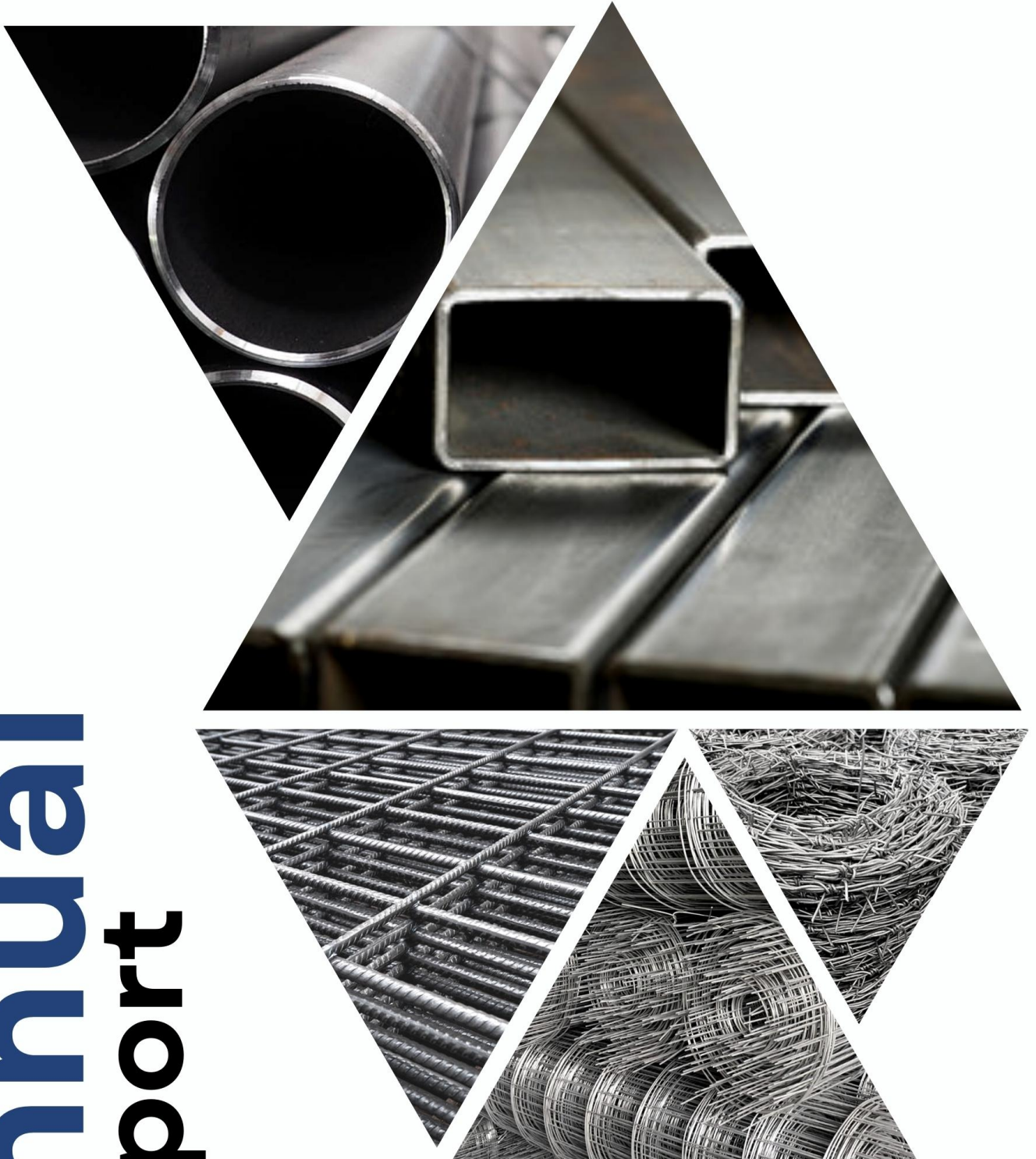




# รายงานประจำปี 2565

## แบบ 56-1 ONE REPORT

# Annual Report



บริษัท 2 เอส เมทัล จำกัด (มหาชน)  
2S Metal Public Company Limited

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## Message from the Board

It is well known that, in 2022, the global economy contracted due to the effects of the Russo-Ukrainian war which brought up the prices of consumer goods and oil. Many countries have faced high inflation and economic recession, although they were predicted to subside after the world started to adapt and cope with the COVID-19 situation. In addition, China, the world's largest steel producer and consumer, has implemented a zero-covid policy, resulting in a contraction in the steel industry due to lower demand for steel products. When combined with the Chinese entrepreneurs entering the steel business in Thailand which has a cost advantage over Thai players, it has caused domestic steel prices to decline since the beginning of the year and drop sharply by more than 20 percent in the middle of the year.

The company acknowledges the uncontrollable nature of the situation. Steel enterprises in the country mutually encountered the same situation. However, the company was still able to maintain the sales volume and earn more sales revenue than the previous year as a result of careful management of the cost of raw materials and steel products in the warehouse, strategic planning in import purchases to reduce risks arising from fluctuating steel prices while focusing on the highest production efficiency (Economy of Scale), good product delivery management to continuously keep up with the needs of customers, distribution channel expansion to sell products faster, and online

distribution channel development for customers for both business partners and general customers to have access to the products and services more conveniently and quickly.

In addition to generating profits, the company also places importance on conducting business with balance and responsibility to all stakeholders, from developing an efficient work process to taking care of the environment and the safety of employees and surrounding communities. The company has concrete sustainability management performance in economic, social, and environmental dimensions, including reducing electricity consumption and greenhouse gas emissions, efficiently using environmental resources, receiving a very good CGR rating for the third consecutive year, and being certified as a member of the Private Sector Collective Action Coalition Against Corruption (CAC), etc.

The Board of Directors, Management, and employees of the company and its subsidiaries are determined to improve their operations in all aspects to create value for businesses and industries in the country and to reciprocate all stakeholders for their trust in the company. Lastly, 2S would like to thank you for all the good support as always and sincerely hope to receive support from all parties in the coming years.



## Financial Highlights

<i>Consolidate (MB)</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Revenue form sales	5,603.00	6,520.80	6,708.90
Gross income	737.36	1,149.11	107.58
Net - income	410.20	738.05	-123.07
Total Assets	2,204.94	2,457.50	2,286.02
Total Liabilities	449.33	179.68	270.59
Shareholders' Equity	1,757.48	2,279.26	2,017.83
Issued and paid-up shares	500	550	550

<i>Financial Ratio</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Gross Profit Margin (%)	13.16	17.62	1.60
Net Profit Margin(%)	7.29	11.26	-1.82
Earning per Share (Baht)	0.91	1.47	-0.23
Dividend per share (Baht)	0.3611	0.57	0.20
Book Value per Share (Baht: Share)	3.90	4.56	3.66
Return on Asset (%)	24.78	39.74	-5.19
Return on Equity (%)	26.15	36.54	-5.69
Debt to Equity ratio (times)	0.26	0.08	0.13
Interest coverage ratio (times)	61.83	539.86	-212.64
Current Ratio (times)	3.66	12.74	6.88
Average collection period (Day)	20.34	17.88	18.82
Average Sale Period (Day)	60.51	73.43	48.58

<b>Statistics F/S Period</b> (As of Date)	31/12/20	31/12/21	31/12/22
P/E	6.53	3.92	n/a
P/BV	1.52	1.27	0.82
EV/EBITDA	5.56	2.51	-18.22
% Dividend Yield	4.20	8.14	6.67
Market Cap. (M. Baht)	2,677.49	2,624.99	1,649.99

### Business Goals

2S determined to be a leading steel business operator that can completely meet the needs of customers with variety of standard products, fast services and facilitate to achieve maximum customer satisfaction according to the Vision *"A Reliable Steel Supplier"*

**Vision :** "A Reliable Steel Supplier"

**Mission :**

1. To produce and procure a diversified and complete suit of steel products for the customers.
2. To develop effective logistics system to serve customers more conveniently, quickly and cost-effectively through cooperation with business partners.
3. To develop and encourage personnel to uphold morality, have high performance and be happy in the organization.

### Background

2S Metal Public Company was established in 1992 under the name of Southern Steel Company Limited with an initial registered capital of Baht 50 million to engage in production and distribution of steel products and trading of steel products as C-Channel, Pipe, Metal Sheet and Wire Mesh. The head office and plant are located in Songkhla a center of economic in the Southern region, also export to Malaysia neighboring countries as well.

In 1996, the Company started procurement for distribution business which are of the type cannot be produced by the Company such products as galvanized steel pipe, angle bar, H-beam, I-beam, channel, checkered plate, rolled steel, reinforcing bar, etc, to better fulfill customers' demand. Until 2006, the Company increased its registered capital to Bt. 85 million for invest in Neastern Steel Co., Ltd. ("NES") with 99.99% shareholding. Which engages in the same type of business as the Company. The plant is located in Nakhon Ratchasima Province. The objective is to expand manufacturing base and also customer base to the northeastern region.

As the business ongoing expansion, The company became a Public Company in 2008 and also increased its registered capital to Bt. 200 million by issuing common stocks offering to the public with the total of 60 million shares then became a listed company in the Market of Alternative Investment (MAI) of the Stock Exchange of Thailand on August 2009. and started its first trading day on 2 September 2009. Before change name from "Southern Steel" to 2S Metal Public Company in 2010.

With meaning to develop the business for serve convenient and economical to deliver the product more than production and trading the steel products. The Company set up Mega Trans and Logis Co., Ltd. on May of 2013 for handle the transportation each branch. At present, the registered share and paid-up was Bt. 30,000,000.

Year 2015, The Company expand to overseas business by starting from neighboring countries prior. Therefore, the Company invested to Grand Steel Pipe Co.,Ltd. Which is registered under the law of Lao PDR. with 90% shareholding before increased holding to 97.11% of registered share in year 2017

Year 2021, the Company moved to be the listed in SET with paid-up capital of 549,995,954 Baht at par value 1 Baht per share. These make the Company available for Institutional investors and business stability.

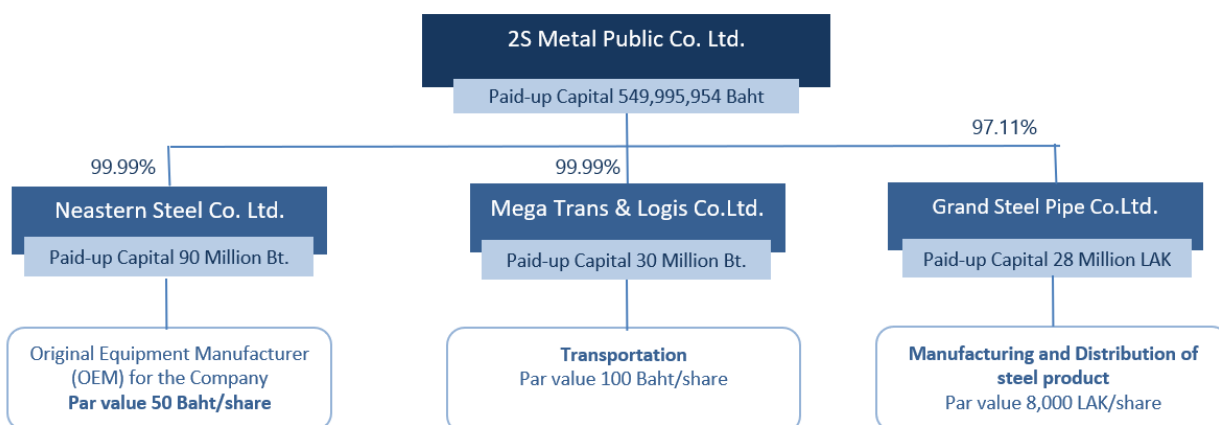
### Nature of Operation

2S is a big sole producer of formed steel in Southern region. Comprehensive production, distribution and transportation. The Company not only focuses on the variety of products and services but also has a mission to develop an efficient logistics system to meet the customer impressively.

At present, the Company have suitable locations of warehouse in different areas of the country, which is the potential for convenient transportation and cost savings in receiving and delivering goods in each region. Summary of operation of the Company and subsidiaries are follows;

- 2S Metal Public Company** the head office and plant are located in Bangklam District, Songkhla Province with the combined production capacity of all types of products of approximately 119,512 tons a year (excluding slitting coil). There are 4 warehouse following;
  - Hat-Yai warehouse, Bangklam District, Songkhla Province
  - Korat warehouse, Chaloem PhraKiat District, Nakhonratchasima Province
  - Bangkok warehouse, Phutthamonthon 3 rd., Bangkok and Phrapradeang, Samuthprakarn province.
  - Surathani warehouse, Mueng district, Surathani province.
- Neastern Steel Co., Ltd.** The Original equipment manufacturer (OEM) for the Company since 2010. Its head office and the plant located in Chaloem PhraKiat District, Nakhonratchasima Province with the combined production capacity of all types of products of approximately 180,000 tons a year (excluding slitting coil).
- Mega Trans and Logis Co., Ltd.** handling the transportation for the Company of those 4 zones each branch.
- Grand Steel Pipe Co., Ltd.** Producer of steel products and trading of steel Its head office and the plant located in Xiengkhouan Village, Hadsayfong, District, Vientiane Capital, Lao PDR. combined production capacity of all types of products of approximately 24,000 tons a year.

### Shareholding Structure



### Products and Service

The Company's business operations can be classified into manufacture and distribution of steel products and trading of steel products as following;

#### ❖ Formed steel Products

Products	size*	production capacity (tons/year)**	Raw Material	ลักษณะการใช้งาน
Steel Pipe round, square, rectangular,	≤ 4.0 inch thick 0.7-3.2 mm. length 5.0-7.0 m.	160,500	HRC, GI, MAZ	construction, furniture and automobile, water pipe, electric wire pipe, etc.
Steel Sheet	thick 1.2-9.0 mm width ≤ 5 ft length ≤ 20 inch	45,000	HRC	use for variety of industries, Constructure, floor slab, partition, ship structure, etc.
C - Channel Steel	size 2.5-6.0 inch thick 1.0-3.2 mm length ≤ 7.0 m	78,000	HRC, GI, MAZ	Suitable for ceiling and roof structure that not heavy weight, roof, supporting pole etc.
C-Line	thick 0.31-0.40 mm. length 4.0 m.	1,920		use for ceiling structure
steel purlin	thick 0.50-0.65 mm length 6.0 m	2,400	GI	Suitable for ceiling and roof structure – load bearing section
Wire Mesh and different types of wire	size 3.0 - 8.0 mm. width ≤ 3.5 m. length ≤ 7.0 m.	19,800	WR	reinforce concrete to prevent contraction road surfacing work
Crimped / chain link mesh	size 2.5-3.2 m. width ≤ 2.0 m. length ≤ 10 m.	5,020	WRG	railing, blocking perimeters or cages

HRC = Hot Rolled Coil

GI = Galvanized Steel

MAZ = Zinc-Aluminum Magnesium Coated Steel Coil

\* Details of each products size on [www.ss.co.th](http://www.ss.co.th)

\*\* Included its subsidiaries' capacity

WR = Wire Rod

WRG = Galvanized

#### ❖ Other formed steel Products

Furthermore above products, there are new products such as C Stud, C-line, galvanized Purlin, Stirrup which are suitable for make ceiling and roof structural. GI products will be preventing rust and no need to repaint.

#### ❖ Trading of Steel products

The Company also procure and then distribute other types of steel products. These include galvanized steel pipe, equal angle, H beam, I beam, channel steel, checkered plate, HRC, cold round bar, etc., or steel pipe, light lip channel and wire mesh, which are of the sizes cannot be produced by the Company. This could match up to various needs of the customers who are steel wholesalers, and customers in construction and furniture industries, thereby the products are used as structures of buildings, residences, factories or bridges

### Revenue Structure

Revenue structure classified by type of products for 3 years are as follows:

Type of Products	Consolidated					
	2020		2021		2022	
	M. Baht	%	M. Baht	%	M. Baht	%
Formed Steel products	3,766.65	67.23	4,310.36	66.10	4,261.45	63.52
Trading of Steel products	1,717.51	30.65	2,042.32	31.32	2,292.94	34.18
By-products <sup>1</sup>	118.86	2.12	168.13	2.58	154.57	2.30
Total revenues from Sales	5,603.02	100.00	6,520.81	100.00	6,708.96	100.00
Increase (Decrease)	206.75	3.69	917.79	14.07	188.15	2.89

**Remark :**

<sup>1</sup> By-products refer to B-grade and C-grade steel that have defects or have the length not up to the standards.

### Marketing and Competition

#### ❖ Marketing overview

2022 was a year in which the world faced an economic slowdown, even though many countries gradually recovered from the COVID-19 epidemic. This was mainly due to the Russo-Ukrainian war that erupted earlier this year and the lockdown of cities in China in response to Beijing's Zero-Covid policy. This caused a crisis in energy prices and disruptions in the supply chain which affected the steel industry in terms of price and demand.

World steel market prices in 2022 as a whole are considered shrinking compared to 2021. The prices peaked in March-April due to the concerns of war collaterals. After that, the prices gradually decreased to a stable rate. One factor contributing to this was the lockdown in China, the world's No. 1 steel producer and consumer, resulting in low domestic steel demand. Manufacturers, therefore, exported steel to sell at low prices. Similarly, Russia could not export to the European Union, so it turned to the Asian markets instead.

The steel situation in Thailand was in alignment with the world market. The consumption has contracted more than 10 percent compared to the previous year due to a high inflation rate and high energy prices, floodings in many areas, and inactive construction investment. However, the business still maintains a good relationship with all stakeholders while striving to continuously develop products and services to meet the needs of customers, take quality and variety of products into account, as well as delivering products quickly, providing convenient distribution channels for the highest customer satisfaction.

#### ❖ Characteristics of customers and target customers

Presently, the business has an important target group which is small to medium steel shops. Most of which are located in the Northeast and the South. The company aims to expand its customer base to cover more diverse areas to reduce the risk of relying on a small group of customers. The company's target customers can be classified into 3 main groups as follows:

Reseller Customers	Industrial Customers	Other Customers
Steel shops, general construction material shops, and modern trade group that purchases the company's products to distribute to other smaller stores or resell them to individual users, etc.	Factory group that purchases the company's products to process and produce into other products such as components for trailers, tricycles, and various agricultural equipment.	Construction customers and general retail customers who buy products through dealers for direct use, such as construction or renovation of residences.

### ❖ Competitive strategy

#### 1. High Quality and variety of Products

The company's ultimate goal is to be a supplier of quality steel and be trusted by customers. Therefore, the company develops and controls the production process to meet the standards of the Thai Industrial Standards Institute (TISI) and Made in Thailand (MiT). The company also provides services to source for steel products to sell with a variety of product types, sizes, thicknesses, or lengths, covering more than 5,000 items of steel products and more than 400 items of non-steel products for customers to buy according to their needs.

The list of raw materials and products that the company produces and procures for sale are all licensed to display with Thai Industrial Standards (TIS) certification. The company will issue product quality certificates to customers every time a standard product is sold. Thus, customers can trust and be confident that every product sold by the company has been certified by a nationally reliable organization. The list of product standards is as follows.

#### 3. Highest customer satisfaction service

The company has set its vision and mission that it is committed to developing products and services for the highest customer satisfaction. Nowadays, there are many manufacturers and distributors of steel products. Therefore, the company pays attention to good service providing and customer understanding. The characteristics of customers and target customers are clearly divided to provide services appropriately. The purpose is to retain customers in a long run. It is another way to

#### 2. Available and Quickly delivered products

The company has a flexible production plan and is prepared to adjust according to the demand for the products in each period. Because the business foresees that the availability of ready-to-deliver products is another important factor besides the quality and variety of products in consideration of customer purchases. Therefore, the company's production policy focuses on Made-to-Stock production. The relevant team will forecast demand for products and manage raw materials and production plans to secure sufficient inventory so when customers order, there are products ready for sale to respond to customer needs immediately.

In addition, the company also provides logistics services through its subsidiary, Mega Trans & Logis Co., Ltd., which is ready to deliver goods to the destination specified by the customers from the company's four warehouses located in key regions of the country, namely Songkhla, Surat Thani, Nakhon Ratchasima, and Bangkok. Therefore, the company can deliver goods to each branch quickly according to the needs of customers in no more than three days which is a competitive advantage for the company.

#### 4. 24-hour online service system

In addition to distribution channels for both wholesale and retail stores of over 1,000 locations nationwide, the company has been trying to adapt to the world where the internet plays a very important role in our daily lives by developing an online system for customers to access products and services more easily and quickly. The system is divided into [DConnect](#) system for business partners and [2sonline.net](#) system for general customers which facilitates

make the company different and increase competitiveness.

The company pays attention to details in the selection of qualified personnel. It is required of them to possess the ability to interact with customers, learn about customers and improve services for each customer group, and be ready to give advice and help solve problems that customers experience. In addition, the company also provides communication channels that help customers access products and services more easily and get quick replies whether by mobile phone or online, such as websites, emails, and social media. As customer service is never-ending, the company constantly improves its services and holds weekly customer service meetings to provide employees the opportunity to evaluate their own performance for further improvement. This is all for the company to gain customer trust and eventually increase brand loyalty.

both groups of customers to choose to view and purchase various products via online channels, check delivery status, and receive useful information about the company's products. This online system is available 24/7 every day.

In summary, the company will focus on the quality and variety of products, and provide good services to customers to create a competitive advantage rather than using a competitive pricing strategy to align with the slogan "Diversity, speed, honesty, sincerity". The company has the policy to price reasonably, using the demand and supply rule for the market situation at that time and forecasted demand and supply in the future to price appropriately to the market situation and remain competitive in the market.

### *Qualified Product (TISI Standards)*



#### **Mandatory Standards**

1. **Mor.Aor.Kor. 528-2560** (Quality level : HR1) Hot-rolled flat steel of commercial and drawing quality.
2. **Mor.Aor.Kor. 1479-2558** (Quality level : SS400) Hot- rolled flat steel for general structure
3. **มอก. 1227-2558** Hot- rolled flat structural steel sections
4. **มอก. 1228-2561** Cold forming structure steel section for general structure
5. **มอก. 20-2559** steel bar for reinforced concrete : round bars
6. **มอก. 24-2559** steel bar for reinforced concrete : deformed bars
7. **มอก. 95-2540** wires for prestressed concrete
8. **มอก. 348-2559** low carbon steel wire rods



#### **General Standards**

1. **มอก. 107-2561** Carbon steel tubes for general structure
2. **มอก. 737-2549** Welded fabric steel for the reinforce of concrete
3. **มอก. 747-2564** Cold-drawn steel wire for concrete reinforcement
4. **มอก. 943-2564** Cold-drawn deformed steel wire for concrete reinforcement
5. **มอก. 194-2535** Ordinary low carbon steel wires
6. **มอก. 71-2532** Galvanized wire
7. **มอก. 368-2562** Industrial protective helmet

## Production and Sources of Supply

At present, the Company and subsidiaries have the total capacities 347,000 tons/year and 5 plants and warehouses for storing finished goods and raw material (HRC) which are suitable locations for the efficient transportations.

### ❖ Warehouse

At present, the Company and its subsidiaries have Plant and warehouse in total at 5 zones are following;

Location	Type	Area
Songkhla Province (HQ)	Factory and Warehouse	3 Plants with approximately 39 rai and 40 square wa
Suratthanee province	Warehouse and Distribution	Apx. 3rai -0-84, 2 Buildings
Nakornratchaseema Province	Factory and Warehouse	Apx. 59rai -2-82, 5 Buildings
Bangkok	Warehouse and Distribution	Apx. 2rai -3-0, 2 Buildings
Vientiane Capital, Lao PDR.	Factory and Warehouse	Apx. 9rai -3-2, 2 Buildings

### ❖ Raw materials

The main raw materials used in production are divided into 2 groups;

1. Hot rolled steel and galvanized rolled steel for the production of C-channel steel pipes and cut-to-size steel sheet
2. Wire rod for the production of wire mesh sieve

The company purchases the mentioned types of steel from both domestic and foreign steel manufacturers and distributors, considering on the quality, delivery and reasonable price.

According to the raw material purchasing policy for production by 15-30 days. These can reduce the price fluctuates and quantity is enough for delivery to customers. The Company and two subsidiaries i.e. Neastern Steel Ltd. and Grand Industry Steel Processing Co., Ltd. would gather the order for higher volume purchasing which is better purchasing terms and conditions from Supplier.

### ❖ Production and Capacities

Manufacturing policy of the Company and the Subsidiary focus make to order production more inventory for distribution (Make to Stock) which Production division, Sales division and Marketing for good value on production and able to deliver products in time.

Year 2022, the Company and Neastern Steel Company Limited had an average capacity utilization rate of all types of machinery at 42.38% and 26.68% respectively. Calculate by the average of weight from all type of product, the actual production line depends on the product size and weight according to the order mainly which may less weigh than the machine capacity.

Grand Steel Industry Co., Ltd. (GSP) used actual production capacity of approximately 2,987 ton decreased by 74.48% when compare to year 2021. Due to the Economy situation of Lao PDR. was impacted from the Inflation, Currency, Fuel and also steel market price was quite fall according to the World economy. Hence, the Company and GSP had to carefully stock the raw material and produce product by Sale volume decreasing.

### On hand

As of 31 December 2022, there was no work that has not been delivered.

### Investment Promotion Privileges

#### 2S Metal Public Company Limited

\* In processing of issuing the Investment Promotion from Thailand Board of Investment for Solar Roof Project phase 2.

#### Neastern Steel Co., Ltd. (subsidiary)

1) Investment Promotion no. 2488(2)2557 was issued on August 25th 2014, under the Investment Promotion Act BE 2520, Section 25 26 28 31 34 35(3), 8-year entitled corporate income tax exemption for the net profit 100% of investment excluding land and working capital. According the income tax exempted under Section 31, Paragraphs 1 and 3, with a value not exceeding Baht 28.97 million for manufacturing of steel products by 31,200 tons/year which effectively February 29th 2016 until February 28th 2024.

2) In processing of issuing the Investment Promotion from Thailand Board of Investment for Solar Roof Project phase 2.

### *Risk Management Policy*

In order to achieve the goals, create added value and sustainability for the best interests of the company's stakeholders in accordance with the principles of good corporate governance, risk management is something that everyone in the organization needs to religiously cooperate and continue to do until it becomes the company's corporate culture. Any existing or remaining risks in place must be controlled and managed to be in an acceptable level while continuously improving risk management process at all time. The Board of Directors, therefore, determined risk management policies as follows:

1. Determined risk management as the responsibility of employees at all levels. All employees shall be aware of the risks involved in their operations and the organization and focus on risk management in various aspects to be at an appropriate and controllable level.
2. Assigned all departments to be responsible for risk assessment, indication, and prevention. All employees are responsible for determining preventive approaches to mitigate risks or losses that may occur, including regularly monitoring and evaluating risk management results, as well as continually reviewing and improving the risk management process as well as preparing risk reports in accordance with the operational framework and risk management procedures.
3. Determined risk management as part of the decision, strategic planning, and operations of the company.
4. When employees acknowledge risks that may affect the company, such risks must be reported to the relevant parties immediately for those parties to immediately manage those risks.
5. Promote and spread the knowledge and understanding of the company's risk management process and guidelines to all employees and executive of all levels in order to instill a habit for personnel at all levels to realize the importance of the issue and encourage them to participate in the company's risk management operations.

Executive Director, Managing Director, Executives, Internal Audit Department and all responsible parties together must assess risks annually to formulate corporate governance guidelines and prevent potential losses from happening. The company broadly classified risks according to stakeholder groups divided into 3 categories, namely economic, social and environmental groups as follows:

### **Strategic Risk**

#### **1. Raw material procurement**

Hot Rolled Coil (HRC) is an important raw material for the Company's steel processing. The main domestic producers are Sahaviriya Steel Industries PLC, G Steel PLC and GJ Steel. Due to the limitations of having only 3 manufacturers in the country, together with the production capability that may not be sufficient to meet the demand in the country, as well as the purchase of raw materials at the spot price, the company might be exposed to risks arising from the lack of raw materials in the country and price competition issues if the company is unable to procure raw materials from other sources to meet the demand.

However, the company has a policy of storing sufficient raw materials for the production of approximately 15-30 days and orders raw materials approximately 15-45 days in advance. With good and long relationship with the 3 raw material manufacturers, we have been sharing information which

has been useful in raw material warehouse management. As a result, the company has never encountered a shortage of raw materials.

#### **2. Price fluctuation in raw material**

The cost of HRC, the major raw material in the steel product manufacturing, Although the supply is procured domestically, HRC price fluctuates in line with the global demand-supply situation. Such price fluctuation will pose material impact on the revenues and gross profit margin, particularly if the Company cannot adjust its product selling prices in line with the higher raw material prices.

However, the Company has placed importance to managing such risk, with regular and consistent tracking of HRC price changes to predict HRC supply and price trends and ensure proper raw material and finished product management. This can relieve the impact from price fluctuation in raw material to a certain extent.

## Part 1 Business and Operational Result

### 3. Executives of the Company and the Subsidiary having close relatives engaged in similar businesses

The Company and the Subsidiary's executives, Mr. Sombat Leeswadtrakul has close relatives operating business relating to steel products in line with the family backgrounds, i. e. being directors and/or major shareholders of companies engaging in steel products, hence similar business to that of the Company and the Subsidiary and considered the competitors thereof which could lead to conflict of interest. However, the Company's market area is in another region which is not customer overlap and can maintain the advantage in term of transportation and convenience to taking care of customers.

Furthermore, The Company has Related transaction policy which the Board has delegated power and authority to Mr. Sangrungs Nitipawachon (Managing Director), who is not a close relative, to administer the business relating to steel products and authorized to approve the related transactions. Also The Company's shareholder structure comprises shareholders that are not related to or have influence on one another. And Board of Directors is composed of 10 members which have 5 independent directors. This can ensure balance of power and protection of maximum benefit to the Company.

### Financial Risk

#### 4. Risk from fluctuation of foreign exchange

Fluctuation of Exchange rate will affect to the Income and Expenses, as the Company export the raw material to GSP its subsidiary in LAO PDR. and import the raw material or machinery. Thus exposed to foreign exchange risk. In order to minimize such risk, the company utilizes financial hedging tools e.g. forward and option.

#### 5. Risk from Providing credits to customers

The company has trade account receivables from trade agreements in the form of trade credits. This may pose a risk if a trade account receivable fails to pay for the goods or fails to make the payment on time as agreed upon, regardless of the volatile quantity and price of goods sold, impacts of the economic recession, or the situation of the spread of COVID- 19, etc. This may affect the profitability and financial position of the company.

To minimize this risk, the company places great importance on the trade credit approval process, including strict credit terms that have to be in line with the purchase demand and the ability to pay for each customer who is in a reliable steel business. The company will request financial guarantees, such as bank guarantees, which must be approved in writing by the executives who have authority in such matters.

In 2022, the company had trade receivables in the amount of 328.15 million baht, a decrease of 9.7% from 2021 due to increased sales. The aforementioned risks did not significantly affect the company's liquidity. In addition, there is currently a program to support financial institutions in providing direct credit to customers who buy the company's products. This will reduce the company's credit risk burden.

### Operation Risk

#### 6. Human resource management risk

The labor market situation does not allow the company to be sure that it will have a sufficient database of candidates to be able to recruit employees promptly. In addition, losing skilled and competent employees is unpredictable and uncontrollable. To manage such risks, the company must constantly source new channels and analyze effective recruitment Channels to be able to recruit employees to match the desired target group. The company also emphasizes on arranging internal activities to foster good relationships and good attitudes between the company and employees.

#### 7. Information and communication technology risk

Nowadays, information technology is rapidly changing which encourages businesses to constantly adapt. Although the application of technology benefits and increases the ability to manage work in all sectors, it also increases potential risks. For example, underdeveloped software systems, data saving or setting errors, information leakages, backup and storage failures, and security theft and system disruption could severely affect both the business and all stakeholders.

The company, therefore, places importance on the development and training of personnel to be knowledgeable and up- to- date with emerging technologies to be able to plan, assess risks, set guidelines for risk prevention with efficiency and effectiveness, and reduce the impact of risks to an acceptable level.

### Compliance Risk

#### 8. Risk from the change in regulations, policies, guidelines in the countries where the Company has investments

In connection with the company's investment in Laos PDR, there may be risk of change in law, guidelines, regulation, policies of that country which is unavoidable e.g. laws on stamp duty, labor laws, environmental laws etc. Nevertheless, the company has already consulted legal counsel in Lao PDR to seek alternative in reducing the risk.

#### 9. Personal Data Protection Act (PDPA)

Stakeholders' personal information is a potential risk to the reputation, credibility, and legal status of the company. Because if the relevant agencies lack knowledge or are not competent in protecting information sufficiently, it will open up an opportunity for criminals or people with bad intentions to misuse such information.

