who retired by rotation or vacant positions, or as required by the Board of Directors or the law. This must be proposed to the Board of Directors and/or the Shareholders' Meeting for approval. The details are disclosed in the section, "Recruitment, Development and Evaluation of Directors' Performance"

#### **(6) Directorship Positions of the Chief Executive Officer and Senior Executives in Other Companies**

The Board of Directors specified that the Chief Executive Officer and Senior Executives can hold directorship positions in other companies, however, holding that position must be under the condition that performing such duties does not affect the efficiency of the performance of the Company's duties. They can take the position of director in private companies or other listed companies but it must not be in a business that has the same nature or is in competition with the business of the Company. Before anyone takes the position of director, it must be presented to the Board of Directors for approval in order to prevent conflicts of interest that may occur.

#### **(7) Directors and Executives Development**

The Board of Directors attaches importance to the attendance of training and seminars related to the Board Skill Matrix for the knowledge and capability development of directors in order to perform their duties even more efficiently. Additionally, the Company promotes and encourages senior executives to attend relevant courses. This included seminars organized by external organizations or specific internal training organized by the Company. The Company invited professional experts who are specialized in a particular field to organize training courses and be guest speakers to share and exchange their skills, knowledge, and experience for the continual development of the Company.

The details are disclosed in the section "Development and Training of Directors and Executives".

#### **(8) The Remuneration of directors and executives**

The remuneration of each committee was determined by the Nomination and Remuneration Committee, which can be decomposed into 3 types; director allowance, meeting allowance, and bonus according to the criteria that are fixed at

an appropriate level and comparable with the same level in the industry and complied with the Company's operating results, experiences, duties, responsibilities, and performances of each director and executives in order to attract and maintain qualified directors. The policy that the Nomination and Remuneration Committee use as a guideline to fix such remuneration is according to the policy prescribed by the Board of Directors. In this regard, such remuneration shall be taken into account in the Annual General Meeting of Shareholders for approval.

The details are disclosed in, "Remuneration for the Chief Executive Officer (CEO)".

#### (9) Chief Executive Officer (CEO) Remuneration

The Nomination and Remuneration Committee determined the Chief Executive Officer's remuneration based on the performance of the Chief Executive Officer which was assessed by the Board of Directors. The review of evaluation results, remuneration guidelines of other CEOs in the same industry, success of the Company's business operations in relation to short-term goals and strategies for long-term business sustainability was also considered. This is done to motivate the Chief Executive Officer to perform duties as effectively and efficiently as possible and create value and sustainability for stakeholders. Remuneration is divided into two categories: short-term remuneration, which includes fixed remuneration, bonuses, and other benefits. The long-term remuneration includes monetary and non-monetary remuneration allocated to the Chief Executive Officer in accordance with the Company's long-term goals to create success and benefit the Company and all relevant stakeholders. The remuneration of the Chief Executive Officer is in accordance with the operating procedures of the Company's Human Resources Management Department.

The details are disclosed in the section "Remuneration for the Chief Executive Officer (CEO)".

#### (10) Performance Evaluation of the Board of Directors and Chief Executive Officer (CEO)

The Board of Directors established the performance evaluation for the Board of Directors and individual directors, every subcommittee, and the Chief Executive Officer. The performance evaluation must be carried out at least once a year so that the Board of Directors can jointly consider their previous performance and continue to make improvements. The details are as follows:

#### The Performance Evaluation Procedures of the Board of Directors and the Chief Executive Officer

The Board of Directors reviewed and approved the performance evaluation form for the Board of Directors and individuals as well as the performance evaluation form for the Chief Executive Officer to be appropriate and to be in line with the Company's business strategies. The evaluation forms are defined as follows :

#### The Board of Directors Performance Evaluation Form is divided into the following 3 sets :

<b>Part 1</b>	The Board of Directors Self-Assessment Form is used to evaluate the overall performance of the Board of Directors.
<b>Part 2</b>	The Subcommittee Self-Assessment Form is to assess the performance of the entire committee board assigned by the Board of Directors
<b>Part 3</b>	The Individual Self-Assessment Form for the Board of Directors and Subcommittees is to assess the individual performance of directors.

There are 3 main topics in the 3 evaluation forms. They are as follows:

**Part 1 :** Structure and qualifications of the Board of Directors/Subcommittees.

**Part 2 :** Meetings of the Board of Directors/Subcommittees.

**Part 3 :** The roles, duties and responsibilities of the Board of Directors/Subcommittees.

#### The Chief Executive Officer Performance Evaluation Form - the 3 main topics are evaluated as follows ;

##### Part 1 : Corporate Goals

1.1 The business results: consider the percentage of EBITDA, sales revenue or sales volume as set by the target each year.

1.2 The economy, industry, and innovation: consider the production volume against the set target each year and the customer satisfaction percentage.

1.3 Social/Environmental: Consider the percentage of employee satisfaction. Zero complaints from the community/society. The amount of carbon dioxide emissions.

1.4 Good corporate governance: Consider the consistency of business operations and the good corporate governance principles along with the Company's Code of Business Conduct.

**Part 2 : Operations** : Consider the performance of the Chief Executive Officer against the goals set in each aspect.

**Part 3 : The Development of the Chief Executive Officer** : Consider the recommendations of the Board of Directors on the issues that the Chief Executive Officer should improve each year.

**Criteria for a rating in the assessment form, are divided into;**

- 0 = Strongly disagreed or no action is taken on that matter
- 1 = Disagreeing or having to do little about that matter
- 2 = Agree or proceed with the matter
- 3 = Quite a lot or Well done in that regard
- 4 = Strongly agree or Excellent action on that matter

2. The company secretary submits the assessment forms to the Board, all Sub-Committee and CEO within December of every year.

3. All directors and CEO assess and return to the company secretary within January of every year.

4. The company secretary gathers the assessment data and summarizes the results proposed to the Board of Directors for acknowledgment within February of every year.

5. The Board of Directors considers, reviews and approves the assessment within February of every year.

The details are disclosed in the section "Performance Evaluation of the Board of Directors and the Chief Executive Officer (CEO)".

#### **(11) System of Control and Internal Audit**

The Company has segregated the authority and duties of the operator, supervisor and assessor independently in order to check and balance their performance and control appropriately. Also, the Company has authorized the Audit Committee to review the compliance of operation control with the internal auditor; which was appointed by the committee, EY Corporate Services Limited; who is creditable and independent,

to propose and conduct the annual internal audit plan, and to report and recommend according to the result of such audit. This will enhance the system of control and efficiency of work. The details are disclosed in "Details of Chief the Internal Audit".

#### **(12) Report on the responsibilities of the Board of Directors towards the financial report**

The Board of Directors is responsible for the financial statements and financial information presented in the 56-1 One Report. The aforementioned financial statements have been prepared in accordance with Generally Accepted Accounting Standards in Thailand, based on the appropriate accounting policies and corresponding to its operation and practice regularly, as well as reasonableness in making projections and adequately disclosing significant information as indicated in the notes of financial statements. The Board of Directors, therefore, prepared a report on the responsibilities for said matters and presented it along with the auditor's report in the 56-1 One Report. The details are disclosed in the section "Director Relating to Responsibilities for Financial Report".

### **Policies and Practice Guidelines Concerning Shareholders and Stakeholders**

The Company established policies and practice guidelines concerning shareholders and stakeholders that cover shareholder care, the equitable treatment of shareholders, and the exercise of shareholders' rights. The guidelines are as follows:

#### **Rights of Shareholders**

##### **1. Rights to Appoint the Board of Directors**

The appointment of the Company's Board of Directors is according to the Company's Articles of Association that shareholders' meeting shall elect the directors in accordance with rules and procedures as follows;

1.1 Each shareholder shall be entitled to one vote for each shareholding;

1.2 Each shareholder shall be entitled to cast all the votes under 1.1 to elect one or several persons to be the Company's director but cannot distribute their votes to any particular person or persons;

1.3 Persons who receive the highest votes arranged in order from highest to lowest in a number equal to that of the number of directors to be appointed are elected to be the Company's directors. In the event of a tie at a lower place, which would make the number of directors greater than the required, the Chairman of the meeting shall cast the deciding vote.

Furthermore, prior to the meeting date, one single shareholder or several shareholders together hold the Company's shares of not less than 5 percent of its total issued and paid-up shares have the right to nominate candidates to be elected as the Company's directors in advance according to date, time, and criteria disclosed by the Company via SET's channel and the Company's website. This year 2022 no shareholder nominated a candidate as said.

In the 2022 Annual General Meeting of Shareholders, shareholders cast their vote to elect the director individually and directors who have a conflict of interest could not cast the vote.

## 2. Rights in shareholders' meeting

2.1 The Company sent the notice of the 2022 shareholder's meeting which indicated the date, time, place, agenda, opinion of the Board, and supporting documents to all shareholders at least 21 days prior to the meeting date, and also all relevant information will be posted on the Company's website at [www.tmtsteel.co.th] at least 30 days prior to the meeting date to support all shareholders, including institutional investors, to attend the meeting and shareholders will have adequate time to study on each agenda thoroughly. In this regard, the meeting agenda and supporting documents as said were provided based on transparent and sufficient information for shareholders to make their best decision.

2.2 The Company provided the opportunity to shareholders who are unable to attend the meeting to exercise their rights by appointing another person to attend the meeting and cast the vote on their behalf or appoint an independent director who is appointed by the Company as their proxy. The Company, therefore, facilitates all shareholders by attaching a proxy along with the notice of the meeting.

2.3 The Company also published such notice of the meeting in the public daily newspaper for 3 consecutive days and not less than 3 days prior to the meeting date in order to provide multi-channel for receiving information.

2.4 The Company arranged the area where the Company's head office is located to be the meeting venue to facilitate travel convenience for shareholders and strictly comply with the public health measures issued by the Ministry of Public Health and Bangkok to prevent the spread of COVID-19. In 2022, the Company held the Annual General Meeting of Shareholders on April 7, 2022, at 2 p.m. at the Crowne Room, 21st Floor, Crowne Plaza Hotel, Rama 4 Road, Suriyawong, Bang Rak, Bangkok. Equipment and amenities were arranged to facilitate convenience for shareholders during the meeting. For example, a barcode system was used for registration, there were adequate registration points, an extra set of meeting invitation letters for shareholders who did not bring their invitation letters, ballots and staff to collect ballots, the accessories to write and send the messages for inquiry instead of using a microphone for public health safety, social distancing and screening measures for meeting attendees. All meeting attendees were required to wear a mask at all times. A spare meeting room was also prepared in case the main meeting room was crowded. A screen was also used to support the presentation of the meeting agenda, etc.

2.5 At the beginning of the meeting, the Company explained how to execute the shareholder's voting rights on each agenda item, and announced the number of shareholders attending the meeting together with the total shares which are entitled to vote.

2.6 The Company invited an independent legal advisor to attend the meeting in order to observe and verify the voting procedure on each agenda.

2.7 The Board of Directors gave an opportunity for shareholders to raise any questions and suggestions on each agenda and took responsibility to clarify those questions.

2.8 The Company published the minutes and resolution of the shareholders' meeting via SET's channel and the Company's website within 14 days after the meeting so as to accurately provide the information for shareholders who attended or did not attend the meeting as well as other investors.

2.9 The Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, and the executive committee have recognized the importance of attending the meeting and deemed it an important duty and responsibility to proceed. Therefore, the 2022 Annual General Meeting of Shareholders all committees which included the Board of

Directors and the aforesaid sub-committees together attended the meeting.

### 3. Rights to receive the dividend payment

The Company's dividend payment policy for the previous year's operating results is not less than 50 percent of its net profit after legal reserve deduction as required by law.

### 4. Rights to access the adequate Company's information

The Company has disclosed all significant information such as operating results or financial statements via SET's channel as well as published on the Company's website within the date and time stipulated by the law in order to provide multi-channel for stakeholders to receive information.

### 5. Rights to appoint the Company's auditor and fix the audit's fee

In 2022, the Board of Directors proposed the Shareholders' Meeting to appoint the Company's auditor and fix the audit fee for the year 2022. The proposed audit company and auditor have no relationship or conflict of interest in the Company, directors, executives and the Company's major shareholders or any related to those parties as said.

## Equitable Treatment of Shareholders

1. The Company provided an opportunity for shareholders to propose agendas for the shareholders' meeting in advance by fixing that one single shareholder or several shareholders together hold the Company's shares of not less than 5 percent of their issued and paid-up shares, can exercise as said. And in 2022, the Company disclosed the aforementioned above via its website and SET's channel at least 30 days prior to the date of the shareholders' meeting, and there was no shareholder who proposed the agenda in advance.

2. The Company made the notice of the meeting, all supporting documents, and proxy in both Thai and English for the convenience of both local and foreign shareholders.

3. For the shareholders' meeting in 2022, the Company will not propose additional agendas without prior notice.

4. The Company authorized an independent director to safeguard the interest of its minor shareholders and be a

candidate proxy for the Shareholder's Meeting by creating the email address : [ ind\_dir@tmtsteel.co.th ] for shareholders to express their opinions, suggestions, or complaints related to the Company's performance. The independent director will consider and proceed as deemed appropriate.

5. All directors and executives will promptly report the corporate secretary when any conflict of interest of their own or related person occurred according to the Securities and Exchange Acts so that the corporate secretary will gather and submit to the Audit Committee and the Board of Directors to consider such conflict of interest and to decide based on the Company's benefit. In this regard, the director and executive who have a conflict of interest with a transaction cannot be present in the meeting and have no voting rights.

## Insider Trading Protection

The Board of Directors is aware of the importance of protection against insider trading for personal gain. The Company established securities trading policies for directors, executives, and employees. The details of securities trading policies are disclosed on the website at [www.tmtsteel.co.th / investor relations / corporate governance / other policy / securities trading policies.]

## Anti-Corruption

The Company pays attention to fighting against fraud and corruption, as well as encouraging personnel at all levels to have an awareness of anti-corruption to fight against all forms of corruption. The Board of Directors established an anti-corruption policy and an anti-bribery policy in the Anti-Corruption Policy and Procedures of TMT Steel Public Company Limited for executives and employees at all levels to comply with. And the Company was renewed as a member of the Thai Private Sector Collective Action Against Corruption (CAC) for the 2nd time for the year 2020-2023, by the Thai Institute of Directors (IOD). The details of the anti-corruption policy are disclosed on the website at [www.tmtsteel.co.th / investor relations / corporate governance / anti-corruption]

The performance details are disclosed in the section "Monitoring the Compliance of Policies and Corporate Governance Guidelines".



## Conflicts of Interest

The Board of Directors and the audit committee together took into account and monitored the issue that may cause a conflict of interest carefully so as to check the reasonability and necessity of entering into the transaction. The Board also arranges for the Company to disclose such conflicts to all related stakeholders and agencies after it was approved by the Board.

The details are disclosed in the section “Connected Transactions”.

## Treatment of stakeholders in accordance with good corporate governance guidelines

The code of business conduct was established as guidelines for directors, executives and employees to perform their duties by taking into account all stakeholders, understand the roles, duties and maintaining integrity, transparency and good ethics without seeking personal gain or profit from duties. Have a sense of responsibility to communities, society and the environment. In addition, the Company has set up a monitoring system and whistle-blowing process within the organization. This risk may cause damage to property, reputation, personnel, complaint, illegal acts, or clues of corruption

The details are disclosed in the section “Whistleblowing and Reporting Complaints”.

## Code of Business Conduct

The Board of Directors realizes the importance of the code of business conduct. Therefore, the business code of conduct manual and the practice guidelines were prepared for the Management to conduct business with transparency, adhere to morality by taking into account stakeholders and comply with the requirements of the law. This is considered an employee guideline to perform their duties with honesty in an appropriate manner.

The code of business conduct, measures, the best practices for the code of business conduct, and the details of the performance for 2022 were disseminated on the Company's website at [[www.tmtsteel.co.th](http://www.tmtsteel.co.th) / investor relations / corporate governance / code of conduct].

## Major Changes and Developments in Policies, Practice Guidelines and Governance Systems in 2022

In 2022, The Board of Directors reviewed the appropriateness of applying the Good Corporate Governance Principles for Listed Companies 2017 (CG Code) set by the Securities and Exchange Commission with the business context of the Company at least once a year and assigned the Corporate Governance Committee to review the practice guidelines in accordance with the Good Corporate Governance for Listed Companies 2017 (CG Code) and report to the Board of Directors at the Meeting No. 7/2022 The Board of Directors was of the opinion that the Company applied all 8 areas of the principles with the business context and operated its business with efficiency, honesty, integrity, free from any corruption, transparent, and verifiable as well as building confidence among shareholders, investors, stakeholders, society and all related parties. The Company has continually improved and reviewed policies and guidelines, as well as promoted and approved actions related to good corporate governance as follows:

- Reviewed the Charter of Independent Committees, the Nomination and Remuneration Committee, the Risk Management and Corporate Strategy Development Committee, and the Corporate Governance and Sustainability Committee to be consistent with the good corporate governance policy. There were no improvements based on the review because it remained consistent with the Company's current objectives and operating strategies. Details of the charter were disseminated on the website at [[www.tmtsteel.co.th](http://www.tmtsteel.co.th) / investor relations / corporate governance / charter].
- Determined the policy regarding the directorship position of the Chief Executive Officer and Senior Executives in other companies.
- Determined an IT risk assessment and reviewed the internal control system regarding Cyber Security Risk
- Promoted the use of information technology to increase business opportunities through the study and research on the possibility of developing a digital business model in the TMT Digital Business project.
- Required the Company to establish a working group on sustainable development. There are 7 working groups in total, namely:



1. Corporate Governance Working Group
2. Economic and Risk Management Working Group
3. Social and Community Development Working Group
4. Environmental and Safety Working Group
5. Labor and Human Rights Working Group
6. Innovation and Technology Development Working Group
7. Communication and Whistleblowing Working Group

These working groups are responsible for the implementation and management of good corporate governance and sustainable development to achieve the goals in practice. Review, evaluate and communicate guidelines and the performance to all parties involved. This includes reporting and meetings with the Corporate Governance and Sustainability Committee to follow up on the performance of the committee prior to the conclusion and propose to the Board of Directors for acknowledgment.

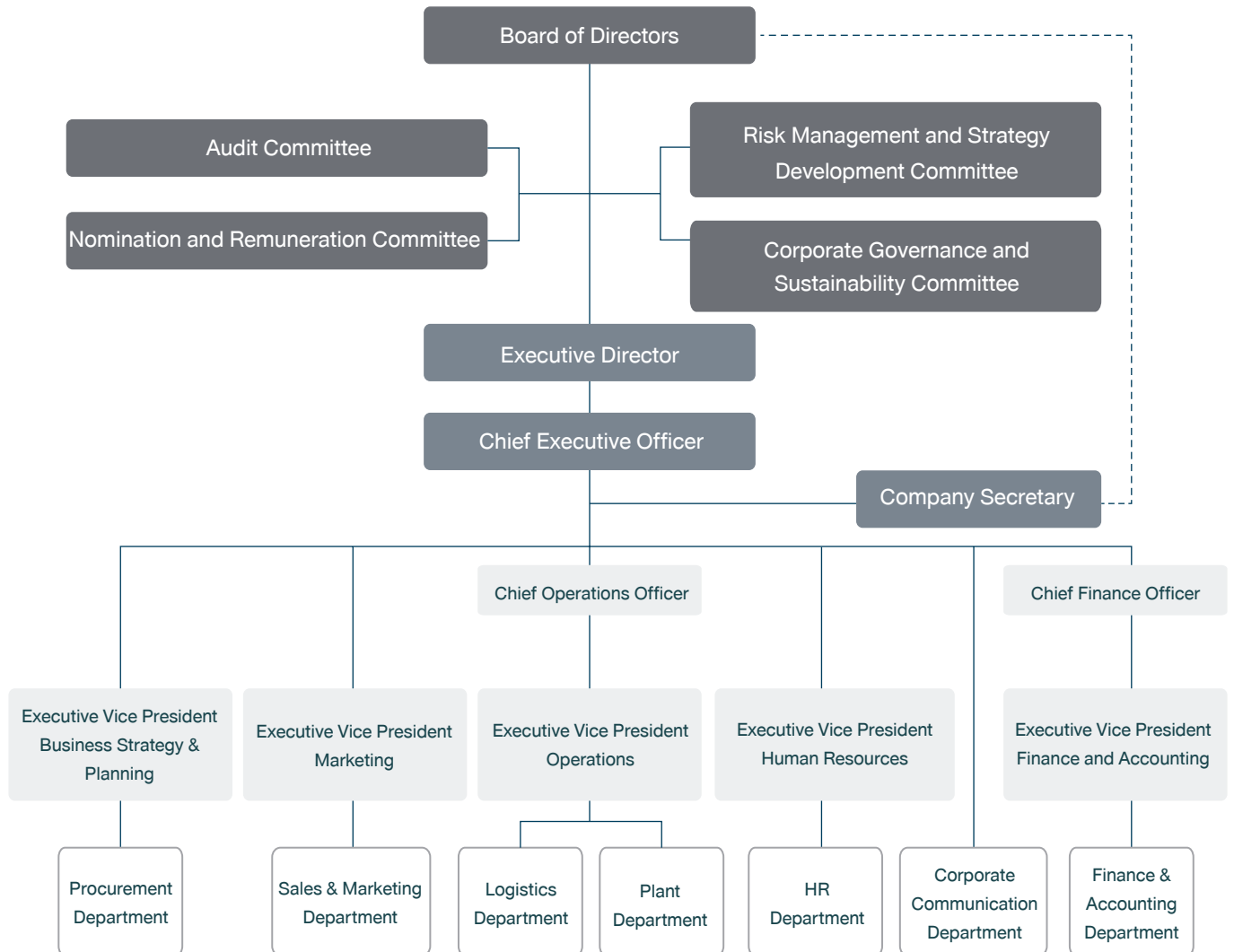
The Board of Directors promotes and raises awareness of corporate governance policy and code of conduct compliance

to directors, executives, and employees by communicating through various channels via internal information systems and the Company's website. This also includes public relations media, employee training, and engagement activities in order to raise awareness and instill a good corporate culture. In addition, the implementation of these guidelines is monitored through the report of the Corporate Governance and Sustainability Committee, which meets regularly with the Board of Directors and assigns responsible persons to report incidences of non-compliance with relevant policies and the code of conduct. The Board of Directors is immediately informed by the Company Secretary. Details of these policies were disseminated on the website at [ [www.tmtsteel.co.th / investor relations / corporate governance / other policy](http://www.tmtsteel.co.th/investor-relations/corporate-governance/other-policy)].



# Management Structure

Organization Chart as of December 31, 2022



## Board of Directors

As of December 31, 2022, the Board of Directors consisted of seven members as follows:

Name	Position
1. Mr. Chai Jroongtanapibarn	Chairman of the Board and Independent Director
2. Mr. Soon Tarasansombat	Director
3. Mr. Paisal Tarasansombat	Director
4. Mr. Komsan Tarasansombat	Director
5. Mr. Somjate Tretarnthip	Director
6. Mrs. Ratanavalee Gorsanan	Independent Director
7. Mr. Anake Pinvanichkul	Independent Director

### Authorized Directors :

1. Mr. Paisal Tarasansombat
2. Mr. Komsan Tarasansombat
3. Mr. Somjate Tretarnthip

Any above two of three directors jointly sign along with the Company's seal affixed.

### Scope, Duties, and Responsibilities of the Board

The Board of directors has its duties and responsibilities to perform in compliance with the laws, objectives, and the Company's Articles of Association as well as resolutions of shareholders' meeting with honesty and due care of the Company's benefits, except the transactions that must be approved by shareholders' meeting before conducting such as transactions that required by laws to obtain the majority votes of shareholders' meeting, the connected transaction and the acquisition or disposal of assets in accordance with the regulations specified by SET or any issues defined by government agencies, etc. In this regard, the Board of directors may assign any one director or other people to act on behalf of the Board of directors. The Scope, Duties, and Responsibilities of the Board of directors are as follows:

1. To hold the Company's annual general meeting of shareholders within no later than four months from the end of the Company's fiscal year;
2. To hold the Company's Board of directors' meeting at least once every three months;
3. To arrange the preparation of financial statement as at the end of the Company's fiscal year which is audited by the

auditor, and then shall propose to the shareholder's meeting for their consideration and approval;

4. The Board of directors may delegate their authority to anyone or several directors or other people to take any action on their behalf and under the supervision of the Board of directors, or empower such person/persons to have power according to the Board of directors deem appropriate and within the time limit as the Board of directors indicate. The Board of directors may cancel, revoke, change, or amend such authorities whenever it deems appropriate. The Board of Directors may authorize the Executive Director to manage any operations, which was already described in scope, duties, and responsibilities of the Executive Director, however, such authorization shall not include the consideration and approval of any transaction in respect of which his or any persons have interest or conflict of interests with the Company or its subsidiary, except where the transactions are in accordance with policies and measures as considered and approved by the Board of directors;

5. To set target, guidelines, policy, business plan and budget of the Company as well as to monitor the operation and management of Executive Director to ensure that they perform in compliance with such policies, except the following matters which must be approved by the meeting of shareholders before conducting: the issue that required by laws to obtain the majority votes of shareholders' meeting such as capital increasing, capital reduction, debenture issuance, the sale or transfer of the business of the Company in whole or in essential part to other persons or the purchase or acceptance of transfer of the

business of other companies, and the amendment of the Company's memorandum of association. Furthermore, the Board of directors has its duty to conduct the Company to perform in compliance with the Securities and Exchange laws and rules issued by SET such as connected transaction and the acquisition or disposal of assets according to the regulations issued by SET, or relevant legislation with the Company's business;

6. To consider the management structure, and to appoint the Executive Director, Chief Executive Officer, and other Committees as deemed appropriate;

7. To supervise and monitor the operating results in order to meet the business plan and budget continuously;

8. The Director is forbidden to operate a business of the same nature as, and in competition with that of the Company, or to enter to be a partner in an ordinary partnership or a partner of limited partnership or a director of a private company or other Company which operates a business of the same nature as and in competition with that of the Company, whether for their own or other's benefit, unless the meeting of shareholders has been notified prior to appointment thereto;

9. The Director shall file to the Company a report on his interest which may cause a conflict of interest directly or indirectly when the Company enters into a contract or has any changes in shares or debenture holding in the Company or its subsidiary.

### **An Independent Directors**

- The Independent Directors of the Company have possessed the qualification according to the independent standard set forth in the notification of the Capital Market Supervisory Board no. TorChor 4 / 2552 Re: Application for and Approval of Offer for Sale of Newly Issued Shares (No.2),

- All those 3 independent directors are independent of the management and have expertise in accounting, finance, experience in high management in other industries, and understanding of the Company's business. And The directors therefore can review the creditability of financial statements and audit work.

### **Scope, Duties, and Responsibilities of the Chairman of the Board**

1. The Chairman of the Board has scope, duties and responsibilities as a Director

2. Encourage the Board of Directors to work with their utmost ability.

3. Supervise and follow up the work of the Board of Directors and other sub-committees to ensure that work objectives are reached.

4. Call the Board meeting and/or Shareholders' meeting.

5. Conduct as a Chairman in the Board of Directors meeting and/or the Shareholders' meeting.

6. Encourage all directors and/or shareholders to participate in the meeting. Provide the opportunity for participants to comment or express the idea independently and creatively and Conduct the meeting to be done successfully as its objectives.

7. Cast a decisive vote in Board meetings and/or the Annual general meeting of the shareholder in case of equal votes of both sides.

### **Approval Authorization of the Board of Directors in compliance with the charter including the following matters.**

1. Approve the annual revenue and expenditure budget.

2. Approve the annual budget for any projects that exceed the approval limit of the Executive Director.

3. Approve the budget for short term and long term investment that exceed the approval limit of the Executive Director.

4. Approve the financing sources for short term and long term that exceed the approval limit of the Executive Director.

5. Approve the cancellation of all or part of the budget that exceeds the approval limit of the Executive Director.

6. Approve the connected transaction according to the size of the transaction which is required by law.

7. Approve meeting agenda items to be proposed to the shareholder's meeting for approval.

## The Audit Committee

As of December 31, 2022, the Audit Committee consisted of three knowledgeable members as follows :

Name	Position
1. Mr. Chai Jroongtanapibarn	Chairman of the Audit Committee (Independent Director)
2. Mrs. Ratanavalee Gorsanan	Audit Committee (Independent Director)
3. Mr. Anake Pinvanichkul	Audit Committee (Independent Director)

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

The Audit Committee has its scope of authorities, duties, and responsibilities as authorized by the Board of directors, including the report to the Board on the following matters:

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;

2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine the independence of the internal audit unit, as well as to approve the appointment, transfer and dismissal of the head of the internal audit unit or any other unit in charge of internal audit;

3. To review compliance with the Securities and Exchange Act, regulation of the Stock Exchange of Thailand and any other relevant regulations or laws related to the Company's business;

4. To consider, select, and nominate or terminate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with the auditor at least once a year;

5. To review the connected transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;

6. To prepare, and to disclose in the Company's annual report, an Audit Committee's report which must be signed by the Chairman of Audit Committee and consist of at least the following information :

6.1 an opinion on the accuracy, completeness and reliability of the Company's financial report,

6.2 an opinion on the adequacy of the Company's internal control system,

6.3 an opinion on the compliance with the law on the Securities and Exchange, the Exchange's regulations, or the laws relating to the Company's business,

6.4 an opinion on the suitability of an auditor,

6.5 an opinion on the transactions that may lead to conflicts of interests,

6.6 the number of audit committee's meetings, and the attendance of such meetings by each committee member,

6.7 an opinion or overview comment acknowledged by the audit committee from its performance of duties in accordance with the charter, and

6.8 other transactions which, according to the audit committee's opinion, should be disclosed to the shareholders and investors, subject to the scope of duties and responsibilities assigned by the Board.

7. To report the Audit Committee's operation to the Board at least once every quarter;

8. To perform any duties as designated by the Board with the consent of the Audit Committee.

In addition, The Board of directors has fixed the term for members of the Audit Committee as follows:

- Chairman of the Audit Committee 3 years
- Audit Committee 3 years

In this regard, when they complete their term, the Chairman of the Audit Committee or audit committee can be re-appointed to their position.

## The Nomination and Remuneration Committee

As of December 31, 2022, the Nomination and Remuneration Committee consisted of five members as follows:

Name	Position
1. Mr. Anake Pinvanichkul	Chairman of the Nomination and Remuneration Committee (Independent Director)
2. Mr. Soon Tarasansombat	Nomination and Remuneration Committee
3. Mr. Chai Jroongtanapibarn	Nomination and Remuneration Committee (Independent Director)
4. Mrs. Ratanavalee Gorsanan	Nomination and Remuneration Committee (Independent Director)
5. Mr. Somjate Tretarnthip	Nomination and Remuneration Committee

### Scope, Duties, and Responsibilities of the Nomination and Remuneration Committee

1. To set the policy, criteria, and method of remuneration payment and nomination process for the Board of directors, Sub-Committee and Chief Executive Officer;

2. To nominate, determine, and propose the suitable directorial candidates as the set criteria, in order to replace the retired directors of the Board or Sub-Committee, or Chief Executive Officer, or when those positions are vacant as well as the new position set by the Board of directors or set by laws, and then propose to the Board and/or the shareholder's meeting to approve;

3. To draw up guidelines for remuneration criteria and fix the remuneration for the Board of directors, Sub-Committee and Chief Executive Officer, either cash or noncash and propose to the Board of directors for approval. The remuneration for the Board of directors will be proposed to shareholders' meeting for final approval;

4. To review the appropriateness of the current remuneration and nomination criteria;

5. To perform any duties as designated by the Board.

## The Risk Management and Strategy Development Committee

As of December 31, 2022, the Risk Management and Strategy Development Committee consisted of four members as follows :

Name	Position
1. Mr. Anake Pinvanichkul	Chairman of a Risk Management and Strategy Development Committee (Independent Director)
2. Mr. Somjate Tretarnthip	Risk Management and Strategy Development Committee
3. Mr. Komsan Tarasansombat	Risk Management and Strategy Development Committee
4. Mr. Prawas Sontawakul	Risk Management and Strategy Development Committee

### Scope, Duties, and Responsibilities of the Risk Management and Strategy Development Committee

1. To review policy and guidelines of the Risk Management and Strategy Development to propose to the Board of directors.
2. To supervise and raise suggestions to prevent and to reduce the risk to an acceptable level and follow up, evaluate and improve the business plan to reduce the risk to be well controlled and to encourage the sustainable business.
3. To promote and support the improvement and

development of the risk management system by integrating with the guidelines to develop the operating system to create efficiency, stability and business value.

4. To study and explore the possibilities to develop and improve business models to create business opportunities for sustainable growth.
5. To communicate and exchange information and coordinate on corporate governance risks or internal controls with the Audit Committee and/or the Corporate Governance and Sustainability Committee at least once a year.

### The Corporate Governance and Sustainability Committee

As of December 31, 2022, the Corporate Governance and Sustainability Committee consisted of four members as follows:

Name	Position
1. Mrs. Ratanavalee Gorsanan	Chairman of the Corporate Governance and Sustainability Committee (Independent Director)
2. Mr. Paisal Tarasansombat	Corporate Governance and Sustainability Committee
3. Mr. Komsan Tarasansombat	Corporate Governance and Sustainability Committee
4. Mrs. Panlapa Tarasansombat	Corporate Governance and Sustainability Committee

### Scope, Duties, and Responsibilities of the Corporate Governance and Sustainability Committee

#### Corporate Governance

1. To set and consider the policy and guidelines of good corporate governance, anti-corruption, business ethics to align with the requirements issued under SET, SEC or other related institutions as well as the good corporate governance guidelines according to international standards and present to the Board of Directors.
2. To review the policy and guidelines of good corporate governance, anti-corruption, business ethics to be updated at least once a year by comparing with the laws, the international and leading company practices including the suggestions from other institutions to propose to the Board of Directors.

#### Sustainability

1. To propose policy, guidelines and operation plan to align with the sustainable business to stakeholders in economic, social and environmental aspects.
2. To review policy and practice of sustainable operation to be updated at least once a year by comparing with the laws, the international and leading company practices including the suggestions from other institutions to propose to the Board of Directors.
3. To approve the sustainability report before publishing.
  - 1) To communicate and exchange information and coordinate on good corporate governance and sustainability with the Audit Committee and/or sub-committee at least once a year.
  - 2) To report the meeting result that is significant and beneficial to the Company to the Board of Directors.
  - 3) To perform other responsibilities as assigned by the Board of Directors.



## The Director's meeting

NO.	The Board's Meeting	The Independent Committee's Meeting	The Audit Committee's Meeting	The Nomination and Remuneration Committee's Meeting	The Risk Management Committee's Meeting	The Corporate Governance and Sustainability Committee's Meeting
1	February 18, 2022	July 15, 2022	February 18, 2022	February 18, 2022	May 11, 2022	July 15, 2022
2	May 11, 2022		May 11, 2022	April 7, 2022	October 7, 2022	December 26, 2022
3	July 15, 2022		August 11, 2022	December 26, 2022		
4	August 11, 2022		November 11, 2022			
5	October 7, 2022					
6	November 11, 2022					
7	December 26, 2022					

## Executive Director

As of December 31, 2022, the Executive Director consisted of four members as follows:

Name	Position
1. Mr. Paisal Tarasansombat	Chief of Executive Board
2. Mr. Prawas Sontawakul	Executive Director
3. Mr. Somjate Tretarnthip	Executive Director
4. Mr. Komsan Tarasansombat	Executive Director

### Scope, Duties, and Responsibilities of the Executive Director

The Executive Director has its scope of authorities, duties, and responsibilities to manage the Company's normal business operation as well as to set a policy, business plan, budget, management structure and job authorization, and business protocol in relation to economic conditions in order to propose to the Board of Directors for approval and/or acceptance, including the verification and supervision of the operating results, compared with its policies. The Scope, Duties, and Responsibilities of the Executive Director are as follows:

1. To consider the annual budget allocation as proposed by the management team before submitting to the Board of directors' meeting for approval, including the consideration and approval of changes in interim expenses in case of the emergency item when there is no Board of Directors' meeting, and then report to the next Board of directors' meeting;
2. To approve buying or selling transactions that value of not exceed Baht 1,000 Million per transaction;
3. To approve the investment expense which is not in the approved annual budget, and not exceeding Baht 50 Million;
4. To approve the expenses for investment as annual budget as approved by the Board of directors or in accordance with the approved principle by the Board of Directors;

5. To provide consultancy to the management in respect of financial, investment, marketing, human resources management, and other operational matters;

6. To allocate pension funds approved by the Board of Directors to employees or any persons employed to work for the Company;

7. To control the operation and/or daily management of the Company.

However, the authorities of the Executive Director have not included the approval of any transactions in respect of

Executive Director who has a conflict or any matters in respect of which Executive Director or related persons has interest or conflict of interest with the Company or its subsidiary (if any) pursuant to the rules of SET. The approval on such matters shall propose to the Board of directors' meeting and/or the shareholder's meeting so as to consider and approve those matters according to the Articles of Association of the Company or any relevant laws, except for normal business transactions that are already prescribed by existing guidelines approved by the Board.

## Management Team

As of December 31, 2022, the management of the Company consisted of seven members as follows:

Name	Position
1. Mr. Paisal Tarasansombat	Chief Executive Officer
2. Mr. Prawas Sontawakul	Chief Operations Officer
3. Mr. Somjate Tretarntip	Chief Finance Officer
4. Mr. Komsan Tarasansombat	Executive Vice President - Operations
5. Ms. Petrung Measincee	Executive Vice President - Business Strategy & Planning
6. Mrs. Panlapa Tarasansombat	Executive Vice President - Human Resources
7. Mr. Somsak Tomorakul	Executive Vice President - Marketing

### Scope, Duties, and Responsibilities of Chief Executive Officer

The scope, duties and responsibilities of Chief Executive Officer for managing normal business and operation of the Company are as follows:

1. To control and supervise the operation and/or manage day-to-day business of the Company;

2. To operate or carry out the business in respect of execution of policies, business plan, and budgets approved by the Board of Directors and/or the Executive Director;

3. To act as the attorney of the Company in management to comply with objectives, Articles of Association, policies, guidelines, regulations, orders, resolutions of shareholder's meeting and/or resolutions of the Board of Directors or the Executive Director.

However, the authorities of Chief Executive Officer are not included the approval of any transactions in respect of Chief

Executive Officer has a conflict, or any matters in respect of which Chief Executive Officer or related persons have interest or conflict of interest with the Company or its subsidiary (if any) pursuant to the rules of SET. The approval on such matters shall propose to the Board of directors' meeting and/or the shareholder's meeting so as to consider and approve those matters according to the Articles of Association of the Company or any relevant laws, except for normal business transactions that are already prescribed by existing guideline approved by the Board of directors.

### The Executive Director and Management Remuneration

In the year 2022, the Company paid out the remuneration for 4 Executive Directors and 7 Managements in terms of salary, bonus, and provident fund, totaling Baht 28,836,000 The remuneration was considered by the Company's operating result and the performance evaluation.

## Employee

As of December 31, 2022, the employee of the Company consisted of 1,386 members, which can be divided into 987 males and 399 females, detail as follows;

Department	Number of employees
Executive	7
Corporate Communication Dept.	6
Procurement Dept.	11
Sales & Marketing Dept.	115
Logistics Dept.	523
Plant Dept.	602
Human Resources Dept.	75
Finance & Accounting Dept.	47
<b>Total</b>	<b>1,386</b>

In the year 2022, the Company paid out the remuneration for the employees (excluding management) in terms of salary, wage, bonus and provident fund excluding other employee's expenses, totaling Baht 406,648,660 .

The proportion of employee members in Provident Fund compare to total employees, as of December 31, 2022, as follow :

Year	Number of employee members in Provident Fund	The proportion of employee members in Provident Fund/ Total employees (%)
2022	726	52.38%

## People Development Policy

TMT employee's potential is one of the most important keys in the Company's structure. Thus, we developed our people to be professional, knowledgeable, experienced, have the expertise and be ready to give advice through systematic knowledge management. The Company gives everyone opportunities to participate in presenting ideas that lead to action, work methods that are committed to success, supporting technology learning and new innovations in order to support

the demand of unlimited steel and developing TMT employees ready to be a structure of the imagination. The Company set the people development policy in accordance with our vision (More details were stated in a part of Sustainable Development / Sustainability Report 2022, Subject: Human Resources Development)

## Labor disputes over the past 3 years

-None-

## Other Important Information

### Company Secretary

Responsible for organizing the meetings of the Board of directors, committees and shareholders, and preparing the minutes of the Board's meeting, the minutes of other Committees' meetings, the minutes of Shareholders' meeting and 56-1 One Report as well as filing documents as specified by laws. Support and supervise the Company to perform in compliance with the laws and regulations of the Stock Exchange of Thailand.

### Company Secretary as of December 31, 2022

Name	Position
Mr. Somjate Tretarnthip	Company Secretary

More details were stated in the part of Details of Chief Financial Officer (CFO), Chief Accountant and Company Secretary

### Head of Internal Audit

The Audit Committee appointed EY Corporate Services Limited to present and conduct Cyber Security in the year 2022. The results were directly reported to the Audit Committee, the person who was responsible for being an internal auditor.