Therefore, the company has implemented a Personal Data Protection Act (PDPA), communicated and trained all employees, and set practical measures for data controllers to be careful when using, storing, collecting, disclosing, or transferring data. The company has informed the stakeholders for acknowledgement and consent to record the data, from entering the company's website and applications developed by the company to data being collected in the job application process. The company specifies and limits the rights of persons who have access to information based on their positions and roles.

### Social and Environment Risk

#### 10. Internal control and fraud risk

Corruption for personal or collective benefits is one of the risks that the company has seriously and decisively tried to prevent through the enforcement of anti-corruption policies and guidelines, including communicating and training employees of the organization to be aware of the business ethics and strictly follow them. The Internal Audit Department is assigned to report the results of auditing compliance with guidelines and preventive measures of each department related to the government twice a year to the Audit Committee and the Board of Directors for acknowledgment.

In addition, the company regularly reviews the internal control system to ensure that the company has an appropriate and sufficient internal control system to control all operations to be by the goals, objectives, laws, and relevant requirements. The internal control system has to be capable of protecting assets from frauds and damages and preparing accurate and reliable reports.

#### 11. Emerging Risk

Presently, the changing global conditions are causing emerging risks such as changing weather conditions, natural disasters, air pollution, and cyber-attacks which may affect operations and can cause damage to the organization. As in the case of the COVID-19 epidemic, the company regularly monitors the situation and implements measures that are in line with the government, including setting up a special team to take care of employees, communicating with employees to be aware of the impact of the epidemic, and advising on infection prevention methods so that the business can continue to operate.

Therefore, the company must prepare for potential damages and act carefully against potential new risks in the future by regularly communicating risk issues to resource management personnel and regularly reviewing emerging risks without overlooking the possibilities so that they can think of measures to support and adapt quickly.

## Sustainability Management Policy

The company is committed to develop business and create knowledge to increase personnel's efficiency in the increasingly competitive business environment while generating maximum profits. The company also places emphasis on its responsibilities to those involved in all business sectors, both directly and indirectly, so that the operations are balanced in terms of economy, society and environment. The business operates in the way that all stakeholders are taken into consideration in both supply and demand side within the framework of sustainable development using the principles of good corporate governance as a guideline in formulating 3 different strategies and policies as follows:

1. Operate the business with the ultimate goal. Avoid focusing solely on generating profits but also creating mutual benefits for all stakeholders involved in a sustainable way.
2. Develop the community and maintain the environment. Use resources to their maximum capacity and value and participate in helping to drive and improve the quality of life of people in the communities wherever

the Company does business in to be able to grow sustainably while contributing to society at the same time.

3. Operate the business with sustainable development principles and make them a part of the company's normal business operations. Drive the country's economy through the company's profits.

The company encourages directors, executives and employees to comply with these policies to ensure that operations are consistent with and support its sustainable development goals and vision. The company has defined the principles of organizational management to be concrete and continuous which are divided into 6 guidelines as follows:

1. Innovation and technology development
2. Responsibility to consumer
3. Environment and safety
4. Human rights and labor
5. Participation in community and social development
6. Good corporate governance

## Impact Management on Stakeholders in the Business Value Chain

### Business Value Chain

The company has reviewed the management of stakeholder engagement in all aspects throughout the business process, including procurement of raw materials and products, production, sales, transportation, after sales and supporting activities. Assessment of impacts and influences have been conducted to identify issues that stakeholders focused on and use it as a guideline for creating and developing processes to respond to those issues.

### Business Chain Stakeholder Analysis

Stakeholder	Operation	Expectation	Response
Customer	<ul style="list-style-type: none"> <li>• Customer satisfaction and customer service</li> <li>• Visit customers and participate in customer activities</li> <li>• Create communication channels for customers</li> </ul>	<ul style="list-style-type: none"> <li>• Quality of products, prices and services from the company</li> <li>• Convenience to contact for help.</li> <li>• Product knowledge for correct use</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver quality products and on time</li> <li>• Develop products to meet expectations</li> <li>• Participate in activities and listen to the needs of customers</li> <li>• Communicate product information and company's news via Facebook and Line</li> </ul>

## ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

Stakeholder	Operation	Expectation	Response
Employee	<ul style="list-style-type: none"> <li>• There is a channel for receiving suggestions, opinions or complaints</li> <li>• Organize trainings to develop potential of work</li> <li>• Set compensation fairly and appropriately to the responsibilities</li> <li>• Employee satisfaction survey and Employee Engagement</li> <li>• 2S chat community; communication channels that are beneficial to everyone in the organization</li> </ul>	<ul style="list-style-type: none"> <li>• Get access to programs for career advancement</li> <li>• Receive fair compensation and welfare</li> <li>• Good and safe working environment</li> <li>• Educate and share useful information for dairy life and build relationships among personnel in the organization</li> </ul>	<ul style="list-style-type: none"> <li>• Improve the workplace to have a clean and safe working environment</li> <li>• Organize training courses to develop skills and knowledge</li> <li>• Evaluation of performance and consideration for compensation according to it</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>• Annual Shareholders' Meeting</li> <li>• Preparation of annual reports</li> <li>• Investor meeting activities</li> <li>• Access to information and disclosure of information through the stock market</li> </ul>	<ul style="list-style-type: none"> <li>• Generating good returns</li> <li>• Equitable treatment of shareholders</li> <li>• Transparency in business operations and good governance</li> <li>• Operations with social and environmental responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate payment of dividends to shareholders</li> <li>• Organizational management and development for sustainable growth</li> <li>• Disclosure of information through the company website</li> <li>• Provide a channel for inquiries via investor relations email</li> <li>• Member of the Thai Private Sector Anti-Corruption Program (CAC)</li> </ul>
Partners	<ul style="list-style-type: none"> <li>• Opportunity to visit the production process</li> <li>• Provide communication channels and accurate and clear information</li> <li>• Strictly comply with the terms and conditions of the commercial contracts</li> <li>• Participate in the company, partnering companies and social activities</li> </ul>	<ul style="list-style-type: none"> <li>• Work in cooperation and grow together</li> <li>• Conduct business with honesty</li> <li>• Procurement system that is transparent and verifiable</li> </ul>	<ul style="list-style-type: none"> <li>• Policy and procurement practice manual</li> <li>• Determine returns that are suitable for quality</li> <li>• Pay within the specified period</li> <li>• Communicate anti-corruption policies</li> </ul>
Competitor	<ul style="list-style-type: none"> <li>• Meetings on the right occasions</li> <li>• Exchange opinions and avoid searching for information to take advantage or information that is unfair</li> </ul>	<ul style="list-style-type: none"> <li>• Organize training to develop work potential</li> </ul>	<ul style="list-style-type: none"> <li>• Do not seek confidential information of competitors</li> <li>• Do not damage the reputation of competitors by slandering or attacking</li> <li>• Have a code of ethics to conduct business with transparency</li> </ul>
Community, society and environment	<ul style="list-style-type: none"> <li>• Visit the community to exchange opinions</li> <li>• Support community and public activities</li> <li>• Promote learning skills and improve the living around the community</li> </ul>	<ul style="list-style-type: none"> <li>• Operate business in the way that does not affect the community and the environment</li> <li>• Support community and public activities</li> <li>• Promote learning skills and improve the living around the community</li> </ul>	<ul style="list-style-type: none"> <li>• Control the quality of the environment in accordance with the standards prescribed by the law</li> <li>• Promote the activities of educational institutions to develop students, grant factory visits and donate equipment to promote learning</li> <li>• Public benefit programs such as blood donations, donating items</li> </ul>

## ส่วนที่ 1 การประกอบธุรกิจและผลการดำเนินงาน

Stakeholder	Operation	Expectation	Response
Public sector	<ul style="list-style-type: none"> <li>Follow up on government policy news</li> <li>Participate in activities or support projects that create common interests</li> </ul>	<ul style="list-style-type: none"> <li>Comply with the rules and regulations of the agencies in contact</li> </ul>	<ul style="list-style-type: none"> <li>to the disabled, the blind or nursing homes</li> <li>Comply with the law on tax management</li> <li>Correct and complete Information</li> <li>Continue to cooperate in social activities of the public sector</li> </ul>

### Important Achievements in Sustainability

Good CG	Economy	Social	Environmental
<p>Very Good CGR score for 3 consecutive years.</p> <p>Obtained extended membership in Thai Private Sector: Collective Action Against Corruption (CAC)</p>	<p>Profited more from business operations for 4 consecutive years</p> <p>SET Awards 2022 'Outstanding Company Performance Awards' and CEO Awards 2022</p> <p>Developed a sales system where customers can access real-time information and order products more easily.</p>	<p>Develop channels to connect relationships of employee in the organization</p> <p>No labor disputes or issues of human rights violations.</p> <p>Employee happiness is at level 5, representing 36.9%, and level 4, representing 43.33%.</p> <p>More than 90% Customer satisfaction</p>	<p>Saved electricity consumption of more than 27,600 units while increasing production capacity</p> <p>Reduced greenhouse gas emissions by using solar energy of more than 1,105 TonCO<sub>2</sub>-eq.</p>

### Environmental Sustainability Management Policy

Although the company operates in the steel processing industry, the company's environmental management approach is not only limited to minimizing the impact of the business, but also promoting and creating value for the surrounding communities and businesses as well.

The company has guidelines to determine concrete environmental plans by emphasizing on coexistence with the communities, supporting the Sustainable Development Goals (SDGs), and following guidelines to reduce greenhouse gas emissions and access to the communities' energy. However, presently, the company has been continuously promoting energy conservation and energy saving by starting from the employees, such as saving water, saving electricity, reducing the use of paper, and planning logistics which helps reduce the use of water, fuel, etc. The company has never had any environmental disputes.

The company has set up a Safety and Occupational Health Committee and set up a risk assessment and management system to monitor its operation. The company's environmental management goals can be divided into 4 groups as follows:

- Use natural energy (Saving)** To reduce electricity consumption, use solar energy as renewable energy from Solar PV Rooftops in the production process and as light sources in work areas.
- Select efficient equipment (Effective)** To select equipment and machinery with high efficiency, increase the quality and quantity of production, and utilize energy for long-term value.

## Part 1 Business and Operational Results

3. **Improve machinery (Improvement)** To improve machinery for production efficiency, reduce energy consumption, and ensure greater productivity.
4. **Fix weaknesses (Zero Loss)** Fix energy leakage points for the most efficient use of energy such as turning off devices when not in use and repairing power leakage points.

### Energy and Resource Management

The Company and Subsidiaries	Year 2022	Year 2021
<b>Electricity consumption</b>	6,427,460 units	6,455,060 units
<b>Water consumption</b>	12,163,000 liters	10,523,000 liters
<b>Oil and fuel consumption</b>		
* Diesel (liter)	1,257,258.94 liters	1,162,183.15 liters
* Benzene	-	-
* LPG gas	32,256 kg	19,392 kg
* Anti-rust oil	93,800 liters	80,800 liters

### Greenhouse Gas Management

In 2022, 2S Metal Public Company Limited generated greenhouse gas emissions of 4,380 TonCO<sub>2</sub>eq from operational activities which can be divided into 3 categories:

**Category 1:** Direct Emissions of 51 TonCO<sub>2</sub>eq, representing 1.16%, caused by activities within the organization such as the combustion of machinery in the production process, fuel use for corporate-owned vehicles, chemical use in wastewater treatment, leakage, etc.

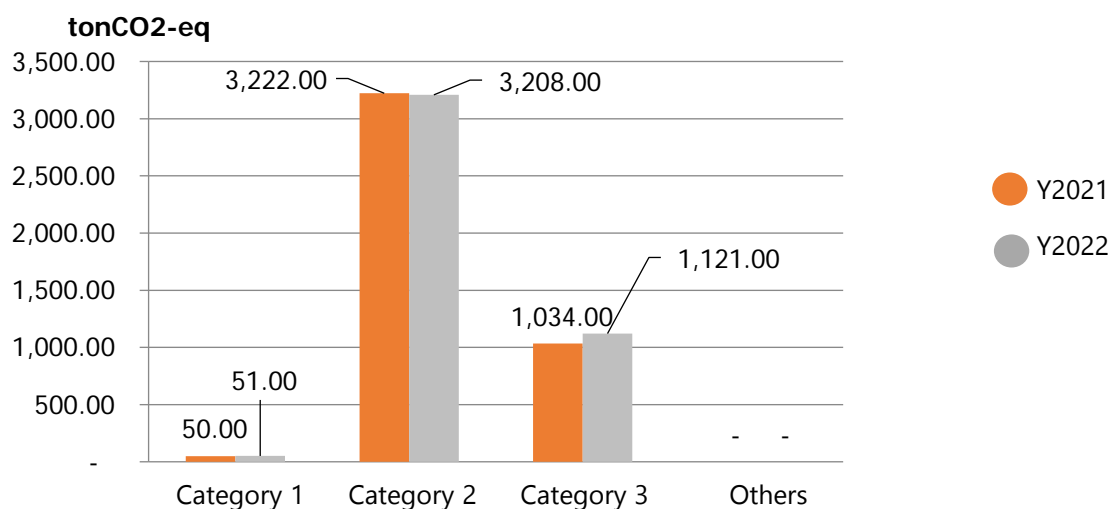
**Category 2:** Energy Indirect Emission of 3,208 TonCO<sub>2</sub>eq, representing 73.24% of energy purchases for use in the organization such as electricity and thermal energy.

**Category 3:** Other Indirect Emissions of 1,121 TonCO<sub>2</sub>eq, representing 25.56% caused by indirect activities in which the company is involved, such as the transportation of goods, waste disposal, travel of employees by vehicles that are not owned by the company, etc.

\* The Figures on the amount of greenhouse gas emissions above have been verified and the verification and certification document has not been submitted to the Thailand Greenhouse Gas Management Organization (TGO).

## Part 1 Business and Operational Results

### Comparison the Carbon footprint usage Y2021 vs Y2022



Year 2022 Performance	Target	Plan and Strategy
<ol style="list-style-type: none"> <li>Solar energy can produce and use a total of 2,216,000 kWh of electricity, reducing greenhouse gas emissions by 1,105.78 TonCO2-eq.</li> <li>3,420 Perennial plants in the factory area reduce greenhouse gas emissions by 34.20 tonCO2-eq per year.</li> </ol>	<p>Monitor and reduce greenhouse gas emissions in the operational process by at least 5 percent in the next 5 years.</p>	<ol style="list-style-type: none"> <li>In 2023, the installation of solar cells phase 2 at both plants has a total capacity of up to 1,500 kWh, which will reduce greenhouse gas emissions by 0.607 TonCO2-eq per hour of electricity generation.</li> <li>Plant roughly 70 perennial trees (1 rai) will help reduce carbon emissions by 700 kilograms per year.</li> </ol>

### Other Environmental Operations in 2022

#### 1. Water pollution management

The company uses a water recirculation system, which means running water through the production process to cool it down with air and reuse it. When required to discharge into the environment, The pH of the water will be checked by an outsourced company first. There will be a detailed record of the sources of water pollution and a treatment report before cleaning the coolant ponds and cooling towers. The wastewater will then be transferred to Better World Green Public Company Limited for further treatment.

#### 2. Production waste management

The company divides waste from production into 2 types: waste to add value, such as steel scraps, which will be sold to buyers; and waste to be disposed of, in which the company will proceed to request permission to send to a company that has been authorized by the Department of Industrial Works for further disposal. In the year 2022, the company requested to remove waste from production totaling 10,160 kilograms.

#### 3. Noise pollution management

The noise from the operation of machinery that leaks outside the company is at 64.1 dBA, which is not higher than the standard which is set at 70 dBA and does not affect the communities around the factory. For the health and safety of employees, the company provides hearing protection equipment such as earmuffs and earplugs for production line employees to wear throughout the working period. Noise level indicator signs are displayed in the factory area where the noise exceeds the standard rate.

### 4. Air pollution management

The company has installed a smoke treatment system to treat the smoke generated from the combustion of machinery and regularly checks the condition of the company's trucks. The air quality around the facility is monitored and measured by an external company, with the result of 0.024 mg/m<sup>3</sup> from the standard value of 0.12 mg/m<sup>3</sup>, which is not higher than the set standard.

### Social and Community Policy and Practice

The company recognizes that society and environment are essential for sustainable development in the future. The company intends to apply the criteria and framework for reporting information on social and environmental responsibility to stakeholders according to 8 principles to adjust and practice in management. The goal of the action is for the organization to coexist with the community and society peacefully and to enhance their progress at the same time by defining guidelines for joint practice as follows:

1. Conduct business with honesty, transparency and accountability. Focusing on the growth of the company's group while improving the quality of life of employees, communities and society.
2. Operate business by placing importance on the corporate governance under the framework of ethical management, especially
3. Conduct business with respect for human rights. Do not take advantages of employees and treat them equally and fairly.
4. Place importance on personnel development training for employees to develop and grow in their line of work appropriately.
5. Develop service and technology to be modern and continually beneficial to employees, customers, partners and society.
6. Support activities and projects that lead to community and society development in education, labor and community potential, including helping to alleviate the suffering of disaster victims.

### Operation and Report

The company prepares reports according to the Stock Exchange of Thailand's social responsibility report preparation guidelines to demonstrate the company and its subsidiaries' principles and guidelines for all stakeholders and to improve all aspects that could lead to sustainability and growth. The company has compiled the information disclose to shareholders and investors for acknowledgement and understanding of the company's responsibilities all dimensions, including economic, social and environmental dimensions according to the following policies and guidelines.

### Employee and Labor Treatment

1. Respect for human rights

The Company has set employee regulations under the principle of respect for basic human rights according to international standards, without discrimination as regards birth place, race, religion, sex, age, skin color, disability, status, educational institute, or any other status not related directly to the work performance, including also respect for individuals and human dignity, as part of business ethics toward stakeholders. So far, the Company has had no record of being complained of violating human rights.

Employment Info. (as 31 December 2022)	The Company and branches		Subsidiaries*	
	Male	Female	Male	Female
No. of employee	210	100	262	27
Operation class	196	96	259	23
Executive Class	4	4	3	4
No. of Resigned	55	25	68	-

\* Subsidiaries are Neastern Steel, Mega Trans and Logis, Grand Steel Pipe.

## Part 1 Business and Operational Results

### 2. Fair treatment of labor

The company is always aware that all employees are invaluable resources of the Company. It is one of the factors of success in achieving the goals of the company. Therefore, the recruitment and hiring process are priority points which have to concern and providing of fair treatment in terms of opportunities, compensation, appointment, transferring together with providing plan of skill development and also determining the safety and hygiene in workplace.

#### - Wage, compensation and other benefits

The company takes motivations of employees into account, lets employees work to the best of their ability and treats them fairly in any occasions. The employees are treated according to legal requirements and a standardized system of practice. Assessment and analysis of the value of the work has been conducted to ensure it is up-to-date, appropriate to the level of duties and responsibilities, consistent with business operations and is at a competitive level or suitable to the rate of compensation of other companies in the same business.

Furthermore the wage or compensation such employee would be received, the Company and its subsidiaries have set up a registered provident fund as welfare for employees to perform the stability when retired work. In 2022, there are employee applied to the provident fund in total 200 persons with amount of contribution at Bt. 1.58 million.

#### - Potential Development

The company has set a personnel development plan through annual training courses for its employees and its subsidiaries so that employees can utilize their knowledge in their line of work for higher efficiency. In 2022, the company organized 36 training courses in the form of self-learning, external training, and internal training for employees of the company and its subsidiaries. The average time spent on training was 7 hours per person per year which was divided into:

- \* 7 basic knowledge courses, averaged to 9 hours per person per year
- \* 25 knowledge and understanding of work courses, averaged to 6 hours per person per year.
- \* 4 skill improvement courses, averaged to 7 hours per person per year.

#### - Safety and hygiene in workplace

The company cares about life and health of all employees. Thus, exercise activities in the morning before work have been organized for employee's good health and their readiness to work. Because the company's main line of work is related to machinery, the company has organized a division to manage safety and working environment so that employees are safe at work and comfortable in good hygiene in the working environment, exceeding the standards required by the law.

Occupational Health and Safety policies were set and issued since October 2014 as a chapter on the topic of trainings that all employees must learn as the company's production line is mostly related to machinery work.

#### Occupational Safety Statistics (The Company / Subsidiaries)

	Unit	2022	2021	2020
No. of work accidents	Times	9 / 13	14 / 9	18 / 27
No. of stop working	Person	8 / 7	14 / 4	12 / 21
No. of deaths from work	Person	-	-	-
No. of days of absence	< 3 days	4 / 5	6 / 5	8 / 11
	> 3 days	3 / 2	8 / 4	4 / 10

## Part 1 Business and Operational Results

### *policy of Occupational Health and Safety*

2S Metal Co.,Ltd produced and distributed metal products with Occupational Health and Safety management system which was critical to the business and that led the company to implement policies as follows:

1. Commit to improve and innovate management system with regard to Occupational Health and Safety in workplace in accordance with the legal requirements laws of Thailand including international laws and other related requirements.
2. Inform all employees about the importance of work. Prioritize safety especially personal safety and fire incidents.
3. Review and improve workplace, machinery, tools, and equipment to protect personal safety to be available to use at full capacity at all time.
4. Inform all employees of all levels and sectors to follow the safety rules established by the company
5. Support human resources in appropriate manners suitable with the nature of their work in regard of the Occupational Health and Safety principle. Aim to develop the company's human resources with knowledge and build ethical foundation in term of health and safety, and work environment.
6. The company places importance on safety at top priority in overall performance assessment. The Directors of all levels are responsible to supervise and support safe operation and efficient performance. All employees should also fully cooperate in operating safety principles.

*Dated 15 October 2014*

In addition, with concern for the health of the employees, the company has arranged an annual health check-up, measuring body mass index, fat, cholesterol, complete blood count, kidney function, liver function, etc., to set an example for employees to take care of themselves, look out for various diseases, and emphasize self-care for employees with health problems. The company also organized occupational health examinations to monitor for diseases caused by work such as hearing and vision health.

For good hygiene and surveillance of the epidemic such as the COVID-19 Virus, the company prepared body temperature measurement points and hand sanitizers in all work areas. COVID-19 screening has been conducted continuously and regularly, together with vaccination services provided by government agencies for both regular injections and booster injections.

In this regard, the company arranged meetings and communicated with employees to be aware of self-protection. The company also provided consulting, recommending, and following up services for general employees, quarantined employees, and recovering employees, as well as coordinating with the District Public Health to provide advice and inspection for the location and preventive measures of the company to build confidence among the employees and communities.



## Part 1 Business and Operational Results



Substance abuse is another issue that the company is committed to preventing employees from getting involved by establishing a White Factory Project. The company's employees will be asked for cooperation to participate in unannounced urine tests. The goal is to have a 100% rate of screened employees by coordinating with local hospitals and the district administrative office to inspect and educate the staff.

In addition to the health care of employees, the company organized relationship-building activities to encourage employee participation in the organization and promote good relationships between personnel and the company to keep employees happy and productive, like the motto "Happy People, Successful Work". This will create positive attitudes toward the organization and benefit the company's productivity, service, and image. One example of relationship-building activities is Sports Day.



- Graduation Days: congratulate employees who received their degrees from educational institutions.
- Game Days: play games and quizzes on various occasions such as International Anti-Corruption Day, Buddhist Lent Day, etc.
- Baby Welcoming Days: gift and provide welfare benefits for employees who gave birth.
- Morning Days: express condolences for the death of employees' family members.



In addition, the company has conducted an employee engagement Survey, known as "Employee Happiness", in which the company used a questionnaire openly for employees to express their opinions without their personal details being collected. The result from the data collection is that 43.33% of employees are happy at level 4, and 36.9% of employees are happy at level 5. The company has shared the survey result with the employees and their valuable suggestions will be analyzed and presented to the management team to continuously improve. Actions taken from the survey results will be communicated to employees for continuous improvement.

### Responsibility to Customer

In 2022, the company created a customer satisfaction survey program through a convenient and fast application where customers can click to answer the survey every time after receiving the product. 99.67 percent of the respondents were satisfied with the products and services. As for the recommendations from customers, the most expressed were the condition of the goods received and the delivery.

In addition, the company has established several channels to spread news and information so that customers can have access to product information and useful news about business and safety information about steel products. There is also a channel provided for customers to easily report complaints to the company.

## Company's Performance

In 2022, the Company had loss profit of 123.07 million Baht, which decreased by 116.68% when compared to the 2021. Due to the Cost of Sales and Selling Expenses were increasing.

### Total Revenue from Sales

The total revenue from sales in 2022 amounted to 6,708.97 million baht, an increase of 2.89%, while sales volume increased by 4.72%. At the same time, steel prices dropped, especially in the third quarter, which fell sharply by more than 20%. The company's sales revenue came from 2 main businesses: namely the steel product processing business at approximately 65.0%; and the steel product procurement and distribution business at approximately 35.0%.

### Cost of Sales

In 2022, the Company had total Cost of Sales of 6,601.39 Million Baht, or 98.40% of Sales revenue, increased at rate of 22.89% when compared to the year 2021. Due to the condition of steel prices falling rapidly causing the price of raw materials and inventory to be higher than the selling price in the market at that time. Throughout the year 2022, the company set net realizable value in the amount of 14.82 million Baht.

The cost of goods sold can be divided into cost of sales incurred from steel processing, accounted for approximately 65 - 70%, most of which was the cost of raw materials which include hot-rolled coils, which fluctuate in line with global steel prices and other costs of sales such as transportation costs for raw materials, direct labor costs, production costs, etc. While The cost of sales from the business of procuring steel products for distribution accounts for about 25-30% of the total cost of sales. Increases or decreases occurred were the result of the vary in the value of steel products that the company sells.

## Financial position

### Asset

The company has total assets of 2,286.02 million baht, a decrease of 6.98 percent compared to the end of 2021. The assets are divided into current assets and non-current assets. The current assets amounted to 1,617.85 million baht, representing 70.77 percent of total assets, consisting of inventory of 652.00 million baht and trade accounts receivable of 328.16 million baht, representing a ratio of 28.52% and 14.36% of total

### Gross Profit

The company had a gross profit of 107.58 million Baht, representing a gross profit margin of 1.60% from total sales, decrease from the year 2021 with a gross profit margin of 17.62%, as a result of a decrease in the costs of raw materials used in production being higher than the average selling price in the market resulting in the profit increase.

### Operating Cost

The company's main costs of sales are related to transportation, fuel, and promotional expenses. The company's costs of sales amounted to 147.41 million Baht or 15.64% increasing, due to increasing in sales volume and fuel for transportation.

The administrative expenses amounted to 107.36 million baht, decreased from the year 2021 by 0.49 million Baht, proportioning to revenue from sales of 1.60% which consisted of employees' salary, directors' remuneration, bonuses and employees' benefits ( According to Accounting Standard No. 19), including the provision for doubtful accounts.

The Loss on foreign exchange amounted to 20.23 million Baht, representing a ratio of 0.30% to sales revenue, which was caused by the currency exchange of a subsidiary in Lao PDR to pay debts and pay for goods to the company.

### Cost of Finance - Interest Expense

The company had interest expenses of 0.58 million Baht, a decrease of 66.28% from the year 2021 due to the repayment of loans from financial institutions and loaning from financial institutions to use as working capital for the business during the period.

assets. The deposits for payment of goods amounted to 19.51 million baht, an increase of 4,334.09%.

As for non-current assets, they amounted to 668.17 million baht, a decrease of 41.74 million Baht from 2021, which was a increase of the property, building and equipment.

Therefore, the return on assets in 2022 was -5.19%, an decrease from the year 2021 with a 31.66% return on assets.

## Inventory

The company had net inventory of 652.0 million Baht, an decrease of 41.0% from the year 2021. The company kept inventories in the form of raw materials, finished goods and goods in process.

From the steel price situation in 2022, there was an decrease in steel prices during this year. As a result, the cost of goods was higher than the net realizable value at the end of 2022, an increase of 14.82 million baht ( see more details in the topic "Loss from cost of goods being higher than received value" ) with an average sales period of approximately 34 days. Considering all directions, the company set policies on inventory management to operate and correspond to sales volume effectively while keeping full consideration on product price adjustments and amount of customer demand combined.

## Account Receivable and Note Receivable - Net

In 2022, the company had accounts receivable of 328.16 million Baht, representing a ratio of accounts receivable to total assets of 14.36%. In 2022, there was an decrease of 35.40 million Baht in accounts receivable, or an increase of 9.74% compared to the end of 2021, and the provision for doubtful accounts has decreased compared to 2021.

For sales policies and customer credits, the company has policies in considering credit terms for each customer. In the case of a new customer, the company will only receive payment in cash. Granting short-term credit and further credit extension (credit period of 7-60 days) will be considered after multiple deals are made with the customer.

	2020		2021		2022	
	Million Bt.	%	Million Bt.	%	Million Bt.	%
Trade AR - general customers						
Not yet due	236.54	80.45%	290.68	76.63%	289.52	84.35%
Less than 3 months	37.58	12.78%	68.01	17.93%	33.26	9.69%
3 - 6 months	1.14	0.39%	1.33	0.35%	0.93	0.27%
6 - 12 months	3.78	1.29%	3.89	1.03%	1.38	0.40%
Over 12 months	15.02	5.11%	15.48	4.08%	18.19	5.30%
<b>Total</b>	<b>294.06</b>	<b>100.00%</b>	<b>379.39</b>	<b>100.00%</b>	<b>343.28</b>	<b>100.00%</b>
Less Allowance for doubtful accounts	(18.68)	(6.35%)	(15.84)	(4.18%)	(15.13)	(4.41%)
<b>Trade AR - general customers and related companies - net</b>	<b>275.38</b>	<b>93.65%</b>	<b>363.55</b>	<b>95.82%</b>	<b>328.15</b>	<b>95.59%</b>

2022, The Company has criteria in place to analysis Ageing of trade accounts and assessment to be done by the Managers of Accounting Department and Marketing Department and proposed to Managing Director for approval before setting allowance for doubtful accounts. Criteria for setting allowance for doubtful accounts consist of:

1. Trade accounts with over 4 months up to 6 months overdue receivables, who are still contactable and show intention to pay, will be monitored closely and sales may be suspended temporarily probably together with other acceleration measures to be taken. However, if there is a tendency that the debt may not be collected in full, 25% of total

overdue debt value will be set aside as allowance. In case of accounts that cannot be contacted, legal actions will be taken and 50% of total overdue debt value will be set aside as allowance for doubtful accounts.

2. In case of trade accounts with over 6 months up to 1 year of overdue receivables, who are still contactable and show intention to pay, 50% of the total overdue debt value will be set aside as allowance for doubtful accounts. However, if there is a tendency that the customers cannot be reached, or show intention to avoid payment, or are under prosecution and possibly be unable to pay the debt in full, 75% of the total overdue debt value will be set aside as allowance for

doubtful accounts. In the worst case, if the debt could possibly be completely uncollectable, 100% allowance will be set aside.

### Property, Plants and Equipment

Property, building, and equipment - net at the end of 2022 amounted to 639.05 million baht, an increase of 45.92 million baht from 2021, or a decrease of 7.74 percent from the investment in building warehouses, machinery, and investment in installing more solar energy for the company and its subsidiaries.

### Debt

At the end of 2022, the company had total liabilities of 270.59 million Baht, comprising of current liabilities of 235.31 million Baht and non-current liabilities of 35.28 million baht. The total

3. In all cases of trade accounts with over 1 year of overdue receivables, 100% allowance will be set aside.

liabilities in 2022 increased by 90.91 million Baht or 50.6% when compared to the end of 2021 which was mainly due to repayment of loans from financial institutions and payment of accounts payable.

### Equity

At the end of 2022, the company held equity of 2,015.43 million Baht, or approximately 88.17% of total assets. When considering return on equity, it was found that, in 2022, the rate was 5.73%, which went according to the company's net profit in each period and the factors mentioned above.

### Liquidity

In 2022, the company has net cash from operating activities of 322.48 million Baht from the net loss before corporate income tax of 123.70 million Baht and adjusted net profit to cash received (paid) from operations. This was mainly adjusted from the impact of depreciation of 50.08 million Baht, resulting in operating profit before changes in operating assets and liabilities amounted to -77.57 million Baht and changes in operating assets and liabilities which consisted of an decrease in accounts receivable of 36.12 million Baht, a increase in deposits for goods payment of 19.07 million Baht, a decrease in cash received from operating activities with existing inventories of 456.29 million Baht, interest expenses and corporate income tax of 0.56 million Baht and 64.86 million Baht, respectively.

Meanwhile, the company had net cash from investing activities of 90.33 million Baht and net cash used from financing activities of 13.52 million Baht, which was due to the repayment of

loans from financial institutions of 150.04 million Baht and dividend payment of 135.0 million Baht. This resulted in an increase in cash and cash equivalents in 2022 by 242.70 million Baht, of which cash and cash equivalents as of December 31, 2022, amounted to 595.29 million baht.

When considering the liquidity ratio in 2022, it is approximately 6.88 times and the quick ratio is about 6.88 times, accounting for approximately 3.92 times due to the company's use of working capital to support increased sales volume and increased investment- related expenses.