The auditors from PricewaterhouseCoopers ABAS Company Limited are namely as below ;

Name	C.P.A. No.	Audit Year	Total
Mr. Kan Tanthawirat	10456	2022	1 Years
Mr. Paiboon Tunkoon	4298	2017 - 2021	5 Years
Mr. Prasit Yuengsrikul	3760	2012 - 2016	5 Years

In this regard, the audit firm and those auditors have no relationship with or conflict of interest in TMT Steel Public Company Limited, directors, executive directors, and the Company's major shareholders.

### Head of Internal Audit as of December 31, 2022

Name	Position
Mr. Term Techasarin	Internal Audit

More details were stated in the part of Details of Internal Audit and Compliance and Corporate Governance.

### Head of Corporate Compliance

The Board of Directors has appointed the Corporate Governance and Sustainability Committee to oversee and perform a good corporate governance practice. (More details were stated in the part of Scope, Duties, and Responsibilities and the Report of the Corporate Governance and Sustainability Committee)

### Audit Fee

The Company paid the fee to audit firm for year 2020-2022 as the following:

Year	Audit fee (Baht)	Non-Audit fee (Baht)
2022	1,700,000	16,240
2021	1,700,000	13,750
2020	1,650,000	13,650

# Good Corporate Governance Report

## Summary of The Board of Directors' Performance

### Remuneration for the Company's Directors and Sub-committees

#### Nomination of Directors and Chief Executive Officers

The Recruitment/Appointment of New Directors and Senior executives (new directors) is based on the following elements:

- Having qualifications in accordance with the legal requirements, relevant regulations, and the Company's Articles of Association.
- Be an eminent person who is skilled, knowledgeable, experienced in various fields and has a specialized field of expertise in the Board Skill Matrix that is beneficial to the performance of duties.
- Consider the stakes or conflicts of interest of the Company.
- Have other qualifications that are necessary and align with the strategies and business operations of the Company.
- Have ethics and moral responsibilities.

In cases of recruiting independent directors, the following criteria will be considered:

- The number of independent directors for the composition of the Board of Directors must be in line with the requirements of the Securities and Exchange Commission (SEC). Having the qualifications of the independent directors as defined by the Capital Market Supervisory Board Notification No. Tor Jor. 4/2552 in regards to permission requests and the approval of selling newly-issued shares (No. 2) or as required by law that will become effective in the future.

The Recruitment/Appointment of Directors and Executives (existing directors) is based on the following elements:

- Previous performance.
- Expressing opinions and providing useful suggestions to the Company.

- Dedicating time and abilities to develop the Company.
- Attending meetings and events of the Company.
- Having ethics and moral responsibilities.

### The Recruitment and Appointment Procedures

1. The Nomination and Remuneration Committee considers, recruits, and nominates qualified persons that meet specified criteria as well as considered other qualifications that are in line with the Company's business strategy, prepared a succession plan to replace directors and senior executives who retire by rotation or vacant positions, or as required by the Board of Directors or the law.

2. Check the nomination list to see whether they have qualifications that are in accordance with the legal requirements and related regulations. Contact qualified persons who meet the criteria to ensure that such persons are willing to take the position if they are appointed by the Board of Directors and/or shareholders. Propose a list of people who are the most qualified for the position along with their personal information and supporting documents to the Board of Directors and/or the Shareholders' Meeting to consider the approval.

In 2022, the Company granted shareholders the right to nominate a candidate who is deemed qualified to serve as the company director from January 14, 2022, to February 14, 2022, and disseminated the announcement on the website at [www.tmtsteel.co.th/ investor relations / shareholder / information / shareholders meeting.] However, no shareholders nominated a candidate to be elected as Director.

### Board Skill Matrix of the Board of Directors

The Company established a Board Skill Matrix as a guideline to develop knowledge, expertise, and specialized fields that are essential to the Company by considering suitable and diverse qualifications in terms of education, profession, skill, experience, and expertise as well as specialized fields that are essential to the Board of Directors. There were eleven topics included in the Board Skill Matrix as follows :

## Board Skill Matrix

Directors' Name	Steel industry	Accounting and Finance	Economics	Organizational Management	Risk Management and Crisis Management	Business/ Marketing Transportation and Distribution	Innovation and Technology	Information Technology & Cyber Security	Research and Development	Laws	Society and the Environment
Mr. Chai Jroongtanapibarn	×	✓	✓	✓	✓	×	×	×	×	✓	✓
Mr. Soon Tarasansombat	✓			✓	✓	✓	×	×		✓	✓
Mr. Paisal Tarasansombat	✓	✓	✓	✓	✓	✓	×	×	×	✓	✓
Mr. Komsan Tarasansombat	✓	✓	✓	✓	✓	✓	✓	×	✓	✓	✓
Mr. Somjate Tretarnthip	✓	✓	✓	✓	✓	×	×	✓	×	✓	✓
Mrs. Ratanavalee Gorsanan	×	✓	✓	✓	✓	✓	×	×		✓	✓
Mr. Anake Pinvanichkul	×	✓	✓	✓	✓	✓	×	×		✓	✓

✓ Current Knowledge and Expertise

× Further Development

In 2022, the Board of Directors considered and examined the Board Skill Matrix which contains 11 areas of expertise. Each director conducted a self-assessment of areas where further development is needed. In 2023, the Company will select the most suitable curriculum and development models for the Board of Directors in 2023 based on the results of the Board Skill Matrix review. Therefore, the Company proposed appropriate training courses to support the continuous development of directors. The details are disclosed in the section, "Development and Training of Directors and Executives".

### Director and Management Orientation

In case that new director is appointed, and has never been in the position of any committee or executive of the

Company before, said director will be oriented by top management or the corporate secretary for his or her acknowledgment of related code and conduct, corporate profile, nature of business, good corporate governance policy, business ethics, and other important information of the Company.

### Development and Training of Directors and Executives

The Company encouraged and supported directors and senior executives to pursue training in related fields in order to develop their knowledge and abilities. The Company allocated a sufficient budget to use the acquired skills, knowledge, and experience for the continual development of the Company. In 2022, the Company's directors and executives received outsourced training from various institutes as well as in-house training as a result of a training survey as follows:

No.	Name	Position	Course
1.	Mr. Chai Jroongtanapibarn	Chairman of the Board/ Chairman of the Audit Committee/Nomination and Remuneration Committee/Independent director	<ul style="list-style-type: none"> <li>What Directors Need to know about Digital Assets: Thai Listed Companies Association</li> <li>Significant amendments to the Public Company Act (No. 4) in B.E. 2022 : TMT Steel Public Company Limited</li> <li>Securities trading policies : TMT Steel PLC.</li> </ul>
2.	Mr. Soon Tarasansombat	Director/Nomination and Remuneration Committee	<ul style="list-style-type: none"> <li>Significant amendments to the Public Company Act (No. 4) in B.E. 2022 : TMT Steel Public Company Limited</li> <li>Securities trading policies : TMT Steel PLC.</li> </ul>
3.	Mr. Paisal Tarasansombat	Director/Corporate Governance and Sustainability Committee/ Chief of Executive Director/ Chief Executive Officer	<ul style="list-style-type: none"> <li>The Essential Subsidiary Governance Training for The Board : The Thai Institute of Directors Association</li> <li>Opportunities and challenges in the Thai financial system and capital market : The Stock Exchange of Thailand</li> <li>New World, Now and Next : Fire One One Company Limited</li> <li>Securities trading policies : TMT Steel PLC.</li> </ul>
4.	Mr. Komsan Tarasansombat	Director/The Risk Management and Strategy Development Committee/ Corporate Governance and Sustainability Committee/ Executive Director/ Executive Vice President - Operation	<ul style="list-style-type: none"> <li>New World, Now and Next : Fire One One Company Limited</li> <li>Significant amendments to the Public Company Act (No. 4) in B.E. 2022 : TMT Steel Public Company Limited</li> <li>Securities trading policies : TMT Steel PLC.</li> </ul>
5.	Mr. Somjate Tretarnthip	Director/The Risk Management and Strategy Development Committee/ Nomination and Remuneration Committee/Executive Director and Chief Finance Officer/Company Secretary	<ul style="list-style-type: none"> <li>TLCA CFO Professional Development Program (Economic Update for CEO) : Thai Listed Companies Association</li> <li>PDPA for Accounting and Finance: Thai Listed Companies Association</li> <li>What Directors Need to know about Digital Assets : Thai Listed Companies Association</li> <li>TLCA CFO Professional Development Program (Restructuring Business for Growth) : Thai Listed Companies Association</li> <li>Company Secretary Program (CSP) : Thai Listed Companies Association</li> <li>New World, Now and Next : Fire One One Company Limited</li> <li>Significant amendments to the Public Company Act (No. 4) in B.E. 2022 : TMT Steel Public Company Limited</li> <li>Securities trading policies : TMT Steel PLC.</li> </ul>



No.	Name	Position	Course
6.	Mrs. Ratanavalee Gorsanan	Independent Director/ Chairman of the Corporate Governance and Sustainability Committee/Audit Committee/ Nomination and Remuneration Committee	<ul style="list-style-type: none"> <li>Significant amendments to the Public Company Act (No. 4) in B.E. 2022 : TMT Steel Public Company Limited</li> <li>Securities trading policies: TMT Steel PLC.</li> </ul>
7.	Mr. Anake Pinvanichkul	Independent Director/ Chairman of the Nomination and Remuneration Committee/ Chairman of the Risk Management and Strategy Development Committee/ Audit Committee	<ul style="list-style-type: none"> <li>Significant amendments to the Public Company Act (No. 4) in B.E. 2022 : TMT Steel Public Company Limited</li> <li>Securities trading policies : TMT Steel PLC.</li> </ul>
8.	Mr. Prawas Sontawakul	The Risk Management and Strategy Development Committee, Executive Director and Chief Operations Officer	<ul style="list-style-type: none"> <li>Assessment of the Carbon Footprint of the Organization and Products : TMT Steel Public Company Limited</li> <li>New World, Now and Next : Fire One One Company Limited</li> <li>Significant amendments to the Public Company Act (No. 4) in B.E. 2022 : TMT Steel Public Company Limited</li> <li>Securities trading policies: TMT Steel PLC.</li> </ul>
9.	Mrs. Panlapa Tarasansombat	Corporate Governance and Sustainability Committee/ Executive Vice President - Human Resources	<ul style="list-style-type: none"> <li>HR Strategy in New Normal: The Securities Exchange of Thailand</li> <li>Reinventing HR to thrive in the 'Never Normal' : Thai listed Companies Association</li> <li>New World, Now and Next : Fire One One Company Limited</li> <li>Securities trading policies : TMT Steel PLC.</li> </ul>
10.	Ms. Petrung Measincee	Executive Vice President - Business Strategy & Planning	<ul style="list-style-type: none"> <li>Methods to design meetings that emphasize organizational participation : Samsikkhalai (SEM)</li> <li>New World, Now and Next: Fire One One Company Limited</li> <li>Securities trading policies : TMT Steel PLC.</li> </ul>
11.	Mr. Somsak Tomorakul	Executive Vice President - Marketing	<ul style="list-style-type: none"> <li>New World, Now and Next: Fire One One Company Limited</li> <li>Securities trading policies: TMT Steel PLC.</li> </ul>

## Performance Evaluation of the Board of Directors and Chief Executive Officer (CEO)

The Board of Directors reviewed and approved the performance evaluation form for the Board of Directors and individuals as well as the performance evaluation form for the Chief Executive Officer to be appropriate and to be in line with the Company's business strategies in order to achieve effectiveness in the Board of Directors' performance and maximize the benefits of corporate governance.

In 2022, the Board of Directors conducted a self-assessment. There were 3 main topics in the assessment:

1. The structure and qualifications of the Board of Directors and subcommittees
2. The Board of Directors and subcommittee meetings
3. The roles, duties, and responsibilities of the Board of Directors and subcommittees. The details of the evaluation results are as follows:

- **Performance Evaluation of the Board of Directors :**

The evaluation results are as follows :

- The results of the Board of Directors' self-assessment as the Board and individuals 7 directors conducted self-assessment

⇒ The average score of 99.65%.

- **The performance evaluation of the subcommittees** includes the Audit Committee, the Nomination and Remuneration Committee, The Risk Management and Strategy Development Committee, and the Corporate Governance and Sustainability Committee. The individual and the board of subcommittee's performance evaluations are based on specific topics. The evaluation results for the year 2022, were as follows:

- The results of the Audit Committee's self-assessment as a committee and individuals: 3 Audit Committee members conducted a self-assessment.

⇒ The average score was 99.71%

- The results of the Nomination and Remuneration Committee as a committee and individuals: 5 Nomination and Remuneration Committee members conducted a self-assessment.

⇒ The average score was 99.03%

- The performance evaluation results of the Corporate Risk and Strategic Committee as a committee and individuals: 4 Corporate Risk and Strategic Committee members conducted a self-assessment.

⇒ The average score was 100%.

- **The performance evaluation results of the Corporate Governance and Sustainability Committee as a committee and individuals :** 4 Corporate Governance and Sustainability Committee members conducted a self-assessment.

⇒ The average score was 97.25%

**The Chief Executive Officer Performance Evaluation Form** - the 3 main topics are evaluated as follows ;

**Part 1 : Corporate Goals**

1.1 The business results: consider the percentage of EBITDA, sales revenue, or sales volume as set by the target each year.

1.2 The economy, industry, and innovation: consider the production volume against the set target each year and the customer satisfaction percentage.

1.3 Social/Environmental: Consider the percentage of employee satisfaction. Zero complaints from the community/society. The amount of carbon dioxide emissions.

1.4 Good corporate governance: Consider the consistency of business operations and the good corporate governance principles along with the Company's Code of Business Conduct.

**Part 2 : Operations :** Consider the performance of the Chief Executive Officer against the goals set in each aspect.

**Part 3 : The Development of the Chief Executive Officer :** Consider the recommendations of the Board of Directors on the issues that the Chief Executive Officer should improve each year.

- **Performance Evaluation of the Chief Executive Officer:** 7 directors including the Chief Executive Officer conducted the assessment.

⇒ The average score was 99.03%.

## Meeting of the Board of Directors and Subcommittees

Directors' Name	Meetings in 2022						2022 Annual General Meeting of Shareholders
	Board of Directors	Independent Director	Audit Committee	Nomination and Remuneration Committee	The Risk Management and Strategy Development Committee	Corporate Governance and Sustainability Committee	
	7 Time	1 Time	4 Times	3 Times	2 Times	2 Times	
Mr. Chai Jroongtanapibarn	7/7	1/1	4/4	3/3	-	-	1/1
Mr. Soon Tarasansombat	7/7	-	-	3/3	-	-	1/1
Mr. Paisal Tarasansombat	7/7	-	-	-	-	2/2	1/1
Mr. Komsan Tarasansombat	7/7	-	-	-	2/2	2/2	1/1
Mr. Somjate Tretarnthip	7/7	-	-	3/3	2/2	-	1/1
Mrs. Ratanavalee Gorsanan	7/7	1/1	4/4	3/3	-	2/2	1/1
Mr. Anake Pinvanichkul	7/7	1/1	4/4	3/3	2/2	-	1/1
Mr. Prawas Sontawakul	-	-	-	-	2/2	-	1/1
Mrs. Panlapa Tarasansombat	-	-	-	-	-	2/2	1/1

## Remuneration of directors and management

The Nomination and Remuneration Committee is responsible for prescribing and considering the remuneration of directors and executive committee by comparing with the others in the same industry and conforming to the Company's operating results, including the accountabilities and responsibilities of those directors and executive committee. The allocation of remuneration is detailed as below;

## The Board and Other Subcommittee Remuneration

The annual general meeting of shareholders on April 7, 2022, approved the directors' remuneration for Baht 7,000,000 per annum and bonus for the Board Baht 11,400,000 (increased from the previous year that was Baht 4,000,000 ). The Nomination and Remuneration Committee allocated the remuneration of the seven committee members into two parts, a remuneration limit of 6,720,000 Baht and a meeting allowance limit of 280,000 Baht as follows:

Name	Position	Directors Allowance (Baht)	Meeting Allowance (Baht)	Bonus from 2021 operating results (Baht)	Total
Mr. Chai Jroongtanapibarn	Chairman of the Board/Independent Director/Chairman of Audit Committee/Nomination and Remuneration Committee	1,360,000	40,000	2,000,000	3,400,000
Mr. Soon Tarasansombat	Director/Chairman of Nomination and Remuneration Committee	1,000,000	40,000	1,600,000	2,640,000
Mr. Paisal Tarasansombat	Director/Corporate Governance and Sustainability Committee	780,000	40,000	1,500,000	2,320,000
Mr. Komsan Tarasansombat	Director/The Risk Management and Strategy Development Committee/ Corporate Governance and Sustainability Committee	780,000	40,000	1,500,000	2,320,000
Mr. Somjate Tretarnthip	Director/Nomination and Remuneration Committee/ The Risk Management and Strategy Development Committee	780,000	40,000	1,500,000	2,320,000
Mrs. Ratanavalee Gorsanan	Independent Director/Chairman of Corporate Governance and Sustainability Committee/Audit Committee/Nomination and Remuneration Committee	1,000,000	40,000	1,650,000	2,690,000
Mr. Anake Pinvanichkul	Independent Director/ Chairman of The Risk Management and Strategy Development Committee/Audit Committee/ Nomination and Remuneration Committee	1,020,000	40,000	1,650,000	2,710,000
Total		6,720,000	280,000	11,400,000	18,400,000

Note : Directors and subcommittees in these positions are not entitled to any other benefits besides the above remuneration.

## Monitoring the Compliance of Policies and Corporate Governance Guidelines

The Company placed an emphasis on good corporate governance by establishing relevant policies in the good corporate governance principles and the code of business conduct of the Company as well as promoting the actual practice in order to create confidence in all stakeholder groups.

In 2022, the Company took the following steps to ensure the compliance of the good corporate governance principles:

### Prevention of Conflicts of Interest

The Board of Directors, in collaboration with the Audit Committee, carefully supervised any transactions that may have had conflicts of interest in order to verify the reasonableness

and necessity of the transactions. The Board of Directors ensured that the Company disclosed information related to transactions that may have conflicts of interest for stakeholders and related agencies after such transactions were approved.

In 2022, the Company's directors, executives and related parties were required to report their stakes to the Company through the Company Secretary by presenting a stakes report to the Audit Committee and the Board of Directors to consider the transactions that may have conflicts of interest. Directors and executives who have a conflict of interest were not permitted to attend the meeting and vote.

However, there were no actions that violated the conflict of interest policy. The details are disclosed in the section "Connected Transactions".

## Insider Trading Protection

The Board of Directors is aware of the importance of protection against insider trading for personal gain. The Company established securities trading policies for directors, executives and employees. The details are disclosed on the website at [ [www.tmtsteel.co.th](http://www.tmtsteel.co.th).] Directors, executives and the Company's designated persons must comply with the prohibition of insider trading as defined by the Securities and Exchange Act. The Company's directors and executives are required to submit a securities holding report and a report of changes in securities holdings to the Securities and Exchange Commission ("SEC") as required by law. The Company requires directors, executives, and the Company's assigned persons (related parties who know or possess insider information) to sign acknowledgment and obligation to report the securities holding and changes in securities holdings of themselves, their spouses, and their minor children. This must be submitted to the Company Secretary within the timeframe specified from the date of purchase, sale, transfer, or acceptance of the transfer of securities or futures contracts.

In addition, the Company set a blackout period by prohibiting directors, executives and the Company's designated

persons from trading the Company's securities during the following periods:

(1) 30 days prior to the disclosure of the quarterly and annual financial statements and 1 business day after the quarterly and annual financial statements have been disclosed to the Stock Exchange of Thailand.

(2) 14 days prior to the disclosure of the Board of Directors' resolutions to approve important events that affect the price or value of securities and 1 business day after the resolutions have been disclosed to the Stock Exchange of Thailand.

In addition, the Company set a quiet period to not release the Company's internal information to any other person for 14 days prior to the disclosure of the quarterly and annual financial statements. This included the resolution of the Board of Directors to approve important events that affect the price or value of securities to the Stock Exchange of Thailand.

However, if directors, executives and employees of the Company use any of the Company's internal information for personal gain and cause damage to the Company, the Company will execute disciplinary action, which may include dismissal or being charged with a criminal offense or civil offense under the Securities and Exchange Act B.E. 2535 and/or relevant notifications of government agencies. In 2022, the Company performed the following actions:

- Notified the blackout period via the Company's email to directors, executives, and individuals listed by the Company 30 days prior to the disclosure of the quarterly and annual financial statements and 1 business day after the disclosure.
- Reported the securities holdings of the Board of Directors, executives, and related persons who acknowledge or possess the internal information to the Company Secretary on a quarterly basis.
- However, there were no directors, executives or employees who had access to inside information that violated the securities trading policy of directors, executives and employees of the Company.

In 2022, the changes of the Securities Holdings of Directors and Executives are as follows :

Name	Position	Share as of		Changes increase/(decrease)
		31/12/2021	31/12/2022	
Mr. Chai Jroongtanapibarn	Chairman of the Board/Chairman of Audit Committee/Nomination and Remuneration Committee/Independent director	1,045,500	1,045,500	-no changes-
Mr. Soon Tarasansombat	Director and Nomination and Remuneration Committee	195,300,000	196,100,000	800,000.00
Mr. Paisal Tarasansombat	Director/Corporate Governance and Sustainability Committee/Chief of Executive Director/Chief Executive Officer	106,767,700	106,767,700	-no changes-
Mr. Komsan Tarasansombat	Director/Risk Management and Strategy Development Committee/Corporate Governance and Sustainability Committee/Executive Director/Executive Vice President Operations	66,110,150	66,110,150	-no changes-
Mr. Somjate Tretarnthip	Director/Nomination and Remuneration Committee/Risk Management and Strategy Development Committee/Executive Director/Chief Finance Officer/Company Secretary	4,000,000	4,000,000	-no changes-
Mrs. Ratanavalee Gorsanan	Independent Director/Chairman of the Corporate Governance and Sustainability Committee/Audit Committee/Nomination and Remuneration Committee	544,000	634,000	90,000.00
Mr. Anake Pinvanichkul	Independent Director/Chairman of Nomination and Remuneration Committee/Chairman of a Risk Management and Strategy Development Committee/Audit Committee	544,000	544,000	-no changes-
Mr. Prawas Sontawakul	Risk Management and Strategy Development Committee/Executive Director/Chief Operations Officer	280,000	450,000	170,000.00
Mrs. Panlapa Tarasansombat	Corporate Governance and Sustainability Committee/Executive Vice President - Human Resources	35,621,000	35,621,000	-no changes-
Ms. Petrung Measincee	Executive Vice President - Business Strategy & Planning	3,377,100	3,377,100	-no changes-
Mr. Somsak Tomorakul	Executive Vice President - Marketing	2,298,362	2,298,362	-no changes-

## Disclosure and Transparency

- The Board of Directors has monitored for disclosure the significant information related to the Company's financial information and non-financial information in accordance with the regulations of SEC and SET and other relating notification with precisely, completely, on-time, and transparently for the equity of investors and stakeholders through various channel and procedure such as SET's channel, the Annual Registration Statement, 56-1 One Report, and the Company's website. The Company also appointed the corporate secretary to take duty and responsibility to provide and preserve such information as stated.

- The Company's financial statement is audited and reviewed by a certified public accountant from PricewaterhouseCoopers ABAS Company Limited who is independent, specialized and skillful, and is certified by the Securities and Exchange Commission Thailand. The Audit Committee was reported by such an auditor that they were independent, no difficulties and had no disagreements with management while they were conducting a review or audit. The Company has disclosed the audit and other fees in the 56-1 One Report. Furthermore, the Audit Committee also appointed EY Corporate Services Limited to plan and audit the internal control to ensure that the Company has proper conduct and control as well as risk management in terms of adequacy and efficiency.

- The Board of Directors prepared a report on the responsibilities for financial statements which was presented along with the auditor's report in the 56-1 One Report of the Company.

- The Board of Directors has monitored the disclosure of directors' roles and duties, management remuneration and the number of attending the meeting of the Board and other subcommittees as individuals in the Company's 56-1 One Report.

- The Company has set up a Corporate Communication Department to keep in touch with investors, analysts, and government and public sectors. Below are the contact channels;

Telephone No. : 02 685 4000 ext. 4003

Facsimile No. : 02 670 9093

E-mail : [ir@tmtsteel.co.th](mailto:ir@tmtsteel.co.th)

- The Company held quarterly analyst meetings and participated in the Opportunity Day activity organized by the Stock Exchange of Thailand to clarify the Company's operating results and the financial position after disclosing its financial statements to the Stock Exchange of Thailand. In 2022, there were 4 analyst meetings and 1 Opportunity Day activity. The information was disseminated to shareholders and general investors via the website [[www.tmtsteel.co.th / investor relations / shareholder information / presentation documents](http://www.tmtsteel.co.th/investor-relations/shareholder-information/presentation-documents)].

## Anti-Corruption

The Company pays attention to the fight against fraud and corruption and encourages personnel at all levels to be aware of anti-corruption to fight against all forms of corruption. The Board of Directors established an anti-corruption policy and an anti-bribery policy in the Anti-Corruption Policy and Procedures of TMT Steel Public Company Limited for executives and employees at all levels to comply.

This included an assessment of the corporate corruption risk in accordance with the prevention and anti-corruption policy. There was surveillance, prevention, and management to reduce the likelihood of any illegal activity, in addition to systematic monitoring, inspection, and control. At least once a year, the Corporate Governance and Sustainability Committee reports the results to the Board of Directors. The corporate corruption risk management manual was disseminated on the Company's website at [[http://www.tmtsteel.co.th / investor-relations / corporate-governance / prevention-and-anti-corruption / risk management manual](http://www.tmtsteel.co.th/investor-relations/corporate-governance/prevention-and-anti-corruption/risk-management-manual)].

In 2022, the Company demonstrated its commitment to anti-corruption and reported the performance of implementing anti-corruption measures to the Board of Directors through the Governance and Sustainability Committee at Meeting No. 7/2022. The details are as follows:

- Communicated the Code of Business Conduct for suppliers, contractors and subcontractors by recommending business partners to join the Thai Private Sector Collective Action Coalition Against Corruption (CAC). Communicated the code of business conduct to business partners for acknowledgment and disseminated the details on the Company's website at



[[www.tmtsteel.co.th /investor relations /corporate governance/ code of business conduct/code of business conduct for business partners contractors and subcontractors.](http://www.tmtsteel.co.th/investor-relations/corporate-governance/code-of-business-conduct/code-of-business-conduct-for-business-partners-contractors-and-subcontractors)]

- Announced and communicated the 2022 No Gift Policy to outsiders, customers, business partners and those involved in the Company's business through the Company's communication channels, both internally and externally. Details were disseminated on the website at [ [www.tmtsteel.co.th / investor relations / corporate governance / anti-corruption and anti-corruption policy /no gift policy](http://www.tmtsteel.co.th/investor-relations/corporate-governance/anti-corruption-and-anti-corruption-policy/no-gift-policy) ]

- Communicated and publicized information, news and knowledge related to anti-corruption through various communication channels such as TMT Magazine, Touch Point, SMART TV, Line@ TMT, the Company's email.

- Educated new employees through orientation training courses on the topic of anti-corruption policies and procedures. In 2022, there were a total of 393 people who participated in the training.

In 2022, there was no whistleblowing or complaints reported and no corruption perpetrators were found.

## Whistleblowing and Reporting Complaints

The Company established a whistleblowing process to collect information concerning wrongdoing within the organization in order to prevent, monitor, and investigate any wrongdoing that could damage property, reputation, and individuals. This category included complaints, illegal acts, and signs of corruption.

As a result, the Company established whistleblowing channels for all stakeholders to report wrongdoing within the organization or complaints about the operations, as well as any violation of the Company's Articles of Association, code of business conduct, or anti-corruption policies. Whistleblowers or complainants may submit documents and evidence in support of their allegations via the following channels:

### Whistle Blowing Channels for anonymous or identified whistleblowers.

- Vice President of Human Resources Division  
Email: [panlapa@tmtsteel.co.th](mailto:panlapa@tmtsteel.co.th)
- Communication and Whistleblowing Working Group  
Email: [sd@tmtsteel.co.th](mailto:sd@tmtsteel.co.th)
- Audit Committee: Mrs. Ratanavalee Gorsanan  
Email: [ind\\_dir@tmtsteel.co.th](mailto:ind_dir@tmtsteel.co.th)
- Company Secretary: Mr. Somjate Tretarnthip  
Email: [somjate@tmtsteel.co.th](mailto:somjate@tmtsteel.co.th)

The Company is fair and protects its employees or any whistleblowers who provide clues or evidence of wrongdoing by implementing measures to protect complainants or those who cooperate with fraud reporting. The procedures, measures to protect whistleblowers or complainants, and channels for filing complaints are disclosed on the Company's website at [[www.tmtsteel.co.th / investor relations / corporate governance / prevention and anti-corruption](http://www.tmtsteel.co.th/investor-relations/corporate-governance/prevention-and-anti-corruption)].

In 2022, there were no complaints against the operations or violations of the Company's Articles of Association, code of business conduct, and corruption.

# Internal Control

The Board of Directors emphasizes the adequacy and efficiency of internal control and risk management by designating the Audit Committee to review and assess the 5 components of COSO frameworks which are the control environment, risk assessment, control activities, IT and communication system and monitoring activities consistently. The Board of Directors expresses its opinion that the internal control is in good and proper conduct. The Management also effectively provides and utilizes sufficient resources and people to operate its best control practices to ensure both the Company's assets are safeguarded, and any fraud or corrupt transactions will not occur. The related transactions with any conflict of interest parties will be verified and compiled in accordance with related regulations and laws strictly.

The Board of Directors provides its opinion that the internal control system and risk management are good and

efficient to ensure rationally that the business operations and practices are well performed with good governance conduct and sound risk management as well as compliance with related regulations and laws and generally accepted with Thai accounting principles and standards.

In 2022, The Audit Committee has appointed EY Corporate Services Limited to be responsible for internal audit planning and review according to the approved audit plan by the Audit Committee. The reputation and qualification of this internal auditor both its firm and people are well experienced and verified in relevant business and industry, and can be confident that the auditing process will be conducted fairly and independently. The Company appointed Ms. Parima Nutasarin the assistant secretary of the Audit Committee to coordinate with the internal auditors of EY Corporate Services Company Limited.



# Connected Transactions

In Year 2022, the Company had entered into connected transactions as follows;

## Combine Asset Co., Ltd.

### Relationship :

Mr. Komsan Tarasansombat, the authorized director of Combine Asset Company Limited and TMT Steel with a shareholding of 99.96% percent of Combine Asset Company Limited and one of the top ten shareholders of TMT Steel Public Company Limited with a shareholding of 7.59%1 percent. He also has a relationship with the Company's directors as a son of Mr. Soon Tarasansombat and brother of Mr. Paisal Tarasansombat

### General Characteristics of the transaction :

The office building lease renewal on 131 Rama III Road, Bangkholaem Sub-district, Bangkholaem District, Bangkok with Combine Asset Company Limited, which Rama III Plant and Distribution Center of the Company is currently located. The term of lease renewal is 3 years from April 1, 2022, to March 31, 2025, with a rental rate of Baht 200,000 per month (The same rate) and the payment date due on the 5th of each month.

**Total Value of transaction : 7,200,000 Baht** (for a three-year lease contract)

### Opinion of the Board/Audit Committee / The importance and reasonableness of the transaction :

The renewal of the lease for the office building is reasonable and clearly fixed the lease term and rental rate, and such rental rate is lower than the market price which was appraised by Agency for Real Estate Affairs Company Limited reported on January 20, 2022, of Baht 456,800 per month or Baht 16,444,800 (throughout the lease term for a three-year value) that will bring the highest benefits to the company. Therefore, the Board of Directors' meeting, with the consent of the Audit Committee, has been approved to enter into such transactions. The directors who have conflicts of interest with this transaction were not present in the meeting and had no voting rights in this agenda.

## Connex Business Online Co., Ltd.

### Relationship :

Mr. Paisal Tarasansombat, the Company's authorized director and Chief Executive Officer, and Mr. Somjate Tretarnthip, the Company's authorized director and Chief Finance Officer. Each

person is a director and holding 4 percent of its total issued and paid up shares in aforesaid the Company, Mr.Komsan Tarasansombat, the Company's authorized director and Executive Vice President- Operations, brother of Mr. Chamnan Tarasansombat who is authorized director and major shareholders of CONNEX as well as one of the top ten shareholders of the Company by holding 7.82 (1) percent of its issued and paid up shar

### General Characteristics of the transaction :

1. Contract on design and development of Software for Customer Relationship Management (CRM) & Sales Order (Addition 1) as the period from August 24, 2021, to December 31, 2022.

2. Renewal maintenance contract for Warehouse Management System (WMS) from January 1, 2022, to December 31, 2022

3. Renewal maintenance contract for the Weighing Machine System from January 1, 2022, to December 31, 2022.

4. Renewal maintenance contract for CC Online from January 1, 2021, to December 31, 2021.

5. Contract on design and development of Software for Customer Relationship Management (CRM) & Sales Order (Addition 2) as the period from June 14, 2022, to December 31, 2022.

6. Contract on design and development of Software for Customer Relationship Management (CRM) & Sales Order Enhance as the period from June 14, 2022, to December 31, 2022.

**Total Value of transactions : 4,481,643.75 Baht**

### Opinion of the Board / Audit Committee / The importance and reasonableness of the transaction :

The transaction is based on normal business practice and the service rate is not higher than the market price. The Company may purchase from other suppliers, whereas CONNEX well understands TMT's business and will bring the highest benefit to the company.

### Remarks :

1. The above information about the name of shareholders and their shareholding is as of August 25, 2022

2. For the past 3 years of connected transactions, please find more details in Annual Report in Company's website at [www.tmtsteel.co.th](http://www.tmtsteel.co.th).

# Report of Directors Relating to Responsibility for Financial Statements

The Board of Directors is responsible for TMT Steel Public Company Limited ("the Company")'s financial statements, including financial information presented in the 56-1 One Report. The financial statements have been prepared by management in conformity with generally accepted accounting principles, with appropriated accounting policies applying consistently, and based on management's best estimates and judgments, with adequate disclosure of material issues for the best interest of shareholders and investors.

The Board of Directors has set up and maintains an effective internal control system designed to provide management with reasonable assurance that transactions are recorded properly, the assets are safeguarded and that material frauds and malpractices are precluded.

The Board of Directors also appointed the Audit Committee to review accounting policies, accuracy, and sufficiency of the Company's financial reports to ensure adequacy and efficiency of the internal control systems in compliance with good conduct and best practice as well as IT audit and risk management system review. The Audit Committee appointed EY Corporate Services Limited to be the internal control auditor to plan and conduct the internal audit as approved plans by the committee. Opinion of the Audit

Committee is shown in Audit Committee's Report published in this 56-1 One Report.

The Company's financial statements are also audited by an independent certified public accountant from PricewaterhouseCoopers ABAS Company Limited. The Board of Directors also support the management to prepare and provide documents and information so that the auditor can perform its audit independently in accordance with generally accepted auditing standards and to express his independent opinion on the true and fairness of the financial positions and the results of the Company's operations as stated in the financial statements. There is no disagreement or different opinion among auditor, management and audit committee. Auditor's Report is also shown in this 56-1 One Report.

The Board of Directors opinion that the internal control and risk management system of the Company are in good and efficient conduct and can ensure rationally that the operations are in compliance with best practice and proper risk management as well as the Company's financial report for the fiscal year ended December 31, 2022, is in accordance with generally accepted auditing standards and its compliance with the laws and related legislation.

**Mr. Chai Jroongtanapibarn**  
Chairman of the Board

**Mr. Somjate Tretarnthip**  
Director

# Financial Report



# Financial Statements

## Independent Auditor's Report

To the shareholders of TMT Steel Public Company Limited

### My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of TMT Steel Public Company Limited (the Company) as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

### What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

### 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 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 (TFAC Code) that are relevant to my audit of the financial statements and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. 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 of the current period. I determine one key audit matter: Valuation of inventories. The matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
<p><b>Valuation of inventories</b></p> <p>Refer to Note 7 ‘Critical accounting estimates and judgment’ and Note 12 ‘Inventories’ in the financial statements:</p> <p>As at 31 December 2022, the Company had raw materials totalling Baht 977.46 million and finished goods totalling Baht 1,799.82 million before deducting the allowance for net realisable value, which represents 31 percent of the total assets.</p> <p>The Company measured the inventory value at the lower of cost or net realisable value. The management estimated the net realisable value from an estimate of selling prices in the ordinary course of business, deducted by the expenses necessary to make the products ready for sale. This included selling expenses such as marketing and transportation expenses.</p> <p>Management prepared a net realisable value calculation report and evaluated the adequacy of the allowance for net realisable value at year end and period end.</p> <p>I focused on this area because the valuation of the inventory is significant for the financial statements and the estimation of the allowance for net realisable value is based on domestic market prices. This might be affected by the fluctuation of raw material prices in global markets, competitive marketing and the situation in the industry.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Understood the Company’s policy for net realisable value calculation, the procedure of data collection and accuracy review, and the consistency in the implementation of the Company’s accounting policies.</li> <li>• Tested internal controls over the procurement cycle from the purchase requisition, purchase order, goods received, production cost allocation and payment until recording to reflect the accuracy of inventory costs.</li> <li>• Inquired the management and assessed the appropriateness of the selling prices per unit used to estimate the allowance for net realisable value, by comparing quotations and selling price lists with year-end market prices.</li> <li>• Tested the calculation of net realisable value at year end for both raw materials and finished goods, including any reconciliations. There was no significant difference noted.</li> </ul> <p>From performing the above procedures, I viewed that the allowance for net realisable value was reasonable and consistent with the available evidence.</p>

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the 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 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, 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 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 the audit committee.



## **Responsibilities of the directors for the financial statements**

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with TFRS, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Company's financial reporting process.

## **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the 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.

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

- Identify and assess the risks of material misstatement of the 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 the directors.
- Conclude on the appropriateness of the directors' 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 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the audit committee 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 the audit committee 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, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the 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.

PricewaterhouseCoopers ABAS Ltd.