### Capital Structure

The company's capital structure in 2020 - 2022 has a debt- to- equity ratio of approximately 0.26 times, 0.08 times and 0.13 times, respectively. Considering past performance, the ratio shows that the company has a stable financial position.

## Factors that may affect Financial Position and Operation Result

### Risk from fluctuations of Raw Material prices

Since hot rolled steel coil is the company's main raw material used in the production of steel products, the price will change according to the world's demand and supply. If the price of raw materials decreases and the company cannot adjust the selling price to be higher than the rate equal to or greater than the decrease in raw material prices, such factors may affect profitability in the future. The company has a gross profit ratio to total revenue from sales of 13.16%, 17.62%, and 1.60% in 2020-2022, respectively.

## Part 1 Business and Operational Results

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### STATEMENTS OF FINANCIAL POSITION

List	Separate F/S						Consolidated F/S					
	2020		2021		2022		2020		2021		2022	
	thousand baht	ratio	thousand baht	ratio	thousand baht	ratio	thousand baht	ratio	thousand baht	ratio	thousand baht	ratio
<b>ASSETS</b>												
Cash and cash equivalents	119.25	5.51%	330.38	13.85%	587.36	26.10%	132.11	5.99%	352.60	14.35%	595.29	26.04%
Trade and other accounts receivable - net	313.87	14.51%	409.37	17.16%	347.05	15.42%	275.39	12.49%	363.56	14.79%	328.16	14.36%
Inventories - net	1,013.68	46.86%	1,032.48	43.29%	638.82	28.39%	1,056.06	47.90%	1,105.14	44.97%	652.00	28.52%
Deposits for purchase of goods	11.08	0.51%	0.44	0.02%	19.51	0.87%	11.08	0.50%	0.44	0.02%	19.51	0.85%
Short-term loans and accrued interest receivable - subsidiary	32.80	1.52%	17.42	0.73%	65.92	2.93%	-	-	-	-	-	-
Refundable value added tax	10.01	0.46%	-	-	7.62	0.34%	10.01	0.45%	3.93	0.16%	7.62	0.33%
Refundable income tax	0.30	0.01%	-	-	1.75	.07%	1.68	0.08%	-	-	10.14	0.44%
Other current assets	2.80	0.13%	2.30	0.10%	3.04	0.13%	5.93	0.27%	5.40	0.22%	5.13	0.23%
<b>Total Current Assets</b>	<b>1,503.79</b>	<b>69.51%</b>	<b>1,792.39</b>	<b>75.14%</b>	<b>1,671.07</b>	<b>74.25%</b>	<b>1,492.26</b>	<b>67.68%</b>	<b>1,831.07</b>	<b>74.51%</b>	<b>1,617.85</b>	<b>70.77%</b>
Investments in subsidiaries	216.77	10.02%	216.77	9.09%	216.77	9.63%	-	-	-	-	-	-
Long-term loans receivable - subsidiary	-	-	12.69	0.53%	9.40	0.42%	-	-	-	-	-	-
Property, plant and equipment - net	280.49	12.97%	278.63	11.68%	277.82	12.34%	605.19	27.45%	593.13	24.14%	639.05	27.95%
Rights-of-use assets - net	87.27	4.03%	80.27	3.37%	73.29	3.26%	13.55	0.62%	11.26	0.46%	8.98	0.39%
Investment property - net	-	-	-	-	-	-	1.61	0.07%	1.27	0.05%	0.93	0.04%
Prepaid land rental expense - net	1.05	0.05%	1.92	0.08%	0.68	0.03%	1.30	0.06%	2.08	0.08%	0.81	0.04%
Leasehold rights - net	-	-	-	-	-	-	15.09	0.68%	15.09	0.61%	15.09	0.66%
Intangible assets - net	72.36	3.35%	1.05	0.04%	-	-	72.36	3.28%	1.05	0.04%	-	-
Goodwill	-	-	-	-	-	-	2.04	0.09%	1.01	0.04%	1.01	0.05%
Restricted deposits with banks	1.54	0.07%	1.54	0.06%	1.50	0.07%	1.54	0.07%	1.54	0.06%	2.30	0.10%
Deferred tax assets	216.77	10.02%	216.77	9.09%	216.77	9.63%	-	-	-	-	-	-
Non - Other current assets	-	-	12.69	0.53%	9.40	0.42%	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>659.48</b>	<b>30.49%</b>	<b>592.87</b>	<b>24.86%</b>	<b>579.46</b>	<b>25.75%</b>	<b>712.68</b>	<b>32.32%</b>	<b>626.43</b>	<b>25.49%</b>	<b>668.17</b>	<b>29.23%</b>
<b>TOTAL ASSETS</b>	<b>2,163.27</b>	<b>100.00%</b>	<b>2,385.26</b>	<b>100.00%</b>	<b>2,250.53</b>	<b>100.00%</b>	<b>2,204.94</b>	<b>100.00%</b>	<b>2,457.50</b>	<b>100.00%</b>	<b>2,286.02</b>	<b>100.00%</b>

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## Part 1 Business and Operational Results

Financial Information and statistics



List	Separate F/S						Consolidated F/S					
	2020		2021		2022		2020		2021		2022	
	thousand baht	ratio	thousand baht	ratio	thousand baht	ratio	thousand baht	ratio	thousand baht	ratio	thousand baht	ratio
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>												
Short-term loans from financial institutions					150.00	6.67%					150.00	6.56%
Trade and other accounts payable	155.58	7.19%	34.97	1.47%	50.19	2.23%	149.09	6.76%	30.23	1.23%	46.04	2.01%
Current portion of liabilities under finance lease agreements	5.09	0.24%	5.34	0.22%	5.39	0.24%	2.78	0.06%	1.48	0.06%	1.34	0.06%
Short – term loans and accrued interest payable - subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Accrued income tax	45.34	2.10%	55.55	2.33%	-	-	45.34	2.06%	62.28	2.53%	-	-
Value added tax payable	-	-	3.57	0.15%	-	-	2.74	0.12%	4.10	0.17%	0.23	0.01%
Accrued expenses	21.60	1.00%	31.16	1.31%	25.32	1.13%	27.27	1.24%	38.91	1.58%	31.77	1.39%
Other current liabilities	2.84	0.13%	5.61	0.24%	4.35	0.19%	4.79	0.22%	6.73	0.27%	5.93	0.26%
<b>Total Current Liabilities</b>	<b>406.69</b>	<b>18.80%</b>	<b>136.20</b>	<b>5.71%</b>	<b>235.25</b>	<b>10.46%</b>	<b>408.25</b>	<b>18.45%</b>	<b>143.73</b>	<b>5.85%</b>	<b>235.31</b>	<b>10.29%</b>
Liabilities under finance lease agreements -net	82.89	3.83%	77.55	3.25%	72.16	3.21%	22.30	1.01%	4.22	0.17%	2.88	0.13%
Employee benefits obligation	18.46	0.85%	15.56	0.65%	16.99	0.76%	5.70	0.32%	17.79	0.72%	19.09	0.84%
Deferred tax liabilities - net	3.69	0.17%	4.83	0.20%	4.67	0.21%	13.08	0.59%	13.94	0.57%	13.31	0.57%
<b>Total Non-Current Liabilities</b>	<b>105.04</b>	<b>4.86%</b>	<b>97.94</b>	<b>4.11%</b>	<b>93.82</b>	<b>4.18%</b>	<b>41.08</b>	<b>1.92%</b>	<b>35.95</b>	<b>1.46%</b>	<b>35.28</b>	<b>1.54%</b>
<b>TOTAL LIABILITIES</b>	<b>511.73</b>	<b>23.66%</b>	<b>234.14</b>	<b>9.82%</b>	<b>329.07</b>	<b>14.64%</b>	<b>449.33</b>	<b>20.38%</b>	<b>179.68</b>	<b>7.31%</b>	<b>270.59</b>	<b>11.83%</b>
Registered 549,999,244 shares	550.00	25.42%	500.00	20.96%	550.00	24.44%	550.00	24.94%	500.00	20.35%	550.00	24.06%
Issued and paid - up 449,999,095 shares	450.00	20.80%	500.00	20.96%	550.00	24.44%	450.00	20.41%	500.00	20.35%	550.00	24.06%
Premium on share capital	121.76	5.63%	121.76	5.10%	121.76	5.41%	121.76	5.52%	121.76	4.95%	121.76	5.33%
Retained earnings	50.00	2.31%	50.00	2.10%	55.00	2.44%	50.00	2.27%	50.00	2.03%	55.00	2.41%
– Appropriated for legal reserve												
- Unappropriated	985.40	45.55%	1,434.98	60.16%	1,150.32	51.10%	1,109.62	50.33%	1,584.63	64.48%	1,272.46	55.66%
Other components of shareholders' equity	44.38	2.05%	44.38	1.86%	44.38	1.97%	26.11	1.18%	22.87	0.93%	18.61	0.81%
Non-controlling interests in subsidiaries	-	-	-	-	-	-	(1.88)	(0.09%)	(1.44)	(0.06%)	(2.40)	(0.10%)
<b>Shareholders' equity of the Company</b>	<b>1,651.54</b>	<b>76.34%</b>	<b>2,151.12</b>	<b>90.18%</b>	<b>1,921.46</b>	<b>85.36%</b>	<b>1,755.61</b>	<b>79.62%</b>	<b>2,277.82</b>	<b>92.69%</b>	<b>2,015.43</b>	<b>88.17%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,163.27</b>	<b>100.00%</b>	<b>2,385.26</b>	<b>100.00%</b>	<b>2,250.53</b>	<b>100.00%</b>	<b>2,204.94</b>	<b>100.00%</b>	<b>2,457.50</b>	<b>100.00%</b>	<b>2,286.02</b>	<b>100.00%</b>

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## Part 1 Business and Operational Results

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### STATEMENTS OF PROFIT OR LOSS COMPREHENSIVE INCOME

List	2020		Separate F/S 2021		2022		2020		Consolidated F/S 2021		2022	
	Amount	ratio	Amount	ratio	Amount	ratio	Amount	ratio	Amount	ratio	Amount	ratio
Revenue from sales	5,428.83	97.94%	6,308.93	97.50%	6,462.13	97.72%	5,484.17	97.88%	6,352.68	97.42%	6,554.45	97.70%
Revenue from sales of by-product	114.45	2.06%	162.02	2.50%	150.55	2.28%	118.86	2.12%	168.13	2.58%	154.52	2.30%
<b>Total revenues</b>	<b>5,543.28</b>	<b>100.00%</b>	<b>6,470.95</b>	<b>100%</b>	<b>6,612.68</b>	<b>100%</b>	<b>5,603.03</b>	<b>100.00%</b>	<b>6,520.81</b>	<b>100%</b>	<b>6,708.97</b>	<b>100%</b>
Costs of sales	(4,869.57)	(87.85%)	(5,403.72)	(83.51%)	(6,529.44)	(98.74%)	(4,865.66)	(86.84%)	(5,371.70)	(82.38%)	(6,601.39)	(98.40%)
<b>Gross profit</b>	<b>673.71</b>	<b>12.15%</b>	<b>1,067.23</b>	<b>16.49%</b>	<b>83.24</b>	<b>1.26%</b>	<b>737.37</b>	<b>13.16%</b>	<b>1,149.11</b>	<b>17.62%</b>	<b>107.58</b>	<b>1.60%</b>
Interest income	3.37	0.06%	2.87	0.04%	4.11	0.06%	2.06	0.04%	1.80	0.03%	2.03	0.03%
Gain on exchange rate	0.44	0.01%	13.25	0.20%	10.93	0.17%	-	-	-	-	-	-
Other income	22.42	0.40%	34.62	0.54%	45.29	0.68%	20.84	0.37%	32.52	0.50%	42.28	0.63%
Selling expenses	(143.16)	(2.58%)	(129.70)	(2.00%)	(143.57)	(2.17%)	(137.56)	(2.46%)	(127.47)	(1.95%)	(147.41)	(2.20%)
Administrative expenses	(91.24)	(1.65%)	(92.51)	(1.43%)	(90.45)	(1.37%)	(109.94)	(1.96%)	(107.85)	(1.65%)	(107.36)	(1.60%)
Loss from exchange rate	-	-	-	-	-	-	(20.79)	(0.37%)	(21.70)	(0.33%)	(20.23)	(0.30%)
<b>Profit before finance costs</b>	<b>465.54</b>	<b>8.40%</b>	<b>895.76</b>	<b>13.84%</b>	<b>(90.44)</b>	<b>(1.37%)</b>	<b>491.98</b>	<b>8.78%</b>	<b>926.41</b>	<b>14.21%</b>	<b>(123.12)</b>	<b>(1.83%)</b>
Finance costs - Interest expense	(10.52)	(0.19%)	(5.51)	(0.09%)	(4.39)	(0.07%)	(7.96)	(0.14%)	(1.72)	(0.03%)	(0.58)	(0.01%)
Profit before income tax	455.02	8.21%	890.25	13.76%	(94.83)	(1.43%)	484.02	8.64%	924.69*	14.18%	(123.70)	(1.84)%
Income tax expense	(76.12)	(1.37%)	(178.18)	(2.75)	0.16	0.00	(73.82)	(1.32%)	(186.64)	(2.86%)	0.63	0.01%
<b>Profit for the year</b>	<b>378.90</b>	<b>6.84%</b>	<b>712.07</b>	<b>11.00%</b>	<b>(94.67)</b>	<b>(1.43%)</b>	<b>410.20</b>	<b>7.32%</b>	<b>738.05</b>	<b>11.32%</b>	<b>(123.07)</b>	<b>(1.83%)</b>
<b>OTHER COMPREHENSIVE INCOME</b>												
Items to be reclassified subsequently to profit or loss												
Actuarial loss – net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Translation adjustment for foreign currency			-	-	-	-	(0.75)	(0.01%)	(3.34)	(0.05%)	(4.33)	(0.06%)
Financial statement – net of tax												
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>378.90</b>	<b>6.84%</b>	<b>712.07</b>	<b>11.00%</b>	<b>(94.67)</b>	<b>(1.43%)</b>	<b>409.45</b>	<b>7.31%</b>	<b>734.71</b>	<b>11.27%</b>	<b>(127.39)</b>	<b>(1.90%)</b>
Allocation of total comprehensive income (Portion of the Company)	378.90	6.84%	712.07	11.00%	(94.67)	(1.43%)	409.43	7.31%	734.27	11.26%	(126.43)	(1.88%)
<b>EARNING PER SHARE</b>	<b>0.76</b>		<b>1.42</b>		<b>(0.17)</b>		<b>0.82</b>		<b>1.47</b>		<b>(0.23)</b>	

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# STATEMENTS OF CASH FLOWS

List	Separate F/S			Consolidated F/S		
	2020	2021	2022	2020	2021	2022
<b>Cash flows from operating activities</b>						
Profit before income tax	455.02	890.25	-94.83	484.01	924.69	-123.70
<b>Adjustments to reconcile profit before income tax to net cash provided from operating activities:</b>						
Provision (reversal of allowance) for doubtful debts	10.07	-2.80	-0.63	10.06	-2.84	-0.72
Provision (reversal of allowance) for decline value of inventories	-3.03	17.68	-3.84	-3.03	17.68	-3.15
Depreciation	21.03	24.69	25.38	46.68	48.53	50.08
Unrealized gain on exchange rate	0.00	0.00	0.00	-0.44	-3.16	-1.36
Loss (gain) on disposal and written off of fixed assets	-0.10	0.02	0.85	-0.11	0.01	0.99
Amortization	0.43	0.38	0.38	0.59	0.48	0.43
Provision for post employee benefits obligation	1.66	1.42	1.43	1.94	1.63	1.30
Interest income	-3.38	-2.87	-4.11	-2.06	-1.80	-2.03
Interest expense	10.52	5.51	4.39	7.96	1.72	0.58
<b>operating assets and liabilities</b>	<b>492.22</b>	<b>934.28</b>	<b>-70.98</b>	<b>545.60</b>	<b>986.94</b>	<b>-77.57</b>
<b>Decrease (increase) in operating assets:</b>						
Trade and other accounts receivable	120.84	-92.70	62.95	63.63	-85.33	36.12
Inventories	-519.92	-36.48	397.50	-495.78	-66.76	456.29
Deposits for purchase of goods	130.01	10.64	-19.07	130.01	10.64	-19.07
Refundable value added tax	-10.01	10.01	-7.62	-9.76	10.01	-7.62
Refundable income tax	0.00	0.30	-1.75	0.67	-2.25	-6.21
Refundable Value added tax	0.00	0.00	0.00	0.00	0.00	0.00
Other current assets	-0.59	0.50	-0.62	-0.25	3.51	2.85
Other non-current assets	-0.60	0.00	0.04	-0.60	0.00	-0.76
<b>Increase (decrease) in operating liabilities:</b>						
Trade and other accounts payable	120.81	-120.61	15.23	120.49	-118.86	15.70
Accrued expenses	-2.46	9.73	-5.81	-2.26	11.80	-7.16
Value added tax payable	-1.15	3.57	-3.57	0.25	1.36	-3.87
Other current liabilities	-3.08	2.77	-1.27	-2.11	1.93	-0.80
Employee benefit paid	-0.13	-4.31	0.00	-0.26	-6.14	0.00
<b>Cash received from operating activities</b>	<b>325.94</b>	<b>717.70</b>	<b>365.03</b>	<b>350.07</b>	<b>746.85</b>	<b>387.90</b>
Interest payment	-11.14	-5.67	-4.36	-8.58	-1.88	-0.56
Income tax paid	-33.10	-166.87	-55.66	-35.28	-170.78	-64.86
<b>Net cash provided from operating activities</b>	<b>268.29</b>	<b>281.70</b>	<b>305.01</b>	<b>305.76</b>	<b>574.19</b>	<b>322.48</b>

	Separate F/S			Consolidated F/S		
	2020	2021	2022	2020	2021	2022
<b>Cash flows from investing activities</b>						
Interest received	3.39	2.87	4.11	2.06	1.80	2.03
Acquisition of building and equipment	-39.86	-15.95	-17.59	-97.06	-33.96	-93.50
Sale of equipment	0.15	0.09	0.00	0.15	0.10	0.09
Addition to intangible assets	-0.03	-1.25	0.00	-0.25	-1.26	0.00
Decrease (increase) in restricted deposits with banks	-71.31	71.30	1.05	-71.31	71.31	1.05
Short-term loan granted to subsidiary	-12.00	0.00	-48.50	0.00	0.00	0.00
Receipt of repayment of loans to subsidiary	12.00	0.00	0.00	0.00	0.00	0.00
<b>Net cash provided from (used in) investing activities</b>	<b>-107.66</b>	<b>57.07</b>	<b>-60.93</b>	<b>-166.41</b>	<b>37.99</b>	<b>-90.33</b>
<b>Cash flows from financing activities</b>						
Decrease in short-term loans from financial institutions	-106.00	-176.24	150.00	-106.00	-176.24	150.00
Repayment for liabilities under finance lease agreement	-3.84	-5.09	-5.39	-1.29	-2.78	-1.48
Proceeds from short-term loans from subsidiary	0.00	3.70	3.29	0.00	0.00	0.00
Repayment of short-term loans from subsidiary	-5.00	-1.00	0.00	0.00	0.00	0.00
Proceeds from conversion of warrants to common shares	0.00	50.00	0.00	0.00	50.00	0.00
Cash dividend payment	-31.50	-262.50	-135.00	-31.50	-262.50	-135.00
<b>Net cash used in financing activities</b>	<b>-146.34</b>	<b>-391.13</b>	<b>12.90</b>	<b>-138.79</b>	<b>-391.52</b>	<b>13.52</b>
Exchange rate losses on cash and cash equivalents	0.00	0.00	0.00	-0.31	-0.18	-2.97
Net increase in cash and cash equivalents - net	27.70	211.12	256.98	0.26	220.48	242.70
Cash and cash equivalents at beginning of year	91.55	119.26	330.38	131.85	132.11	352.59
<b>Cash and cash equivalents at end of year</b>	<b>119.25</b>	<b>330.38</b>	<b>587.36</b>	<b>132.11</b>	<b>352.59</b>	<b>595.29</b>

	Separate F/S			Consolidated F/S		
	2020	2021	2022	2020	2021	2022
Liquidity Ratio (time)	3.70	13.16	7.10	3.66	12.74	6.88
Quick ratio (time)	1.06	5.43	3.97	1.00	4.98	3.92
Cash ratio (time)	0.74	2.01	1.64	0.81	2.08	1.70
Account Receivable Turnover Ratio (time)	14.11	17.08	16.80	17.94	20.41	19.40
Average Collection Period (day)	26.00	21.00	21.00	20.34	17.88	18.82
Inventory Turnover Ratio (time)	14.11	11.69	14.43	17.19	10.74	13.69
Average Inventory Period (day)	56.00	31.00	25.00	60.00	34.00	26.00
Account Payable Turnover Ratio (time)	51.16	56.72	153.34	54.76	59.91	173.11
Average Payment Period (day)	7.00	6.00	2.00	7.00	6.00	2.00
Cash Cycle (day)	43.00	46.00	44.00	41.00	47.00	43.00
Gross profit margin (%)	12.15	16.49	1.26	13.16	17.62	1.60
Operating profit margin (%)	8.21	13.76	-1.43	8.64	14.18	-1.84
Other profit margin (%)	0.47	0.78	0.90	0.41	0.52	0.66
Cash profit margin (%)	61.91	61.24	-321.64	63.26	62.10	-260.70
Net profit margin (%)	6.80	10.92	-1.42	7.29	11.26	-1.82
Return On Equity (ROE) (%)	25.64	37.45	-4.65	26.15	36.54	-5.69
Return On Assets (ROA) (%)	19.71	31.31	-4.08	24.78	39.74	-5.19
Return On Fixed Asset (ROFA) (%)	149.00	263.54	-24.90	78.96	131.28	-11.85
Assets Turnover Ratio (time)	2.90	2.87	2.88	2.83	2.81	2.85
Debt to Equity ratio (time)	0.31	0.11	0.17	0.26	0.08	0.13
Interest coverage ratio (time)	35.02	132.33	526.70	61.83	539.86	-212.64
Cash Basis (time)	0.88	0.72	1.10	0.86	0.74	1.05
Dividend Payout (%)	42.89	40.02	n/a	39.62	38.62	n/a
Information of share <sup>1</sup> - Reference on Financial Statement						
Book Value Per Share (BVPS) (baht)	3.67	4.30	3.49	3.90	4.56	3.66
EARNING PER SHARE (EPS) (baht) <sup>1/</sup>	0.76	1.42	-0.17	0.82	1.47	-0.22

## Part 1 Business and Operational Results

**Company's Securities** as of February 10<sup>th</sup> 2022 were as follows;

Registered capital	:	549,997,741 Baht
Paid-up capital	:	549,995,954 Baht
Ordinary Shares	:	549,995,954 shares
Par Value	:	1 Baht per share

**Major of Shareholders** top 10 shareholders as at the book closing date on February 10<sup>th</sup> 2022 are as follows;

No	Name	No. of Shares	% of total shares
1	Mr. Sombat Leeswadtrakul	136,452,654	24.81
2	Mr. Sangrung Nitipawachon	32,019,995	5.82
3	Mr. Preeda Wongsatitporn	24,636,881	4.48
4	Ms. Bunsri Panyapiamsak	16,959,004	3.08
5	Ms. Umporn Nitipawachon	16,847,482	3.06
6	Mr. Sunt Amornlertvimarn	16,647,856	3.03
7	Mr. Vichian Srimunintnimit	16,600,000	3.02
8	Ms. Sivaporn Nitipawachon	15,515,436	2.82
9	Ms. Suporn Nitipawachon	15,121,139	2.75
10	Mr. Tanatat Chavaladith	14,479,151	2.63
<b>Total</b>		<b>305,279,598</b>	<b>55.51</b>

### Controlling Shareholders

No	Name	No. of Shares	% of total shares
<b>1</b>	<b>Leeswadtrakul group</b>	<b>149,809,876</b>	<b>27.24</b>
	Mr. Sombat Leeswadtrakul	136,452,654	24.81
	Miss Supatsara Leeswadtrakul	12,222,222	2.22
	Mr. Varuth Leeswadtrakul	1,135,000	0.21
<b>2</b>	<b>Nitipawachon group</b>	<b>93,435,897</b>	<b>16.99</b>
	Mr. Sangrung Nitipawachon	32,019,995	5.82
	Ms. Umporn Nitipawachon	16,847,482	3.06
	Ms. Suporn Nitipawachon	15,121,139	2.75
	Ms. Sivaporn Nitipawachon	15,515,436	2.82
	Ms. Chonsita Vacharaphunjit	3,337,185	0.61
	Ms. Chonlada Nitipawachon	3,876,612	0.70
	Mr. Jirayu Nitipawachon	1,155,660	0.21
	Ms. Punyavee Nitipawachon	1,934,000	0.35
	Ms. Punchika Nitipawachon	1,771,222	0.32
	Ms. Gunyamanee Nitipawachon	1,857,166	0.34

## Part 1 Business and Operational Results

No	Name	No. of Shares	% of total shares
3	<b>Punyapiamsak group</b>	<b>37,375,378</b>	<b>6.80</b>
	Ms. Bunsri Panyapiamsak	16,959,004	3.08
	Mr. Vichai Panyapiamsak	5,775,000	1.05
	Mr. Sombat Panyapiamsak	8,239,000	1.50
	Mr. Somporn Panyapiamsak	2,540,074	0.46
	Ms. Boonchuay Panyapiamsak	3,690,500	0.67
	Ms Lalita Panyapiamsak	171,800	0.03

### Other Securities

-none-

### Dividend payment Policy

The Company has a policy to pay dividend at the rate of at least 40% of net profit after corporate income tax of the Company's Financial Statements and after statutory reserve and other reserve as specified by the Company. Such dividend payment may change subject to the Company's financial position, operating performance, investment plan, and other factors considered necessity and appropriate in the future and as deemed proper by its Board of Directors and/or the Shareholders' meeting. The Subsidiary also has dividend payment policy same as the Company.

### Comparison of the dividend payment

Separate F/S	2564	2563	2562
Net Profit (Million Bt.)	712.07	378.90	118.12
Basic profit per share (Baht/share)	1.42	0.82	0.30
Dividend payable per share (Baht/share)	0.57	0.3611	0.14
Total dividend payable (million Baht)	285	162.50	63.00
Net Profit (Million Bt.)	40.02	42.90	53.33

\*Calculating by paid up capital mainly

### Legal Disputes

As of 31 December 2022, the Company and its subsidiaries have no legal disputes which may affect to the Company's Assets more 5% of the Equity or significantly effect on the business operations


## Part 1 Business and Operation Results

### General Information

Company Name	:	2S Metal Public Company Limited
Symbol	:	2S
Registration Number	:	0107551000100
Nature of Business	:	Manufacturing and Distribution of steel products, comprising steel sheet, steel pipe, light lip channel, wire mesh and trading of steel products.
Registered capital	:	549,997,741 Baht
Paid-up capital	:	549,995,954 Baht
Shares type	:	Ordinary shares 549,995,954
Par Value	:	1 Baht per share
Head Office and Plant Location	:	No. 8/5 Moo 14, Tha-chang, Bangklam District, Songkhla 90110 Tel: 074-800111 Fax: 074-801286
Website	:	<a href="http://www.ss.co.th">www.ss.co.th</a>
Warehouse -Surathani	:	No. 24/19 Moo 4, Karnjanavithi Road, Bangkung, Muang District, Suraththani 84000 Tel : 077-289957-8 Facsimile : 077-224664
Warehouse -Bangkok	:	No. 200 Phutthamonthon 3 rd., NongKhangPhlu, NongKhaem, Bangkok 10160 Tel: 082-7349461-3 Facsimile: 02-8075634
Korat Branch	:	No. 147 Moo 9, Nong-Ngulueam, ChaloenPhraKiat,Nakhonratchasima, 30000 Telephone : 044-207247-51 Fax : 044-207272
Board Office	:	No. 1788 Singha Complex (Regus) Flr 30 <sup>th</sup> , New Pethburi Rd., Bangapi, Huaykwang district, Bangkok 10310 Tel: 02-0883618
Share Registrar	:	Thailand Securities Depository Company limited The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok 10400 Tel: 02- 009-9000
Auditor	:	Grant Thornton Limited 11 <sup>th</sup> Floor Capital Tower, All Seasons Place, no. 87/1 Wireless Rd., Lumpini, Pathumwan, BKK10330 Tel. 02-2058222 Miss Kanyanat Sriratchatchaval CPA. No. 6549 Miss Kesanee Srathongpool CPA. No. 9262 Miss Luxsamee Deetrakulwattanapol CPA. No. 9056 Miss Saranya Akharamahaphanit CPA. No. 9919 Miss Amornjid Baolorpet CPA. No. 10853

## Part 1 Business and Operation Results

### *Significant Changes and Developments*

- 2016      - the Company received level of the Good Corporate up to 'very good' 
- 2017      - The capital increase from the existing registered capital of Baht 299,999,971 to be the new registered capital of Baht 499,999,951 for supporting the stock dividend payment of Baht 99,999,990 and the issuance of warrants to purchase ordinary shares of the Company no. 1 (2S-W1) of Baht 99,999,990 at par value Baht 1.0 per share.  
 - Issued the of warrants to purchase ordinary shares of the Company no. 1 (2S-W1) with term 2 years for the Company's existing shareholders on a pro-rata basis with no cost in the ratio of 3 existing shares for 1 unit of warrant.  
 - Grand Steel Pipe Co.,Ltd., the subsidiaries, increased capital to be LAK28,000 million by issued ordinary shares amount 2,500,000 shares at par value 8,000 LAK/share allocated to the Company for conversion debt under loan agreement. Though, the Company has increased holding 97.1% of registered shares from 90%.
- 2018      - The Company increased its registered capital to Baht 549,999,244 by issuing 50 million new ordinary shares at a par value of Baht 1 per share and allocating them as dividend shares to the existing shareholders at a ratio of 8 existing shares :1 dividend share. At present, the Company's paid-up capital is Baht 450 million.  
 - The Company received the SET Awards 2018 on the outstanding performance of the company 'Outstanding Company Performance Awards 2018'
- 2019      - The Company registered its paid- up capital from Baht 449,998,800 to Baht 449,999,095 at a par value of Baht 1 per share, which increased Baht 295 from the last subscription of 2S-W1  
 - The company has been certified as a private sector that cooperates in combatting corruption by Coalition Against Corruption (CAC)
- 2021      - Increased registered capital to 499,998,995 baht, while issuing 49,999,900 new common shares to support the dividend payment of common shares at the rate of 8 existing shares per 1 dividend share. The company has registered capital of 499,997,946 baht after the dividend share allocation.  
 - The company is now enlisted in SET in order to stabilize the business and provide opportunities for investors to hold shares in it.  
 - The company received the Outstanding Performance Award from SET Awards 2021
- 2022      - The company received the Outstanding Performance Award from SET Awards 2022 and the Outstanding CEO Awards.  
 - The company has been certified as a private sector that cooperates in combatting corruption by Coalition Against Corruption (CAC)

### Corporate Governance Policy

In current social environment and economic conditions, there are many changes. Guidelines and principles of corporate governance are developed to be comprehensive and clear, in line with changes that occur. The Board of Directors therefore agreed to review and improve the content of the Corporate Governance Handbook. The handbook content is developed in accordance with the changes that have occurred by applying the principles of good corporate governance (CG Code) of the Securities and Exchange Commission. The principles are applied as a guideline for determining and improving the corporate governance manual to be more universal by adopting CG Code, all 8 practices as guidelines for deploying in the business context of the company. This includes adopting the right innovation and technology to support the business strategy, covering all the factors that change around, taking into account "stakeholders" in both impact and value that will occur for managing important resources (Details of the practices appear in the Corporate Governance Manual on the Company's website).

Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

Principle 2 Define Objectives that Promote Sustainable Value Creation

Principle 3 Strengthen Board Effectiveness

Principle 4 Ensure Effective CEO and People Management

Principle 5 Nurture Innovation and Responsible Business

Principle 6 Strengthen Effective Risk Management and Internal Control

Principle 7 Ensure Disclosure and Financial Integrity

Principle 8 Ensure Engagement and Communication with Shareholders

### Overview of Policies and Guidelines Related to the Company's Directors

The Board of Directors is committed to promote business operation to be in accordance with the principles of good governance by focusing on creating benefits for shareholders, employees, and customers while taking all stakeholders and related parties into account. Therefore, corporate governance policies related to Board of Directors are implemented as follows:

- The Board of Directors will perform duties with dedication, responsibility and independence. The roles and duties between the Chairman and the Chief Executive Officer are to be clearly divided.
- The Board of Directors plays an important role in shaping visions, strategies, policies and plans as well as jointly scrutinizing important tasks and management guidelines appropriately.
- The Board of Directors must lead in having good work ethics and supervise communication for personnel to acknowledge and understand the company's code and conduct while work in parallel with the company's rules and regulations.
- The Board of Directors will jointly supervise conflict of interest and related transactions.
- The Board of Directors will arrange disclosure of the company's information in both financial related matters and non-financial related matters with accuracy, reliability, and timeliness.
- The company's shareholders will be treated equally, have the right to access information and have appropriate communication channels with the company.
- The Board of Directors must establish an appropriate recruiting procedure to recruit people in important positions. The recruiting procedures must be transparent and fair. The Board of Directors is also responsible for considering the criteria for those in the Board of Directors who are holding positions in other businesses.
- Company Directors and Executives will support effective anti-corruption operations to ensure that the management personnel realize and place importance on the implementation of the measures.