**Kan Tanthawirat**

Certified Public Accountant (Thailand) No. 10456

Bangkok

24 February 2023

**TMT Steel Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2022**

		<b>2022</b>	<b>2021</b>
	<b>Notes</b>	<b>Baht</b>	<b>Baht</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	141,427,387	121,336,142
Trade accounts receivable and other receivables	10	2,788,466,203	3,367,019,598
Inventories, net	12	2,744,523,017	3,231,522,856
Advance payments for purchases of inventories		5,718,116	144,039,896
Income tax refundable		19,666,787	-
Other current assets		26,572,412	5,578,200
<b>Total current assets</b>		<b>5,726,373,922</b>	<b>6,869,496,692</b>
<b>Non-current assets</b>			
Investment properties	13	55,729,000	55,729,000
Property, plant and equipment, net	14	3,138,509,659	3,053,275,799
Right-of-use assets, net	15	50,672,121	14,325,033
Intangible assets, net	16	40,039,380	34,900,375
Deferred income tax assets, net	17	45,057,971	34,685,877
Other non-current assets		5,316,249	4,972,389
<b>Total non-current assets</b>		<b>3,335,324,380</b>	<b>3,197,888,473</b>
<b>Total assets</b>		<b>9,061,698,302</b>	<b>10,067,385,165</b>

Director \_\_\_\_\_

Director \_\_\_\_\_

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

**TMT Steel Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2022**

	<b>Notes</b>	<b>2022 Baht</b>	<b>2021 Baht</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Short-term borrowings from financial institutions	18	2,762,496,204	3,485,596,976
Trade accounts payable and other payables	19	513,050,439	399,198,543
Derivative liabilities		4,439,294	-
Income tax payable		-	122,715,468
Advance received from customers for goods		56,969,272	42,475,348
Current portion of long-term borrowing from a financial institution	18	639,317,843	539,269,303
Current portion of lease liabilities	18	23,409,632	10,705,047
<b>Total current liabilities</b>		<b>3,999,682,684</b>	<b>4,599,960,685</b>
<b>Non-current liabilities</b>			
Long-term borrowings from financial institutions	18	1,680,976,801	1,627,618,605
Lease liabilities	18	27,867,968	4,028,333
Employee benefit obligations	20	103,228,852	81,770,396
<b>Total non-current liabilities</b>		<b>1,812,073,621</b>	<b>1,713,417,334</b>
<b>Total liabilities</b>		<b>5,811,756,305</b>	<b>6,313,378,019</b>
<b>Equity</b>			
Share capital			
Authorised share capital			
870,758,034 ordinary shares of par Baht 1 each		870,758,034	870,758,034
Issued and paid-up share capital			
870,758,034 ordinary shares of paid-up Baht 1 each		870,758,034	870,758,034
Premium on share capital		427,323,198	427,323,198
Retained earnings			
Appropriated - Legal reserve	22	87,075,803	87,075,803
Unappropriated		1,864,784,962	2,368,850,111
<b>Total equity</b>		<b>3,249,941,997</b>	<b>3,754,007,146</b>
<b>Total liabilities and equity</b>		<b>9,061,698,302</b>	<b>10,067,385,165</b>

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

**TMT Steel Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2022**

		<b>2022</b>	<b>2021</b>
	<b>Notes</b>	<b>Baht</b>	<b>Baht</b>
Sales		22,187,858,680	21,559,340,187
Costs of sales		(21,194,904,413)	(18,897,845,926)
<b>Gross profit</b>		992,954,267	2,661,494,261
Other income	24	77,510,548	66,782,248
Selling expenses		(208,863,455)	(187,860,957)
Administrative expenses		(442,631,320)	(536,084,623)
Finance costs - interest expenses		(118,708,930)	(102,917,850)
<b>Profit before income tax</b>		300,261,110	1,901,413,079
Income tax	25	(57,806,911)	(371,352,669)
<b>Profit for the year</b>		242,454,199	1,530,060,410
<b>Other comprehensive income:</b>			
<b>Item that will not be reclassified to profit or loss</b>			
Remeasurements of post-employee benefit obligations		(7,968,774)	-
Income tax on items that will not be reclassified		1,593,755	-
Other comprehensive income for the year, net of tax		(6,375,019)	-
<b>Total comprehensive income for the year</b>		236,079,180	1,530,060,410
<b>Earnings per share</b>			
Basic earnings per share	27	0.27	1.76

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

**TMT Steel Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2022**

	Notes	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Total Baht
				Appropriated - Legal reserve Baht	Unappropriated Baht	
<b>Opening balances as at 1 January 2021</b>		870,758,034	427,323,198	75,391,488	1,808,229,854	3,181,702,574
Dividends paid		-	-	-	(957,755,838)	(957,755,838)
Legal reserve	22	-	-	11,684,315	(11,684,315)	-
Total comprehensive income for the year		-	-	-	1,530,060,410	1,530,060,410
<b>Closing balances as at 31 December 2021</b>		<u>870,758,034</u>	<u>427,323,198</u>	<u>87,075,803</u>	<u>2,368,850,111</u>	<u>3,754,007,146</u>
<b>Opening balances as at 1 January 2022</b>		870,758,034	427,323,198	87,075,803	2,368,850,111	3,754,007,146
Dividends paid	21	-	-	-	(740,144,329)	(740,144,329)
Total comprehensive income for the year		-	-	-	236,079,180	236,079,180
<b>Closing balances as at 31 December 2022</b>		<u>870,758,034</u>	<u>427,323,198</u>	<u>87,075,803</u>	<u>1,864,784,962</u>	<u>3,249,941,997</u>

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

**TMT Steel Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2022**

		<b>2022</b>	<b>2021</b>
	<b>Notes</b>	<b>Baht</b>	<b>Baht</b>
<b>Cash flows from operating activities</b>			
Profit before income tax		300,261,110	1,901,413,079
Adjustments for :			
Loss allowance	10	4,309,699	33,195,423
Loss on declining in value of inventories	12	25,733,443	4,718,360
Depreciation and amortisation	14, 15, 16	292,541,522	270,404,003
(Gain) Loss on disposals of equipment		(50,301)	1,328,242
Loss (Gain) on derivatives		4,439,294	(626,299)
Employee benefit expenses	20	14,944,615	11,360,042
Interest expenses		118,708,930	102,917,850
Cash flows before changes in operating assets and liabilities		760,888,312	2,324,710,700
Changes in operating assets and liabilities:			
Trade accounts receivable and other receivables		574,243,696	(1,062,776,185)
Inventories		461,266,396	(1,304,612,006)
Advance payments for purchases of inventories		138,321,780	209,248,741
Other current assets		(20,994,212)	30,295,881
Other non-current assets		(343,860)	123,000
Trade accounts payable and other payables		129,774,362	101,964,587
Advance receipts from customers for goods		14,493,924	4,926,720
Employee benefit obligations paid	20	(1,454,933)	(1,220,000)
Cash generated from operating activities before interest and income tax paid		2,056,195,465	302,661,438
Interest paid		(119,403,979)	(103,761,930)
Income tax paid		(208,967,505)	(338,811,134)
Net cash generated from (used in) operating activities		1,727,823,981	(139,911,626)
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(359,707,487)	(392,407,315)
Purchases of intangible assets		(15,823,462)	(15,790,040)
Proceeds from disposals of equipment and intangible assets		2,211,413	3,889,323
Net cash used in investing activities		(373,319,536)	(404,308,032)

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



**TMT Steel Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2022**

	Notes	2022 Baht	2021 Baht
<b>Cash flows from financing activities</b>			
Proceeds from short-term borrowings			
from financial institutions	18	25,245,577,072	21,235,843,126
Repayments to short-term borrowings			
from financial institutions	18	(25,968,677,844)	(20,886,800,722)
Repayments to debenture		-	(1,000,000,000)
Proceeds from long-term borrowings			
from financial institutions	18	743,245,000	1,443,629,000
Repayments to long-term borrowings			
from financial institutions	18	(590,000,000)	(275,000,000)
Payments for front-end fees of loan agreement	18	(635,005)	(1,405,010)
Payments for lease liabilities	15	(23,778,094)	(23,626,580)
Dividends paid	21	(740,144,329)	(957,755,838)
Net cash used in financing activities		(1,334,413,200)	(465,116,024)
<b>Net increase (decrease) in cash and cash equivalents</b>		20,091,245	(1,009,335,682)
Opening balance		121,336,142	1,130,671,824
Closing balance		141,427,387	121,336,142
<b>Cash and cash equivalents</b>		141,427,387	121,336,142

**Non-cash transactions**

Significant non-cash transactions for the years ended 31 December 2022 and 2021 are as follows:

Other payables from purchases of property, plant and equipment	5,098,595	17,184,271
Other payables from purchases of intangible assets	255,000	2,600,000

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

## **1 General information**

TMT Steel Public Company Limited is a public limited company which is listed on the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The address of the Company's registered office is 179 Bangkok City Tower, 22nd floor, South Sathorn Road, Thung Maha Mek, Sathorn, Bangkok 10120.

In addition, the Company has two plants at the following locations:

- 131 Rama 3 Road, Bang Kho Laem, Bangkok 10120; and
- 332-333 Moo 5, Phaholyothin Road, Lamsai, Wangnoi, Ayutthaya 13170.

The principal business operations of the Company are fabricating and selling structural steel plates and sheets. The Company mostly purchases products from local suppliers but some products are imported. The Company sells most of its products in the domestic market.

These financial statements were authorised for issue by the Board of Directors on 24 February 2023.

## **2 Basis of preparation**

The financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except derivative instruments.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 7.

An English version of the financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

## **3 New and amended financial reporting standards**

New and amended financial reporting standards effective for the accounting periods beginning on or after 1 January 2022 do not have material impact on the Company.

The Company has not yet early adopted the amended financial reporting standards which are effective on 1 January 2023. The Company's management is currently assessing the impact of adoption of these standards.

## **4 Accounting policies**

### **4.1 Foreign currency translation**

#### **a) Functional and presentation currency**

The financial statements are presented in Thai Baht, which is the Company's functional and presentation currency.

#### **b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

### **4.2 Cash and cash equivalents**

In the statements of cash flows, cash and cash equivalents includes cash on hand and deposits held at call.

### **4.3 Trade accounts receivable**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement between 30 to 60 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables are disclosed in Note 4.5(e).

### **4.4 Inventories**

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories is determined by the moving average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, the latter being allocated based on normal operating capacity. It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

#### **4.5 Financial asset**

##### **a) Classification**

The Company classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Company has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

##### **b) Recognition and derecognition**

Regular way of purchases, acquisitions and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

##### **c) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

##### **d) Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.

- FVOCI: Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.
- FVPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

**e) Impairment**

The Company applies the TFRS 9 simplified approach in measuring the impairment of trade receivables and other receivable.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

For other financial assets carried at amortised cost and FVOCI, the Company applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Company assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Company and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Company reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss and included in administrative expenses.

#### **4.6 Investment properties**

Lands that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Company, is classified as investment property.

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

#### **4.7 Property, plant and equipment**

All property, plant and equipment are initially recorded at cost. Plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Company. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land improvements	20 years
Buildings and building improvements	3, 20, 25 years
Machinery and equipment	5, 10, 20 years
Furniture and fixtures	3, 5 years
Trucks and motor vehicles	5, 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised other gains or losses, net.

#### **4.8 Intangible asset - Computer software**

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line method over their estimated useful lives in five years.

Cost associated with maintaining computer software are recognised as an expense as incurred.

#### **4.9 Impairment of assets**

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

#### **4.10 Leases**

##### **Leases - where the Company is the lessee**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture.



#### **4.11 Financial liabilities**

##### **a) Classification**

Financial instruments issued by the Company are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Company has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Company's own equity instruments.
- Where the Company has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

##### **b) Measurement**

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

##### **c) Derecognition and modification**

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Company assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

#### **4.12 Current and deferred income taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

##### **Current tax**

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### *Deferred income tax*

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### **4.13 Employee benefits**

#### *Short-term employee benefits*

Liabilities for short-term employee benefits such as wages, salaries, and bonuses that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

#### *Defined benefit plans - retirement benefits*

The Company has obligations in respect of the Legal Severance Payment Plan prescribed under Chapter 11 in Section 118 of Thai Labor Protection Act 1998, and other long-service award for employees who are due in accordance with the conditions.

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

*Defined contribution plans - provident fund*

The Company operates a provident fund, being a defined contribution plan. The assets are held in a separate fund which is managed by the external fund manager. The provident fund is funded by payments from employees and by the Company. The Company's contributions to the provident fund are charged to the profit or loss in the years to which they relate.

**4.14 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**4.15 Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares (net of tax) are shown as a deduction in equity.

**4.16 Dividend distribution**

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

**4.17 Derivatives**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The Company recognised the change in fair value of derivatives in administrative expenses or other income.

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

**4.18 Revenue recognition**

Revenue includes all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Company's ordinary activities are also presented as revenue.

Revenue are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into individual distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfilment of the obligation to the customer.

### *Sale of goods*

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts. Sales are recognised when control of the products has transferred, being when the products are delivered.

The goods are often sold with retrospective volume discounts based on aggregate sales over a 12 month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed present as the sales are made with a credit term between 30 days to 60 days, which is consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

### *Services*

Revenue from rendering services is based on the stage of completion.

### *Interest income and other income*

Interest income is recognised on an accrual basis, using the effective interest method.

Other income is recognised on an accrual basis.

### *Payments to customers*

Payments to customers or on behalf of customers to other parties, including credited or subsequent discounts, are recognised as a reduction in revenue unless the payment constitutes consideration of a distinct goods or service from the customer.

## **5 Financial risk management**

### **5.1 Financial risk**

The Company exposes to a variety of financial risk: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain exposures.

Financial risk management is carried out by the Company's management. The Company's policy includes areas such as foreign exchange risk, interest rate risk, credit risk and liquidity risk. The framework parameters are approved by the Board of Directors and uses as the key communication and control tools for financial risks.

#### **5.1.1 Market risk**

##### **Foreign exchange risk**

The Company purchases part of goods and machineries from overseas and is exposed to foreign exchange risk arising primarily from US Dollar. The Company uses forward contracts to manage their exposure to protect foreign currency risk. However, the proportion of purchases in foreign currencies were not material compared to total purchase balance.

The Company does not apply hedge accounting. The foreign currency forwards recognised as derivatives assets or liabilities measured at fair value through profit or loss.

### **Cash flow and fair value interest rate risk**

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company is exposed to interest rate risk relates primarily to its deposits at financial institutions, short-term borrowings and long-term borrowings. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities. Usually, the loan tenors was longer than aging of the Company's accounts receivables.

#### **5.1.2 Credit risk**

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL), derivative financial instruments as well as credit exposures to customers, including outstanding receivables.

##### **a) Risk management**

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on tips assessments in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

There are no significant concentrations of credit risk, whether through exposure to individual customers or specific industry sectors.

For some trade receivables, the Company may obtain credit insurance, advance received from customers, security in the form of guarantees or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

##### **b) Impairment of financial assets**

The Company has trade and other receivables as financial assets that are subject to the expected credit loss model:

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

#### **Trade receivables**

The Company applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Including the consideration of liquidity for certain customers specifically according to the conservatism.

The Company write-off trade receivables when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments even if the Company already contacted.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

### **5.1.3 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Company held deposits at call of Baht 141.08 million (2021: Baht 120.83 million) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Company Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors i) rolling forecasts of the Company's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans.

#### **a) Financing arrangements**

The Company has access to the following undrawn credit facilities as at 31 December as follows:

	<b>2022</b>	<b>2021</b>
	<b>Thousand</b>	<b>Thousand</b>
	<b>Baht</b>	<b>Baht</b>
<b>Floating rate</b>		
Expiring within one year		
- Long-term borrowings from a financial institution	-	256,371
Expiring beyond one year		
- Bank overdraft	65,000	65,000
- Short-term borrowings from financial institutions	6,377,504	6,254,403
	<b>6,442,504</b>	<b>6,575,774</b>

**b) Maturity of financial liabilities**

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Total Thousand Baht
<b>As at 31 December 2022</b>				
Short-term loans from financial institutions	-	2,762,496	-	2,762,496
Trade accounts payable and other payables	-	513,050	-	513,050
Advance received from customers for goods	56,969	-	-	56,969
Long-term loans from a financial institution	-	712,220	1,771,975	2,484,195
Lease liabilities	-	24,606	28,454	53,060
<b>Total financial liabilities that is not derivatives</b>	56,969	4,012,372	1,800,429	5,869,770
<b>Derivative financial instruments</b>				
Foreign currency forwards	-	4,439	-	4,439
<b>Total derivatives</b>	-	4,439	-	4,439
<b>Total</b>	56,969	4,016,811	1,800,429	5,874,209
	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Total Thousand Baht
<b>As at 31 December 2021</b>				
Short-term loans from financial institutions	-	3,485,597	-	3,485,597
Trade accounts payable and other payables	-	399,199	-	399,199
Advance received from customers for goods	42,475	-	-	42,475
Long-term loans from a financial institution	-	598,028	1,711,759	2,309,787
Lease liabilities	-	10,984	4,114	15,098
<b>Total financial liabilities that is not derivatives</b>	42,475	4,493,808	1,715,873	6,252,156
<b>Total</b>	42,475	4,493,808	1,715,873	6,252,156



## **5.2 Capital management**

### **Risk management**

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital based on gearing ratio which is determined by dividing net debt with equity.

### **Loan covenants**

Under the terms of the major borrowing facilities, the Company is required to comply with the following financial covenants:

- the interest bearing debt to equity ratio must not more than 2 times, and

The Company has performed a covenant compliance review on a quarterly basis and has complied with these covenants throughout the reporting period.

## **6 Fair value**

The Company has financial liabilities that are measured at fair value which are Foreign currency forwards. Financial derivatives are measured at fair value through profit or loss based on fair value level 2.

The Company presents non-financial assets that are measured at fair value which are Investment property. The assets were used fair value level 3 in disclosure.

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of financial instruments is based on the quoted price (unadjusted) in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.

Level 3: The fair value of financial instruments is not based on observable market data.

The fair values of financial assets and liabilities is in accordance with accounting policies disclosed in Note 4.5 and 4.11.

## **7 Critical accounting estimates and judgement**

Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstance.

### **a) Defined retirement benefit obligations**

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in note 20.

### **b) Determination of lease terms**

Critical judgement in determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Company considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Company.

### **c) Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

### **d) Reduction of inventory cost to net realisable value**

In determining a reduction of inventory cost to net realisable value, the management makes judgement and estimates the net realisable value of inventory based on the amount of the inventories are expected to realise. These estimates take into consideration fluctuations of selling price or cost directly relating to events occurring at the year ended.

### **e) Property, plant and equipment**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

## 8 Segment information

The Company's business operations are trading and transforming the structural steel, plates and sheets which are fallen within the same product group and its products are mainly sold in domestic market. The chief operating decision maker assesses the performance of the reportable segment based on a measure of revenue, cost of goods sold, gross margin and earnings before interest income and expense, tax, depreciation and amortization which are the same information as these financial information.

## 9 Cash and cash equivalents

	2022 Baht	2021 Baht
Cash on hand	351,132	509,370
Current accounts	23,229,384	27,642,667
Saving accounts	117,846,871	93,184,105
<b>Total</b>	<b>141,427,387</b>	<b>121,336,142</b>

As at 31 December 2022, the interest rates of saving accounts were 0.01% to 0.40% per annum (2021: 0.01% to 0.125% per annum).

## 10 Trade accounts receivable and other receivables

	2022 Baht	2021 Baht
Trade accounts receivable	2,842,676,594	3,434,934,029
<u>Less</u> Loss allowance	<u>(93,024,718)</u>	<u>(88,715,019)</u>
Trade accounts receivable - net	2,749,651,876	3,346,219,010
Other receivables - third party	14,098,880	727,520
Deposits	4,836,641	2,744,838
Prepayments	14,815,211	10,483,785
Rebate receivable	5,063,595	6,844,445
<b>Total</b>	<b>2,788,466,203</b>	<b>3,367,019,598</b>

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**Fair values of trade receivables**

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

**Impairments of trade receivables**

The loss allowance for trade receivables was determined as follows:

As of 31 December 2022	Not yet due Thousand Baht	Up to 1 months Thousand Baht	1 - 3 months Thousand Baht	3 - 6 months Thousand Baht	6 - 12 months Thousand Baht	More than 12 months Thousand Baht	Total Thousand Baht
Gross carrying amount - trade receivables	2,117,775	511,662	113,231	18,210	25,171	56,628	2,842,677
Loss allowance	(8,989)	(6,249)	(9,442)	(2,340)	(9,377)	(56,628)	(93,025)
<b>Total</b>	<b>2,108,786</b>	<b>505,413</b>	<b>103,789</b>	<b>15,870</b>	<b>15,794</b>	<b>-</b>	<b>2,749,652</b>

As of 31 December 2021	Not yet due Thousand Baht	Up to 1 months Thousand Baht	1 - 3 months Thousand Baht	3 - 6 months Thousand Baht	6 - 12 months Thousand Baht	More than 12 months Thousand Baht	Total Thousand Baht
Gross carrying amount - trade receivables	2,693,028	614,320	70,345	11,183	26,938	19,120	3,434,934
Loss allowance	(10,655)	(18,842)	(7,264)	(10,714)	(22,120)	(19,120)	(88,715)
<b>Total</b>	<b>2,682,373</b>	<b>595,478</b>	<b>63,081</b>	<b>469</b>	<b>4,818</b>	<b>-</b>	<b>3,346,219</b>

The reconciliations of loss allowance for trade receivables for the year ended 31 December are as follow:

	<b>Trade receivables</b>	
	<b>2022 Baht</b>	<b>2021 Baht</b>
<b>As at 1 January</b>	(88,715,019)	(55,519,596)
Increase in loss allowance recognised in profit or loss during the year	(5,451,079)	(33,195,423)
Receivable written off during the year as uncollectible	1,141,380	-
<b>As of 31 December</b>	<b>(93,024,718)</b>	<b>(88,715,019)</b>

## 11 Financial assets and financial liabilities

As at 31 December, classification of the Company's financial assets and financial liabilities in accordance with accounting policies disclosed in Note 5.5 and 5.11 are as follows:

	2022 Thousand Baht	2021 Thousand Baht
<b>Financial assets</b>		
Financial assets at amortised cost		
- Cash and cash equivalents	141,427	121,336
- Trade and other receivables	2,754,715	3,353,063
- Other current assets	17,749	-
- Other non-current assets	5,316	4,972
<b>Financial liabilities</b>		
Liabilities at amortised cost		
- Short-term borrowings from financial institutions	2,762,496	3,485,597
- Trade accounts payable and other payables	513,050	398,821
- Long-term borrowings from financial institutions	2,320,295	2,166,888
- Lease liabilities	51,278	14,733
Financial liabilities at fair value through profit or loss (FVPL)		
- Derivative liabilities - other	4,439	-

## 12 Inventories, net

	2022 Baht	2021 Baht
Raw materials	977,459,981	1,226,642,891
Finished goods	1,799,821,811	2,011,905,297
Total inventories	2,777,281,792	3,238,548,188
<u>Less</u> Allowance for net realisable value		
- for raw materials	(3,385,482)	(2,992,809)
- for finished goods	(29,373,293)	(4,032,523)
<b>Total</b>	<b>2,744,523,017</b>	<b>3,231,522,856</b>

In 2022, the Company recorded allowance for net realisable value amounting to Baht 25.73 million (2021: Baht 4.72 million) as expected selling price dropped from the prior year. The amount has been included in cost of sales in the statement of comprehensive income.

### 13 Investment properties

At 31 December	Land	
	2022 Baht	2021 Baht
<u>Cost</u>		
Opening net book value	55,729,000	55,729,000
Closing net book value	55,729,000	55,729,000
Fair value	162,158,000	162,158,000

The Company's investment properties are three vacant plots of land located in Bangkok, Chachoengsao and Chanthaburi provinces.

The Company engaged an independent appraiser to assess the fair value of the land. The valuation used the market approach which is based on the sales price of comparable nearby land, with adjustments for differences in key attributes such as size and shape, location and condition of the land. Such information is used to determine the fair value of the properties. As the valuation technique used significant unobservable inputs, the Company classified the fair value measurement in level 3 of the fair value hierarchy.

#### 14 Property, plant and equipment, net

	Land Baht	Land improvements Baht	Buildings and building improvements Baht	Machinery and equipment Baht	Furniture and fixtures Baht	Trucks and motor vehicles Baht	Construction in progress Baht	Machinery under installation Baht	Total Baht
<b>At 1 January 2021</b>									
Cost	644,942,000	230,471,483	1,626,468,025	1,903,478,006	128,646,184	156,373,812	10,214,138	126,512,051	4,827,105,699
<u>Less</u> Accumulated depreciation	-	(71,060,160)	(659,435,585)	(1,009,416,482)	(111,196,652)	(70,585,251)	-	-	(1,921,694,130)
Net book amount	644,942,000	159,411,323	967,032,440	894,061,524	17,449,532	85,788,561	10,214,138	126,512,051	2,905,411,569
<b>For the year ended 31 December 2021</b>									
Opening net book amount	644,942,000	159,411,323	967,032,440	894,061,524	17,449,532	85,788,561	10,214,138	126,512,051	2,905,411,569
Additions	-	2,091,522	703,322	14,212,555	12,396,241	5,375,900	77,256,538	280,696,722	392,732,800
Transfers in (out)	-	-	76,398,358	297,948,920	260,822	-	(70,333,328)	(304,274,772)	-
Disposals, net	-	-	-	(70,293)	(5,359)	(5,108,792)	-	-	(5,184,444)
Depreciation charge (Note 25)	-	(10,724,482)	(83,555,977)	(127,660,858)	(8,066,168)	(9,676,641)	-	-	(239,684,126)
Closing net book amount	644,942,000	150,778,363	960,578,143	1,078,491,848	22,035,068	76,379,028	17,137,348	102,934,001	3,053,275,799
<b>At 31 December 2021</b>									
Cost	644,942,000	232,563,005	1,703,569,705	2,211,597,749	138,948,900	148,523,189	17,137,348	102,934,001	5,200,215,897
<u>Less</u> Accumulated depreciation	-	(81,784,642)	(742,991,562)	(1,133,105,901)	(116,913,832)	(72,144,161)	-	-	(2,146,940,098)
Net book amount	644,942,000	150,778,363	960,578,143	1,078,491,848	22,035,068	76,379,028	17,137,348	102,934,001	3,053,275,799



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	Land Baht	Land improvements Baht	Buildings and building improvements Baht	Machinery and equipment Baht	Furniture and fixtures Baht	Trucks and motor vehicles Baht	Construction in progress Baht	Machineries under installation Baht	Total Baht
<b>For the year ended 31 December 2022</b>									
Opening net book amount	644,942,000	150,778,363	960,578,143	1,078,491,848	22,035,068	76,379,028	17,137,348	102,934,001	3,053,275,799
Additions	-	-	296,649	11,821,629	9,661,340	10,714,400	11,989,551	303,138,242	347,621,811
Transfers in (out)	-	-	38,758,528	266,752,268	1,016,160	-	(26,811,909)	(279,715,047)	-
Disposals, net	-	-	-	(371,230)	(7,082)	(1,782,800)	-	-	(2,161,112)
Depreciation charge (Note 25)	-	(10,800,350)	(87,398,774)	(142,691,523)	(9,788,992)	(9,547,200)	-	-	(260,226,839)
Closing net book amount	644,942,000	139,978,013	912,234,546	1,214,002,992	22,916,494	75,763,428	2,314,990	126,357,196	3,138,509,659
<b>At 31 December 2022</b>									
Cost	644,942,000	232,563,005	1,742,624,882	2,486,825,221	147,753,590	154,780,589	2,314,990	126,357,196	5,538,161,472
<u>Less</u> Accumulated depreciation	-	(92,584,992)	(830,390,336)	(1,272,822,229)	(124,837,096)	(79,017,161)	-	-	(2,399,651,813)
Net book amount	644,942,000	139,978,013	912,234,546	1,214,002,992	22,916,494	75,763,428	2,314,990	126,357,196	3,138,509,659

Depreciation expenses of Baht 224,765,710 (2021: Baht 205,974,848) and Baht 35,461,129 (2021: Baht 33,709,278) were charged in costs of sales and administrative expenses, respectively.

## 15 Right-of-use assets, net

As at 31 December, right-of-use asset balance are as follows:

	<b>2022 Baht</b>	<b>2021 Baht</b>
Land and office buildings	49,284,496	12,479,406
Furniture and fixtures - office equipment	665,519	814,047
Trucks and motor vehicles	722,106	1,031,580
<b>Total</b>	<b>50,672,121</b>	<b>14,325,033</b>

For the year ended 31 December, amounts charged to profit or loss and cash flows relating to leases are as follows:

	<b>2022 Baht</b>	<b>2021 Baht</b>
Depreciation charge of right-of-use assets:		
Land and office buildings	23,163,853	22,713,334
Furniture and fixtures - office equipment	501,899	493,964
Trucks and motor vehicles	309,474	299,034
<b>Total (Note 25)</b>	<b>23,975,226</b>	<b>23,506,332</b>
Addition to the right-of-use assets during the year	60,322,315	1,441,200
<b>Total cash outflow for leases</b>	<b>23,778,094</b>	<b>23,626,580</b>
Expense relating to short-term leases	37,900	19,800
Expense relating to leases of low-value assets	140,200	147,600

16 Intangible assets, net

	Computer software Baht	Computer software during installation Baht	Total Baht
<b>At 1 January 2021</b>			
Cost	84,169,584	4,500,000	88,669,584
<u>Less</u> Accumulated amortisation	(64,700,083)	-	(64,700,083)
Net book amount	19,469,501	4,500,000	23,969,501
<b>For the year ended 31 December 2021</b>			
Opening net book amount	19,469,501	4,500,000	23,969,501
Additions	4,939,840	13,237,700	18,177,540
Transfers in (out)	2,120,000	(2,120,000)	-
Disposals, net	(33,121)	-	(33,121)
Amortisation charge (Note 25)	(7,213,545)	-	(7,213,545)
Closing net book amount	19,282,675	15,617,700	34,900,375
<b>At 31 December 2021</b>			
Cost	91,194,425	15,617,700	106,812,125
<u>Less</u> Accumulated amortisation	(71,911,750)	-	(71,911,750)
Net book amount	19,282,675	15,617,700	34,900,375
<b>For the year ended 31 December 2022</b>			
Opening net book amount	19,282,675	15,617,700	34,900,375
Additions	919,800	12,558,662	13,478,462
Transfers in (out)	12,311,762	(12,311,762)	-
Amortisation charge (Note 25)	(8,339,457)	-	(8,339,457)
Closing net book amount	24,174,780	15,864,600	40,039,380
<b>At 31 December 2022</b>			
Cost	104,425,987	15,864,600	120,290,587
<u>Less</u> Accumulated amortisation	(80,251,207)	-	(80,251,207)
Net book amount	24,174,780	15,864,600	40,039,380

## 17 Deferred income taxes, net

The analysis of deferred income tax assets and deferred tax liabilities is as follows:

	2022 Baht	2021 Baht
Deferred tax assets:	45,923,565	35,583,818
Deferred tax liabilities:	(865,594)	(897,941)
<b>Deferred income taxes, net</b>	<b>45,057,971</b>	<b>34,685,877</b>

The movement in deferred tax assets and liabilities during the year is as follows:

	Net impairment losses Baht	Allowance for net realisable value Baht	Lease liabilities Baht	Employee benefits obligations Baht	Total Baht
<b>Deferred tax assets:</b>					
At 1 January 2021	11,103,919	461,395	105,719	14,326,071	25,997,104
Charged/(credited) to profit and loss	6,639,085	943,671	(24,050)	2,028,008	9,586,714
At 31 December 2021	17,743,004	1,405,066	81,669	16,354,079	35,583,818
Charged to profit and loss	861,940	5,146,689	39,426	2,697,937	8,745,992
Charged to other comprehensive income	-	-	-	1,593,755	1,593,755
At 31 December 2022	18,604,944	6,551,755	121,095	20,645,771	45,923,565
			<b>Temporary difference for depreciation Baht</b>	<b>Temporary difference for front- end fees Baht</b>	<b>Total Baht</b>
<b>Deferred tax liabilities:</b>					
At 1 January 2021			(549,723)	(263,455)	(813,178)
Charged to profit and loss			-	(84,763)	(84,763)
At 31 December 2021			(549,723)	(348,218)	(897,941)
Credited to profit and loss			-	32,347	32,347
At 31 December 2022			(549,723)	(315,871)	(865,594)

## 18 Borrowings

	2022 Baht	2021 Baht
<b>Current</b>		
Short-term borrowings from financial institutions	2,762,496,204	3,485,596,976
Current portion of long-term borrowings		
Long-term borrowing from financial institutions	639,317,843	539,269,303
Lease liabilities	23,409,632	10,705,047
Total current borrowings	3,425,223,679	4,035,571,326
<b>Non-current</b>		
Long-term borrowings from financial institutions	1,680,976,801	1,627,618,605
Lease liabilities	27,867,968	4,028,333
Total non-current borrowings	1,708,844,769	1,631,646,938
<b>Total borrowings</b>	<b>5,134,068,448</b>	<b>5,667,218,264</b>

### 18.1 Short-term borrowings

The movement in short-term borrowings from financial institutions during the year is as follows:

	2022 Baht	2021 Baht
At 1 January	3,485,596,976	3,136,554,572
Additions	25,245,577,072	21,235,843,126
Repayments	(25,968,677,844)	(20,886,800,722)
At 31 December	2,762,496,204	3,485,596,976

The short-term borrowings from financial institutions denominated in Thai Baht bear interest rates during the year at 1.00% - 1.96% per annum.

As at 31 December 2022, the short-term borrowings from financial institutions, promissory notes, were unsecured and due within January to March 2023 (2021: January to March 2022) which normally, can be renewed. The Company has provided the Negative Pledge to the financial institutions.

## 18.2 Long-term borrowings from financial institutions

The movement in long-term borrowings from financial institutions during the year is as follows:

	2022 Baht	2021 Baht
At 1 January	2,166,887,908	998,990,972
Addition	743,245,000	1,443,629,000
Repayment	(590,000,000)	(275,000,000)
Deferred front-end fees	(635,005)	(1,405,010)
Amortisation of deferred front-end fees	796,741	672,946
At 31 December	2,320,294,644	2,166,887,908

The long-term borrowings from financial institutions denominated in Thai Baht and was unsecured. The borrowing bear interest rates and will be due on date as follows:

Loan Amount (Baht million)	Due on	Interest rate (Per annum)	
		2022	2021
1,000	30 December 2025	Fixed	Fixed
500	30 March 2026	BIBOR (3 months) plus incremental borrowing rate	BIBOR (3 months) plus incremental borrowing rate
700	31 August 2026	BIBOR (6 months) plus incremental borrowing rate	BIBOR (6 months) plus incremental borrowing rate
486.9	31 March 2027	Fixed	Fixed
500	27 June 2027	BIBOR (6 months) plus incremental	-

The fair value of current borrowings equivalent to their carrying amount, as the impact of discounting is not significant. The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate from 3.02% to 4.04% are within level 2 of the fair value hierarchy.

## 19 Trade accounts payable and other payables

	2022 Baht	2021 Baht
Trade accounts payable	148,198,460	76,454,385
Accrued expenses and other payables	350,105,373	292,005,472
Payable from construction in progress	5,353,595	19,784,271
Retention from construction	-	377,689
Withholding tax payable	2,359,776	2,051,701
Accrued interest expenses	7,033,235	8,525,025
Total	513,050,439	399,198,543

## 20 Employee benefit obligations

	2022 Baht	2021 Baht
Statement of financial position:		
- Retirement benefits	103,228,852	81,770,396

The movement in the obligations for retirement benefit are as follows:

	2022 Baht	2021 Baht
At 1 January	81,770,396	71,630,354
Current service cost	6,725,819	10,127,722
Past service cost	6,332,835	-
Interest cost	1,885,961	1,232,320
Remeasurement	7,968,774	-
Benefit payment	(1,454,933)	(1,220,000)
At 31 December	103,228,852	81,770,396

The significant actuarial assumptions used were as follows:

	2022	2021
Discount rate	1.94% and 2.29% per annum	2.25% per annum
Future salary increase rate	5% per annum	5% per annum
Employee turnover rate	1.79% - 38.20% per annum	0% - 39% per annum

The Company has addition long service award for employees who retire and have due in accordance with the specified condition. The addition obligation recognised in past service cost amounting to Baht 6.33 million as an expense in the statement of comprehensive income during the year.

Sensitivity analysis for each significant assumption used is as follows:

Legal Severance Pay	Impact on defined benefit obligations as at 31 December 2022		
	Change in assumption %	Increase in obligations Baht	Decrease in obligations Baht
Discount rate	+1%	-	(5,232,797)
	-1%	5,883,989	-
Future salary increase rate	+1%	6,453,894	-
	-1%	-	(5,860,949)
Employee turnover rate	+20% from base assumption	-	(6,701,182)
	-20% from base assumption	8,639,534	-

Other Long Service Award

Impact on defined benefit obligations as at 31 December 2022			
	Change in assumption %	Increase in obligations Baht	Decrease in obligations Baht
Discount rate	+1%	-	(531,017)
	-1%	607,994	-
Long-term Inflation rate	+1%	672,906	-
	-1%	-	(596,693)
Employee turnover rate	+20% from base assumption	-	(780,236)
	-20% from base assumption	1,058,175	-

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation is 22.30 years (2021: 21.15 years).

Expected maturity analysis of undiscounted retirement benefits is as follows:

	Less than a year Baht	Between 1-5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2022				
Retirement benefits				
- Legal Severance Pay	-	44,752,875	58,856,817	103,609,691
- Other Long Service Award	-	1,791,975	6,157,686	7,949,661
Total	-	46,544,850	65,014,503	111,559,353

## 21 Dividends

At the Board of Director's Meeting on 11 August 2022, Board of Directors approved the interim dividend payment of Baht 0.15 per share for 870,758,034 shares, in respect of the 2022 operating results and retained earnings, totalling Baht 130.61 million. The interim dividends had been paid to the shareholders on 9 September 2022.

At the Annual General Shareholder's Meeting on 7 April 2022, the shareholders approved the dividend payment of Baht 0.70 per share for 870,758,034 shares, in respect of the 2021 operating results, totalling Baht 609.53 million. The dividends had been paid to the shareholders on 6 May 2022.



## 22 Legal reserve

Under the Public Company Act, B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the authorised share capital. The legal reserve is non distributable. Currently, the Company has set aside legal reserved at 10% of authorised share capital.

## 23 Promotional privileges

The Company received promotional privileges from the Board of Investment 60-1479-1-04-1-0 dated 28 December 2017 in respect of investment in manufacturing of steels, metal tubes, and metal cutting for an improvement of the production efficiency for alternative energy utilisation. Under these privileges, the Company is exempted from various taxes and duties including exemption from import duties on imported machine and exemption from corporate income tax for the promoted activities in an amount not over than 50% of the investment for an improvement of the production efficiency which excludes investment on land and current assets for a period of three years from the date the promoted operation commenced generating revenue.

The Company had already used all of the promotional privileges for the exemption from corporate income tax for the promoted activities in 2019.

## 24 Other income

	2022 Baht	2021 Baht
Steel cutting service income	51,314,427	41,608,334
Transportation service income	16,809,797	14,271,864
Gain from foreign exchange rates, net	-	7,700,681
Interest income	4,963,257	2,416,369
Others	4,423,067	785,000
<b>Total</b>	<b>77,510,548</b>	<b>66,782,248</b>

## 25 Expenses by nature

The following expenditures, classified by nature, have been charged in arriving at profit before finance costs and income tax:

	2022 Baht	2021 Baht
Staff costs	523,471,118	612,405,981
Depreciation on property, plant and equipment (Note 14)	260,226,839	239,684,126
Depreciation on right-of-use assets (Note 15)	23,975,226	23,506,332
Amortisation of intangible assets (Note 16)	8,339,457	7,213,546
Selling and marketing expenses	208,863,455	187,860,957
Professional and consultant fees	19,493,463	14,934,551

## 26 Income tax expense

	2022 Baht	2021 Baht
Current tax	66,585,250	380,854,620
Deferred tax	(8,778,339)	(9,501,951)
Total income tax expense	57,806,911	371,352,669

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

	2022 Baht	2021 Baht
Profit before income tax	300,261,110	1,901,413,079
Tax calculated at a tax rate of 20% (2021: 20%)	60,052,222	380,282,616
Tax effect of:		
Expenses not deductible for tax purpose	3,497,821	1,013,097
Expenses deductible at a greater amount	(5,743,132)	(9,943,044)
Tax charge	57,806,911	371,352,669

The weighted average applicable tax rate was 19% (2021: 20%).

## 27 Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	2022	2021
Profit attributable to shareholders (Baht)	236,079,180	1,530,060,410
Weighted average number of ordinary shares in issue during the year (Shares)	870,758,034	870,758,034
Basic earnings per share (Baht)	0.27	1.76

There are no potential dilutive ordinary shares in issue during the years ended 31 December 2022 and 2021.

## 28 Contingent liabilities

### Letters of guarantee

As at 31 December 2022, the Company had outstanding letters of guarantee amounting to Baht 31.27 million (2021: Baht 29.84 million) issued by a bank for electricity usage and purchases of goods. No liabilities are anticipated to be arisen.

### Letters of credits

As at 31 December 2022, the Company had outstanding letters of credits amounting to US Dollar 21.23 million (2021: US Dollar 5.65 million and Baht 4.35 million).

## 29 Commitments

### Purchase commitments

As at 31 December 2022, the Company had outstanding commitments relating to the purchases of goods with fixed buying prices of US Dollar 12.13 million. (2021: Baht 5.70 million and US Dollar 1.94 million).

### Capital commitments

As at 31 December 2022, the Company had capital expenditure contracted from the purchase of machineries and the construction of the factory building but not yet recognised in this financial statements of Baht 6.16 million and US Dollar 0.1 million (2021: Baht 35.71 million and US Dollar 6.41 million).

## 30 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Major shareholders of the Company are members of Tarasarnsombat family.

The transactions with a related company, Connex Business Online Co., Ltd., arose from purchasing of software programme and using computer system service. Certain shareholders of the Company have significant holding in the shares of Connex Business Online Co., Ltd.

The Company has entered into operating lease agreements of a land and building on Rama III road with Combine Asset Co., Ltd. Certain shareholders of the Company have significant holding in the shares of Combine Asset Co., Ltd. The lease agreements are for a period of 3 years. The first agreement is from April 2019 until March 2022, at an agreed price of Baht 2.40 million per year.

On 12 April 2022, the Company has renewed the first agreement, the period is from April 2022 to March 2025, at an agreed price of Baht 2.40 million per year. The second agreement is from October 2020 to October 2023, at an agreed price of Baht 3.6 million per year.

A summary of significant transactions with related parties are as follows:

### (a) Purchases and operating expenses

	2022 Baht	2021 Baht
Computer system purchase and service expenses	7,925,044	3,238,344
Payment on lease liabilities	5,680,728	5,623,927
Interest expense from leases liabilities	319,272	376,073

**(b) Outstanding balances arising from purchase and operating expenses**

The outstanding balances at the end of the reporting period in relation to transactions with related parties are as follows:

	<b>2022 Baht</b>	<b>2021 Baht</b>
Lease liabilities	8,168,764	6,964,898

**(c) Directors and managements' remuneration**

Directors and managements' remuneration comprises salaries, other benefits, other remuneration and meeting fees.

<b>For the years ended 31 December</b>	<b>2022 Baht</b>	<b>2021 Baht</b>
Short-term benefits	47,236,000	56,596,240
Post-employee benefits	2,338,731	2,056,418
	<b>49,574,731</b>	<b>58,652,658</b>

**31 Event after the financial statement date**

At the Board of Directors' Meeting on 24 February 2022, it passed a resolution of submission to shareholders for approval the dividends payment in respect of results of operations for the year 2022 of Baht 0.30 per share for 870,758,034 shares, totalling Baht 261.23 million. The Company paid interim dividend for the year 2022 of Baht 0.15 per share amounting to a total of Baht 130.61 million on 9 September 2022. However, it will be further proposed for the shareholders' approval in the Annual General Meeting of the Shareholders for fiscal year 2022 in April 2023.