### Policies and Practices Related to Shareholders and Stakeholders

#### Section 1 The Rights of Shareholders

The Company realizes and values fundamental rights of shareholders, both as the Company's owner and investors, such as right to buy, sell, or transfer stocks, right to receive significant information,

right to receive dividend, right to attend meetings and vote, right to give opinion, right to decide in any significant matter of the Company, e.g. dividend payment.

In practice, the directors encourage the shareholders to exercise their rights by voting in shareholder's meetings regardless of whether the issue involves new appointment or removal of directors, the rights to fix directors' compensation package, the right to select and fix compensation package of external auditor or to decide on dividend payment. The shareholders have the prerogative to ask about the company's performance including information on various developments that may have an impact on the company.

The directors offer the opportunity to shareholders to exercise their full rights by disclosure the criteria and methods through the SET's [SETLINK](#) system more than 30 days which sufficient duration to propose agendas and to nominate persons to be elected as the Company directors. They can contact the company including its directors via letters or the company secretary or investor relations at the company's website [www.ss.co.th/th/contactusir](http://www.ss.co.th/th/contactusir) or by postal mail.

## Section 2 The Equitable Treatment of Shareholders

The Annual General Shareholders Meeting of 2022 was held on 21 April 2022 via Electronic media at Sathorn room, Qhouse Lumpini 4 fl., No. 1 South Sathorn Rd., Thungmahakek, Sathorn, Bangkok for facilitate the shareholders to have access the right, vote or sharing the comments and suggestion.

### Prior calling the Meeting

The company offers the opportunity to the shareholders to propose new agenda for discussion at the shareholders' meeting including proposing new directors or in case if shareholders have any question on the meeting agenda such question can be submitted to the directors in advance of the meeting together with any relevant documents. The company's secretary shall collect such questions for discussion at the meeting. Nevertheless, the directors reserve the right to screen the questions such that only the ones that benefit the shareholders in general and are manageable by the directors without violating any law, guidelines, regulations will be tabled for the meeting's discussion. For the questions that were excluded from the meeting agenda, the company's secretary shall contact and explain the reasons to the individuals who made such proposals.

In addition, the Company disclosed on the Company's website [www.ss.co.th](http://www.ss.co.th) to invite all minority shareholders to nominate qualified persons to be appointed as the Company's directors and propose agenda in advance for the shareholders' meeting 2022 since 17 December 2021 till 31 January 2022. Which there was no shareholder nominated any person to be the Company's director and proposed agenda.

### Organizing the Meeting

The company will organize the meeting within 4 months from end of each year. The company will notify the annual shareholders' meeting via SET Community Portal (SCP) on the day such date the directors' resolution. The shareholders will be notified in Thai and English up to 30 days in advance before the meeting date via the company's website that enable shareholders to study the information before the meeting. Subsequently, a written notification will be sent via postal mail.

Sending of invitation letters to shareholder: The company assigned the Thailand Securities Depository Co., Ltd. which is the company's registrar to dispatch invitation letters to shareholders 7 days in advance of the meeting date and there will be similar announcement in the newspaper for 3 consecutive days of more than 7 days in advance of the meeting date

### The right of shareholder in the Meeting

The company has already informed the shareholders on the conditions and method to register for the meeting as enclosed with the invitation letter. The document reveals the time to register, explain how to empower a proxy and how to cast a vote at the meeting.

The company has been promoting the exercise of shareholders' rights at the meeting including casting votes. Those shareholders not convenient to join the meeting can give Power of Attorney in type B (POA) for others to attend on

their behalf. The company explains the required documents/ evidence in which a proxy must show together with the POA which were also provided in English for foreigners.

The conditions on using a proxy are simple and uncomplicated. In the circumstance where the shareholders are not convenient to attend the meeting and wish to give proxy to a director to exercise the voting on their behalf, the company has already proposed the names of independent directors so the shareholders can consider giving the POA to them. All above documents are enclosed with the invitation letters. Further the POA in type A and type C, the company would post on the website for any shareholders choose match their requirement.

### **Managing the Meeting**

To facilitate the meeting, the company will make use of computers to assist in registering the shareholders and the vote casting process which contain the names of shareholders in attendant and the eligible number of votes categorized for each agenda. The process also covers vote counting for each agenda whilst the shareholders can register to join the meeting throughout the whole meeting. The computer will update the votes during the registration and will close before the voting of the final agenda.

Before commencement of the meeting, the master of ceremony will inform the audience on the make-up of the quorum consisting of the number of attendants, the number of votes and guidelines on voting including counting. The meeting will proceed according to the order of the agenda which are informed via the invitation letter. There will not be any reshuffle of the agenda order, any addition or change without having informed the shareholders in advance.

Chairman of the meeting will act as the moderator to ensure that the meeting proceeds smoothly by arranging an appropriate time for each agenda to enable the participants to express their opinions, recommendations including fielding questions on various issues relating to the meeting. The chairman allows sufficient time for

the directors or concerned management members to clarify the questions raised by the participants. In order to respect the rights of all participants, the chairman may have to control the meeting such that there is not excessive time spent on each issue. As such, if any issue raised is not related to the meeting agenda, the clarifications may need to be made after the meeting.

Voting, Chairman prescribes to use of voting card for each agenda which can be checked for transparency in case of any dispute. The Company provided voting card for every agenda. Shareholders have right to vote one share for one vote and in the agenda of election director, Chairman will propose the Meeting consider and appoint director who's retiring by rotation individually. The voting card will be filling for evidence. The Shareholder Meeting of previous year had no controversy or distrust of the vote.

### **Preparing Minutes of the Meeting and disclosed of the Meeting decisions**

The company's secretary is responsible for preparing minutes of the meeting disclosing the date, time, quorum and place of the shareholders' meeting. This includes the number of shares and shareholders and the proxies, names of the directors attending the meeting, guidelines on vote casting and counting, meeting agenda together with the decisions based on the votes which will be divided into 'agreed', 'disagreed' or 'abstained' including details on the questions from shareholders and respective explanation from directors, opinions & recommendations from shareholders etc.

After the meeting is over, the company will disseminate the decisions by the participants via the SET system followed by submitting the meeting report to the SET which is also accessible via the company's website within 14 days after the meeting to enable those shareholders who did not attend the meeting to stay informed whilst allowing the shareholders who attended the meeting to review and express opinions without having to wait until the next meeting.

## **Section 3 The Role of Stakeholders**

The Company places an importance to the right of all stakeholders, either inside stakeholders, i.e. employees and administrators, or outside stakeholders, i.e. competitors, partners, and customers. The Company realizes that support and suggestion from all stakeholders are valuable and will benefit the Company's business operation and development. We have complied with the relevant laws and regulations for that the rights of such stakeholders are well taken care of. In addition, cooperation

## Part 2 Corporate Governance

between the Company and each group of the stakeholders is promoted to build confidence in the Company in the following manners: (see more details on the Company's Ethic Business)

- Shareholders** : The company aims on being good representative of the shareholders in managing the business to create satisfaction to shareholders by taking into account the long-term growth and in transparency of information disclosure that is reliable. The shareholders can inform or file complaint on issues that may cause damage to the company via the company's website.
- Employees** : The company is aware of the importance of the company's staff, a major asset of the company. The company will fairly appoint individuals to various positions in the company by considering the qualifications for each position, education background, experience and other necessary conditions for the job and treat to all employee equally and without discrimination as regards birth place, race, religion, sex, age, skin color, disability, status, educational institute. The Company also support their skill for work improvement and productivity to the Company. Moreover, improve the workplace to have safe working environment.
- Competitors** : Avoid unfair competition, and practice on business ethics.
- Business Partners** : The company does transactions with business partners strictly on good faith basis, abiding by the terms of the agreement and the commitment given. Its staff will not demand any favor from any business partner and will treat all of them as equal without any bias.
- Customers** : Manufacture and deliver products that meet standard quality. Emphasize product development and services to be of high quality with transactions done fairly and mutually beneficial for both parties. The company seriously commits to safeguard the customer's confidential information and not act to derive self-benefits from the privilege of knowing such information. All in all, it should create satisfaction and trust from the customers.
- Creditors** : The Company realizes that maintaining good relationship with the creditors to create confidence and trust as well as honestly following loan agreement are its responsibility.
- Community and the society** : Consistently organize activities that promote the society, community and the environment so the community nearby the company's office has a better quality of life such activities can be carried out by the company solely or in cooperation with the state and the community itself. The company cultivates in its staff a sense of responsibility to the society and environment including in efficiently and effectively using the natural resources.

### Conflict of Interests

The Board of Directors has established internal guidelines to prevent anyone using internal information for personal gains in violation of business code of conduct, covering the directors, management and general staff, which forms a part of the orientation trainings for new directors, management and staff. Such code of conduct is broadcast in the company's website with the following;

1. The Board of Directors and management members must not derive gain or loss in engaging in business transaction with the company or in business transaction that is competing against the company regardless of whether directly or indirectly.
2. The Board of Directors and management members must perform their duty and avoid any conflict between personal's interest and the company's interest. He/she must declare any potential conflict of interest before entering into any transaction with the company or its subsidiaries. The above benefits include the followings:

- Not derive personal gains from holding director position
  - Not use the company's confidential information in unlawful ways or unethical ways.
  - Not accepting a director position in a rival company.
  - Not derive personal gains from entering into a contract with the company.
3. The Board of Directors must not engage in or be a significant shareholder or having family members become a director or become a major shareholder in a company or any business that is similar to the company and competing against the company regardless of whether for own benefit or for other's benefits.
  4. Prohibit any company's staff with conflict of interest to have the authority to enter into any contract on behalf of the company in order to prevent any conflict of interest that could happen.
  5. In any meeting to consider an agenda where the participant i.e. a company's director, management member or staff has a conflict of interest with the company, that participant is not eligible to vote for that agenda.

In each quarter, the Internal Audit Department will compile information on related transactions and present it in the audit committee meeting. All transaction details and transparency matters will be reported to the Board of Directors for good corporate governance.

### Section 4 Disclosure and Transparency

The Company realizes the importance of disclosure of such information as financial report and general information, that is accurate, complete, and transparent, according to regulations set by the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as other information that has an effect on the Company's stock price which has influence on decision making of the Company's stakeholders and investors. The Company has published related information through different channels and media provided by the Securities and Exchange Commission and the Stock Exchange of Thailand, and also on the Company's website at [www.ss.co.th](http://www.ss.co.th)

For the investor relations, Mr. Sombat Leesawadtrakul (Chairman of the Executive Committee) and Mr. Sangrungs Nitipawachon (Managing Director) are responsible for communicating with investors, shareholders, analysts and relevant government sectors. For matters of investor relations, Secretary of Company Committee will be the point of contact which can be reached via phone number 02-0883618 or email [ir@2smetal.com](mailto:ir@2smetal.com)

The Board of Directors is responsible for consolidated financial statement of the Company and the Subsidiary and financial information as appeared in the Annual Report. Such financial statement has been prepared in accordance with the accounting standard of Thailand. The Company abides to appropriate accounting policy and discloses financial information sufficiently. The Audit Committee will verify the quality of financial report and internal control system, as well as sufficiently disclosing of important information in the Notes to Financial Statement.

### Insider Trading

The Company has drawn up policies to prohibit the company's directors and management from using unreleased information for personal gain and investment or selling purposes the following :

- The company's directors and management is obligated to report their shareholding status including those of their spouse and children who are under the age of 20 to the Office of the Securities and Exchange Commission and SET according to section 59 and the provision of a law according to section 275 of securities and Exchange Act B.E. 2535
- The company's directors and management is obligated to report their shareholding status to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand according to section 59 and the provision of a law according to section 275 of securities and Exchange Act B.E. 2535 as well

## Part 2 Corporate Governance

as send a copy of such document to the company on the same date.

- The company will distribute a memo to inform the Management that executives who receive any significant internal information that may affect the stock's price are refrained from any trading activities for 1 month before such information or the financial statements are made public. In this regard, the company's

directors and management are prohibited from releasing such information.

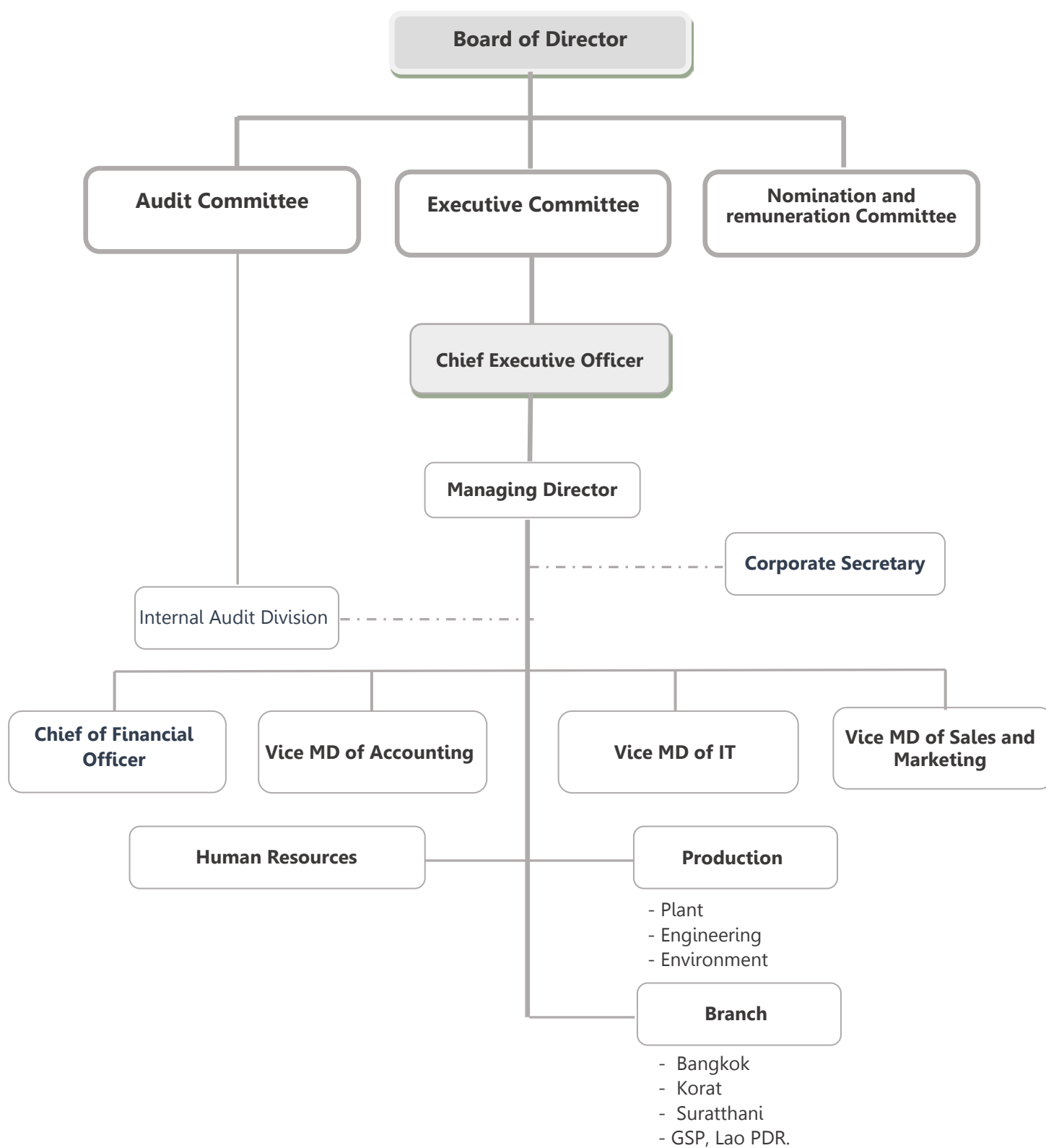
- The company has set the penalties concerning the use of internal information for personal gain and for releasing such information in a wrongful manner. Penalties include verbal warning, written warning, probation and dismissal depending on a case by case basis.

### Business Ethics

The company has established business ethics policies as a component of ethical business operations which cover compliance to the laws, prevention of conflict of interests, use of confidential information, and code of conduct of directors, executives, employees, and stakeholders. Details of policies and rules of the company can be found in the company's website at [http://www.ss.co.th/th/about\\_th/corporate-governance\\_th/](http://www.ss.co.th/th/about_th/corporate-governance_th/) for all stakeholders including directors, executives, employees, business partners and stakeholders in both the company and its subsidiaries to acknowledge and adhere to the principles. The company has also set up courses for executives and employees to participate in orientations and development training courses to ensure that all parties acknowledge and understand the company's business ethics at all times. The company determined 10 categories in this topic as follows:

1. Respect and compliance with laws, regulations and ordinances.
2. Respect for human rights.
3. Interest and conflict of interest.
4. Responsibility to all stakeholders.
5. Use of inside information and confidential information.
6. Intellectual property, use of information and communication technology.
7. Giving and receiving gifts, assets or any other benefits.
8. Safety, Health and Environment.
9. Internal control and internal audit.
10. Political rights.

*Organization Chart* dated 31 December 2022



### Board of Director as of 31 December 2022

	Board of Director	Audit Committee	Nomination and Remuneration Committee	Executive Committee
*1. Mr. Kunchit Singsuwan	Chairman	✓		
2. Mr. Sombat Leeswadtrakul	✓		✓	Chairman
3. Mr. Sangrung Nitipawachon	✓			Managing Director
*4. Mr. Surapon Satimanont	Vice Chairman	Chairman		
*5. Mrs. Chintana Techamontrikul	✓	✓	✓	
6. Ms. Bunsri Panyapiamsak	✓			✓
*7. Gen. Phairat Phoubon	✓		Chairman	
8. Mr. Tanatat Chawaldit	✓			
9. Mr. Preeda Wongsathitporn	✓			
*10. Mr. Woravit Chailimpamontri	✓		✓	

\* Independent Director

### Authorized Directors of the Company

Authorized directors for company legal obligation are Mr. Sombat Leeswadtrakul or Mr. Sangrung Nitipawachon or Ms. Bunsri Panyapiamsak, any two of these 3 persons sign out accompanying with the company's seal.

### Executives as of 31 December 2022

Name	Position
1. Mr. Sombat Leeswadtrakul	Chief Executive Officer
2. Mr. Sangrung Nitipawachon	Managing Director
3. Ms. Bunsri Panyapiamsak	Chief Financial Officer
4. Ms. Tassanee Phunuch-Aphai	Vice MD of Sales and Marketing
5. Mr. Pakorn On-Kaew	Vice MD of Accounting
6. Ms. Jaruwan Janpra-ob	Vice MD of Information Technology
7. Mr. Pongdech Lersithisak	Branch Manager (GSP Lao PDR)
8. Ms. Kannika Anguravirote	Branch Manager (Korat)
9. Mr. Teerasak Onrachorn	Plant Manager
10. Ms. Pattranit Janthong Sasuthum	Human Resources Manager

\* Ms. Natcha Limpakornthanachote, Accountant

### Company Secretary

Ms. Pornnicha Lertithibaht

## Board's Compositions

The Board of Directors consists of individuals with a wide range of skills, knowledge and abilities in different areas such as management, law, finance and accounting which all jointly supervise the operations of the company, policy formulation and organization overview. The Board also plays an important role in the auditing and evaluation of the company's performance to be in accordance with the plan. (find details in the section "The Organize Structure").

At present, the Board of Directors consists of 10 people, 7 men and 2 women. 3 of which are executive directors and 7 non-

executive directors, 5 of which are qualified as independent directors. This balance results in fair voting and consideration of various business matters. The Board of Directors has appointed 3 sub-committees: Audit Committee, Executive Committee and Nomination and Remuneration Committee to perform specific duties and propose matters to the Board of Directors for consideration or acknowledgment. Each sub-committee has the rights and duties as specified in the powers and duties of each committee. The qualifications of each committee are listed

## Definition of the Independent Director and Audit Committee

Independent Director; the Company sets the qualifications of independent director according to the principle of the SEC as follows;

1. Holding shares no more than 1% of registered and paid-in capital of the Company and related companies, including shares held by related persons of the committee members;
2. Having neither conflict of interest with the Company and related companies nor gain/lost in terms of financial or business management either in the past or at the present, as well as not being a member of independent committee in such nature as,
  - An executive director, an employee, a staff, an advisor who receives salary, or an authorized person of the Company.
  - A professional such as auditor, law consultant, financial consultant, or asset appraiser
  - Any related person that has business relationship with the Company such as buy/ sell product and service, buy/ sell assets, give/receive financial support.
3. Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executives or controlling persons of the Company and its Subsidiary;
4. Having no business relationship with the Company, the Subsidiary, or juristic person who may have conflicts of interest, in the manner which may interfere with his/ her independent judgment, and in a manner that prevents the committee member from presenting the opinion freely about the Company's operation;
5. Not being a member of the audit committee or any committee in other public companies such have type of business same the Company.

The term of Independent Directors will be as the term of Company's director, even though its over 9 years of tenure of Directorship but suitable for comment freely and perform in accordance with the relevant guidelines. Furthermore, the proportion is more than half of the total number of directors. Therefore, it counterbalance to make decisions on various matters.

Audit Committee consists of independent committee of at least 3 persons. The term of office is three years. In addition, at least one of the Independent Committee who is a member of the Audit Committee must have sufficient knowledge and experience in accounting or financing to be able to perform duty in examining the reliability of the financial statement. The Company will also consider other qualification such as business experience and expertise, and ethics as well.

### *Duties and Responsibilities of the Board of Director*

The Board of Directors shall have duties and responsibilities to manage the Company according to the laws, objectives and regulations of the Company. 14 August 2019, the Meeting of Board has solved to revised the Duties and Responsibilities of the Boards to suit the changes as details are follows;

1. Define vision, mission, operation strategy, objectives, KPIs, policy planning, operation planning, budget planning, business direction, and also developing the capable to the universal competition.
2. Monitoring and corporation to Management team or authorized person to perform their duties in accordance with the policy efficiently and effectively for highest benefit of the Company and shareholders with fair to all stakeholders and awareness the Social Responsibilities Environment and Natural Resources.
3. Arrange Board of Directors meeting at least 3 times a month, and The Annual General Meeting of Shareholder within 4 months since the ending of the Company's fiscal year. Also to attend the Meeting unless there is the force majeure, the Chairman and Company's Secretary should be notified.
4. Responsible and authority to run their duties according to laws, objectives, and the regulations of the Company as well as the resolution of the shareholder meetings by honestly, carefully.
5. Have the authority to verify and approve policy, course and plan for large investment project of the Company as proposed by the sub- committee and/or the executives
6. Responsible to shareholders and operate the business with the shareholders' highest benefit in mind, and make sure that information being disclosed to investors and shareholders is complete, accurate, meet required standard, and transparent.
7. To ensure the processing of Nomination and Collecting person to be the Company's Director are transparently, several qualifies match to the Company's business. To set the guidelines of Directors compensation rate to be at appropriate levels. Appoint, assign, and advise sub- committee or task force to consider or perform in such cases as the Board of Directors see fit.
8. Monitoring and Improving the Company's Corporate Governance to be more universal for created of Sustainable business value. Supporting and to be role model for employees to perform accordance with CG, Code of Conduct and Anti-Corruption policy.
9. Set up the Risk management policy and monitoring an internal audit unit to work efficient in internal control system, risk management and reliable financial reports. Appoint the internal audit unit to cooperate with the Audit Committee.
10. Prepare the Board of Director's Annual Report and be responsible to preparing and disclosing of financial statement to report to the shareholder meetings.
11. Monitoring and set the assessed the performant of Director every year, evaluation and review their perform in team of Directors.
12. Directors must inform the Company right away if directors have a vested interest in any contract, directly or indirectly, or hold more or less debenture of the Company or the Subsidiary.
13. Directors must inform the Company right away if directors have a vested interest in any contract, directly or indirectly, or hold more or less debenture of the Company or the Subsidiary.
14. Have the authority to consider and approve such transactions that are necessary and related to the Company or any transactions the directors see fit and bring benefit to the Company. The following activities require an approval from the shareholder meetings.
  - a) Activities that require approval from the shareholder meetings as required by relevant laws, and
  - b) Transactions that the directors may have vested interest. Such transactions require approval from the shareholder meetings as designated by relevant laws or regulations from the Stock Exchange of Thailand.

Other than that the following transactions require approval from the shareholder meetings and at least 3 out of 4 votes from shareholders who attend the meetings and have right to vote.

- a) Selling or transferring of some significant parts or all of the Company's business to other persons.
- b) Buying or receiving businesses from other public or private companies.
- c) Amending or canceling contracts concerning renting out some significant parts or all the Company's business, delegating other persons to manage the Company or merging business with other persons with the objective to share profit and loss.
- d) Editing the memorandum or the Company's regulation
- e) Increasing capital, decreasing capital, issuing debenture of the Company
- f) Merging or seizing the operation.

Directors who have a vested interest or conflict of interest with the Company or the Subsidiary in any transaction will have no right to vote in such agenda.

In addition, the directors have to make sure that the Company abides to laws and regulations of the Stock Exchange of Thailand

### *Duties and Responsibilities of the Chairman*

1. Be responsible as the Company's director and the Board of Director's leader.
2. Controlling and monitoring management's and sub-committee's operating to achieve the operating object.
3. Support and encourage the directors perform duties to the best of their ability.
4. Call the Meeting of Board Directors and/or Shareholders Meeting.
5. Be a Chairman of the Board of Directors meeting and/ or Shareholders Meeting and controlling the meeting to properly and achievement.
6. Supporting directors and shareholders to express their opinions independently.

### **Audit Committee**

1.	Mr. Surapon Satimanont	Chairman of Audit Committee
2.	Mrs. Chintana Techamontrikul*	Audit Committee
3.	Mr. Kunchit Singsuwan	Audit Committee

\* Mrs. Chintana has knowledge and experience to review creditability of the Financial Reports.

### *Duties and Responsibilities of the Audit Committee*

1. Check that the company has the correct financial report and sufficiently presented by coordinating with the auditors from outside, and the responsible administrators to create a financial report, including every quarter and annually. The audit committee might suggest the auditors to investigate or check any list that seems necessary and important during the account in being investigated.
2. To review and ensure the Company's internal control and internal audit systems are appropriate and effective and consider the independence of the internal audit work unit, as well as give consent to the appointment, rotation and termination of employment of head of internal audit work unit or any other work unit in charge of internal audit function.
3. To review the Company's compliance with laws of securities and exchange, regulations of the stock exchange, and laws relating to the Company's business.
4. To consider, select and nominate independent person/ party as the Company's auditor and recommend the auditing fee by thinking of the reliability, sufficient amount of resources, and amount of investigating projects of the company's account audit office.as well as have meeting with the auditor without the participation of any management member at least once a year.
5. To consider the related transactions or transactions that could create a conflict of interest is comply to law and SET regulation to ensure that transaction is reasonable and give highest benefit to the company.
6. To prepare Audit Committee report to be published in the annual report. This report must be signed by the Chairman of the Audit Committee, and must contain at least information as follow:
  - (a) Comment about making process and revealing the information in the financial report of the company in a correct, complete and reliable way.
  - (b) Comment about the sufficiency of the internal control system within the company.
  - (c) Opinions concerning the operations according to law, including assets and stock exchange, regulation of the stock exchange or law, or law concerning the company's business.
  - (d) To opinion about qualification of auditor.
  - (e) The opinion about transactions that could create a conflict of interest.
  - (f) Time of audit committee meeting and time attendance of each audit committee member.
  - (g) Opinion or notice which audit committee had received comply to audit committee's charter.
  - (h) Other relevance information which Shareholders and general investor should acknowledge.
7. To perform any other duty as assigned by the Board of Directors and with the consent of the Audit Committee.
8. To have power to examine and investigate certain issues as deemed necessary and which may materially impair the Company's financial status and operating results, comprising:
  - (a) Issue that has conflict of interest.

- (b) Issue of fraud or irregularities or material defect in the internal control system.
- (c) Breach or violation of the laws of securities and exchange, regulations of the stock exchange, and laws relating to the Company's business.

If it's necessary, Audit Committee has an authority to seek the independent opinion from the

professional consultant under the Company's expense in order to complete the mission. Audit Committee has duty to report the investigating result to the Company Board of Director in order to make an improvement within the appropriate time determined by Audit Committee.

### Nomination and Remuneration Committee

1. Gen. Phairat Phoubon	Chairman of the Committee
2. Mr. Sombat Leeswadtrakul	Member
3. Mrs. Chintana Techamontrikul	Member
4. Mr. Woravit Chailimpamontri	Member

### *Duties and Responsibilities of the Nomination & Remuneration Committee*

- To determine the scope of work and method on the selection and recruitment of the Company's directors or the sub-committee whose retired by rotation or seat is vacantly for approval and/or to the shareholders' meeting, as the case may be.
- The determine necessary and appropriate compensation both in terms of money and other benefits for the directors, sub-committee's directors and the executive directors each year. The compensation proposal shall be forwarded to the Board of Directors for approval, or to the shareholders' meeting, as the case may be;
- To consider the criteria for performance appraisal in order to determine appropriate annual compensation, explaining and answering the questions regarding the directors' compensation during the shareholders' meeting.
- Arrange the meeting at least once a year, Teleconference is available to consider its matters.
- To execute any other works as assigned by the Board of Directors.

### Executive Committee

1. Mr. Sombat Leeswadtrakul	Chief Executive Officer
2. Mr. Sangrung Nitipawachon	Executive Director
3. Ms. Bunsri Panyapiamsak	Executive Director

### *Duties and Responsibilities of the Executive Committee*

- Prepare and present business policy, objectives, operation plan, business plan, investment plan, and annual budget of the Company to get an approval from the Board of Directors.
- Follow up, manage, and monitor the Company's operation to ensure that the operation is effective and conforms to the Company's goals or business direction in order to strengthen the Company's business; screen topics to be presented to the Board for consideration; and conduct the business as assigned by the Board; as well as report the results to the Board.
- Supervise and monitor the Company's business operation to conform to policy, objectives, operation plan, business strategy, and budget as approved by the Board.
- Consider and determine organization structure and management authorization, compensation policy, and salary structure to cover all details including selection, employment, compensation and benefit, transfer, training, and layoff.
- Plan and screen both long-term and short-term plan to fulfill the Company's objectives and goals.
- Appoint or assign one person or more to conduct a business in place of the executive committee as see fit, whereas the executive committee can

- cancel, withdraw, change, or revise such authorization.
7. Have the authority to approve any operation or expenses for business operation which is exceed the amount of the normal operation or the amount that the administrators can authorize according to the Company's regulations or annual budget approved by the Board.
  8. Consider regulations regarding authorization for management level and operation level which cover financing, accounting, procurement, investment, mortgage and loan, guaranty, selling and transferring of assets, signing contract or agreement, and other operation as see fit.
  9. Perform their duties as being assigned by the Board.
  10. Perform their duties according to laws, objectives, rules and regulations of the Company.
  11. Plan and screen financial management for financial relief and stronger financial structure.
  12. Plan and screen proactive public relation for good and sustainable image.
- However, approval of any transaction by the Executive Committee will not include approval of such transactions that the Executive Committee or persons who may have conflicts of interest with the Company and/or the Subsidiary; transactions that have to get consent of the shareholders for related transactions; and trading of important assets of the Company and/or the Subsidiary; to comply with laws relating to the Company's business and regulations set by the Securities and Exchange Commission and the Stock Exchange of Thailand.

### *Duties and Responsibilities of the Company Secretary*

1. Preparing and keeping the following documents:
  - (a) a register of directors;
  - (b) a notice calling director meeting, a minutes of meeting of the board of directors and annual report of the company.
  - (c) a notice calling shareholder meeting and minutes of the shareholders' meeting
2. Keeping a report on interest filed by a director or an executive,
3. Performing any other acts as specified in the notification of the Capital Market supervisory board.

Management Remuneration	2021		2022	
	Person*	Amount (MB.)	Person*	Amount (MB.)
Salary	11	16.57	10	14.53
Bonus	11	7.12	10	5.42
Others –Commission and Provident fund	11	3.88	10	2.87
** Allowance from Subsidiaries		5.83		5.02
<b>รวม</b>		<b>33.40</b>		<b>27.84</b>

\* 1 executive was quit while a year.

\*\* Only management who seat in Subsidiaries such Neistern Steel Co.Ltd., Megga Trans and Logist Co,Ltd and Grand Steel Pipe Co.,Ltd

### Employee

The total of company employees as on December 31, 2022. This consists of the employee according to the working lines as follows:

Division	No.of Employees		Division	No.of Employees	
	2022	2021		2022	2021
1. Plant	117	115	6. Information Technology (IT)	21	18
2. Sales and Marketing	70	59	7. The office of Committee	1	1
3. Accounting	8	8	8. Internal audit	1	1
4. Financial	3	3	9. Warehouses (4)	67	66
5. Personnel	11	14	<b>รวม</b>	<b>299</b>	<b>285</b>

3 Subsidiaries consisted Neastern Steel Co.,Ltd., Maga Trans and LogisCo.,Ltd. and Grand Steel Pipe Co.,Ltd. have total employee 281 persons which excluded management.

In a period of the past 3 years, The company did not have any conflict about labor

### Employee's compensation of 2022

The total compensation of the company's employees (excluded management) was Bt.75.40 million. This compensation was the form of salary, bonus wage, overtime wage, provident fund and other welfare.

The total compensation of 3 subsidiaries, Neastern Steel Co.,Ltd., Maga Trans and Logis Co.,Ltd. and Grand Steel Pipe Co.,Ltd. was 32.73 and 18.27 and 6.34 million Baht respectively.

### Personnel Development Policy

The Company has the policy regarding personnel development to advance the employees' knowledge and skill for better performance and higher quality service. Necessary trainings and seminars will be arranged regularly. This will help the staff to be able to apply the knowledge and perform their task efficiently. As details shown in the part 1.3 Driving business for sustainability 'Sustainability Management – Society'

### Audit fee

Year 2022, the Company and its subsidiaries paid the audit fee as bellows;

Company	Audit fee (baht)	Non-Audit fee**	ผู้สอบบัญชี
2S Metal Public Company Limited	*1,931,000	182,266.36	Grant Thornton Co., Ltd.
Neastern Steel Co., Ltd.	319,000	42,088	Grant Thornton Co., Ltd.
Mega Trans and Logis Co., Ltd.	255,000	6,422	Grant Thornton Co., Ltd.
Grand Steel Pipe Co., Ltd.	62,552.32	0.00	TBS Accounting Consultant Service Co., Ltd

\* According to the AGM of 2022 has passed the resolve of Audit fee at 1,961,000 million Baht, actually paid in year 2022 less than resolution because of non-BOI in the year.

\*\* Non-Audit fee : accommodation, travel expenses, etc.

### *Board of Director's Performance Summary*

#### **1. Selection of the Board of Directors and Top Executive**

Director, according to the Company's regulations, at every annual general shareholder meeting, 1/3 of the directors must leave the Board. Every year the Company will invite the Company's shareholders to propose person to be elected as the Company's director which will be considered the qualification of the candidate by the Nomination and Remuneration Committee for propose the Annual General Shareholders Meeting.

1. The directors must perform their duties according to laws, objectives, and regulations of the Company, as well as the resolutions of the shareholder meetings.
2. The Board of Directors must consist of no less than five persons and more than half of the Board members must be residences of Thailand. All of the Board members must have qualification as required by laws.
3. The Board of Directors must compose of independent committee members of no less than one third of all members and no less than three persons. The Independent Committee must hold shares no more than 1% of the registered and paid-up capital of the Company and related companies, including shares held by related persons of the committee members. Directors who are independent committee members of other related companies must disclose such information and remuneration receiving form that company as well.
4. The shareholder meeting is responsible for appointing directors on the basis of majority votes under the following rules and methods,
  - a) A shareholder shall have one vote for each share held.
  - b) Committee election can be made through an individual or a group to be committee according to shareholder meeting. To vote, no matter individual or group who the shareholder vote will be the voice according to the number of stocks that the shareholder holds under Item 1 in which the mentioned shareholder cannot divide their voices to any individual more or less than others.
  - c) Candidates shall be decided on the basis of majority of the vote cast. In case of a tie of votes, the Chairman presiding over the meeting shall have the casting vote to decide who will win the tie.
5. In case there is a vacant seat in the Board because of a particular reason other than expiration of terms, the Board shall select a person who meets qualification and qualified by laws according the Public Company Limited Act B.E. 2535 to be an acting board member for the next meeting, unless the term of the Board is less than two months. The acting board member will be in position for the remaining term of the member being replaced. The resolution of the Board of Directors must be from the vote of no less than three-fourth of the remaining members of the Board.
6. The shareholder meeting may vote to have any of the directors to leave the Board of Directors before the end of the term. The vote must be no less than three-fourth of the number of shareholders attending the meeting and having rights to vote with the total number of shares no less than half of total numbers of shares of all shareholders who attend the meeting and have rights to vote.
7. Term of Audit Committee follows to the Director's tenure. When retire by rotation the Annual General Shareholder Meeting may re-election to be direct another term.
8. In case there is a vacant seat in the Audit committee, Board can appoint the person who meets qualification and qualified by law to replace and continuous term remaining.

Year 2022, there were 3 directors who retired by rotate. Mr. Surapon Satimanont, Mr. Preeda Wongsatithporn and Ms. Bunsri Panyapiamsak. According to the Company invited shareholders to propose suitably qualified persons to be nominated for director position in the Annual General Shareholders Meeting 2022, which had no proposing. Board of Directors agreed to the Nominated committee that 3 directors who retired by rotation have qualified suitable for being a director of the Company. Thus, the Board of directors wished to propose the AGM 2022 appointed those 3 directors who's retired by rotate to be director and independent director another term.

**Nomination of Chief Executive Officer/ Managing Director** The Nomination and Remuneration Committee will nominate qualified candidate with skills, competence, expertise and experience in the specific field of the Company's business, under the following criteria:

1. Have qualifications according to Section 68 of the Public Limited Companies Act, B.E. 2535 and notifications or regulations of the Stock Exchange of Thailand ("SET") and Office of the Securities and Exchange Commission ("SEC").
2. Have specific skills, competence and expertise and diversified experience beneficial to the efficient business operation of the Company.
3. Have personal traits that support corporate governance principles, such as be a person with morality, independence, assertiveness, creativity, prudence, honesty and full dedication to performance of duty for the Company.

**Succession of Executive Director** At the monthly management meeting for discussing and exchange information, planning and strategies, will assign work to create continuity in the management.

## 2. Meeting of the Board of Director

The committee holds regular meetings every 3 months and additional special meetings may be held as needed with meeting dates set annually in advance. According to the company's regulations and rules and procedures prescribed by law and information security standards, meetings of the Board of Directors can be held via electronic media.

In 2022, there were 5 meetings of the Board of Directors and the 2022 Annual General Meeting of Shareholders on April 21, 2022, in the form of an electronic meeting with all directors attending the meetings.

For each meeting, the company will send invitation letter together with accompanying documents not less than 7 days before the meeting date to allow the directors sufficient time to review the information, unless there is a case of urgency. Written minutes of meeting and acknowledge documents have to be compiled for future reference and examination.

The company stipulated a policy on the minimum quorum in meetings where the directors must present to vote at the meetings not less than two-thirds of the total number of directors. The Chairman of the Board who is also the chairman of the meetings will present directors with an opportunity to express their opinions freely. In some agendas, there may be senior executives and/or independent experts attending in the meetings to provide additional useful information as stakeholders, and they will also be directly informed of the policies in order for them to be able to implement those policies effectively

In addition, 5 Independent Directors attended the Independent Director meeting on December 7, 2022, without the presence of the management to exchange opinions about the management in the past year or issues that were of interest independently and presented the discussed issues to the Board of Directors' meeting for acknowledgement.

The Meeting 2022	Attendance / No. of Meeting				
	Board of Director	Audit Committee	Nomination & Remuneration	Shareholder Meeting	Ind. Director
1. Mr. Kunchit Singsuwan	5/5	4/4		1/1	1/1
2. Mr. Sombat Leeswadtrakul	5/5	-	2/2	1/1	-
3 Mr. Sangrung Nitipawachon	5/5	-	-	1/1	-
4. Mr. Surapon Satimanont	5/5	4/4		1/1	1/1
5. Mrs. Chintana Techamontrikul	5/5	4/4	2/2	1/1	1/1

The Meeting 2022	Attendance / No. of Meeting				
	Board of Director	Audit Committee	Nomination & Remuneration	Shareholder Meeting	Ind. Director
6. Ms. Bunsri Panyapiamsak	5/5	-	-	1/1	-
7. Mr. Tanatat Chawaldit	5/5	-	-	1/1	-
8. Mr. Preeda Wongsathitporn	5/5	-	-	1/1	-
9. Gen. Phairat Phoubon	5/5	-	2/2	1/1	1/1
10. Mr. Woravit Chailimpamontri	5/5	-	2/2	1/1	1/1

### Compensation

The Company has set guidelines and payment rates for directors to be at appropriate levels. Remuneration for directors and executives would be based on their scope of responsibility, the Company's overall performance, and conform to similar business/industry. Directors' and executives' remuneration packages should be attractive enough to keep the qualified persons and should be comparable to that of other companies in similar industries. Directors and Executives being assigned more duties and responsibilities will receive more compensation accordingly.

In 2022, Nomination and Remuneration Committee determined the remuneration data of the listed company in SET compared with the evaluation of performance to set the transparently remuneration before propose to the shareholder meeting.

The director's remuneration in cash for non-executive director consists the Salary and meeting allowance in the total amount by Baht 4.00 million

	Salary	Meeting allowance /time
Chairman of the Board	50,000	15,000
Chairman of Audit Committee	30,000	20,000
Chairman of the Committee	30,000	20,000
Director	30,000	15,000

Name	Compensation	
	2022	2021
1. Mr. Kunchit Singsuwan	750,000.-	720,000.-
Salary	600,000	600,000
Meeting allowance	150,000	120,000
2. Mrs. ChintanaTechamontrikul	540,000.-	525,000.-
Salary	360,000	360,000
Meeting allowance	180,000	165,000
3. Mr. Surapon Satimanont	530,000.-	515,000.-
Salary	360,000	360,000
Meeting allowance	170,000	155,000
4. Mr. Tanatat Chavaldith	450,000.-	435,000.-
Salary	360,000	360,000
Meeting allowance	90,000	75,000

Name	Compensation	
	2022	2021
5. Mr. Preeda Wongsathitporn	450,000.-	435,000.-
Salary	360,000	360,000
Meeting allowance	90,000	75,000
Allowance from Subsidiaries*	20,000	10,000
6. Gen. Phairat Phoubon	490,000.-	475,000.-
Salary	360,000	360,000
Meeting allowance	130,000	115,000
7. Mr. Woravit Chailimpamontri	480,000.-	465,000.-
Salary	360,000	360,000
Meeting allowance	120,000	105,000
	<b>3,690,000</b>	<b>3,570,000</b>

\* out of the calculating.

### Other Remuneration

Directors and officers' liability insurance amounted 100,000,000 baht with policy period starting from January 1, 2022 to December 31, 2022 with a premium of 138,000 baht.

### 3. Development Programs for Directors and Executives

The Board of Directors has a policy to promote and facilitate training and educating directors who are involved in the corporate governance system of the company such as directors, audit committees, executives, etc. in order to continuously improve their operations and develop the organization.

#### Training for Directors and Executives 2022

Dr.Kanchit Singsuwan	MCD 2, Stakeholder Engagement in the Era of Security Singapore Institute of Directors
Mr. Surapon Satimanont	Thailand Sustainable Banking 2561, Bank of Thailand
Mr. Worawit Chailimpamontri	The National Defence College (NDC #63)
Mr. Tanatat Chavaldith	The National Defence College (NDC #63)
Mr. Boonsri PanyaPiamsak	Irregular items in the Financial Statement and case study 2022, Federation of Accounting Professions
Mr. Teerasak On-chorn	Carbon Footprint for Organization (CFO-02/2565) by SET.

### 4. Board of Director Performance Assessment

The company has arranged self-assessment activity of the Board of Directors at least once a year, to assess their performance to reflect the efficiency of operations according to the principles of good corporate governance and for the committee to jointly review the work for further improvement. The Company Secretary was assigned to submit a self-assessment form to all directors at the end of the year and put together a result summary to report to the Board of Directors for them to acknowledge and share opinions for further improvement.

In 2022, the Board of Directors approved the use of the Director Performance Evaluation Form from the Thai Institute of Directors Association. There were 4 categories of assessment as follows:

1. The self-assessment of the Committee resulted in an average of 94.06, a decrease of 0.16 from the previous year, as a result of an insufficient proportion of directors' opinions and time taken to consider the appropriateness of the use of resources.
2. The self-assessment of the Sub-Committee
  - Audit Committee averaged at 97.50%, a decrease of 0.66% from the previous year. The duration of each meeting was insufficient.
  - Members of the Nomination and Remuneration Committee averaged at 96.53%, a decrease of 1.63% from the previous year. The obtained documents and meeting information were insufficient.
3. The self-assessment of the Board of Directors on an individual basis averaged 97.94%, an increase of 1.32% from the previous year. The duration the directors spent studying the information before attending the meeting was insufficient.
4. The assessment of the performance of the top management averaged 97.0%.

## **5. Supervision the operations of subsidiaries**

3 Subsidiaries consist of Neastern Steel Co., Ltd., Mega Trans and Logis Co., Ltd., and Grand Steel Pipe Co.,Ltd. was held by the company more 90 % of registered capital. The directors in subsidiaries are the representatives from the company to determine the operation policy and participate in administration. Details of position in the Subsidiaries was shown in the attachment 2. All 3 subsidiaries use same both the Internal Control and Statement of compliance with TFRSs, including Related Transactions.

## **6. Monitoring and Compliance**

In the past year, the Board of Directors has monitored and reviewed the policies on compliance with good corporate governance and issued sustainability management policies which cover business operations with responsibility to stakeholders in all 3 dimensions, namely the economic dimension, the social dimension, and the environmental dimension.

Year 2022, Board of Directors has review and approve the Human Rights Policy as Risk management participate. Which be ensure that the Company's business operations will achieve sustainable strategies and goals.

## **Preventing the Insider Information**

The Company has set guidelines concerning the use and protection of inside Information for trading of the Company's securities by related persons which include directors, executives, and employees in departments that have connection with such inside information (including spouse and underage child of such persons). Selling or buying of the Company's stock by such related persons is prohibited for at least one month before disclosure of quarterly financial statements and annual financial statements. Stock trading by relevant parties can be done after the information is disclosed to the public more than 24 hours.

### The movement of shareholding of 2022

	15 February 2021		Changing	10 February 2022*		% of Capital
	Personally	Spouses and minor Children		Personally	Spouses and minor Children	
1. Mr. Kunchit Singsuwan	-	-	-	-	-	-
2. Mr. Surapon Satimanont	-	-	-	-	-	-
3. Mr. Sombat Leeswadtrakul	95,234,050	-	31,695,200	136,452,654	-	24.81%
4. Mr. Sangrung Nitipawachon	29,109,087	-	-	32,019,995	-	6.03%
5. Mrs. ChintanaTechamontrikul	-	-	-	-	-	-
6. Miss Bunsri Panyapiamsak	15,417,277	-	-	16,959,004	-	3.08%
7. Mr. Tanatat Chawaldit	13,435,592	-	(300,000)	14,479,151	-	2.63%
8. Mr. Preeda Wongsathitporn	22,397,165	-	-	24,636,881	-	4.48%
9. Gen. Phairat Phoubon	-	-	-	-	-	-
10.Mr. Woravit Chailimpamonti	-	-	-	-	-	-
11. Mrs. Tassanee Phunuchaphai	-	-	-	-	-	-
12. Mr Pakorn Onkeaw	55,000	-	-	60,500	-	0.01%
13. Mrs. Kannika Angruvirote	-	-	-	-	-	-
14. Mr.Pongdech Lersithisak	-	-	-	-	-	-
15. Mr. Teerasak Onrachorn	-	-	-	-	-	-
16. Mrs. Pattranit Janthong Sasutham	-	1,400	1,460	3,000	-	0.00%
17. Ms.Jaruwan Janpra-Ob	112,500	-	-	123,750	-	0.02%

- Included the number of holding increased by proportion of stock dividend as the AGM 2022 approved to paid stock dividend in ratio 10 existing share per 1 stock dividend

### Anti-Corruption

The company has been certified as a member of the CAC Private Sector Collective Coalition against Corruption. In 2021, the Board of Directors has revised the company's policies and guidelines in order to effectively control and prevent risks that may occur from changing situations and disseminate through the organization's learning channels as well as assess the understanding of personnel in the form of actions that may cause corruption. In term of following up, the Audit Committee has established an internal audit plan each year and regularly reports the results to the Board of Directors' meetings which in the past year the Internal Audit Department did not find any issues that could cause corruption.

The company has published details of the anti-corruption and whistle blowing policies so that personnel within the organization and outsiders can access and study the guidelines at the company's website under the topic of corporate governance [http://www.ss.co.th/th/about\\_th/corporate-governance\\_th/](http://www.ss.co.th/th/about_th/corporate-governance_th/)

### Whistle brawling

- Postal : Audit Committee  
2S Metal Public Company Limited  
No. 1788 Singha Complex (Regus) 30 Flr., New Petchburi Rd.,  
Bang kapi, Huaykwang  
Bangkok 10310
- Email : [auditcom@2smetal.com](mailto:auditcom@2smetal.com)

## Whistleblowing and Complaint

In order to encourage stakeholders both inside and outside the organization to take part in good governance, the company has established guidelines for whistleblowers to notify and report issues on the company's website under the topic of Corporate Governance [http://www.ss.co.th/about\\_th/corporate-governance\\_th/](http://www.ss.co.th/about_th/corporate-governance_th/)

## 7. Report of the Board of Directors

The Board of Directors jointly reviewed the annual report before submitting it to the shareholders to acknowledge the business operations in the past year and assigned the Audit Committee to review the financial report. The Independent Directors were responsible for reviewing the accounting policies, quality of financial reports, internal control system, internal audit risk management system, and transaction information disclosure to relevant parties to ensure complete important financial information disclosure. The Board of Directors is responsible for the consolidated financial statements of the company and its subsidiaries, including financial information written in the annual report and the report of the Board of Directors' responsibilities for financial reports. Such financial statements were prepared in accordance with accounting standards certified and audited by the company's auditors. The disclosure of important information, both financial and non-financial information, is conducted on a consistent and factual basis.

The company's financial statements and its subsidiaries were audited by the company's auditing agency, Grant Thornton Company Limited. In the auditing process, the company's Board of Directors supported the provision of information and documents so that the auditor can audit and express opinions in accordance with the auditing standards. The auditor's opinions are written in the auditor's report which is shown in the annual report. The Board of Directors concluded that the company's internal control system has been performing at a satisfactory level and is able to build reasonable confidence that the company's financial statements and its subsidiaries for the year 2022 ending December 31, 2022, are reliable and adhering to generally accepted accounting standards and complying with relevant laws and regulations.

### *Audit Committee's Performance Summary*

Year 2022, the Audit Committee held a total of 4 meetings with certified auditors, internal auditors, Accounting Manager and related executives to consider reviewing the company's financial information and related transactions, listen to suggestions, improve the efficiency of internal control, perform duties in accordance with the regulations of the Stock Exchange of Thailand, and independently supervise operations according to the scope and goals that have been set and report to the Board of Directors for acknowledgment. The summary of the duties to evaluate performance as follows:

1. Review quarterly financial statements and financial statements for the year 2022 together with auditors and related management to ensure that the company's financial reports are properly prepared in accordance with generally accepted accounting principles with information disclosure adequacy, reliability and completion. Take feedback and suggestions from auditors, Accounting Manager and related executives about information based on financial reports which auditors have already certified without conditions.
2. Review the operation of the internal audit department to be in accordance with the approved internal audit plan for the year 2022. Follow up on the internal audit reports of the company's internal audit department and the progress of improvement according to the advice of the auditors and the internal audit department every quarter.
3. Review compliance with securities and exchange laws and regulations of the stock exchange, including other laws relevant to the company every quarter to build confidence among shareholders and investors.

4. Review remuneration, select and nominate the company's auditors for the year 2022 to the Board of Directors for the Annual General Meeting of Shareholders to review and approve. In addition, the Audit Committee held a meeting with the company's auditors without the management attending on December 7, 2022.
5. Review related transactions or transactions that may cause a conflict of interest to ensure they comply with the laws and regulations of the Stock Exchange of Thailand. The company has disclosed information correctly and completely by the company's policies and procedures for related party transactions. All business transactions related to the company are correct, appropriate, reasonable, fair, and free of conflicts of interest.

The Audit Committee is of the opinion that the company has accurately reported financial and operating information, has an internal control system, has proper risk management measures, operates according to legal terms and obligations, and has handled the company's related transactions with proper disclosure, sufficiency, transparency and reliability in accordance with good corporate governance.

### *Nomination and Remuneration Committee's performance Summary*

In 2022, the Nomination and Remuneration Committee has performed duties as assigned by the Board of Directors in the recruitment, selection and nomination of the persons to be directors and high-level executives of the company. The Nomination and Remuneration Committee has considered compensations and other benefits under the company's corporate governance policies where 2 meetings were held to consider important matters which can be summarized as follows:

1. Follow up the results of the announcement inviting minority shareholders to propose the nomination of person to be elected as the Company director. Which disclosed via SET system and post on the Company's website on 17 December 2021 to 31 January 2022, there's no any shareholders proposed the nominate person for considering in the AGM 2022.
2. Consider the qualifications of the persons nominated for the positions of independent directors and directors replacing those who have retired which were in accordance with the requirements of the Securities and Exchange Commission. The qualifications include the absence of legally prohibited characteristics, experience and knowledge that are beneficial to the company to present to the Board of Directors' meeting before the shareholders' meeting.
3. Reviewed the results of the performance assessment of the directors. In 2022, the Board of Directors used the performance assessment form according to the criteria of the Thai Institute of Directors Association (IOD), which assessed 4 topics: the overall assessment of the entire Board of Directors; the performance of sub-committees; the self-assessment of individual directors; and the performance of the Chief Executive Officer. In this regard, the Company Secretary has compiled and notified the results of the performance assessments for the past year to the Board of Directors. Further details can be found on the topic 'Corporate Governance Key Performance Report' on page 54.

In addition, the Nomination and Remuneration Committee has been assigned by the Board of Directors to evaluate the performance of the Chief Executive Officer. While assessing, Mr. Sombat Leeswadtrakul, who held a director position at the meeting, left the meeting so that the Nomination and Remuneration Committee is independent in reviewing and evaluating the performance. The results of the evaluation showed that all assessment results exceeded all targets, including leadership, formulation and execution of strategy, financial planning, and relationship management of the Board of Directors and people outside the organization. In summary, the performance of the Chief Executive Officer was at excellent level.

4. Considered the remuneration of company directors to propose to the Annual General Meeting of Shareholders on April 21, 2022, using the same criteria for considering remuneration as in 2021. The remuneration determination is considered and rationalized from the roles and responsibilities and the information of remuneration in the same industry using a reference

from a survey result of directors' remuneration of listed companies in SET together with the economic conditions and company's performance to determine the remuneration for directors. The remuneration consists of salary and meeting allowance for each board member. Directors who are executives will not receive this part of remuneration. Further details can be found on the topic 'Compensation for Directors' on page 53.

Nomination and Remuneration Committee has performed their duties independently and have not been excessively controlled by the management. Nomination and Remuneration Committee has used discretion and considered carefully and reasonably while taking into account the benefits of minority shareholders in accordance with the principles of good corporate governance.

## Part 2 Corporate Governance

### Internal Control

There is an internal audit unit in internal operation which is responsible for monitoring performances of all departments in the company to be in accordance with the company's policy and criteria. The audit's responsibilities include assessing the efficiency of the internal control system of each department and reporting to the Audit Committee to conduct a review to ensure the company has a sufficient and efficient internal control system before presenting matters to the Board of Directors.

In 2022, the Audit Committee and the Board of Directors jointly evaluated the company's internal control system 10th November 2022 according to the Securities and Exchange Commission's internal control system adequacy assessment form. It is viewed that the Company's internal control system is sufficient and appropriate for the operations to meet the goals, objectives and relevant laws and regulations of the 5 components as follow:

1. Internal Control. The company has a clear organizational structure, scope, and authority of the management. Management meetings are held to set common company goals. The company has set operational goals annually and used the actual operational performance to review the operational goals for the next year. In addition, the company has prepared business ethics guidelines for executives and employees to follow and has clearly defined penalties in the employee handbook.
2. Risk management. The management personnel of each department will assess risks at least once a year and regularly review them to analyze potential internal and external risk factors to keep up with the rapidly changing situations nowadays. Potential risk information and preventative measures will be notified to relevant parties to mitigate those potential risks.  
  
In 2022, in addition to the risk from the spread of COVID-19, there were also increasing risks from the exchange rate and raw material price fluctuation. All departments have worked together to analyze the potential impacts on business operations, propose preventative measures, and assign responsible personnel to follow up on risk management assessment results.
3. Operational Control-The company has clearly defined and assigned scope of duties and authorities for each level of management in writing with assessment system use.  
  
At present, the company has adequate and concise internal control system for transactions with major shareholders, directors, executives and related persons. The company has been making sure that transactions made are always reasonable transactions. There is a process of price comparison from at least 2 vendors that are legally reliable with general commercial terms. The company will always ensure that there is no conflict of interest involved in any transactions with approval from authorities who have no interest in the matter and opinions from the Audit Committee in accordance with the regulations of the Stock Exchange of Thailand.
4. Information and Communication System - It is an important part of supporting an effective internal control. The meeting of the Board of Directors and the sending of meeting invitations together with supporting documents were conducted not less than 7 days in advance as required by the laws. Accounting-related operation, information storage, and daily operation were managed and assisted by the company's information and communication system to keep in place and up to date at all time.
5. Tracking system - The company holds a weekly meeting for management to follow up on business and KPI and to discuss solutions in case set goals have not been achieved with opinions from internal Audit Department to examine matters and report independently to the Audit Committee.

In addition, the company's certified auditors have assessed the efficiency of the internal control system and audited the financial statements of the company and its subsidiaries for the year ending December 31, 2022. No deficiencies were found in the internal control system that would cause a significant impact on the opinion on the financial statements of the company and its subsidiaries.

## Part 2 Corporate Governance

### Related transaction

Every quarter, the internal audit department gathers information about business activities and transactions between the company and all companies involved. The information will be reported to the audit committee and board of directors to consider the reasonability and

appropriateness by general trading terms and standards. Transactions should be conducted in professional fashion that aligns with company's policy with no conflicts of interest which in the fiscal year 2021 ending on December 31, 2022, transaction activities are summarized as followed.

#### • Normal business transaction of Steel product

Company	Nature of Relationship	Description	Value (Bt. million)	Necessary and Reasonable
Neastern Steel Co., Ltd.	- The subsidiary,	The Company has sold the finished products such as square tube , round tube for maintenance	14.22	The transactions are normal trading, and it was market price.
		- accounts receivable	0.20	
		The Company has bought consumable such cable tire for trading	0.32	
		- accounts payable	0.00	
Grand Steel Pipe Co.,Ltd.,Ltd (Lao PDR.)	- The subsidiary,	The Company has sold the finished products such as square tube , round tube for trading	71.43	The transactions are normal trading, and it was market price.
		- accounts receivable	23.01	
Mega Trans and Logis Co., Ltd.	- The subsidiary,	The Company has sold the finished products and tools for business.	0.25	The transactions are normal trading, and it was market price.
		- accounts receivable	0.00	
United Steel Pipe Co., Ltd.	- Group of Executive management has hold the Company's share	The Company has sold raw material.	20.41	The Audit Committee (AC) has agreed that the products are of special quality and size that the company could not produce in-house. A price comparison process was conducted from at least 2 sellers with normal trading conditions. Approver the
		- accounts receivable	0.00	
		The Company has bought the finished goods for trading.	514.09	
		- accounts payable	8.65	

## Part 2 Corporate Governance

Company	Nature of Relationship	Description	Value (Bt. million)	Necessary and Reasonable
				transaction was a person who had no interest or could cause a conflict of interest.
City Metal Co., Ltd.	- Group of Executive management has hold the Company's share	The Company has sold raw material. - accounts receivable	93.38 0.00 502.90 0.00	AC has agreed that the products are of special quality and size that the company could not produce in-house. A price comparison process was conducted from at least 2 sellers with normal trading conditions. Approver the transaction was a person who had no interest or could cause a conflict of interest.
Panich Swad Co., Ltd.	- Group of Executive management has hold the Company's share	The Company has sold raw material. - accounts receivable	76.87 0.00	AC has agreed that the products are of special quality and size that the company could not produce in-house. A price comparison process was conducted from at least 2 sellers with normal trading conditions. Approver the transaction was a person who had no interest or could cause a conflict of interest.

### • Equipment and Others

Company	Nature of Relationship	Description	Value (Bt. million)	Necessary and Reasonable
Nana Watsadu Furnitures Co., Ltd.	- Director is the close relationship with the company's management	Company has bought some facilities for production, such glove, glue, etc. - accounts payable  The Company has sold Distance Measurer Laser - accounts receivable	0.01 0.00  0.01 0.00	The transactions are normal trading, and it was market price.

## Part 2 Corporate Governance

Company	Nature of Relationship	Description	Value (Bt. million)	Necessary and Reasonable
Kwangfha Lohakit	- Director is the close relationship with the company's management	Company has bought some facilities for production, such Steel welding mark, brush paint, Stone grinding, etc.	0.03	The transactions are normal trading, and it was market price.
		- accounts payable	0.01	
		The Company has sold Welding Rods	0.00	
		- accounts receivable	0.00	

### • Loan

บริษัท	ลักษณะความสัมพันธ์	ลักษณะของรายการ	มูลค่ารายการ (ล้านบาท)	Necessary and Reasonable
Mega Trans and Logis Co.,Ltd.	- The subsidiary,	Mega loans for operations	26.81	Its normal loan transaction by issuing the promissory Notes and Interest rate as the financial institution.
		- Interest income	0.88	
Neastern Steel Co., Ltd.	- The subsidiary,	The Company loans for working capital	48.50	Its normal loan transaction by issuing the promissory Notes and Interest rate as the financial institution.
		- Interest income	0.64	

### • Properties

## Part 2 Corporate Governance

Company	Nature of Relationship	Description	Value (Bt. million)	Necessary and Reasonable
United Steel Pipe Co.,Ltd.	- Group of Executive management has hold the Company's share	Warehouse rental, Period 3 years for Baht 100,000 per month. - accounts payable	1.20 0.00	Rental rate and trade conditions are normal course of business
Neastern Steel Co., Ltd.	- The subsidiary,	Warehouse rental (included crane and equipment), Period 3 years for Baht 740,000 per month. - accounts payable	9.41 0.06	Rental rate and trade conditions are normal course of business
Mega Trans and Logis Co.,Ltd.	- The subsidiary,	Mega rent area and office supply, Period 5 years for Baht 21,700 per month (included Utilities) - Accrued Income	0.26 0.00	Rental rate and trade conditions are normal course of business

### • Engagement

Company	Nature of Relationship	Description	Value (Bt. million)	Necessary and Reasonable
Mega Trans and Logis Co.,Ltd.	- The subsidiary,	Transportation service for the Company's products - accounts payable	78.09 0.66	The subsidiary provide convenience with delivery of the products to the Company and Groups with fair price and conditions.
Neastern Steel Co., Ltd.	- The subsidiary,	Neaster produces products for the Company. - accounts payable	85.82 8.18	The Subsidiary's plant located in Nakornrachshima province which is center of Eastern. Such the Company can provide convenience with delivery of the products to customers and safe cost of transportation.

**Remark :** Audit Committee has reviewed and considered that the transaction was reasonable. Shareholders or Investors may find 3 previous transaction on the Company's website [www.ss.co.th](http://www.ss.co.th)

### *Approval Process of Related Transactions*

At present, the Company's approval process of related transactions is in line with Securities and Exchanges Act, and regulations, announcements, directions, and provisions of the Stock Exchange of Thailand. Directors or related parties who may have a vested interest or conflict of interest with the Company or the Subsidiary in any transaction have no right to vote in such matter.

#### **Future Related Transactions**

##### Normal business transactions and other supporting transactions with general business conditions

Selling and purchasing of steel products between the related companies and the Company and the Subsidiary occur continuously. The Company and the Subsidiary will take necessary action when consider that there is a necessity to meet the customers' demand and benefit can be gained from such transactions at an appropriate rate.

The Company and the Subsidiary place policy in related transactions to comply with normal course of business. Price and conditions are clear and justified and can be compared to market price of unrelated persons thus transfer of profit cannot occur. However, the internal audit department will review and inspect such transactions and prepare reports for the Audit Committee to consider and give opinion about price and transaction reasonability in every quarter.