# Appendix



# Board of Directors and Executives



## Mr. Chai Jroongtanapibarn

Chairman of the Board/Chairman of the Audit Committee/  
Nomination and Remuneration Committee/Independent Director  
Age : 68 years



### Education :

- Bachelor of Accounting, Chulalongkorn University
- Master of Accounting, Thammasat University

### Training for Director Course of IOD :

- Director Certification Program (DCP) : Class 29/2003
- Audit Committee Program (ACP) : Year 2005
- What Directors need to know about Digital Assets Class 3/2022

### Family Relationship between Directors and Management :

None

### Number of Shares (include related person as section 258) :

1,045,500 shares or 0.12%

### Experience (5 years past) Listed Company :

May 15 - Present	Chairman of the Board/Chairman of the Audit Committee/Nomination and Remuneration Committee and Independent Director/TMT Steel Plc./Steel Service Center
Nov 18 - Present	Chairman of the Board/Nomination and Remuneration Committee and Independent Director/Veranda Resort Plc./Hotel business
2007 - Present	Independent Director and Audit Committee/Siam Food Products Plc./Food processing for export
2006 - Present	Independent Director and Audit Committee/Oishi Group Plc./Food and Beverage business
2002 - Present	Independent Director and Chairman of the Audit Committee/Major Cineplex Group Plc./Cinema and Bowling
2000 - Present	Independent Director and Chairman of the Audit Committee/Team Precision Plc./Electronics Board
2003 - Aug 30, 2021	Independent Director / Siam Future Development/Shopping Center

### Non-Listed Company :

None

### Date of First Appointment as a Director :

Sep 1, 2004

### Illegal Record in The Past 10 years :

None



**Mr. Soon Tarasansombat**

Director/Nomination and Remuneration Committee

Age : 81 years



**Education :**

Mattayom 6

**Training for Director Course of IOD :**

Director Accreditation Program (DAP) : Class 19/2004

**Family Relationship between Directors and Management :**

Father of Mr. Paisal Tarasansombat and Mr. Komsan Tarasansombat

**Number of Shares (include related person as section 258) :**

260,100,000 shares or 29.87<sup>(1)</sup>

**Experience (5 years past) Listed Company :**

Dec 17, 21 - Present Director/Nomination and Remuneration Committee/TMT Steel Plc./Steel Service Center

May 15 - Dec 17, 21 Director/Chairman of the Nomination and Remuneration Committee/TMT Steel Plc./Steel Service Center

**Non-Listed Company :**

Jan 19 - Present Director/S.G.T. Property Company Limited/Real Estate Development

1986 - Dec 19 Director/Soon Huat Steel Co.,Ltd./Property Lessor

**Date of First Appointment as a Director :**

Sep 1, 2004

**Illegal Record in The Past 10 years :**

None



## Mr. Paisal Tarasansombat

Director/Corporate Governance and Sustainability Committee/  
Chief of Executive Director/Chief Executive Officer  
Age : 57 years



### Education :

- Diploma, Assumption Commercial College
- Diploma in Business Study, Eastbourne College of Art & Technology, United Kingdom
- Mini IE, Chulalongkorn University
- Top Executive Program: Class 10/2010, Capital Market Academy
- Top Executive Program in Energy Science: Class 13, Thailand Energy Academy
- Business reform and innovation networking: BRAIN Class 2, The Federation of Thai Industries
- The Rule of Law for Democracy: Class 8, The College of Constitutional Court

### Training for Director Course of IOD :

- Director Accreditation Program (DAP) : Class 21/2004
- Director Certification Program (DCP) : Class 197/2014

### Family Relationship between Directors and Management :

Son of Mr. Soon Tarasansombat, brother of Mr. Komsan Tarasansombat and spouse of Mrs. Panlapa Tarasansombat

### Number of Shares (include related person as section 258) :

144,388,700 shares or 16.58<sup>(2)</sup>

### Experience (5 years past) Listed Company :

Feb 20 - Present	Director/Corporate Governance and Sustainability Development Committee/Chief of Executive Board and Chief Executive Officer/TMT Steel Plc./Steel Service Center
Feb 20 - Present	Independent Director/Nomination and Remuneration Committee/BTS Group Holdings Public Company Limited/Transportation & Logistics
Mar 11 - Nov 19	Director/Chief of Executive Board and Chief Executive Officer/TMT Steel Plc./Steel Service Center
Jun 18 - Dec 19	Director/Audit Committee/Remuneration Committee/U City Plc./Investment and Property Development
Jun 14 - Jan 20	Chairman of the Audit Committee/Independent Director/Master Ad Plc./Outdoor Advertising

### Non - Listed Company :

Apr 21 - Present	Advisory of Association President/Thai Listed Companies Association/Independent nonprofit organization
2004 - Present	Director/CONNEX Business Online Co., Ltd./Software Solution
Jul 22 - Present	Director/Audit Committee/Remuneration and Corporate Governance Committee/TKK Corporation., Ltd./Wholesale of machinery and component for industrial applications.
Apr 15 - Apr 21	Director/Thai Listed Companies Association/Independent nonprofit organization
1986 - Dec 19	Director/Soon Huat Steel Co., Ltd./Property Lessor

### Date of First Appointment as a Director :

Sep 1, 2004

### Illegal Record in The Past 10 years :

None





## Mr. Komsan Tarasansombat

Director/Risk Management and Strategy Development Committee/  
Corporate Governance and Sustainability Committee/Executive  
Director/Executive Vice President – Operations

Age : 54 years



### Education :

- Bachelor of Industrial Engineering, Khon Kaen University
- M.B.A. (Finance), Middle Tennessee State University, USA.

### Training for Director Course of IOD :

Director Accreditation Program (DAP) : Class 19/2004

### Training for Director Course of TLCA :

Executive Development Program (EDP) : Class 14/2014

### Family Relationship between Directors and Management :

Son of Mr. Soon Tarasansombat and Brother of Mr. Paisal Tarasansombat

### Number of Shares (include related person as section 258) :

69,110,150 shares or 7.94<sup>(3)</sup>

### Experience (5 years past) Listed Company :

Feb 20 - Present	Director/Risk Management and Strategy Development Committee/Corporate Governance and Sustainability Committee/Executive Director and Executive Vice President - Operations/TMT Steel Plc./Steel Service Center
Mar 11 - Nov 19	Director/Executive Director/Executive Vice President Operations /TMT Steel Plc./Steel Service Center

### Non-Listed Company :

Oct 17 - Present Director/Combine Asset Co., Ltd./Property Lessor

### Date of First Appointment as a Director :

Sep 1, 2004

### Illegal Record in The Past 10 years :

None



## Mr. Somjate Tretarnthip

Director/Nomination and Remuneration Committee/Risk Management and Strategy Development Committee/Executive Director/  
Chief Finance Officer/Company Secretary  
Age : 58 years



### Education :

- Bachelor of Business Administration, Ramkhamhaeng University
- Mini M.B.A., Kasetsart University

### Training for Director Course of IOD :

- Director Accreditation Program (DAP) : Class 19/2004
- Company Secretary Program (CSP) : Class 133/2022

### Family Relationship between Directors and Management :

None

### Number of Shares (include related person as section 258) :

4,000,000 shares or 0.46%

### Experience (5 years past) Listed Company :

Feb 20 - Present	Director/Nomination and Remuneration Committee/Risk Management and Strategy Development Committee/Executive Director/Chief Finance Officer/Company Secretary/TMT Steel Plc./Steel Service Center
Mar 11 - Nov 19	Director/Nomination and Remuneration Committee/Executive Director/Chief Finance Officer/Company Secretary/TMT Steel Plc./Steel Service Center

### Non - Listed Company :

2004 - Present	Director/CONNEX Business Online Co.,Ltd./Software Solution
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### Date of First Appointment as a Director :

Sep 1, 2004

### Illegal Record in The Past 10 years :

None



## Mrs. Ratanavalee Gorsanan

Independent Director/Chairman of the Corporate Governance and Sustainability Committee/Audit Committee/Nomination and Remuneration Committee

Age : 58 years



### Education :

- Bachelor of Accounting, Thammasat University
- Master of Accounting, Thammasat University

### Training for Director Course of IOD :

- Director Accreditation Program (DAP) : Class 21/2004

### Family Relationship between Directors and Management :

None

### Number of Shares (include related person as section 258) :

634,000 shares or 0.07 %

### Experience (5 years past) Listed Company :

Feb 20 - Present	Independent Director/Chairman of Corporate Governance and Sustainability Committee/Audit Committee/Nomination and Remuneration Committee/TMT Steel Plc./Steel Service Center
Aug 10 - Nov 19	Independent Director/Audit Committee/Nomination and Remuneration Committee/TMT Steel Plc./Steel Service Center

### Non-Listed Company :

Aug 19 - Present	Finance and Compliance Director/Central Watson Co., Ltd./Retailer of health and beauty products
Apr 17 - Aug 19	Finance, Compliance and IT Director/Central Watson Co., Ltd./Retailer of health and beauty products
Feb 12 - Mar 17	Finance Director/Central Watson Co., Ltd./Retailer of health and beauty products

### Date of First Appointment as a Director :

Sep 1, 2004

### Illegal Record in The Past 10 years :

None



## Mr. Anake Pinvanichkul

Independent Director/Chairman of the Nomination and Remuneration Committee/Chairman of the Risk Management and Strategy Development Committee/Audit Committee  
Age : 58 years



### Education :

- Bachelor of Science, Kasetsart University
- MBA, New York University

### Training for Director Course of IOD :

Director Accreditation Program (DAP) : Class 23/2004

### Family Relationship between Directors and Management :

None

### Number of Shares (include related person as section 258) :

544,000 shares or 0.06%

### Experience (5 years past) Listed Company :

Dec 17, 21 - Present	Independent Director/Chairman of the Nomination and Remuneration Committee/Chairman of the Risk Management and Strategy Development Committee/Audit Committee/TMT Steel Plc./Steel Service Center
Feb 20 - Dec 17, 21	Independent Director/Chairman of the Risk Management and Strategy Development Committee/Audit Committee/Nomination and Remuneration Committee/TMT Steel Plc./Steel Service Center
Aug 10 - Nov 19	Independent Director/Audit Committee/Nomination and Remuneration Committee/TMT Steel Plc./Steel Service Center
Jan 20 - Jun 20	Chairman of the Board (Acting)/Chief of Executive Board and Chief Executive Officer/Nex Point Plc./Electronic components manufacturer

### Non - Listed Company :

Mar 13 - Present	Director/Nadmon Business and Consultant Co., Ltd./Restaurant business
Sep 22 - Present	Director/Butterfly Organic Co., Ltd./Fresh Milk Manufacturer
Present	Director/Wamar Solution Co., Ltd./Organization of trade shows
Present	Director/Viewpoint Technology Co., Ltd./Electric power generation and transmission
Present	Director/Amarit APG Co., Ltd./Restaurants Activities

### Date of First Appointment as a Director :

Sep 1, 2004

### Illegal Record in The Past 10 years :

None



**Mr. Prawas Sontawakul**

Risk Management and Strategy Development Committee/  
Executive Director/Chief Operations Officer  
Age : 64 years



**Education :**

Bachelor of Engineering (Mechanical Engineering), King Mongkut's University of Technology North Bangkok

**Training for Director Course of IOD :**

Director Accreditation Program (DAP) : Class 12/2004

**Family Relationship between Directors and Management :**

None

**Number of Shares (include related person as section 258) :**

450,000 shares or 0.05%

**Experience (5 years past) Listed Company :**

Feb 20 - Present	Risk Management and Strategy Development Committee/Executive Director and Chief Operations Officer/TMT Steel Plc./Steel Service Center
Feb 19 - Nov 19	Committee Executive Director/Chief Operations Officer/TMT Steel Plc./Steel Service Center
Mar 11 - Jan 19	Chief Operations Officer/Thai Metal Trade Plc./Steel Service Center

**Non - Listed Company :**

Nov 12 - Nov 17	Director/Eco Living Co.,Ltd./Home Building
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**Illegal Record in The Past 10 years :**

None



## Mrs. Panlapa Tarasansombat

Corporate Governance and Sustainability Committee/Executive

Vice President - Human Resources

Age : 55 years



### Education :

- BBA, Majoring in Accounting, Assumption University
- Mini IE, Chulalongkorn University
- Graduate Diploma in Human Resource Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University

### Training for Director Course of IOD :

None

### Family Relationship between Directors and Management :

Spouse of Mr. Paisal Tarasansombat

### Number of Shares (include related person as section 258) :

144,388,700 shares or 16.58<sup>(4)</sup>

### Experience (5 years past) Listed Company :

Feb 20 - Present	Corporate Governance and Sustainability Committee/TMT Steel Plc./Steel Service Center
Aug 9 - Nov 19	Executive Vice President-Human Resources/TMT Steel Plc./Steel Service Center

### Non - Listed Company :

None

### Illegal Record in The Past 10 years :

None



## Ms. Petrung Maesincee

Executive Vice President - Business Strategy & Planning

Age : 57 years



### Education :

- Bachelor of Art (Economics), Thammasat University
- Master of Art (Economics), Thammasat University

### Training for Director Course of IOD :

None

### Family Relationship between Directors and Management :

None

### Number of Shares (include related person as section 258) :

3,377,200 shares or 0.39%

### Experience (5 years past) Listed Company :

Feb 17 - Present	Executive Vice President - Business Strategy & Planning/TMT Steel Plc./Steel Service Center
Aug 09 - Jan 17	Executive Vice President - Marketing /Thai Metal Trade Plc./Steel Service Center

### Non Listed Company :

None

### Illegal Record in The Past 10 years :

None



**Mr. Somsak Tomorakul**  
Executive Vice President – Marketing  
Age : 51 years



**Education :**

- Bachelor of Business Chinese, Assumption University
- Master of Computer Engineering Management, Assumption University

**Training for Director Course of IOD :**

None

**Family Relationship between Directors and Management :**

None

**Number of Shares (include related person as section 258) :**

2,298,362 shares or 0.26%

**Experience (5 years past) Listed Company :**

Jan 19 - Present	Executive Vice President - Marketing/TMT Steel Plc./Steel Service Center
Feb 17 - Dec 18	Senior Vice President - Marketing/Thai Metal Trade Plc./Steel Service Center
Feb 16 - Jan 17	Vice President - Sales & Marketing/Thai Metal Trade Plc./Steel Service Center
May 06 - Jan 16	Vice President - Sales /Thai Metal Trade Plc./Steel Service Center

**Non Listed Company :**

None

**Illegal Record in The Past 10 years :**

None

**Remarks :**

<sup>(1)</sup> Mr. Soon Tarasansombat holds the Company's share of total 196,100,000 shares, which equivalent to 22.52 percent of its total issued and paid up shares, and Mrs. Pornjit Tarasansombat, his spouse, hold of total 64,000,000 shares, which equivalent to 7.35 percent of its total issued and paid up shares.

<sup>(2)</sup> Mr. Paisal Tarasansombat holds the Company's share of total 106,767,700 shares, which equivalent to 12.26 percent of its total issued and paid up shares, and Mrs. Panlapa Tarasansombat, his spouse, holds of total 35,621,000 shares, which equivalent to 4.09 percent of its total issued and paid up shares, and Mr. Patis Tarasansombat, the child is underage, holds of total 2,000,000 shares, which equivalent to 0.23 percent of its total issued and paid up shares.

<sup>(3)</sup> Mr. Komsan Tarasansombat holds the Company's share of total 66,110,150 shares, which equivalent to 7.59 percent of its total issued and paid up shares, Mrs. Wimol Tarasansombat, his spouse, hold of total 3,000,000 shares, which equivalent to 0.34 percent of its total issued and paid up shares.

<sup>(4)</sup> Mrs. Panlapa Tarasansombat holds the Company's share of total 35,621,000 shares, which equivalent to 4.09 percent of its total issued and paid up shares, Mr. Paisal Tarasansombat, her spouse, holds of total 106,767,700 shares, which equivalent to 12.26 percent of its total issued and paid up shares, and Mr. Patis Tarasansombat, the child is underage, holds of total 2,000,000 shares, which equivalent to 0.23 percent of its total issued and paid up shares.

In this regard, the number of shares and percentage of shareholding of all directors and executives are as of Dec 31, 2022



# Details of Chief Financial Officer (CFO), Chief Accountant and Company Secretary

## Mr. Somjate Tretarnthip

Chief Financial Officer (CFO) and Company Secretary

Age : 58 years

Date of First Appointment :

Mar 1, 2011

Education :

- Bachelor of Business Administration, Ramkhamhaeng University
- Mini M.B.A., Kasetsart University

Number of Shares (include related person as section 258) :

4,000,000 shares or 0.46%

Training for Director Course of IOD :

Director Accreditation Program (DAP) : Class 19/2004  
Company Secretary Program (CSP) : Class 133/2022

Training for Accounting Course :

- TLCA CFO Professional Development Program (Economic Update for CEO)/2 Hours./Thai Listed Company Association
- PDPA for Accounting and Finance/2 Hours./Thai Listed Company Association
- What Directors Need to know about Digital Assets/ 3 Hours./Thai Listed Company Association
- TLCA CFO Professional Development Program (Restructuring Business for Growth)/2 Hours./ Thai Listed Company Association

Family Relationship between Directors and Management :

None

Experience (5 years past) Listed Company :

Dec 19 - Present Director/Nomination and Remuneration Committee/Risk Management and Strategy Development Committee/Executive Director/ Chief Finance Officer and Company Secretary/ TMT Steel Plc./Steel Service Center

Mar 11 - Nov 19 Director/Nomination and Remuneration Committee/Executive Director/Chief Finance Officer and Company Secretary/TMT Steel Plc./Steel Service Center

Illegal Record in The Past 10 years :

None

## Ms. Supaporn Chalermjirarat

Details of Chief Accountant

Age : 41 years

Date of First Appointment :

Nov 13, 2017

Education :

Bachelor of Accountancy, Bangkok University

Number of Shares (include related person as section 258) :

76,000 shares or 0.01%

Training for Accounting Course :

- TAS19 (Employee Benefit Actuarial Valuation), TFRS 9 (Expected Credit Loss), TFR16 (Leasing Valuation)/ 6.3 Hours./Actuarialbiz Co., Ltd.
- TLCA CFO Professional Development Program (Restructuring Business for Growth)/2 Hours./SET

Family Relationship between Directors and Management :

-None-

Experience (5 years past) Listed Company :

July 20 - Present Senior Accounting Manager/ TMT Steel Plc./ Steel Service Center

Nov 17 - Aug 20 Accounting Manager/TMT Steel Plc./Steel Service Center

July 13 - Oct 17 Accounting and Tax Senior Manager/Italthai Industrial Co. Ltd. Heavy Equipment Distributor

Illegal Record in The Past 10 years :

None

## Information of Director in related Companies

As of Dec 31, 2022

No.	Name	TMT Steel Plc.	CONNEX Business Online Co.,Ltd.	Combine Asset Co.,Ltd .	Metal Commerz Pte. Ltd.
1.	Mr. Chai Jroongtanapibarn	X			
2.	Mr. Soon Tarasansombat	/			
3.	Mr. Paisal Tarasansombat	/, //, O	/		/
4.	Mr. Komsan Tarasansombat	/, ///, E		/	
5.	Mr. Somjate Tretarnthip	/, ///, C	/		
6.	Mrs. Ratanavalee Gorsanan	/			
7.	Mr. Anake Pinvanichkul	/			
8.	Mr. Prawas Sontawakul	///, C			
9.	Ms. Petrung Measincee	E			
10.	Mrs. Panlapa Tarasansombat	E			
11.	Mr. Somsak Tomorakul	E			

หมายเหตุ : X = Chairman of Director  
O = Chief Executive Officer  
/ = Director  
// = Chief of Executive Board  
/// = Executive Director  
C = Chief  
E = Executive

## Details of Subsidiary Committee

- None-

# Details of Internal Audit/Compliance and Corporate Governance

## Internal Audit

The Audit Committee has appointed EY Corporate Services Limited to perform and audit the internal control and conduct system for Cyber Security in the year 2022. The results were directly reported to the Audit Committee, the person who was responsible for being an internal auditor.

**Name** Mr. Term Techasarin

**Position** Business Advisory's partner Thailand

### Qualification

- Internal Auditor certified by The Institute of International Auditors (CIA)
- Certificate in Risk Management Assurance (CRMA)
- Certificate in Thai Institute of Directors (DCP 127)
- Business Continuity Management BSI25999
- BSI Certificate - Implementation ISO 22301:2012
- Master of Business Administration (Finance) Southwest Missouri State University, USA
- Bachelor of Business Administration (Accountancy) Assumption University

## Work Experience

2017 - Present	Partner, Advisory Services at EY Corporate Services Limited
2008 - 2016	Partner/KPMG Phoomchai Business Advisory Co.,Ltd
2004 - 2008	Executive Director/KPMG Phoomchai Business Advisory Co.,Ltd
1998 - 2003	Senior Manager/Inthanon Business Advisory Co., Ltd (Former name : Arthur Andersen Business Consulting Co., Ltd)
1994 - 1997	Senior advisor/S.G.V.-Na Thalang Co.,Ltd

## Compliance and Corporate Governance

The Board of Directors has appointed the Corporate Governance and Sustainability Committee to oversee and perform a good corporate governance practice. (More details were stated in the part of Scope, Duties, and Responsibilities and the Report of the Corporate Governance and Sustainability Committee)

# Assets Used in Business Operations

**Main Assets** - As of December 31, 2022. The Company's main assets used in the business operations are as follows:

Unit: Millions of Baht

Asset	Capital Value	Accumulated Depreciation	Net Book Value	Type of Ownership	Obligation
<b>Property and Land Improvements</b>					
Center Rama 3 Property					
- Land size: 5 Rai 2 Ngan 91 Square Wa	-	-	-	Tenant <sup>1/</sup>	No obligation
Wang Noi Center Property					
- Land size: 44 Rai 3 Ngan 80 Square Wa	51.94	-	51.94	Owner	No obligation
- Land size: 67 Rai 3 Ngan 67 Square Wa	81.50	-	81.50	Owner	No obligation
- Land size: 22 Rai 2 Ngan 16 Square Wa	50.00	-	50.00	Owner	No obligation
- Land size: 46 Rai 2 Ngan 1 Square Wa	237.00	-	237.00	Owner	No obligation
- Land size: 153 Rai 1 Ngan 49 Square Wa	224.50	-	224.50	Owner	No obligation
Land Improvements	232.56	92.58	139.98		
<b>Buildings and Structures</b>					
- Office Building and Warehouse					
Rama 3 Center <sup>2/</sup>	-	-	-	Tenant 1/	No obligation
- Office Building					
Rama 3 Center (Improvement) <sup>2/</sup>	5.82	5.53	0.29	Owner	No obligation
- Building Improvements – Bangkok City					
Tower 3 <sup>3/</sup>	30.39	29.69	0.70		
Wang Noi Center <sup>4/</sup>	1,524.98	691.85	833.13	Owner	No obligation
- Knowledge Center <sup>5/</sup>	181.43	103.32	78.11	Owner	No obligation
<b>Machinery and Equipment</b>					
Rama 3 Center	19.06	15.73	3.33	Owner	No obligation
Wang Noi Center <sup>4/</sup>	2,467.76	1,257.09	1,210.67	Owner	No obligation
Furnishings, Fixtures, and Office Equipment	147.75	124.84	22.91	Owner	No obligation
Intangible Assets <sup>6/</sup>	104.43	80.25	24.18	Owner	No obligation
Vehicles <sup>7/</sup>	154.78	79.02	75.76	Owner	No obligation
<b>Property Plant and Equipment - Net</b>	<b>5,513.90</b>	<b>2,479.90</b>	<b>3,034.00</b>		

## Remarks :

<sup>1/</sup> Rented from Combine Asset Company Limited.

<sup>2/</sup> The Company has an insurance policy for buildings and structures for a coverage of 15 million Baht.

<sup>3/</sup> The Company has an insurance policy for the office of Bangkok City Tower for a total coverage of 75 million Baht.

<sup>4/</sup> The Company has an insurance policy for Property Plant and Equipment for a total of 2,400 million Baht.

<sup>5/</sup> The Company has an insurance policy for the Knowledge Center building for a coverage of 180 million Baht.

<sup>6/</sup> The intangible assets include copyrights and computer programs for the Company's operating system.

<sup>7/</sup> The Company has car insurance for cars, pickup trucks, dump trucks, trailers, and tow trucks for a total of 102 policies.

## Important Contracts Details

Contract	Counterparty	Time Period	Details
1. Land and building lease agreement for the current Rama 3 factory and distribution center	Lessor : Combine Asset Company Limited	A period of 3 years From October 10, 2020 until October 9, 2023.	<b>Rental Property</b> A total of 6 plots of land. The title deed numbers are 1390, 17976, 17977, 17978, 17979 Bang Khlo Subdistrict (Ban Tawai), Yannawa District (Bang Rak), Bangkok and title deed no.1454, Bang Kho Laem Subdistrict, Yannawa District, Bangkok, with a total area of 5 rai 2 ngan 91 square wa. <b>Rental Rate</b> The rental rate is 300,000 Baht per month. The payment is due in December of every year.
2. Office building lease agreement for the Rama 3 factory and distribution center	Lessor : Combine Asset Company Limited	A period of 3 years from April 1, 2019 to March 31, 2022	<b>Rental Property</b> Building No. 131 Rama 3 Road Bang Kho Laem Subdistrict, Bang Kho Laem District, Bangkok <b>Rental Rate</b> The rental rate is 200,000 Baht per month, The due date is the 5th day of every month
		A period of 3 years from April 1, 2022 to March 31, 2025	<b>Rental Property</b> Building No. 131 Rama 3 Road Bang Kho Laem Subdistrict, Bang Kho Laem District, Bangkok <b>Rental Rate</b> The rental rate is 200,000 Baht per month, The due date is the 5th day of every month
3. Building lease agreement for offices and business establishments	Lessor : Government Pension Fund	A period of 3 years from May 1, 2019 to April 30, 2022	<b>Rental Property</b> 1. A 912 square meter area on the 22nd floor of Bangkok City Tower, No. 179 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 2. A 500 square meter area on the 20th floor of Bangkok City Tower, No. 179 South Sathorn Road, Thungmahamek Subdistrict, Sathorn District, Bangkok
		A period of 3 years from May 1, 2022 to April 30, 2025	3. A 480 square meter area on the 23rd floor of Bangkok City Tower, No. 179. South Sathorn Road, Thungmahamek, Sathorn, Bangkok
		A period of 2 years and 10 months from July 1, 2019 to April 30, 2022	<b>Rental Rate</b> 1. The rental rate is a fixed rate charged on a monthly basis. Payment is due on the 5th of every month. This includes a certain amount of rental insurance. 2. The tenant is responsible for paying the building and land tax.
		A period of 3 years from July 1, 2022 to April 30, 2025	
4. Document storage service contract	Service Provider : Bangkok Warehouse Company Limited	A period of 3 years from September 1, 2020 to August 31, 2023.	<b>Document Storage Location</b> Bangpakong Warehouse, No. 11/1, Village 1, Pimpa-San Phu Dad Road, San Phu Dad, Ban Pho, Chacoengsao, 24140 <b>Rental Rate</b> The service rate is charged according to the number of boxes stipulated in the contract.

# Report of the Audit Committee

The Audit Committee of TMT Steel Public Company Limited is composed of 3 Independent Directors. The Company's Chief Finance Officer serves as committee secretary. The Audit Committee is empowered by the Board of Directors to examine all matters related to the financial status of the Company and its internal and external audits. The Committee pursues and promotes good corporate governance by actively creating awareness and providing advice to management regarding sound risk management and internal control practices.

For the year 2022, the Audit Committee held 4 meetings to review the Company's financial statements which were certified by the external auditor and discussed the Company's other related activities in compliance with the rules and regulations of the Stock Exchange of Thailand as well as good internal control practices.

In such meetings, the Audit Committee met independently with the management and the internal and external auditors of the Company, conducted reviews and evaluations of accounting policies, procedures relative to the accounting policies, the internal control assessment, and the audit plan. This included the independent meeting with auditors without the Management being in attendance. The Audit Committee also verified and accepted every quarterly financial statement and provided assessments and recommendations to the Board of Directors. Where weaknesses were identified in internal controls, corrective action plans were established to eliminate or reduce the associated risks.

The Internal Auditor who was appointed by the Audit Committee, EY Corporate Services Limited, assigned Mr. Term Techasarin to be the Internal Audit team leader who serves to propose the annual internal audit plan as well as to identify and verify business risk and control weaknesses within the Company by carrying out audit activities systematically. The reports on compliance with good internal control practices and procedures

with recommendations were discussed with the relevant management team to incorporate the action plans that were agreed up and submitted to the Audit Committee. Furthermore, the Internal Auditor has held regular meetings with the Audit Committee to give updates on the audit results. The Audit Committee is fully committed to ensure that both corrective and preventive actions are taken in an effective and timely manner.

The Board of Directors along with the Audit Committee approved the policy and reports for related party transactions in 2022.

According to the mentioned mission, The Audit Committee provided its opinions as the following:

1. The Company's financial reports are accurate, complete and reliable.
2. The Company's assets are safeguarded, proper accounting records are maintained, and resources are utilized effectively and efficiently.
3. The Company complied with the securities laws, the Exchange's regulations, and other laws relating to the Company's business.
4. Mr. Kan Tanthawirat of PricewaterhouseCoopers ABAS, the Company's auditor, is suitable and provided appropriate services.
5. The related transactions arising in 2022 were rational and made for the optimal benefits of the Company.
6. In 2022, the number of the audit committee meetings and the attendance of such meetings by each committee member were as follows:

Mr. Chai Jroongtanapibarn	Chairman of the Audit Committee	4/4
Mrs. Ratana alee Gorsanan	Member of the Audit Committee	4/4
Mr. Anake Pinvanichkul	Member of the Audit Committee	4/4

7. The Audit Committee performed its duties in accordance with its charter, approved by the Board of Directors.

The Audit Committee proposed to the Board of Directors to appoint Mr. Kan Tanthawirat, Certified Public Accountant No. 10456 and Mr. Paiboon Tunkoon, Certified Public Accountant No. 4298, and Mr. Chanchai Chaiprasit, Certified Public Accountant No. 3760 from PricewaterhouseCoopers ABAS Company Limited to be the Company's auditors. Any one of them will be responsible for auditing and expressing an opinion on the Company's financial statements. If none of them are able

to perform their duties, PricewaterhouseCoopers ABAS Company Limited will provide a replacement auditor for the fiscal year ending December 31, 2023. The appointment of an auditor and the auditor's fee will be subject to shareholder approval at the Company's Annual General Meeting, held on April 7, 2023.

**Mr. Chai Jroongtanapibarn**  
Chairman of the Audit Committee

# The Nomination and Remuneration Committee Report

The Nomination and Remuneration Committee was appointed by the Board of Directors. The term of office is 3 years. The Nomination and Remuneration Committee consists of 3 Independent Directors and 2 Directors. The Independent Director is the Chairman. The Board of Directors assigned the Nomination and Remuneration Committee to be responsible for considering policies, criteria, and methods for the recruitment, appointment, assignment, allocation, nomination, and monetary or non-monetary remuneration for the Board of Directors, subcommittees, and the Chief Executive Officer. This included a review of the qualification requirements and the performance evaluation criteria as well as surveying the needs for skill and knowledge development of the Company directors, subcommittees, and the Chief Executive Officer.

- Considered the proposal of the directors' remuneration to the Board of Directors to be proposed to the Shareholders' Meeting for approval. Proposed the allocation of remuneration methods to the Board of Directors regarding the operating results, responsibilities, achievement of goals, overall economic conditions, and comparing it with other companies in the same industry.

- Considered the selection of suitable personnel for the Board of Directors to be proposed to the Shareholders' Meeting for the replacement of directors who retire by rotation by considering the qualifications, experience, knowledge, and ability to achieve the Company's guidelines and goals.

- Considered the nomination of committee members who are scheduled to retire by rotation to the Board of Directors. This included the Audit Committee, Corporate Governance and Sustainability Committee, Risk Management and Strategic Development Committee.

- Considered the performance evaluation guidelines for the Board of Directors and individual directors. Proposed the performance evaluation and the remuneration of the Chief Executive Officer to the Board of Directors.

- Considered and reviewed the qualifications, the Board Skill Matrix and surveyed the needs for knowledge and skill development of Company directors to enhance their potential to lead and develop the Company to sustainable growth.

- Followed up and considered the progress of a succession plan for the Chief Executive Officer and Senior Executives.

- Considered and proposed the policy regarding the Chief Executive Officer and Senior Executives holding directorships in other public companies to the Board of Directors.

All 5 members of the Nomination and Remuneration Committee attended the 3 meetings. The results of the meetings and the performance were reported to the Board of Directors for acknowledgment.

**Mr. Anake Pinvanichkul**  
Chairman of the Nomination  
and Remuneration Committee



# Risk Management and Strategy Development Committee Report

The committee consists of 1 Independent Director, 3 Executive Directors, and 1 Vice President who is the secretary of the committee. The term of the office is 3 years. The chairman of the committee is an independent director. The committee members are responsible for supervising, monitoring, reviewing, evaluating, and supporting the Company to have effective risk management and an effective management system in order to appropriately control risk and contribute to corporate strategy development to support business operations that create value and benefits for stakeholders toward sustainable growth.

In 2022, the committee held 2 meetings. The performance of duties can be summarized as follows:

## 1. Supervise Risk Management

The Risk Management and Strategic Development Committee reviewed the risk management policy and considered approving the 2022 revised version of the Enterprise Risk Management Manual to be used as a guideline for operational procedures, communication, and developing efficient work processes under appropriately controlled risks. This includes principles, strategies, risk management framework, structures, roles, duties, and responsibilities for those involved in risk management. This also includes the process for risk management in accordance with the Committee of Sponsoring Organizations of the Tread way Commission (COSO) (2017 Enterprise Risk Management – Integrated Framework). The Company has categorized enterprise risks into 6 categories: 1. Strategic Risk 2. Operational Risk 3. Financial Risk 4. Compliance Risk 5. ESG Risk and 6. Emerging Risk.

## 2. Consider and Monitor Enterprise Risk Management in 2022

The committee monitored the performance of business risk factors in all 6 areas from the management and the risk management working group who assessed risk factors that may have affected the business operations, the financial status, and

the operating results of the Company. In addition, work guidelines were developed to achieve efficiency under appropriately managed risks. This was reported in the topic of Risk Management and Risk Factors as well as the Driving Business for Sustainability / Sustainability Report under the topic of Risk Management. This includes providing suggestions and opinions for improvement, as well as evaluating and reviewing the risk management plans to ensure they are consistent with the volatile, uncertain, and increasingly complex business environment.

## 3. Promote and Support a Risk Management Culture and Corporate Strategy Development

The committee emphasizes the tone at the top to promote and instill corporate values that create a work culture that recognizes risk management. The Risk Management Team was established to be responsible for enterprise risk management in accordance with the risk management policy and corporate strategy development. This included the Risk Owner and the Risk Champion to represent the department in order to identify, evaluate and review corporate risks. This also included collecting risk information, risk management measures, and risk assessment results along with developing and creating effective operational methods for systematic risk management. This included building a risk management network or developing strategies with stakeholders by establishing communication principles to create an understanding of risk factors, requiring risk management and corporate strategy development as a part of the performance assessment, supporting communication channels, and networking to exchange knowledge and cooperating risk management. This also included communicating and reporting to the Board of Directors and subcommittees, to acknowledge the guidelines and the performance in risk management and corporate strategy development.

## 4. Consider and Monitor the Corporate Strategy Development Plan

The committee monitored the plan implementation of

the corporate goals and corporate strategy development guidelines to ensure that the Company's business direction was in accordance with the goals, whether short-term goals or goals for sustainable growth. The committee acknowledged and monitored the progress of the corporate development plan in 3 significant areas:

- Developing a working style to be an Agile Organization
- Developing to become a Data-Driven and Digital Transformation Company
- Continuously creating added value for products and services

5. Performance of Charter of Duties Approved by the Board of Directors.

In 2022, the committee performed the primary duties specified in the Charter as follows:

- Considered, reviewed, and improved the enterprise risk management policy. Acknowledged, suggested, and promoted risk management guidelines to ensure that they were efficient and appropriate for the business and sustainable growth.
- Promoted and encouraged the Company to study and layout business model development guidelines to create sustainable growth.
- Communicated with the Board of Directors and other subcommittees. Reported the performance to the Board of Directors for acknowledgment.
- All members of the committee attended the 2 meetings.

**Mr. Anake Pinvanichkul**

Chairman of the Risk Management  
and Strategy Development Committee

# Corporate Governance and Sustainability Committee Report

The Corporate Governance and Sustainability Committee consists of 1 independent director, 2 executive directors, 1 senior executive, and 1 executive who serves as the secretary to the Board of Directors. The independent director is the Chairman of the Board. The term of office is 3 years. The Board of Directors is responsible for supervising, supporting, monitoring, and evaluating the Company's operations in accordance with the good corporate governance principles for listed companies 2017 by the Office of the Securities and Exchange Commission (SEC). This includes business operations and sustainable development for stakeholders in economic, social, and environmental dimensions according to the United Nations Sustainable Development Goals (SDGs). The Company reviewed and communicated policies and practice guidelines through the subcommittees and the sustainable development working groups of the Company in all 7 aspects: 1) Corporate Governance 2) Economic and Risk Management 3) Social and Community Development 4) Environment and Safety 5) Labor and Human Rights 6) Innovation and Technology Development 7) Communication and Whistleblowing. This was done to ensure that the Company operates its business with responsibility, transparency, and fairness, as well as to build confidence among all stakeholders and promote sustainable growth.

The Corporate Governance and Sustainability Committee held two meetings in 2022. All directors were present and reported their performance to the Board of Directors for acknowledgment, as well as communicating with other subcommittees. The significance of the performance can be summarized as follows:

## Good Corporate Governance

The committee reviewed the business code of conduct, proposed code of conduct measures and best practices to the

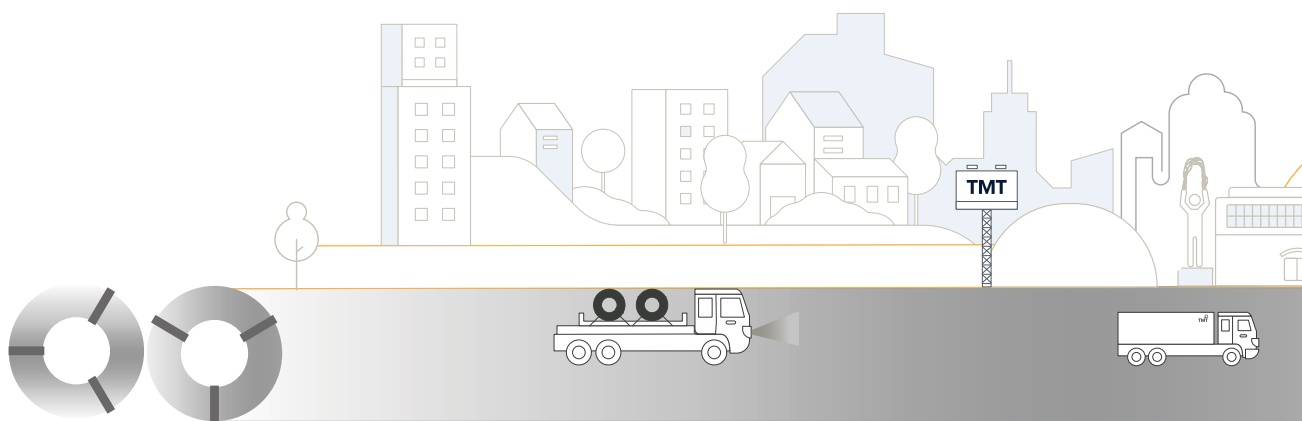
Board of Directors for approval, reviewed the good corporate governance principles annually to ensure that they are up-to-date and compliant with the SEC guidelines, reviewed the application of the CG Code to ensure that it is applicable to the business context. In addition, the Committee considered the policy regarding the Chief Executive Officer and Senior Executives holding directorship positions in other companies, which is part of the corporate governance policy. The Committee also considered the review of the securities trading policy of directors, executives, and employees, which the Board of Directors complied with good corporate governance guidelines, considered the acknowledgment and followed up on the performance of business code of conduct compliance, anti-Corruption policy, and no-gift policy. This year, the Company received an "excellent CG Scoring" or a 5-star rating for the second consecutive year from the Corporate Governance Report of Thai LISTED COMPANIES 2022 (CGR).

## Sustainable Development

The Board has approved the Sustainability Reporting Framework for 2022. This consists of sustainability policy, corporate value chain, stakeholder engagement, and significant sustainability issues to serve as a framework for operations, monitoring, and annual reporting. This includes all 3 dimensions of sustainability evaluation which are economic, social, and environmental dimensions. The Company has been selected to be listed on Thailand Sustainability Investment (THSI) for 2022 for the third consecutive year by the Stock Exchange of Thailand and was ranked in ESG100 companies for the seventh consecutive year. Moreover, the Company also received a Sustainability Disclosure Award for the third consecutive year from Thaipat Institute.

**Mrs. Ratanavalee Gorsanan**


Chairman of the Corporate Governance  
and Sustainability Committee



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