As the persons with possible conflict of interest of the Company and/or the Subsidiary are largely involved in the steel industry and the Company and the Subsidiary have high possibility to make the related transaction of the steel product. Therefore, the Company has set stringent measure on delegation of approval authority for such related transactions of the Company and the Subsidiary to ensure transaction transparency and reasonableness and pricing appropriateness, as summarized below.

The total amount per approval of 1 related transaction per 1 person with possible conflict of interest Not exceed Bt. 10,000,000 per week	Authorized persons
	The Managing Director Reports to the Board of Directors in a meeting in which the Audit Committee is also attending. Such transactions will be reported quarterly.
More than Bt. 10,000,000 but not exceed 25,000,000 per week	The Board of Directors Reports to the Board of Directors in a meeting in which the Audit Committee is also attending. Such transactions will be reported quarterly.
More than Bt. 25,000,000 per week	The Board of Directors Informs the Audit Committee about details of such transactions prior to processing of the transaction.

**Note:** An initial approval of transaction by an authorized person will not include an approval of a transaction that an authorized person or a person with possible conflict of interest is a stakeholder or a person that has any conflict of interest with the Company and/or the Subsidiary; a related transaction that must receive a written consent of shareholders; and an acquisition or disposition of important assets of the Company and/or the Subsidiary. So it is conforming to regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission, or any regulations related to the business.

All members of the Audit Committee are aware of such duty regarding approval of related transactions. In case of an appointing of a new audit committee member in the future, the Board of Committee or the Managing Director will inform the candidate about this duty prior to the nomination.

##### Normal business transactions and other supporting transactions without general business conditions

The Company expects that in the future such transactions may occur in both the Company and the Subsidiary. Therefore, the Company and the Subsidiary will ensure transaction transparency and fairness and make sure that there is no transfer of profit related to such transactions in order to comply with Securities and Exchanges Act, and regulations, announcements, directions, and provisions of the Stock Exchange of Thailand. The Company and the Subsidiary will also follow regulations regarding disclosure of related transactions and acquisition or disposal of corporate assets. Stringent measurement on delegation of approval authority for such related transactions will be set so that

Part 2 Corporate Governance

persons with conflicts of interest will have no involvement in considering and approving of such matters. The Audit Committee shall give opinion regarding the related transactions and present to the Board of Directors and/ or the shareholders meeting to use as support information for consideration and approval of the transaction. In addition, disclosure of related transactions shall be followed up to make sure its compliance to the Company’s policy and the result shall be reported in the Notes to Financial Statements audited by the Company’s auditors, as well as Form 56-1 and Annual Report.

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of 2S Metal Public Company Limited

#### Opinion

I have audited the consolidated and separate financial statements of 2S Metal Public Company Limited and its subsidiaries (the "Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2022, the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of 2S Metal Public Company Limited and its subsidiaries as at 31 December 2022, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

#### Basis for Opinion

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

#### Key Audit Matters

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

Key audit matters	How the matter was addressed in the audit
<p><u>Impairment of investments in subsidiaries and goodwill</u></p> <p>As at 31 December 2022, the separate financial statements include investments in subsidiaries amounting to Baht 216.77 million, and the consolidated financial statements include a goodwill of Baht 15.09 million which arose from a business combination in year 2015. In accordance with Thai Financial Reporting Standards, goodwill is required to be tested annually for impairment</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>- Obtaining an understanding of how management identified impairment indicators and the testing process</li> <li>- Reviewing the supporting documents prepared by management to assess whether the goodwill is impaired at the end of year and assess the</li> </ul>

Key audit matters	How the matter was addressed in the audit
<p>and investments in subsidiaries are required to be tested when there is an indicator of impairment.</p> <p>An impairment assessment requires significant judgement by management, specifically in determining the assumptions to develop the cash flows projections of the subsidiary and the selection of the of discount rate which may be affected by changes in the economic condition, market situation and specific risks.</p> <p>Refer to Notes 4.19, 12 and 17 which provide details of the impairment testing performed by management.</p>	<p>appropriateness of the valuation model and key assumptions used by management</p> <ul style="list-style-type: none"> <li>- Assessing the reasonableness of the discount rate applied to the estimated future cash flows</li> <li>- Testing the calculation of the recoverable amount</li> <li>- Review the sensitivity analysis provided by management and considered the impact to recoverable amount</li> <li>- Considering the adequacy and appropriateness of the disclosure of the assumptions, methodology and recoverable amount of goodwill and investment in subsidiary.</li> </ul>
<p><u>Inventories</u></p> <p>As at 31 December 2022, the Group and the Company have ending inventories of Baht 651.99 million and Baht 638.82 million, respectively.</p> <p>Inventories are carried in the financial statements at the lower of cost and net realizable value. The Group's management has estimated the net realizable value from the estimated selling price after the deduction of direct costs.</p> <p>Management prepared a net realizable value calculation report. and assess the adequacy of allowance for net realizable value at the end of the year and at the end of the period.</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:</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, 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 selling prices used in estimation of the allowance for net realisable value was reasonable and consistent with the available evidence.</p>

### Other Information

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

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

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

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

### *Responsibilities of Management and Those Charged with Governance for the Preparation of the Company's Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### *Auditor's Responsibilities for the Audit of the Company's Financial Statements*

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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 the consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks to 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. I am responsible for the direction, supervision, and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

### **Luxsamee Deetrakulwattanapol**

Certified Public Accountant

Registration No. 9056

Grant Thornton Limited

Bangkok

21 February 2023

## Part 3 Financial Statements

### 2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2022	31 December 2021	31 December 2022	31 December 2021
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	8	595,294	352,593	587,359	330,383
Trade and other accounts receivable - net	7, 9	328,159	363,557	347,046	409,367
Inventories - net	10	651,997	1,105,143	638,824	1,032,484
Deposits for purchase of goods		19,510	441	19,510	441
Short-term loans and accrued interest receivable - subsidi	7	-	-	65,921	17,415
Refundable value added tax		7,621	-	7,621	-
Refundable income tax		10,141	3,928	1,751	-
Other current assets		5,131	5,404	3,035	2,301
<b>Total Current Assets</b>		<b>1,617,853</b>	<b>1,831,066</b>	<b>1,671,067</b>	<b>1,792,391</b>
<b>NON-CURRENT ASSETS</b>					
Restricted deposits with banks	11	-	1,052	-	1,052
Investments in subsidiaries	12	-	-	216,770	216,770
Long-term loans receivable - subsidiary	7	-	-	9,400	12,686
Property, plant and equipment - net	13	639,052	593,133	277,822	278,635
Rights-of-use assets - net	14.1	8,978	11,255	73,292	80,273
Investment property - net	15	934	1,271	-	-
Intangible assets - net	16	805	2,083	684	1,915
Goodwill	17	15,086	15,086	-	-
Other non-current assets		2,300	1,541	1,496	1,537
Deferred tax assets	23	1,012	1,012	-	-
<b>Total Non-Current Assets</b>		<b>668,167</b>	<b>626,433</b>	<b>579,464</b>	<b>592,868</b>
<b>TOTAL ASSETS</b>		<b>2,286,020</b>	<b>2,457,499</b>	<b>2,250,531</b>	<b>2,385,259</b>

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

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## Part 3 Financial Statements

### 2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2022	31 December 2021	31 December 2022	31 December 2021
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short-term loans from financial institutions	18	150,000	-	150,000	-
Trade and other accounts payable	7, 19	46,038	30,229	50,194	34,968
Current portion of liabilities under finance lease agreements	14.2	1,343	1,483	5,390	5,340
Accrued income tax		-	62,281	-	55,545
Value added tax payable		226	4,095	-	3,572
Accrued expenses	20	31,770	38,908	25,323	31,159
Other current liabilities		5,929	6,727	4,350	5,615
<b>Total Current Liabilities</b>	0	<b>235,306</b>	<b>143,723</b>	<b>235,257</b>	<b>136,199</b>
<b>NON-CURRENT LIABILITIES</b>					
Employee benefits obligation	21	19,094	17,794	16,993	15,562
Liabilities under finance lease agreements - ne	14.2	2,875	4,219	72,160	77,551
Deferred tax liabilities - net	23	13,311	13,940	4,672	4,832
<b>Total Non-Current Liabilities</b>		<b>35,280</b>	<b>35,953</b>	<b>93,825</b>	<b>97,945</b>
<b>TOTAL LIABILITIES</b>		<b>270,586</b>	<b>179,676</b>	<b>329,082</b>	<b>234,144</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital - common share at Baht 1 par value					
- Registered 549,997,741 shares (2020 : 499,998,995 shares)	24.1	549,998	499,998	549,998	499,998
- Issued and paid - up 549,995,954 shares (2020 : 449,997,946 shares)	24.1	549,996	499,998	549,996	499,998
Premium on share capital		121,762	121,762	121,762	121,762
<b>Retained earnings</b>					
- Appropriated for legal reserve	24.2	55,000	50,000	55,000	50,000
- Unappropriated		1,272,462	1,584,633	1,150,309	1,434,973
Other components of shareholders' equity		18,613	22,866	44,382	44,382
<b>Shareholders' equity of the Company</b>		<b>2,017,833</b>	<b>2,279,259</b>	<b>1,921,449</b>	<b>2,151,115</b>
Non-controlling interests in subsidiaries		(2,399)	(1,436)	-	-
<b>NET SHAREHOLDERS' EQUITY</b>	0	<b>2,015,434</b>	<b>2,277,823</b>	<b>1,921,449</b>	<b>2,151,115</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>2,286,020</b>	<b>2,457,499</b>	<b>2,250,531</b>	<b>2,385,259</b>

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

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## Part 3 Financial Statements

### 2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER

(Unit : Thousand Baht)

		Consolidated F/S		Separate F/S	
	Notes	2022	2021	2022	2021
<b>REVENUES</b>					
Revenue from sales		6,554,448	6,352,680	6,462,134	6,308,927
Revenue from sales of by-product		154,517	168,133	150,548	162,021
<b>Total revenues</b>	26	6,708,965	6,520,813	6,612,682	6,470,948
<b>COSTS OF SALES</b>					
Costs of sales	10	(6,601,387)	(5,371,701)	(6,529,443)	(5,403,717)
<b>Gross profit</b>		107,578	1,149,112	83,239	1,067,231
Interest income	26	2,028	1,801	4,111	2,869
Gain on exchange rate		-	-	10,932	13,252
Other income		42,277	32,513	45,293	34,618
<b>Profit before expenses</b>		151,883	1,183,426	143,575	1,117,970
Selling expenses	25	(147,414)	(127,474)	(143,572)	(129,698)
Administrative expenses	25	(107,362)	(107,845)	(90,447)	(92,515)
Loss from exchange rate		(20,225)	(21,703)	-	-
<b>Total expenses</b>		(275,001)	(257,022)	(234,019)	(222,213)
<b>Profit (loss) before finance costs</b>		(123,118)	926,404	(90,444)	895,757
Finance costs	26	(579)	(1,716)	(4,386)	(5,508)
<b>Profit (loss) before income tax</b>		(123,697)	924,688	(94,830)	890,249
Income tax expense	22	629	(186,636)	160	(178,179)
<b>Profit (loss) for the year</b>		(123,068)	738,052	(94,670)	712,070
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Items to be reclassified subsequently to profit or loss</b>					
Translation adjustment for foreign currency financial statement - net of tax		(4,325)	(3,340)	-	-
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>		(127,393)	734,712	(94,670)	712,070
<b>ALLOCATION OF PROFIT (LOSS) FOR THE YEAR</b>					
Portion of the Company's shareholders		(122,177)	737,515	(94,670)	712,070
Portion of non-controlling interests		(891)	537	-	-
		(123,068)	738,052	(94,670)	712,070
<b>ALLOCATION OF TOTAL COMPREHENSIVE INCOME (LOSS)</b>					
Portion of the Company's shareholders		(126,430)	734,273	(94,670)	712,070
Portion of non-controlling interests		(963)	439	-	-
		(127,393)	734,712	(94,670)	712,070
<b>BASIC EARNINGS PER SHARE</b>					
Profit of the Company's shareholders (Baht : Share)		(0.23)	1.34	(0.17)	1.29
Weighted average number of common shares (Unit : Thousand Shares)		549,996	549,996	549,996	549,996

## Part 3 Financial Statements

### 2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED 31 DECEMBER

(Unit : Thousand Baht)

		Shareholders' equity of the Company										
		Other components of equity										
		Retained earnings				Other comprehensive income						
	Notes	Paid - up Share Capital	Premium on Share capital	Legal Reserve	Unappropriated	Surplus on revaluation of land	Translation adjustment for foreign currency financial statements	Discount on dilution of investment in subsidiaries company	Total Other components of equity	Shareholders' equity of the Company	Non-controlling interests	Total
<b>Consolidated F/S</b>												
Balance as at 1 January 2021		449,999	121,762	50,000	1,109,614	59,322	(3,397)	(29,817)	26,108	1,757,483	(1,875)	1,755,608
<b>Changes in shareholders' equity</b>												
Increased in capital		24.1	49,999	-	-	-	-	-	-	49,999	-	49,999
Cash dividend paid		24.3	-	-	(262,496)	-	-	-	-	(262,496)	-	(262,496)
<b>Total transactions with shareholders</b>			49,999	-	(262,496)	-	-	-	-	(212,497)	-	(212,497)
Comprehensive income (loss) for the year			-	-	737,515	-	(3,242)	-	(3,242)	734,273	439	734,712
<b>Total comprehensive income (loss) for the year</b>			-	-	737,515	-	(3,242)	-	(3,242)	734,273	439	734,712
<b>Balance as at 31 December 2021</b>												
		499,998	121,762	50,000	1,584,633	59,322	(6,639)	(29,817)	22,866	2,279,259	(1,436)	2,277,823
<b>Balance as at 1 January 2022</b>												
		499,998	121,762	50,000	1,584,633	59,322	(6,639)	(29,817)	22,866	2,279,259	(1,436)	2,277,823
<b>Changes in shareholders' equity</b>												
Increased in capital		24.1	49,998	-	-	-	-	-	-	49,998	-	49,998
Appropriation for legal reserve during the year		24.2	-	-	5,000	(5,000)	-	-	-	-	-	-
Cash dividend paid		24.3	-	-	(184,994)	-	-	-	-	(184,994)	-	(184,994)
<b>Total transactions with shareholders</b>			49,998	-	5,000	(189,994)	-	-	-	(134,996)	-	(134,996)
Comprehensive income (loss) for the year			-	-	(122,177)	-	(4,253)	-	(4,253)	(126,430)	(963)	(127,393)
<b>Total comprehensive income (loss) for the year</b>			-	-	(122,177)	-	(4,253)	-	(4,253)	(126,430)	(963)	(127,393)
<b>Balance as at 31 December 2022</b>												
		549,996	121,762	55,000	1,272,462	59,322	(10,892)	(29,817)	18,613	2,017,833	(2,399)	2,015,434

## Part 3 Financial Statements

### 2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED 31 DECEMBER

(Unit : Thousand Baht)

					Other components of equity		
				Retained earnings		Other comprehensive income	
	Notes	Paid - up Share Capital	Premium on Share capital	Legal Reserve	Unappropriated	Surplus on revaluation of land	Total
Separate F/S							
Balance as at 1 January 2021		449,999	121,762	50,000	985,399	44,382	1,651,542
Changes in shareholders' equity							
Increased in capital	24.1	49,999	-	-	-	-	49,999
Cash dividend paid	24.3	-	-	-	(262,496)	-	(262,496)
Total transactions with shareholders		49,999	-	-	(262,496)	-	(212,497)
Comprehensive income for the year		-	-	-	712,070	-	712,070
Total comprehensive income for the year		-	-	-	712,070	-	712,070
Balance as at 31 December 2021		499,998	121,762	50,000	1,434,973	44,382	2,151,115
Balance as at 1 January 2022		499,998	121,762	50,000	1,434,973	44,382	2,151,115
Changes in shareholders' equity							
Increased in capital	24.1	49,998	-	-	-	-	49,998
Appropriation for legal reserve during the year	24.2	-	-	5,000	(5,000)	-	-
Dividend payment	24.3	-	-	-	(184,994)	-	(184,994)
Total transactions with shareholders		49,998	-	5,000	(189,994)	-	(134,996)
Comprehensive income (loss) for the year		-	-	-	(94,670)	-	(94,670)
Total comprehensive income (loss) for the year		-	-	-	(94,670)	-	(94,670)
Balance as at 31 December 2022		549,996	121,762	55,000	1,150,309	44,382	1,921,449

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

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## Part 3 Financial Statements

### 2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2022	2021	2022	2021
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax	(123,697)	924,688	(94,830)	890,249
<b>Adjustments to reconcile profit before income tax to net cash provided from operating activities:</b>				
Reversal of allowance for doubtful debts	(719)	(2,838)	(631)	(2,797)
Provision (reversal of allowance) for decline value of inventories	(3,145)	17,678	(3,838)	17,678
Depreciation	50,076	48,527	25,383	24,690
Unrealized gain on exchange rate	(1,355)	(3,163)	-	-
Loss on disposal and written off of fixed assets	985	15	850	23
Amortization	431	483	381	385
Interest income	(2,028)	(1,801)	(4,111)	(2,869)
Interest expense	579	1,716	4,386	5,508
Provision for post employee benefits obligation	1,300	1,633	1,431	1,418
<b>Cash flows provided from operations before changes in operating assets and liabilities</b>	<b>(77,573)</b>	<b>986,938</b>	<b>(70,979)</b>	<b>934,285</b>
<b>Decrease (increase) in operating assets:</b>				
Trade and other accounts receivable	36,117	(85,328)	62,952	(92,701)
Inventories	456,291	(66,761)	397,498	(36,479)
Deposits for purchase of goods	(19,069)	10,638	(19,069)	10,638
Refundable value added tax	(7,621)	10,012	(7,621)	10,012
Refundable income tax	(6,213)	(2,246)	(1,751)	298
Other current assets	2,851	3,507	(618)	496
Other non-current assets	(759)	-	41	-
<b>Increase (decrease) in operating liabilities:</b>				
Trade and other accounts payable	15,703	(118,861)	15,226	(120,614)
Accrued expenses	(7,160)	11,799	(5,814)	9,729
Value added tax payable	(3,869)	1,360	(3,572)	3,572
Other current liabilities	(798)	1,936	(1,265)	2,774
Employee benefit paid	-	(6,142)	-	(4,311)
<b>Cash received from operating activities</b>	<b>387,900</b>	<b>746,852</b>	<b>365,028</b>	<b>717,699</b>
Interest payment	(557)	(1,881)	(4,364)	(5,672)
Income tax paid	(64,859)	(170,784)	(55,655)	(166,839)
<b>Net cash provided from operating activities</b>	<b>322,484</b>	<b>574,187</b>	<b>305,009</b>	<b>545,188</b>

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

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## Part 3 Financial Statements

### 2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES STATEMENTS OF CASH FLOWS (CONTINUED) FOR THE YEARS ENDED 31 DECEMBER

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2022	2021	2022	2021
<b>Cash flows from investing activities</b>				
Interest received	2,028	1,801	4,105	2,869
Decrease in restricted deposits with banks	1,052	71,305	1,052	71,305
Acquisition of building and equipment	(93,499)	(33,958)	(17,589)	(15,953)
Sale of equipment	89	100	-	91
Addition to intangible assets	(3)	(1,263)	-	(1,245)
Short-term loan granted to subsidiary	-	-	(48,500)	-
<b>Net cash provided from (used in) investing activities</b>	<b>(90,333)</b>	<b>37,985</b>	<b>(60,932)</b>	<b>57,067</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans from financial institution	150,000	(176,240)	150,000	(176,240)
Repayment of short-term loans from subsidiary	-	-	-	(1,000)
Proceeds from short-term loans from subsidiary	-	-	3,286	3,701
Repayment for liabilities under finance lease agreement	(1,484)	(2,776)	(5,391)	(5,091)
Proceeds from conversion of warrants to common shares	-	49,999	-	49,999
Cash dividend payment	(134,996)	(262,496)	(134,996)	(262,496)
<b>Net cash provided from (used in) financing activities</b>	<b>13,520</b>	<b>(391,513)</b>	<b>12,899</b>	<b>(391,127)</b>
Exchange rate losses on cash and cash equivalents	(2,970)	(177)	-	-
<b>Net increase in cash and cash equivalents - net</b>	<b>242,701</b>	<b>220,482</b>	<b>256,976</b>	<b>211,128</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>352,593</b>	<b>132,111</b>	<b>330,383</b>	<b>119,255</b>
<b>Cash and cash equivalents at end of year</b>	<b>595,294</b>	<b>352,593</b>	<b>587,359</b>	<b>330,383</b>

#### Supplemental disclosure for cash flows information

Non - cash item :

Recognition of rights-of-use assets and long-term lease liabilities	106	-	-	-
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The accompanying notes form an integral part of these financial statements.

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**2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021**

**1. NATURE OF OPERATIONS**

*The Company*

2S Metal Public Company Limited is principally engaged in the manufacturing of steel pipes, steel plates, light lip channel and steel wire mesh and trading of steel products. The Company has following 3 subsidiaries that are engaged in its business supporting.

*Its subsidiaries*

- Neastern Steel Co., Ltd., registered in Thailand, is engaged in the manufacturing of steel pipes, steel plates, light lip channels and steel wire mesh.
- Mega Trans and Logis Co., Ltd., registered in Thailand, is engaged in providing transportation services.
- Grand Steel Pipe Industry Co., Ltd., registered in Lao People's Democratic Republic, is engaged in the manufacturing of steel pipes, steel plates and light lip channel and trading of steel products.

**2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH TFRS**

2S Metal Public Company Limited is a public limited company incorporated and domiciled in Thailand. The address of its registered business office is 8/5 Moo 14, Tambon Thachang, Amphur Bangklam, Songkhla Province. The Company has three warehouses located in Nakhon Ratchasima, Bangkok and Suratthani Provinces.

The accompanying consolidated and separate financial statements have been prepared in accordance with the Accounting Act B.E. 2543, Thai Financial Reporting Standards ("TFRS") issued under the Accounting Professions Act B.E. 2547 and the financial reporting requirements promulgated by the Thai Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. These financial statements are officially prepared in the Thai language. The translation of these financial statements to another language must conform to the official report in Thai.

The consolidated and separate financial statements have been prepared on the historical cost basis except accounting policies for property, plant and equipment - net (Note 13) and post - employment benefit plans (Note 21)..

**3. CHANGES IN ACCOUNTING POLICIES**

3.1 Thai Financial Reporting Standards and guidance which are amended and effective for the accounting period beginning on or after 1 January 2022  
 Amendments to the Thai Financial Reporting Standards due to Interbank Offered Rate (IBOR) reform – phase 2 are as follows:

- Thai Financial Reporting Standard 9, "Financial instruments"
- Thai Financial Reporting Standard 7, "Disclosure of Financial instruments"
- Thai Financial Reporting Standard 16, "Lease"
- Thai Financial Reporting Standard 4, "Insurance Contracts"
- Accounting guidance, financial instruments and disclosures for insurance business

Interbank Offered rate benchmark (IBOR) reform – phase 2 provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flow or hedging relationship arising from the change of interest rate benchmark to alternative benchmark rates.

However, the amendments do not have any significant impact to the Group's financial statements.

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

3.2.1 Thai Accounting Standard 16, "Property, Plant and Equipment"

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

3.2.2 Thai Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets"

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

3.2.3 Thai Accounting Standard 41, "Agriculture"

This standard was amended to remove the requirement to exclude cash flows for taxation when measuring fair value of biological assets.

3.2.4 Thai Financial Reporting Standard 1, "First-time Adoption of Thai Financial Reporting Standards"

The amendment provides the application for a subsidiary that is a first-time adopter to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent at the parent's date of transition to TFRS.

3.2.5 Thai Financial Reporting Standard 3, "Business Combinations"

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

3.2.6 Thai Financial Reporting Standard 9, "Financial Instruments"

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

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

## 4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Overall consideration

The consolidated and separate financial statements have been prepared using the significant accounting policies and measurement basis summarized below.

4.2 Basis of consolidation

The Company prepares the consolidated financial statements from those of the Company and all its subsidiaries for which all subsidiaries have the same reporting date as the Company at 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealized gains and losses on transactions between Group companies. Where unrealized losses on intra-group asset sales are reversed in the consolidation, the underlying asset is also tested for impairment from the group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the Company and the non-controlling interests based on their respective ownership interests.

#### 4.3 Business combinations

Business combinations are accounted for using the acquisition method with the cost of the acquisition being the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the seller. For each business combination, the Company measures the non-controlling interest, in the acquiree either at fair value or at the proportionate share of the seller's identifiable net assets.

Goodwill is measured at fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

#### 4.4 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.

#### 4.5 Segment reporting

The Group has two operating segments: production and trading. In identifying these operating segments, management generally follows the Group's operations representing its main products (see Notes 1 and 26).

Each of these operating segments is managed separately as each requires different marketing approaches and other resources. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods.

For management purposes, the Group uses the same measurement policies as those used in its financial statements.

#### 4.6 Related parties

Related parties comprise enterprises and individuals that control, or are controlled by the Group, whether directly or indirectly, or which are under common control with the Group. They also include associated companies and individuals which directly or indirectly own voting interest in the Group that gives them significant influence over the Group, key management

personnel, directors, and officers with authority in the planning and directing the Group's operations.

#### 4.7 Revenue

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.

Revenues are recognized 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 recognized 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 7 days to 120 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.

#### 4.8 Operating expenses

Operating expenses are recognized in profit or loss upon utilization of the service or as incurred.

#### 4.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized over time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported as part of finance costs.

#### 4.10 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand and deposits held at call.

#### 4.11 Accounts receivable

Accounts 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 7 days to 120 days and therefore are all classified as current.

Accounts 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 accounts receivable with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The Group applies the TFRS 9 simplified approach to measuring expected credit losses with the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables, and accordingly adjusts the historical loss rates based on expected changes. The impairment losses are recognised in profit or loss within administrative expenses.

#### 4.12 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 for entire total in 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 assesses on a forward-looking basis for expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment measurement depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Impairment (and reversal of impairment) losses are recognised in profit or loss and included in administrative expenses.

## 4.13 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.

#### 4.14 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.

#### 4.15 Investments in subsidiaries

Investments in subsidiaries in the separate statement of financial position are accounted for by the cost method. The Company recognizes gain or loss on sale of investment in the statement of profit or loss in the year the investment is sold. In the case of impairment, the Company will recognize the loss from impairment as an expense in the statement of profit or loss. The Company recognizes dividend income upon the subsidiary's declaration of the payment.

#### 4.16 Property, plant and equipment

##### Land

Land held for use in production is stated at revalued amounts. Revalued amounts are fair values based on appraisals of independent professional appraisers once the market factors

indicate a material change in fair value (see Note 13). Any revaluation surplus is recognized as other comprehensive income and credited to the revaluation reserve under equity. To the extent that any revaluation decreases, or impairment loss (if any) has previously been recognized in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognized in other comprehensive income. Downward revaluations of land are recognized upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrement recognized in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

### Buildings and other equipment

Buildings and other equipment are initially booked at acquisition cost or construction cost, including any costs directly attributable to bringing assets to the location and condition necessary for operation in the manner intended by the Group's management. Buildings and other equipment are subsequently measured at cost less accumulated depreciation and impairment losses (if any).

Depreciation is recognized on a straight-line basis to write down the cost over the following estimated useful lives.

Land improvement	5 - 20 years
Buildings and construction	15 - 50 years
Machinery and factory tools	5 - 20 years
Furniture and office equipment	5 - 10 years
Vehicles	5 - 15 years

Asset residual value estimates and estimated useful lives are updated as required, but at least annually.

Gains or losses arising from disposal of property, plant and equipment are determined based on the difference between the disposal proceeds and the carrying amount of the assets and are recognized in profit or loss as other income or other expenses.

### 4.17 Investment property

Investment property is measured initially at its cost including related transaction costs and valued at cost less accumulated depreciation and allowance for impairment (if any). The depreciation for building is computed by straight-line method at the useful lives of 15 years.

### 4.18 Intangible assets

Computer software is presented at cost less accumulated amortization. Amortization is calculated by reference to cost on a straight-line basis over the estimated time frame of 5 - 10 years.

### 4.19 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognized. Goodwill is carried at cost less accumulated impairment losses (if any). Refer to Note 17 for a description of impairment testing procedures.

#### 4.20 Lease assets

##### Leases - where the Group is the lessee

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability in its consolidated and separated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that the Group would have to pay to borrow the same amount over a similar term to obtain an asset of equivalent value.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

After the initial measurement, the lease liability will be reduced from the payment and increased from interest expense. This is a measure to reflect a new appraisal or adjustment or significant changes to the fixed lease. When the lease liability is remeasured, the right-of-use assets have decreased to be zero, the lessee must recognize the remainder of the remeasurement in profit or loss.

The rent paid under short-term leases and low value asset leases are recognized as expense on a straight-line method. The short-term lease is a lease with a lease term less than or equal 12 months, the assets with low value comprises small office equipment lease.

#### 4.21 Financial instruments

##### *Recognition and derecognition*

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument.

The Group are derecognized financial assets when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

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

Financial assets are initially recognized at fair value plus or less directly costs attributable to the acquisition of the asset. For financial assets measured at fair value through profit or loss (FVTPL), the Group recognizes the associated costs as an expense in profit or loss.

The Group classifies financial assets measurement by amortized cost method, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL) the classification is determined by both as follow:

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

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

### *Subsequent measurement of financial assets*

#### Financial assets at amortized cost

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

1. They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
2. The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

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

Financial assets that are held within a different business model other than hold to collect contractual cash flows or hold to collect contractual cash flows and sell financial assets are categorized at fair value through profit or loss (FVTPL). Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at financial assets at fair value through profit or loss. All derivative financial instruments fall into this category.

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

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

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

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

### *Impairment*

The Group has considered impairment for financial assets that are measured at amortized cost. And measure fair value through other comprehensive income (FVOCI).

The Group uses a simplified approach to recognize impairment of accounts receivable and other receivable and loan to other entity and related party. According to estimates of credit losses over the life of such assets since the Group recognize accounts receivable and other receivable and loan to other entity and related party.

In determining the expected credit loss, management grouped receivables by type of customers and consider credit risks that are of a common nature. The expected credit loss rate is determined by the nature of the payment in the past. Information of credit losses from experience, external factors, and future factors that may affect debtor payment.

The Group assesses credit risk of financial assets at the end of every period whether there has been a significant change.

The Group considers and recognizes the expected credit loss by taking into account the past experience and anticipating the future. The recognized credit losses arise from the weighted average credit loss probability estimate. The amount of cash expected to be discounted the effective interest rate.

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

#### *Classification and measurement of financial liabilities*

The Group classifies the financial instruments issued by the Group as financial liabilities or equity instruments considered based on contractual obligations to deliver the financial assets to other persons or entities.

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

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

#### *Subsequent measurement of financial liabilities*

Financial liabilities are subsequent measured at amortized cost. Interest expense is to be calculated by using effective interest rate and charged to statement of profit or loss except for derivatives liabilities are measured at fair value through other comprehensive income (FVOCI).

### 4.22 Impairment testing of assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset recoverable amounts are estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

#### *Calculation of recoverable amount*

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

Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### 4.23 Interest-bearing liabilities

Interest-bearing liabilities are recognized initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortized cost with any difference between cost and redemption value being recognized in profit or loss over the period of the borrowings on an effective interest basis.

#### 4.24 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

#### 4.25 Equity

Share capital represents the value of shares that have been issued.

Share premium includes any premiums received on the issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from share premium, net of any related income tax benefits.

Other components of shareholders' equity include the following:

Other comprehensive income

- revaluation of land reserve – comprises gains and losses from the revaluation of land (see Note 4.16)
- translation adjustment for foreign currency financial statement – comprises gains and losses from the translation of foreign operations entity with a functional currency other than Thai Baht (see Note 4.4)
- discount on dilution of investment in subsidiaries company - comprises dilution loss arose on shares issued by the subsidiaries and sold to third parties.

Retained earnings includes all current and prior period retained profits.

All transactions with owners of the Company are recorded separately as part of equity.

#### 4.26 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.

#### 4.27 Post-employment benefits and short-term employee benefits

##### *Post-employment benefit plans*

The Group provides post-employment benefits through various defined contribution and retirement benefit plans.

##### Defined contribution plans

The Group has sets up a registered provident fund that is contributed to by employees and by the Group for which assets are held in a separate trustee fund and managed by an authorised fund manager. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognized as an expense in the period that related employee services are received.

##### Retirement benefit plans

The Group has a legal obligation to pay retirement benefits by reference to the employee's length of service and the latest payment of salary. The liability recognized in the statement of financial position for retirement benefit plans is the present value of the retirement benefit obligation at the reporting date.

Management estimates the retirement benefits annually by reference to the calculation of the independent actuary. This is based on salary growth rate, turnover and mortality. Discount factors are determined close to each year-end by reference to Thai government bonds with terms to maturity approximating the terms of the related pension liability.

Gains and losses resulting from remeasurements of the net retirement benefit liability under the new regulation are included in other comprehensive income and directly transferred to the retained earnings.

*Short-term employee benefits*

Short-term employee benefits, including salaries, wages, bonuses and contribution to the social security as expenses when incurred.

4.28 Income tax

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

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

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary differences will be utilized against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognized in full, except for the exemption under TAS 12: "Income Taxes". As a result of these exemptions, the Group does not recognize deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries.

4.29 Basic earnings per share

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

4.30 Provisions, contingent assets and contingent liabilities

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

#### 4.31 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.

##### Reduction of inventory cost to net realizable value

In determining a reduction of inventory cost to net realizable value, the management makes judgement and estimates the net realizable value of inventory based on the amount of the inventories are expected to realize. These estimates take into consideration fluctuations of selling price or cost directly relating to events occurring at the year ended.

##### Building and equipment, investment property and computer software

Management determines the estimated useful lives and residual values of the Company's building and equipment, investment property and computer software and will revise the depreciation and amortization charges where useful lives and residual values previously estimated have changed or are subject to be written down or if they are no longer in use.

##### Leases

###### *Determine the lease terms*

Critical judgement in determining the lease term, the Group 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 Group 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 Group 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 Group.

###### *Determination of the discount rate on lease liabilities*

The Group determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

##### Impairment of investments in subsidiaries and goodwill

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Uncertainty in the estimation relates to assumptions about future operating results and the determination of a suitable discount rate.

#### Defined employee benefit obligation

Management's estimates of the defined employee benefit obligation based on number of critical underlying assumptions such as standard rates of inflation, mortality rate, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined employee benefit obligation amount and the annual defined benefit expenses.

#### Fair value measurement

Management uses valuation techniques to determine the fair value of land. This involves developing estimates and assumptions consistent with how market participants to price the assets. Management determines the assumptions based on observable data as far as possible, but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved on an arm's length transaction at the end of year.

#### Allowance for doubtful accounts to reflect impairment

The Group sets an allowance for doubtful accounts to reflect impairment of trade accounts receivable resulting from possible non-collection of receivables. The allowance is based on a review of the expected credit loss. Management groups receivables by type of customers and considers credit risks that are of a common nature. The expected credit loss rate is determined by the nature of payments in the past. Information of credit losses from experience, external factors, and future factors that may affect debtor payment which is considered at the end of every period.

## 5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Classification of financial assets and financial liabilities

The balance of financial assets and financial liabilities as at 31 December 2022 are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S			
	Amortized cost	Fair value through profit or loss	Fair value through other comprehensive profit or loss	Total
<b><u>Financial assets</u></b>				
Cash at banks	595,227	-	-	595,227
Trade and other accounts receivable - net	328,159	-	-	328,159
Total	923,386	-	-	923,386
<b><u>Financial liabilities</u></b>				
Short-term loans from financial institutions	-	150,000	-	150,000
Trade and other accounts payable	46,038	-	-	46,038
Lease liabilities	4,218	-	-	4,218
Total	50,256	150,000	-	200,256

(Unit : Thousand Baht)

	Separate F/S			Total
	Amortized cost	Fair value through profit or loss	Fair value through other comprehensive profit or loss	
<b>Financial assets</b>				
Cash at banks	587,325	-	-	587,325
Trade accounts receivable and other - net	347,046	-	-	347,046
Loan to subsidiary company	75,321	-	-	75,321
Total	1,009,692	-	-	1,009,692
<b>Financial liabilities</b>				
Short-term loans from financial institutions	-	150,000	-	150,000
Trade and other accounts payable	50,194	-	-	50,194
Lease liabilities	77,550	-	-	77,550
Total	127,744	150,000	-	277,744

## 6. INTERESTS IN SUBSIDIARIES

### Composition of the group

Details of the subsidiaries held directly by the Company are as follow:

Subsidiary companies	Country of incorporation and business	Proportion of ownership interest held by the Group at year ended (percentage)		Principal activity
		2021	2020	
Neastern Steel Co., Ltd.	Thai	99.99	99.99	Manufacturing of steel pipes, steel plates, light lip channels and steel wire mesh
Mega Trans and Logis Co., Ltd.	Thai	99.99	99.99	Transportation services for heavy products
Grand Steel Pipe Industry Co., Ltd.	Laos	97.11	97.11	Manufacturing and sale of steel pipe, steel plates and light lip channel and trading of steel products.

### Subsidiary

A subsidiary is an entity controlled by the Company. The Company controls an entity when it has exposure to, or has rights to, variable returns from its involvement with the entity and has ability to affect those returns through its power over the entities. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

## 7. RELATED PARTY TRANSACTIONS

The Group has transactions with related parties that are related through common shareholding and/or directorship. Thus, the consolidated and separate financial statements reflect the effects of those transactions on the basis agreed upon between the Group and its related parties, which might be different from the basis used for transactions with unrelated parties.

### Nature of relationship

Name of entities	Country of incorporation/ nationality	Nature of relationship
Related parties		
Nana Watsadu Furniture Co., Ltd.	Thailand	Co-shareholders
Panichsawad Co., Ltd.	Thailand	Co-related party
United Steel Pipe Co., Ltd.	Thailand	Co-shareholders
City Metal Co., Ltd.	Thailand	Co-shareholders
Kwangfha Lohakit	Thailand	Co-shareholders
Key management	Thailand	Directors and managements
Related person	Laos	Person who is a close member of the family of a director and management of a subsidiary

### Pricing policies

Transactions	Pricing policies
Revenue from sales, purchase of goods, and transportation service	Agree-upon basis based on market price
Rental of assets and other service income and expenses	Mutually agreed
Interest income and expenses	As specified in agreement
Manufacturing cost	Cost plus margin
Management compensation	According to the shareholders' meeting

Significant balances with related parties as at 31 December 2022 and 2021 are as follows:

	Consolidated F/S		(Unit: Thousand Baht) Separate F/S	
	2022	2021	2022	2021
<b>Trade and other accounts receivable</b>				
Subsidiary companies	-	-	23,205	56,077
Related company	-	37,385	-	37,385
Total	-	37,385	23,205	93,462
<b>Deposits for purchase of goods</b>				
Related company	9,654	-	9,654	-
<b>Short-term loans and interest receivable</b>				
Subsidiary company	-	-	65,921	17,415
<b>Long-term loans receivable</b>				
Subsidiary company	-	-	9,400	12,686
<b>Total loans and interest receivable</b>	-	-	75,321	30,101

Significant movements in loans to subsidiary and accrued interest income for the year ended 31 December 2021 are as follows:

	1 January 2022	(Unit: Thousand Baht) During the year		31 December 2022
		Increase	Decrease	
Subsidiary companies	30,101	48,505	3,285	75,321

Short-term loans to subsidiary in Thailand have been granted without collateral and bear interest at MRR per annum and are repayable on demand.

Long-term loans to the subsidiary in Thailand have been granted without collateral and bear interest at 4.00 percent per annum. The interest is payable monthly while the principal amount is due at the end of year 2026.

	(Unit: Thousand Baht) Consolidated F/S		(Unit: Thousand Baht) Separate F/S	
	2022	2021	2022	2021
<b>Trade and other accounts payable</b>				
Subsidiary companies	-	-	8,900	7,995
Related parties	8,659	6,268	8,659	6,268
Total	8,659	6,268	17,559	14,263
<b>Lease Liabilities</b>				
Subsidiary companies	-	-	73,332	77,188
Related parties	3,361	4,384	3,361	4,384
Total	3,361	4,384	76,693	81,572
<b>Employee benefits obligation</b>				
Key management personnel				
- Post-employment benefits	15,083	14,372	12,007	11,381

Significant transactions with the related parties for the years ended 31 December 2022 and 2021 are as follows:

Transaction	(Unit: Thousand Baht)			
	Consolidated F/S	Separate F/S		
	For the years ended 31 December			
	2022	2021	2022	2021
<b>Revenue from sales</b>				
Related parties	190,671	356,086	190,671	356,086
Subsidiary company	-	-	85,882	232,895
Total	190,671	356,086	276,553	588,981
<b>Rental assets and other service income</b>				
Subsidiary company	-	-	277	266
<b>Interest income</b>				
Subsidiary companies	-	-	2,092	1,077
<b>Purchase of goods and service</b>				
Related parties	1,017,033	839,887	1,017,033	839,887
Subsidiary company	-	-	57	1
Total	1,017,033	839,887	1,017,090	839,888

Transaction	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2022	2021	2022	2021
<b>Manufacturing cost</b>				
Subsidiary company	-	-	85,821	83,511
<b>Transportation service</b>				
Subsidiary company	-	-	78,047	66,364
<b>Rental assets and other service expenses</b>				
Related parties	1,200	1,200	1,200	1,200
Subsidiary company	-	-	9,458	9,663
Total	1,200	1,200	10,658	10,863
<b>Key management personnel compensation</b>				
Short-term employee benefits	31,972	37,483	22,831	28,295
Post-employment benefits	1,024	6,358	625	4,497
Total	32,996	43,841	23,456	32,792

A subsidiary company jointly guaranteed the Company's credit facilities granted by a financial institution totaling Baht 37.98 million by mortgaging land amounting to Baht 6 million as a secondary guarantee.

## 8. CASH AND CASH EQUIVALENTS

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2022	2021	2022	2021
Cash on hand	67	63	34	29
Cash at banks				
- Current account	74,006	28,742	68,813	25,130
- Saving account	521,221	323,788	518,512	305,224
Total	595,294	352,593	587,359	330,383

As at 31 December 2022 and 2021, most of cash and cash equivalents were cash at banks in savings accounts with interest rates of 0.05% – 0.25% per year (2021: interest rates were 0.05% – 0.25% per year).

## 9. TRADE AND OTHER ACCOUNTS RECEIVABLE – NET

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2022	2021	2022	2021
Trade accounts receivable				
- general customers - net	328,151	326,163	323,841	315,905
Trade accounts receivable - Subsidiary companies	-	-	23,205	56,069
Trade accounts receivable - related companies	-	37,385	-	37,385
Total	328,151	363,548	347,046	409,359
Other accounts receivable - general customers	8	9	-	-
Other accounts receivable - subsidiary company	-	-	-	8
Total	8	9	-	8
Total trade and other accounts receivable - net	328,159	363,557	347,046	409,367

## Part 3 Financial Statements

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

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2022	2021	2022	2021
<u>Trade accounts receivable - general customers and related companies</u>				
Not yet due	289,517	290,678	292,523	309,524
Past due				
Less than 3 months	33,260	68,011	35,435	94,980
3 - 6 months	927	1,331	927	1,331
6 - 12 months	1,379	3,893	15,097	3,893
Over 12 months	18,193	15,479	18,189	15,387
Total	343,276	379,392	362,171	425,115
<u>Less</u> Allowance for doubtful accounts	(15,125)	(15,844)	(15,125)	(15,756)
Trade accounts receivable - general customers and related companies - net	328,151	363,548	347,046	409,359

During the years, the movements in the allowance for doubtful accounts are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2022	2021	2022	2021
Balance as at 1 January	(15,844)	(18,682)	(15,756)	(18,553)
<u>Add</u> Allowance for doubtful accounts during the year	(1,406)	(1,031)	(1,406)	(1,026)
<u>Less</u> Reversal of allowance for doubtful accounts	2,125	3,869	2,037	3,823
Balance as at 31 December	(15,125)	(15,844)	(15,125)	(15,756)

### 10. INVENTORIES – NET

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2022	2021	2022	2021
Raw materials	219,197	440,222	219,018	435,651
Work in process	58,733	85,926	57,618	71,485
Finished goods	374,296	590,344	364,355	540,430
Materials and goods in transit	9,346	8	9,346	8
Factory supplies	5,244	6,607	2,613	2,874
Total	666,816	1,123,107	652,950	1,050,448
<u>Less</u> Allowance for decline values	(14,819)	(17,964)	(14,126)	(17,964)
Net	651,997	1,105,143	638,824	1,032,484

During the years, the movements in allowance for cost of goods anticipated to be higher than net realizable value are as follows:

	Consolidated F/S		(Unit : Thousand Baht)	
	2022	2021	Separate F/S	2021
Balance as at 1 January	(17,964)	(286)	(17,964)	(286)
<u>Add</u> Additional allowance during the year	(151,092)	(25,656)	(150,399)	(25,656)
<u>Less</u> Reversal of allowance during the year	154,237	7,978	154,237	7,978
Balance as at 31 December	(14,819)	(17,964)	(14,126)	(17,964)

Items included in the costs of goods sold are as follows:

	Consolidated F/S		(Unit : Thousand Baht)	
	2022	2021	Separate F/S	2021
Costs of goods sold	6,604,532	5,354,035	6,533,281	5,386,039
<u>Add</u> Allowance for cost of goods anticipated to be higher than net realizable value	151,092	25,656	150,399	25,656
<u>Less</u> Reverse of allowance for cost of goods anticipated to be higher than net realizable value	(154,237)	(7,978)	(154,237)	(7,978)
Total costs of sales	6,601,387	5,371,713	6,529,443	5,403,717

### 11. RESTRICTED DEPOSITS WITH BANKS

As at 31 December 2021, the Company's saving and fixed deposits with term of maturity of 12 months with interest at 0.65 – 1.05 % per annum, have been pledged as collateral for the use of electricity and short-term credit line from financial institutions.

### 12. INVESTMENTS IN SUBSIDIARIES - NET

	Paid-up capital		Percentage of shareholding		(Unit : Thousand Baht)			
					Separate F/S			
					2022	2021	2022	2021
	2022	2021	2022	2021	Investments	Investments	Dividend income	Dividend income
Neastern Steel Co., Ltd.	90,000	90,000	99.99	99.99	At cost	At cost	-	-
Mega Trans and Logis Co., Ltd.	30,000	30,000	99.99	99.99	Dividend income	Dividend income	-	-
Grand Steel Pipe Industry Co., Ltd.	121,970	121,970	97.11	97.11	87,770	87,770	-	-
Total					216,770	216,770	-	-

**13. PROPERTY, PLANT AND EQUIPMENT – NET**

(Unit : Thousand Baht)

	Consolidated F/S						
	Land and Improvement	Buildings and Construction	Machinery and factory Tools	Furniture and office Equipment	Vehicles	Assets in transit and in progress	Total
<b>Cost</b>							
1 January 2022	191,036	323,163	558,920	25,795	149,539	3,554	1,252,007
Acquisitions	-	2,400	2,304	1,681	2,904	84,335	93,624
Disposals	-	-	(480)	(18)	(200)	-	(698)
Transfer in / (out)	-	30,106	28,407	22	6,062	(64,597)	-
31 December 2022	191,036	355,669	589,151	27,480	158,305	23,292	1,344,933
<b>Accumulated depreciation</b>							
1 January 2022	(16,518)	(164,517)	(384,345)	(21,952)	(71,542)	-	(658,874)
Depreciation for the year	(1,682)	(13,065)	(22,424)	(1,603)	(8,706)	-	(47,480)
Depreciation for disposals	-	-	328	18	127	-	473
31 December 2022	(18,200)	(177,582)	(406,441)	(23,537)	(80,121)	-	(705,881)
<b>Net book value</b>							
31 December 2022	172,836	178,087	182,710	3,943	78,184	23,292	639,052
<b>Depreciation for the year 2022</b>							
Cost of goods sold							35,573
Administrative expenses							11,906
Total							47,479

(Unit : Thousand Baht)

	Consolidated F/S						
	Land and Improvement	Buildings and Construction	Machinery and factory Tools	Furniture and office Equipment	Vehicles	Assets in transit and in progress	Total
<b>Cost</b>							
1 January 2021	183,855	321,347	552,146	26,154	136,772	243	1,220,517
Acquisitions	4,700	24	2,360	2,095	965	23,814	33,958
Disposals	-	-	-	(2,468)	-	-	(2,468)
Transfer in / (out)	2,481	1,792	4,414	14	11,802	(20,503)	-
31 December 2021	191,036	323,163	558,920	25,795	149,539	3,554	1,252,007
<b>Accumulated depreciation</b>							
1 January 2021	(14,899)	(152,131)	(362,419)	(22,831)	(63,049)	-	(615,329)
Depreciation for the year	(1,619)	(12,386)	(21,926)	(1,474)	(8,493)	-	(45,898)
Depreciation for disposals	-	-	-	2,353	-	-	2,353
31 December 2021	(16,518)	(164,517)	(384,345)	(21,952)	(71,542)	-	(658,874)
<b>Net book value</b>							
31 December 2021	174,518	158,646	174,575	3,843	77,997	3,554	593,133
<b>Depreciation for the year 2021</b>							
Cost of goods sold							34,071
Administrative expenses							11,827
Total							45,898

## Part 3 Financial Statements

(Unit : Thousand Baht)

	Separate F/S						
	Land and Improvement	Buildings and Construction	Machinery and factory Tools	Furniture and office Equipment	Vehicles	Assets in transit and In progress	Total
<b>Cost</b>							
1 January 2022	116,874	144,827	252,293	14,740	10,466	2,941	542,141
Acquisitions	-	-	730	1,161	-	15,716	17,607
Disposals	-	-	-	(18)	-	-	(18)
Transfer in / (out)	-	-	10,981	-	-	(10,981)	-
31 December 2022	116,874	144,827	264,004	15,883	10,466	7,676	559,730
<b>Accumulated depreciation</b>							
1 January 2022	(5,373)	(63,302)	(175,177)	(11,822)	(7,832)	-	(263,506)
Depreciation for the year	(546)	(6,027)	(10,193)	(1,217)	(437)	-	(18,420)
Depreciation for disposals	-	-	-	18	-	-	18
31 December 2022	(5,919)	(69,329)	(185,370)	(13,021)	(8,269)	-	(281,908)
<b>Net book value</b>							
31 December 2022	110,955	75,498	78,634	2,862	2,197	7,676	277,822
<b>Depreciation for the year 2022</b>							
Cost of goods sold							12,585
Administrative expenses							5,835
Total							18,420

(Unit : Thousand Baht)

	Separate F/S						
	Land and Improvement	Buildings and Construction	Machinery and factory Tools	Furniture and office Equipment	Vehicles	Assets in transit and In progress	Total
<b>Cost</b>							
1 January 2021	112,174	143,256	248,017	14,672	9,587	243	527,949
Acquisitions	4,700	24	625	1,815	879	7,910	15,953
Disposals	-	-	-	(1,761)	-	-	(1,761)
Transfer in / (out)	-	1,547	3,651	14	-	(5,212)	-
31 December 2021	116,874	144,827	252,293	14,740	10,466	2,941	542,141
<b>Accumulated depreciation</b>							
1 January 2021	(4,827)	(57,339)	(165,466)	(12,456)	(7,372)	-	(247,460)
Depreciation for the year	(546)	(5,963)	(9,711)	(1,013)	(460)	-	(17,693)
Depreciation for disposals	-	-	-	1,647	-	-	1,647
31 December 2021	(5,373)	(63,302)	(175,177)	(11,822)	(7,832)	-	(263,506)
<b>Net book value</b>							
31 December 2021	111,501	81,525	77,116	2,918	2,634	2,941	278,635
<b>Depreciation for the year 2022</b>							
Cost of goods sold							12,093
Administrative expenses							5,600
Total							17,693

As at 31 December 2022 and 2021, the Company's and subsidiary's land and construction thereon, and machinery used for manufacturing with book values of Baht 55.76 million and Baht 103.96 million, respectively, in the consolidated financial statements, and Baht 41.87 million and Baht 94.25 million, respectively, in the separate financial statements have been mortgaged as collaterals for bank overdrafts, loans and other credit facilities with financial institutions as mentioned in Notes 18 and 28.2.

As at 31 December 2022 and 2021, the cost of fully depreciated assets that are still in use are Baht 379.45 million and Baht 359.60 million, respectively, in the consolidated financial statements and of Baht 180.56 million and Baht 167.64 million, respectively, in the separate financial statements.

#### 14. LEASE

##### 14.1 Rights-of-use- assets

During the year ended 31 December 2022 and 2021, the Company and subsidiaries have the following condensed movements in rights-of-use assets:

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
<b>Cost</b>		
1 January 2021	16,026	92,649
31 December 2021	16,026	92,649
31 December 2022	16,026	92,649
<b>Accumulated depreciation</b>		
1 January 2021	(2,479)	(5,379)
Depreciation for the year	(2,292)	(6,997)
31 December 2021	(4,771)	(12,376)
Depreciation for the year	(2,277)	(6,981)
31 December 2022	(7,048)	(19,357)
<b>Net book value</b>		
31 December 2021	11,255	80,273
31 December 2022	8,978	73,292
<b>Depreciation</b>		
Administrative expenses for the year 2021	(2,292)	(6,997)
Administrative expenses for the year 2022	(2,277)	(6,981)

As at 31 December 2022, the prepaid land rental expenses of a subsidiary in Lao People's Democratic Republic amounted to Baht 3.51 million represents the right to use land under two lease agreements from another person for 15 - 30 years. The subsidiary amortizes the prepaid land rental expense based on the straight-line method in accordance with the lease agreement.

##### 14.2 Lease liabilities

	(Unit: Thousand Baht)	
	Consolidated F/S	Separate F/S
	2022	2022
Lease liabilities		
Not over 1 year	1,500	9,005
Over 1 year but not over 5 years	3,000	33,020
Over 5 years	-	64,468
<b>Total</b>	<b>4,500</b>	<b>106,493</b>
<u>Less</u> Deferred interest	(282)	(28,943)
<u>Less</u> Current portion	(1,343)	(5,390)
<b>Net</b>	<b>2,875</b>	<b>72,160</b>

The Company entered into lease agreements with subsidiary and related parties to lease warehouse for 3 - 15 years and the Group entered into land rental agreement for 30 years.

### Lease payment not recognised as a liability

The Group has elected not to recognize a lease liability for short-term leases (leases with an expected term of 12 month or less) or for leases of low value assets. Payments made under such leases are expended on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expended as incurred.

The expenses related to the lease not included in the measurement of the lease liability is as follows:

	Consolidated F/S	(Unit: Baht) Separate F/S
Leases of low value assets	2,768	797

## 15. INVESTMENT PROPERTY – NET

	(Unit : Thousand Baht) Consolidated F/S
<b>Cost</b>	
1 January 2021	5,060
31 December 2021	5,060
31 December 2022	5,060
<b>Accumulated depreciation</b>	
1 January 2021	(3,451)
Depreciation for the year	(338)
31 December 2021	(3,789)
Depreciation for the year	(337)
31 December 2022	(4,126)
<b>Net book value</b>	
31 December 2021	1,271
31 December 2022	934

## 16. INTANGIBLE ASSETS – NET

The movements in computer software for the years ended 31 December 2021 and 2020 are as follow:

	(Unit :Thousand Baht) Consolidated F/S	Separate F/S
<b>Cost</b>		
1 January 2021	8,145	7,036
Addition	1,263	1,245
31 December 2021	9,408	8,281
Addition	3	-
Write- off during the period	(850)	(850)
31 December 2022	8,561	7,431

	(Unit :Thousand Baht)	
	Consolidated F/S	Separate F/S
<b>Accumulated amortization</b>		
1 January 2021	(6,842)	(5,981)
Amortization for the year	(483)	(385)
31 December 2021	(7,325)	(6,366)
Amortization for the year	(575)	(525)
Amortization for write – off	144	144
31 December 2022	(7,756)	(6,747)
<b>Net book value</b>		
31 December 2021	2,083	1,915
31 December 2022	805	684

## 17. GOODWILL

Goodwill of Baht 15 million arose from the business acquisition of Grand Steel Pipe Industry Co., Ltd. in 2015.

### Impairment testing

The Group tests impairment of goodwill annually by comparing the net book value of goodwill with the recoverable amount of a CGU, which is determined based on value-in-use calculations. These calculations use cash flow projections from financial budgets that are approved by the management. Cash flows beyond the projected period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the average long-term growth rate for the business in which the CGU operates.

As at 31 December 2022, the key assumptions used for value-in-use calculations are as follows:

	Consolidated F/S	
	2022	2021
Growth rate (%)	1.00	1.00
Discount rate (%)	14.09	12.56

If the discount rate used in the calculation increases by 1.0% per annum, there is no impairment of goodwill recorded in the consolidated financial statements for the year ended 31 December 2022.

## 18. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	(Unit : Thousand Baht)	
	Consolidated and Separate F/S	
	2022	2021
Liabilities under trust receipt agreements	150,000	-
Total	150,000	-

The Company has short-term loans from financial institutions which bear interest at 2.68% per annum.

These are collateralized by the mortgages of land and construction thereon and machinery as mentioned in Note 13, the transfer of the right to receive insurance claims, and cross guarantees among the Group totaling Baht 690 million.

### 19. TRADE AND OTHER ACCOUNTS PAYABLE

	Consolidated F/S		(Unit: Thousand Baht)	
			Separate F/S	
	2022	2021	2022	2021
Trade accounts payable – general suppliers	31,453	19,769	31,453	19,769
Trade accounts payable – related companies	8,593	6,266	17,491	14,207
Other accounts payable – general suppliers	5,925	4,192	1,183	936
Other accounts payable – related companies	67	2	67	56
<b>Total</b>	<b>46,038</b>	<b>30,229</b>	<b>50,194</b>	<b>34,968</b>

### 20. ACCRUED EXPENSES

	Consolidated F/S		(Unit : Thousand Baht)	
			Separate F/S	
	2022	2021	2022	2021
Accrued bonuses	15,049	25,390	11,677	19,962
Accrued transportation	9,640	7,250	9,640	7,250
Accrued salary and other employee benefits	2,055	2,699	1,539	2,090
Accrued utilities	3,752	2,098	1,468	822
Accrued other expenses	1,252	1,471	977	1,035
Accrued interest	22	-	22	-
<b>Total</b>	<b>31,770</b>	<b>38,908</b>	<b>25,323</b>	<b>31,159</b>

### 21. POST - EMPLOYMENT BENEFIT PLANS

#### 21.1 Defined benefit plans

During the years ended 31 December 2022 and 2021, movements in employee benefits obligation are as follow:

	Consolidated F/S		(Unit : Thousand Baht)	
			Separate F/S	
	2022	2021	2022	2021
Beginning Balance	17,794	22,303	15,562	18,455
Provision expense recorded in the statement of profit or loss				
- Current service costs	1,162	1,202	1,029	1,045
- Financial costs	450	431	402	373
Employee benefits paid	(312)	(6,142)	-	(4,311)
<b>Ending Balance</b>	<b>19,094</b>	<b>17,794</b>	<b>16,993</b>	<b>15,562</b>

Principal actuarial assumptions are as follows:

	Consolidated F/S	Separate F/S
Discount rate for salary	2.02-2.47 percent per annum	2.47 percent per annum
Discount rate for wage	2.02-2.47 percent per annum	2.47 percent per annum
Mortality rate	Thai Mortality Table 2017	Thai Mortality Table 2017
Future salary expense increment rate	5.84-6.04 percent per annum	5.84 percent per annum
Future wage expense increment rate	2.71-4.87 percent per annum	2.71 percent per annum
Normal retirement age	60 years	60 years
Number of employees	411 persons	274 persons

### Sensitivity analysis

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

(Unit: Thousand Baht)

#### The defined benefit obligation

	Consolidated F/S	Separate F/S
Discount rate (0.5% increment)	(746)	(685)
Discount rate (0.5% decrement)	797	733
Future salary growth (0.5% increment)	1,001	908
Future salary growth (0.5% decrement)	(939)	(850)
Employee turnover (1.0% increment)	(1,376)	(1,166)
Employee turnover (1.0% decrement)	1,552	1,317

### 21.2 Defined provident fund plan

The Group and their employees have jointly established a provident fund plan in accordance with the Provident Fund Act B.E. 2530. The Group and their employees contributed to the fund monthly at the rate of 3.00% of basic salaries. The fund is managed by Kasikorn Asset Management Co., Ltd. and SCB Asset Management Co., Ltd. and will be paid to the employees upon termination in accordance with the fund rules.

For the years ended 31 December 2022 and 2021, the Group contribution amounted to Baht 2.25 million and Baht 1.35 million, respectively, in the consolidated financial statements and Baht 1.54 million and Baht 1.00 million, respectively, in the separate financial statements.

## 22. INCOME TAX

Reconciliation of income tax expenses are as follows:

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2022	2021	2022	2021
Profit before tax	(123,697)	924,688	(94,830)	890,249
Applicable tax rate (Percentage)	20	20	20	20
Tax multiplied by applicable tax rate	-	184,938	-	178,050
Adjustment for:				
Non-deductible expenses	3,936	6,026	2,192	4,308
Tax-exempted income and additional expendable expense	(3,541)	(4,896)	(2,352)	(4,179)
Related transaction	(1,024)	568	-	-
Income tax	(629)	186,636	(160)	178,179

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
	2022	2021
<b>Income tax consisted of:</b>		
Current income tax	-	184,738
Deferred tax from temporary differences	(629)	1,898
<b>Total income tax</b>	<b>(629)</b>	<b>186,636</b>

## 23. DEFERRED TAX

### *Deferred income tax asset and liability*

The movements in deferred income tax assets/liabilities are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S			
	Recognised as income (expense)			
	1 January 2022	Profit or loss	Other comprehensive income	31 December 2022
<b>Deferred tax assets from:</b>				
Provision for allowance doubtful of accounts receivable	3,150	(125)	-	3,025
Provision for employee benefits obligation	3,560	258	-	3,818
Taxable loss carried forward	1,012	-	-	1,012
<b>Deferred tax liabilities from:</b>				
Surplus from fair value of land, buildings and equipment	(20,650)	496	-	(20,154)
<b>Deferred tax liabilities, net</b>	<b>(12,928)</b>	<b>629</b>	<b>-</b>	<b>(12,299)</b>

	(Unit : Thousand Baht)			
	Consolidated F/S			
	Recognised as income (expense)			
	1 January 2021	Profit or loss	Other comprehensive income	31 December 2021
<b>Deferred tax assets from:</b>				
Provision for allowance doubtful of accounts receivable	3,710	(560)	-	3,150
Provision for employee benefits obligation	4,461	(901)	-	3,560
Taxable loss carried forward	2,047	(1,035)	-	1,012
<b>Deferred tax liabilities from:</b>				
Surplus from fair value of land, buildings and equipment	(21,248)	598	-	(20,650)
<b>Deferred tax liabilities, net</b>	<b>(11,030)</b>	<b>(1,898)</b>	<b>-</b>	<b>(12,928)</b>

(Unit : Thousand Baht)				
	Separate F/S			
	Recognised as income (expense)			31 December 2022
	1 January 2022	Profit or loss	Other comprehensive income	
<b>Deferred tax assets from:</b>				
Provision for allowance doubtful of accounts receivable	3,151	(126)	-	3,025
Provision for employee benefits obligation	3,112	286	-	3,398
<b>Deferred tax liabilities from:</b>				
Surplus from fair value land	(11,095)	-	-	(11,095)
<b>Deferred tax liabilities, net</b>	<b>(4,832)</b>	<b>160</b>	<b>-</b>	<b>(4,672)</b>

(Unit : Thousand Baht)				
	Separate F/S			
	Recognised as income (expense)			31 December 2021
	1 January 2021	Profit or loss	Other comprehensive income	
<b>Deferred tax assets from:</b>				
Provision for allowance doubtful of accounts receivable	3,710	(559)	-	3,151
Provision for employee benefits obligation	3,691	(579)	-	3,112
<b>Deferred tax liabilities from:</b>				
Surplus from fair value land	(11,095)	-	-	(11,095)
<b>Deferred tax liabilities, net</b>	<b>(3,694)</b>	<b>(1,138)</b>	<b>-</b>	<b>(4,832)</b>

As at 31 December 2022, the Company and subsidiaries have not recognized deferred tax assets in the consolidated financial statements and separate financial statements for the effect on allowance for decline value of inventories of Baht 14.82 million (2021: Baht 17.96 million). This does not have significant effect to the financial statements.

## 24. EQUITY

### 24.1 Authorized share capital

Movements in authorized share capital, and fully paid-up share capital are as follow:

Authorized share capital	Number of Shares	Par value (Baht)	Baht
Balance as of 1 January 2022	499,998,995	1.00	499,998,995
Increased share capital	49,999,795	1.00	49,999,795
Decreased share capital	(1,049)	1.00	(1,049)
Balance as of 31 December 2022	<u>549,997,741</u>	1.00	<u>549,997,741</u>

Issued and fully paid-up share capital	Number of Shares	Par value (Baht)	Baht
Balance as of 1 January 2022	499,997,946	1.00	499,997,946
Increased share capital	<u>49,998,008</u>	1.00	<u>49,998,008</u>
Balance as of 31 December 2022	<u>549,995,954</u>	1.00	<u>549,995,954</u>

At the Annual General Meeting for the year 2022 on 21 April 2022, the shareholders passed a resolution to decrease the registered common share of the Company from Baht 499,998,995 to Baht 499,997,946 by reducing the non-allotment of 1,049 shares at par value of Baht 1 remaining for the stock dividend payment as approved at the Annual General Meeting of Shareholders for the year 2021. The Company registered the share capital decrement with the Department of Business Development on 2 May 2022.

At the Annual General Meeting for the year 2022 on 21 April 2022, the shareholders passed a resolution to increase the registered common share of the Company from Baht 499,997,946 to Baht 549,995,954 by issuing new 49,998,008 common share at par value of 1 Baht, totalling Baht 50.00 million to support stock dividends. The Company registered the share capital increment with the Department of Business Development on 5 May 2022.

## 24.2 Legal reserve

Under the Public Limited Company Act B.E. 2535, the Company is required to set aside as a statutory reserve at least 5% of its net income for the year after deducting accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered capital. The legal reserve is not available for dividend distribution.

## 24.3 Dividend payment

At the Annual General Meeting of Shareholder 2022 on 21 April 2022, the meeting passed the resolution to pay dividend from its net profit after tax for the year 2021 for 499,997,946 common shares for the shareholders on the list at the closing date on 16 March 2022 as follow:

Dividend	Baht per share	Numbers of shares (Million shares)	Amount (Million Baht)
Stock dividend (at the ratio of 9 existing shares per 1 stock dividend)	0.10	500.00	50.00
Cash dividend	0.27	500.00	135.00
Total	0.37		185.00

The dividend was paid on 19 May 2022.

At the Annual General Meeting for the year 2021 held on 21 April 2021, shareholders passed a resolution to pay dividend from income from operations for the year 2020 from non-promoted business by cash dividend of Baht 0.25 per share for 450 million common shares totalling Baht 112.50 million and stock dividend at the ratio of 9 existing shares per 1 stock dividend of Baht 0.11 per shares totalling Baht 50 million, which made up the total dividend of Baht 162.50 million.

At the Board of Director Meeting No. 3/2021 on 9 August 2021, the directors passed a resolution to approve the payment of interim dividends from non-promoted income for the six-month period end 30 June 2021 of Baht 0.20 per share for 500 million common shares totalling Baht 100 million. The dividend was paid on 6 September 2021.

## 25. EXPENSES BY NATURE

Significant expenses by nature are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2022	2021	2022	2021
Salaries, wages and other employee benefits	135,459	124,654	81,989	76,489
Executives' remuneration	32,996	43,842	23,457	32,792
Depreciation and amortization	50,868	49,427	25,765	25,074
Transportation expenses	88,636	74,135	112,762	101,421
Manufacturing service costs	500	154	86,321	83,665
Reversal of allowance excess of cost of goods over net realizable value	(3,144)	(17,678)	(3,838)	(17,678)
Loss from exchange rate	20,225	21,703	-	-
Raw material and supplies used	3,974,835	3,362,214	3,929,063	3,330,647
Purchase of finished goods	2,290,223	2,098,969	2,276,287	2,095,597
Change in finished goods and work in process	221,321	(219,390)	(189,942)	(175,984)

## 26. SEGMENT REPORTING

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company and subsidiaries' business operations are categorized mainly into 2 principal segments: (1) trading of steel products including raw material and (2) production and distribution of steel products. Below are revenues of the Company and subsidiaries for the years ended 31 December 2022 and 2021.

	(Unit : Million Baht)							
	Consolidated F/S							
	For the years ended 31 December							
	Trading of products (include raw materials)		Production and distribution of steel products		Eliminated		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenues from external customers	2,043.19	1,717.52	4,477.62	3,885.50	-	-	6,520.81	5,603.02
Revenues from inter-segments	223.88	198.39	85.77	98.68	(309.65)	(297.07)	-	-
<b>Total revenue</b>	<b>2,267.07</b>	<b>1,915.91</b>	<b>4,563.39</b>	<b>3,984.18</b>	<b>(309.65)</b>	<b>(297.07)</b>	<b>6,520.81</b>	<b>5,603.02</b>
Interest income	0.96	1.05	1.92	2.36	(1.08)	(1.35)	1.80	2.06
Interest expense	2.19	3.63	4.40	8.21	(4.87)	(3.88)	1.72	7.96
Depreciation and amortization expenses	-	-	54.44	50.95	(5.43)	(3.68)	49.01	47.27
<b>Segment profits</b>	<b>260.28</b>	<b>84.99</b>	<b>478.88</b>	<b>320.82</b>	<b>(1.11)</b>	<b>4.38</b>	<b>738.05</b>	<b>410.19</b>
Segment assets	789.66	815.66	1,496.36	1,641.84	-	-	2,286.02	2,457.50
Increased (decreased) of segment non-current assets	14.41	-	27.32	(86.25)	-	-	41.73	(86.25)
Segment liabilities	93.48	-	177.14	179.68	-	-	270.62	179.68

The Group disclosed the revenue disaggregated by primary geographical as follows:

	(Unit : Million Baht)							
	Consolidated F/S							
	Trading (include raw materials)		Production and distribution of steel products		Eliminated		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Local	2,361.01	2,264.84	4,337.51	4,289.61	(164.94)	(309.65)	6,533.58	6,244.80
Lao People's Democratic Republic	13.45	2.23	161.94	273.78	-	-	175.39	276.01
Total	<u>2,374.46</u>	<u>2,267.07</u>	<u>4,499.45</u>	<u>4,563.39</u>	<u>(164.94)</u>	<u>(309.65)</u>	<u>6,708.97</u>	<u>6,520.81</u>

### Major Customer

The Group does not have sales to any customer more than 10 percent of total revenues in the consolidated and separate financial statements.

## 27. INVESTMENT PROMOTION PRIVILEGES

The Company and subsidiary have privileges under investment certificates covered by the Promotion of Investment Act B.E. 2520 (A.D. 1977), as follows:

Certificate No.	Date	Promoted activity types	Commence date of revenues generated	Expiry date
<u>The Company</u> 62-0968-1-04-1-0	15 July 2019	Cold formed structural steel sections	4 September 2019	3 September 2022
<u>The subsidiary</u> 2488(2)/2557	25 August 2014	Cold formed structural steel sections	29 February 2016	29 February 2024

The Company and subsidiary have privileges as follows:

- Exemption from import duty on approved imported machinery.
- Exemption from corporate income tax on profits from the promoted activity not exceeding 50% and 100% of assets, excluding land and capital, for a period of three years and eight years, respectively commencing the date that income was first derived.
- Exemption from income tax on dividends paid to the shareholders from the profit of the promoted operations during the period in which the corporate income tax is exempted.

As a promoted company, the Company and subsidiary must comply with certain conditions and restrictions provided for in the promotional certificates.

Based on the Announcement of the Board of Investment No. Por 14/1998 dated 30 December 1998 regarding revenue reporting of a promoted industry, the subsidiary is required to report the revenues separately for promoted and the non-promoted businesses. The revenue for the years ended 31 December 2022 and 2021 are follows:

	Thousand Baht Consolidated F/S			
	Promoted business	Non-promoted business	Eliminated	Total
<b>2022</b>				
Revenue from sales	14,047	6,859,856	(164,938)	6,708,965
<b>2021</b>				
Revenue from sales	13,920	6,816,546	(309,653)	6,520,813

	Thousand Baht Separate F/S		
	Promoted business	Non-promoted business	Total
<b>2022</b>			
Revenue from sales	-	6,612,682	6,612,682
<b>2021</b>			
Revenue from sales	-	6,470,948	6,470,948

## 28. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2022, the Company has commitments and contingent liabilities as follows:

28.1 The Company has purchase orders for raw materials and finished goods which products have not yet been received for Baht 85.04 million and Baht 59.25 million, respectively, in the consolidated and separate financial statements.

28.2 As at 31 December 2022 and 2021, the credit facilities of the Company and subsidiary are as follows:

		(Unit : Million)					
		Consolidated F/S					
Currency		31 December 2022			31 December 2021		
		Total	Utilised	Remained	Total	Utilised	Remained
Letters of guarantee	Baht	8.81	1.56	7.25	9.86	2.62	7.24
Bank overdraft	Baht	15.00	-	15.00	10.00	-	10.00
Promissory notes and trust receipt agreement	Baht	690.00	150.00	540.00	990.00	136.48	853.52

		(Unit : Million)					
		Separate F/S					
Currency		31 December 2022			31 December 2021		
		Total	Utilised	Remained	Total	Utilised	Remained
Letters of guarantee	Baht	-	-	-	1.05	1.05	-
Bank overdraft	Baht	10.00	-	10.00	10.00	-	10.00
Promissory notes and trust receipt agreement	Baht	690.00	150.00	540.00	990.00	136.48	853.52

The above obligations are collateralized by the same assets as for the credit facilities received from the financial institution as mentioned in Note 18.

## 29. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities carried on the statement of financial position include cash and cash equivalents, restricted deposits with banks, trade and other accounts receivable and payable and loans. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies in Note 4 to the financial statements.

### Financial risk

The Company has exposures 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.

#### 29.1 Market risk

##### *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 has exposures to interest rate risk relates primarily to its deposits at financial institutions, short-term borrowings, long-term borrowings and debentures. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rates. These exposures are managed by using natural hedges arose from offsetting interest rate sensitive assets and liabilities. Usually, the loan tenors were longer than aging of the Company's accounts receivables.

The Company does not apply hedge accounting.

The significant financial assets and liabilities are classified below, according to interest rate type:

(Unit : Thousand Baht)

Consolidated F/S							
2022							
	Fixed interest rate			Floating	Non		Interest rate
	Within 1 year	More than 1 – 5 years	More than 5 years	Interest Rate	Interest Rate	Total	(% per annum)
<b>Financial assets</b>							
Cash at banks	-	-	-	521,221	74,006	595,227	0.05 – 0.25
Trade and other accounts receivable - net	-	-	-	-	328,159	328,159	-
Total	-	-	-	521,221	402,165	923,386	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	-	-	-	150,000	-	150,000	2.68
Trade and other accounts payable	-	-	-	-	46,038	46,038	-
Lease liabilities	1,343	2,875	-	-	-	4,218	4.51 – 4.84
Total	1,343	2,875	-	150,000	46,038	200,256	

(Unit : Thousand Baht)

Consolidated F/S							
2021							
	Fixed interest rate			Floating	Non		Interest rate
	Within 1 year	More than 1 – 5 years	More than 5 years	Interest rate	Interest rate	Total	(% per annum)
<b>Financial assets</b>							
Cash at banks	-	-	-	323,788	28,742	352,530	0.05 – 0.25
Trade and other accounts receivable - net	-	-	-	-	363,547	363,547	-
Restricted deposit with banks	1,052	-	-	-	-	1,052	1.05
Total	1,052	-	-	323,788	392,289	717,129	
<b>Financial liabilities</b>							
Trade and other accounts payable	-	-	-	-	30,229	30,229	-
Lease liabilities	1,483	4,219	-	-	-	5,702	4.51 – 4.84
Total	1,483	4,219	-	-	30,229	35,931	

## Part 3 Financial Statements

(Unit : Thousand Baht)

	Separate F/S						(Unit : Thousand Baht)
	2022						
	Fixed interest rate			Floating Interest	Non Interest		Interest Rate
	Within 1 year	More than 1 – 5 years	More than 5 years	rate	rate	Total	(% per annum)
<b>Financial assets</b>							
Cash at banks	-	-	-	518,512	68,813	587,325	0.05 - 0.25
Trade accounts receivable and other - net	-	-	-	-	347,046	347,046	-
Loan to subsidiary company	65,921	9,400	-	-	-	75,321	2.80 - 4.00
Total	65,921	9,400	-	518,512	415,859	1,009,692	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	-	-	-	150,000	-	150,000	2.68
Trade and other accounts payable	-	-	-	-	50,194	50,194	-
Lease liabilities	5,390	21,165	50,995	-	-	77,550	4.51 - 4.84
Total	5,390	21,165	50,995	150,000	50,194	277,744	

(Unit : Thousand Baht)

(Unit : Thousand Baht)

	Separate F/S						
	2021						
	Fixed interest rate			Floating Interest	Non Interest		Interest Rate
	Within 1 year	More than 1 – 5 years	More than 5 years	rate	rate	Total	(% per annum)
<b>Financial assets</b>							
Cash at banks	-	-	-	305,224	25,130	330,354	0.05 - 0.25
Trade accounts receivable and other - net	-	-	-	-	409,367	409,367	-
Loan to subsidiary company	17,415	12,686	-	-	-	30,101	2.80 - 4.00
Restricted deposit with banks	1,052	-	-	-	-	1,052	1.05
Total	18,467	12,686	-	305,224	434,497	770,874	
<b>Financial liabilities</b>							
Trade and other accounts payable	-	-	-	-	34,968	34,968	-
Lease liabilities	5,340	26,555	50,996	-	-	82,891	4.51 - 4.84
Total	5,340	26,555	50,996	-	34,968	117,859	

### Foreign exchange risk

The Company purchases part of goods and machineries from overseas and has exposure to foreign exchange risk arising primarily from US Dollar. The Company uses forward contracts to hedge their exposure to protect foreign currency risk. However, the proportion of purchases in foreign currencies were not material compared to total purchase balance.

As at 31 December 2022, the Company and subsidiaries have assets and liabilities in the foreign currencies are as follows:

(Unit : Thousand Baht)		
Consolidated F/S		
	2022	
	Foreign currency	Average exchange rate
Cash at banks		
USD	1,294	34.29

(Unit : Thousand Baht)		
Separate F/S		
	2022	
	Foreign currency	Average exchange rate
Cash at banks		
USD	1,171	34.29
Trade and account receivable		
USD	560	34.29

## 29.2 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.

### 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.

### 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.

### Accounts receivable

The Company applies the TFRS 9 simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables and contract assets are 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.

### 29.3 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 595.29 million (2021: Baht 352.59 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.

## 30. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

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 Group 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 Group monitors capital based on gearing ratio which is determined by dividing net debt with equity

## 31. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The amendment to TAS 7, effective 1 January 2018, require the Group to provide disclosures about the changes in liabilities from financing activities. The Group categorizes those changes into changes arising from cash flows and non-cash changes with future sub-categories as required by TAS 7.

The changes in the Group's liabilities arising from financing activities can be classified as follows;

(Unit : Thousand Baht)

	Consolidated F/S			Total
	Short-term loans from financial institutions	Short-term loans from subsidiary	Liabilities under lease agreement	
<b>1 January 2022</b>	-	-	<b>5,702</b>	<b>5,702</b>
<b>Cash-flows:</b>				
Repayment	(755,951)	-	(1,484)	(757,435)
Proceeds	905,951	-	-	905,951
<b>31 December 2022</b>	<b>150,000</b>	-	<b>4,218</b>	<b>154,218</b>

(Unit : Thousand Baht)

Consolidated F/S				
	Short-term loans from financial institutions	Short-term loans from subsidiary	Liabilities under lease agreement	Total
1 January 2021	176,240	-	8,478	184,718
<b>Cash-flows:</b>				
Repayment	(1,951,667)	-	(2,776)	(1,954,443)
Proceeds	1,775,427	-	-	1,775,427
31 December 2021	-	-	5,702	5,702

(Unit : Thousand Baht)

Separate F/S				
	Short-term loans from financial institutions	Short-term loans from subsidiary	Liabilities under lease agreement	Total
1 January 2022	-	-	82,891	82,891
<b>Cash-flows:</b>				
Repayment	(755,951)	-	(5,341)	(761,292)
Proceeds	905,951	-	-	905,951
31 December 2022	150,000	-	77,550	227,550

(Unit : Thousand Baht)

Separate F/S				
	Short-term loans from financial institutions	Short-term loans from subsidiary	Liabilities under lease agreement	Total
1 January 2021	176,240	-	87,982	264,222
<b>Cash-flows:</b>				
Repayment	(1,951,667)	-	(5,091)	(1,956,758)
Proceeds	1,775,427	-	-	1,775,427
31 December 2021	-	-	82,891	82,891

### 32. FAIR VALUE MEASUREMENT

Fair value is the price that would be received from sale of asset or paid for liability in orderly transactions between market participants at the measurement date.

Number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The fair values are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

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

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The carrying value of financial assets and liabilities of the Group are considered to approximate their fair value.

Non-financial assets measured at fair value as at 31 December 2022 is as following;

		(Unit : Thousand Baht)			
		Consolidated F/S			
		Level 1	Level 2	Level 3	Total
<b>Non - financial assets</b>					
Revaluation of land		-	156,621	-	156,621

		(Unit : Thousand Baht)			
		Separate F/S			
		Level 1	Level 2	Level 3	Total
<b>Non - financial assets</b>					
Revaluation of land		-	108,857	-	108,857

The Group re-measured land in 2015 using the Market Approach. The fair value calculated by the market approach was based on the comparable land price, then adjusted with factors which impact both the land and the comparable land. The Weighted Quality Score (WQS) is then used to defend the land fair value. As at 31 December 2022, the Group has not re-measured land.

### 33. EVENTS AFTER THE REPORTING PERIOD

At the Board of director's meeting No. 1/2023, held on 21 February 2023, the meeting passed the resolution to propose to the Annual General Meeting of Shareholders 2023 for approval to pay dividend from operating results of the year 2022, the Company's financial statements has loss amount of Baht 94.67 million and retained earnings – unappropriated amount of Baht 1,150.31 million, which was considered to pay dividends at the rate of 0.20 baht per share, amounting to Baht 110 million. However, it will be further proposed for the shareholders' approval in the Annual General Meeting of the Shareholders for fiscal year 2023 in April 2023.

### 34. AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated and separate financial statements for the year ended 31 December 2022 (including comparative financial statements) were approved by the Board of Directors on 21 February 2023.

*Profile of Board of Directors and Managements*

Dr. Kanchit Singсуwan	Mr.Sombat Leeswadtrakul
<p><b>Chairman</b> /Audit Committee and Independent Director</p> <p><b>Age</b> 60 years</p> <p><b>Tenure of Directorship:</b> November 15<sup>th</sup> 2007</p> <p><b>Education Background</b></p> <ul style="list-style-type: none"> <li>• Doctoral degree in International Business and Administration, Alliant International University, San Diego, CA, USA</li> <li>• M.B.A. (International Business Management), Alliant International University, San Diego, CA. USA</li> <li>• Bachelor of Laws, Chulalongkorn University, Thailand</li> </ul> <p><b>Training courses</b></p> <ul style="list-style-type: none"> <li>• Executive Development Program: EDP #8/2012, Fiscal Policy Research Institute Foundation.</li> <li>• CEO #1/2013, Leadership Succession Program (LSP), Institute of Research and Development for Public Enterprises.</li> <li>• Director Accreditation Program (DAP) #68/2551 from IOD</li> <li>• Singapore Institute of Directors; <ul style="list-style-type: none"> <li>- LED 1-8, SID Directors Conference 2021,</li> <li>- Board Governance of SPACs,</li> <li>- Corporate Governance Roundup 2021,</li> <li>- MCD 2 : Stakeholder Engagement in the Era of Security</li> <li>- ACRA-SGX-SID Audit Committee Seminar 2022</li> </ul> </li> <li>• TCFD 102: Building experience in climate-related financial reporting from Singapore Exchange</li> <li>• Financial Advisory, Association of Thai Securities Company (ASCO)</li> <li>• Corporate Valuation program &amp; Corporate Finance Law &amp; Restructuring program, Asia Connect</li> </ul> <p><b>Shareholding Proportion</b> (10 February 2023)</p> <ul style="list-style-type: none"> <li>• Personally -none-</li> <li>• Spouse / minor Children -none-</li> </ul> <p><b>Family Relationship with the other directors</b></p> <p>- None –</p> <p><b>Working experience in the past 5 years:</b></p> <p><u>Listed Company</u> (2)</p> <p>2020 - present Chairman of Board of Director and Audit committee, Yong Thai Pcl.</p> <p>2022 - present Chairman of Audit Committee and Ind. Director, World Corporation Pcl, SGX</p> <p><u>Non-Listed Companies</u> (1)</p> <p>2017 - present Managing Director, Baupost Associates Co.,Ltd.</p> <p>2017 - 2019 Managing Director, Upventure Co.,Ltd.</p> <p>2019 - 2022 Ind. Director, Nautic AWT Pcl , SGX (Catalist Exchange)</p>	<p><b>Director</b>, Chief Executive Officer, Nomination &amp; Remuneration Committee</p> <p><b>Age</b> 63 years</p> <p><b>Tenure of Directorship:</b> May 29<sup>th</sup> 1992</p> <p><b>Education Background</b></p> <ul style="list-style-type: none"> <li>• MBA, Mahidol University, Thailand</li> </ul> <p><b>Training courses</b></p> <ul style="list-style-type: none"> <li>• Thailand National Defence College #5222</li> <li>• The program for Senoir Executive on Justice Administration (Batch 12)</li> <li>• The 8th: Top Executive Program, Capital Market Academy, Thailand</li> <li>• Director Accreditation Program (DAP) #68/2008, Thai Institute of Directors</li> </ul> <p><b>Shareholding Proportion</b> (10 February 2023)</p> <ul style="list-style-type: none"> <li>• Personally 136,452,654 shares (24.81%)</li> <li>• Spouse / minor Children -none-</li> </ul> <p><b>Family Relationship with the other directors</b></p> <p>- None –</p> <p><b>Working experience in the past 5 years:</b></p> <p><u>Listed Company</u> (-)</p> <p><u>Non-Listed Companies</u> (2)</p> <p>1994 - present Chairman and Chief Executive Officer, Neastern Steel Co., Ltd.</p> <p>2015 - present CEO, Grand Steel Pipe Co.,Ltd.</p>

Mr. Surapon Satimanont	Mr. Sangrung Nitipawachon
<b>Vice Chairman /</b> Chairman of Audit Committee Independent Director	<b>Managing Director</b>
<b>Age</b> 62 years	<b>Age</b> 53 years
<b>Tenure of Directorship:</b> November 15 <sup>th</sup> 2007	<b>Tenure of Directorship:</b> May 29 <sup>th</sup> 1992
<b>Education Background</b> <ul style="list-style-type: none"> <li>MBA, Webster University, USA</li> <li>Master of Laws (LL.M.), Howard University School of Law, USA</li> <li>Master of Laws (LL.M.), Southern Methodist University, USA</li> </ul>	<b>Education Background</b> <ul style="list-style-type: none"> <li>MBA, Chulalongkorn University, Thailand</li> <li>MBA, Prince of Songkla University, Thailand</li> </ul>
<b>Training courses</b> <ul style="list-style-type: none"> <li>Director Certification Program (DCP) #40/2004, Thai Institute of Directors</li> <li>Anti - Corruption for Executive, July 2014 from Thai Institute of Directors</li> <li>Thailand Sustainable Banking 2019, Bank of Thailand</li> </ul>	<b>Training courses</b> <ul style="list-style-type: none"> <li>Director Accreditation Program (DAP) # 68/2008 from IOD</li> </ul>
<b>Shareholding Proportion</b> (10 February 2023) <ul style="list-style-type: none"> <li>Personally -none-</li> <li>Spouse / minor Children -none-</li> </ul>	<b>Shareholding Proportion</b> (10 February 2023) <ul style="list-style-type: none"> <li>Personally 32,019,995 shares (5.82%)</li> <li>Spouse / minor Children - shares ()</li> </ul>
<b>Family Relationship with the other directors</b> - None –	<b>Family Relationship with the other directors</b> - None –
<b>Working experience in the past 5 years:</b> <u>Listed Company</u> (2) 2002 - present Director and Audit Committee, Ratchthani Leasing Public Co., Ltd.  <u>Non-Listed Companies</u> (3) 2015 - present Director and Audit Committee, Sumitomo Mitsui Trust (Thailand) Bank PLC. 2018 - present Chairman, S & Manont Limited. 2021 - present Chairman of Audit Committee, N.D.S. 34 Company Limited.  2018 – 2021 Director, Audit Committee, JSSR Group PCL. 2015 - 2019 Director, Amethyst Asia Focused Fund 2017 - 2020 Director, Audit Committee, Hybrid Energy Co.,Ltd. 2006 - 2022 Director and Audit Committee, Baan Rock Garden Public Co., Ltd.	<b>Working experience in the past 5 years:</b> <u>Listed Company</u> (-) <u>Non-Listed Companies</u> (2) 2011 - present Director and Executive committee, Neastern Steel Co., Ltd. 2015 - present Authorized Director, Grand Steel Pipe Co.,Ltd.

Mrs. Chintana Techamontrikul	Miss Bunsri Panyapiamsak
<b>Audit Committee/</b> Nomination and Remuneration Committee /Independent Director	<b>Executives Director /</b> Chief of Financial Officer
<b>Age</b> 68 years	<b>Age</b> 60 years
<b>Tenure of Directorship :</b> November 15 <sup>th</sup> 2007	<b>Tenure of Directorship :</b> November 15 <sup>th</sup> 2007
<b>Education Background</b> <ul style="list-style-type: none"> <li>• MBA (Finance), Kasetsart University, Thailand</li> <li>• MBA, University of the Thai Chamber of Commerce, Thailand</li> <li>• M.A. (Economic law), Faculty of Law, Chulalongkorn University, Thailand</li> </ul>	<b>Education Background</b> <ul style="list-style-type: none"> <li>• High vocational Certificate, Technological and Vocational College, Southern Technical Campus</li> </ul>
<b>Training courses</b> <ul style="list-style-type: none"> <li>• Director Certification Program (DCP) 4/2000 from Thai Institute of Directors</li> </ul>	<b>Training courses</b> <ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP) 75/2008 from Thai Institute of Directors</li> <li>• Federation of Accounting Professions <ul style="list-style-type: none"> <li>- TFSR Program</li> <li>- "Insight of financial reporting standard according to accounting principles compared with the principles of business taxation" Class 2nd</li> <li>- Corruption news stories on standard accounting of the Listed Company #1/2021,</li> <li>- Irregular items in the Financial Statement and case study 2022</li> </ul> </li> </ul>
<b>Shareholding Proportion</b> (10 February 2023) <ul style="list-style-type: none"> <li>• Personally -none-</li> <li>• Spouse / minor Children -none-</li> </ul>	<b>Shareholding Proportion</b> (10 February 2023) <ul style="list-style-type: none"> <li>• Personally 15,417,277 shares (3.08%)</li> <li>• Spouse / minor Children -none-</li> </ul>
<b>Family Relationship with the other directors</b> <p>- None –</p>	<b>Family Relationship with the other directors</b> <p>- None –</p>
<b>Working experience in the past 5 years:</b> <u>Listed Company</u> ( - ) <u>Non-Listed Companies</u> (1) 1992 - present Managing Director, C&A Auditing  2018 - 2021 Director, Audit Committee, JSSR Group PCL.	<b>Working experience in the past 5 years:</b> <u>Listed Company</u> (-) <u>Non-Listed Companies</u> (2) 2011 - present Director and Executive committee, Neastern Steel Co., Ltd. 2015 - present Authorized Director, Grand Steel Pipe Co., Ltd.

Gen. Phairat Phoubon	Mr. Woravit Chailimpamontri
<b>Chairman of Nomination and Remuneration committee /</b> Ind. Director <b>Age</b> 66 years <b>Tenure of Directorship:</b> 15 December 2015  <b>Education Background</b> <ul style="list-style-type: none"> <li>The National Defence College (NDC #52)</li> <li>Bachelor of Engineering, Royal Thai Survey Dept.</li> <li>Chulachomklao Royal Military Academy (CRMA#27)</li> </ul> <b>Training courses</b> <ul style="list-style-type: none"> <li>National Defense Course (NDC #52)</li> <li>Bachelor of Engineering Royal Thai Survey Department</li> <li>Chulachomklao Royal Military Academy (CRMA #27)</li> <li>Directorate of Education and Training, RTAF #39</li> <li>Joint War College #47</li> <li>Director Accreditation Program (DAP) 123/2016 from Thai Institute of Directors</li> </ul> <b>Shareholding Proportion</b> (10 February 2023) <ul style="list-style-type: none"> <li>Personally -none-</li> <li>Spouse / minor Children -none-</li> </ul> <b>Family Relationship with the other directors</b> - None – <b>Working experience in the past 5 years:</b> <u>Listed Company</u> ( 1 ) 2002 - present Chairman, Rich Sport Public Co., Ltd. <u>Non-Listed Companies</u> (4) 2018- present Director, Automate Asia Co.,Ltd. 2020- present Director, SermSang Power Corporation Ltd. 2017 - present Director, Council of The War Veterans Organization of TH. 2017 - present Subcommittee on Strategic, Defense Technology Institute  2017 - 2020 Honorary Advisor, Royal Thai Armed Forces Headquarters Saving and Credit Cooperative Limited. 2016 - 2020 Advisor of Chairman, CAT Telecom PCL.	<b>Nomination and Remuneration committee /</b> Ind. Director <b>Age</b> 53 years <b>Tenure of Directorship:</b> 4 April 2018  <b>Education Background</b> <ul style="list-style-type: none"> <li>M.B.A. (International Business Management), Schiller International University, London, England</li> <li>B.B.A. (Marketing), Bangkok University</li> </ul> <b>Training courses</b> <ul style="list-style-type: none"> <li>Cert. of Thailand Government Savings Bank Management Leadership Program,</li> <li>Marshall School of Business, University of Southern California</li> <li>Top Executive Program, Capital Market Academy (CMA) #8/2009</li> <li>Top Executive Program in Commerce and Trade, Commerce Academy, Class 3/2010</li> <li>Director Certification Program (DCP) #100/2008</li> <li>Advanced Audit Committee Program (AACP) #30/2018, Thai IOD</li> <li>National Defense Course (NDC #63)</li> </ul> <b>Shareholding Proportion</b> (10 February 2023) <ul style="list-style-type: none"> <li>Personally -none-</li> <li>Spouse / minor Children -none-</li> </ul> <b>Family Relationship with the other directors</b> - None – <b>Working experience in the past 5 years:</b> <u>Listed Company</u> (3) 2018 - present Director and Vice Chairman of Executive Committee, Sabuy Technology PCL 2021- present Director, Audit Committee, Sena Development Plc. 2021- present Director, Audit Committee, Chairman of Risk Committee Plc.  <u>Non-Listed Companies</u> (1) 2017 - present Director and Chairman of Audit Committee, National Power Supply Public Co., Ltd.  2018 - 2022 Audit Comm., Siam Future Development Public Co., Ltd. 2017 – 2021 Director and Executive director, International Research Corporation Public Co., Ltd

Mr. Preeda Wongsathitporn	Mr. Tanatat Chavaladit
<b>Director</b> <b>Age</b> 67 years <b>Tenure of Directorship:</b> 10 August 2011 <b>Education Background</b> <ul style="list-style-type: none"> <li>Wattana College</li> </ul> <b>Training courses</b> <ul style="list-style-type: none"> <li>Director Accreditation Program (DAP) #92/2011, Thai IOD</li> </ul> <b>Shareholding Proportion</b> (10 February 2023) <ul style="list-style-type: none"> <li>Personally 24,636,881 shares (4.48%)</li> <li>Spouse / minor Children -none-</li> </ul> <b>Family Relationship with the other directors</b> - None – <b>Working experience in the past 5 years:</b> <u>Listed Company</u> ( - ) <u>Non-Listed Companies</u> (4) 2006 - present Authorized Director, Tor. Vijjulsin Woods Co., Ltd. 2006 - present Authorized Director, Thanapol Laminate Co., Ltd. 2006 - present Authorized Director, ChaivasithParawood (2002) Co., Ltd 2008 - present Director, Neastern Steel Co., Ltd.	<b>Director</b> <b>Age</b> 55 years <b>Tenure of Directorship:</b> 21 May 2008 <b>Education Background</b> <ul style="list-style-type: none"> <li>MBA, Sasin Graduate Institute of Business Administration, Chulalongkorn University</li> </ul> <b>Training courses</b> <ul style="list-style-type: none"> <li>Director Accreditation Program (DAP) # 68/2008, Thai IOD</li> <li>National Defense Course (NDC #63)</li> </ul> <b>Shareholding Proportion</b> (10 February 2023) <ul style="list-style-type: none"> <li>Personally 14,479,151 shares (2.63%)</li> <li>Spouse / minor Children -none-</li> </ul> <b>Family Relationship with the other directors</b> - None – <b>Working experience in the past 5 years:</b> <u>Listed Company</u> (-) <u>Non-Listed Companies</u> (4) 2002 - present Director, Relax Comfort Co., Ltd. 2001 - present Director and Vice President, Golden (Thai) Teak Co., Ltd. 2001 - present Director and Vice President,SB Furniture Houses Co., Ltd. 2001 - present Director and Vice President,SB Furniture Industry Co., Ltd
Ms.. Tassanee Phunuchapai	Ms. Jaruwan Janpra-Ob
<b>Vice MD of Sales and Marketing</b> <b>Age</b> 48 years <b>Tenure of Directorship :</b> 1 February 2021 <b>Education Background</b> <ul style="list-style-type: none"> <li>MBA, Prince of Songkla University, Thailand</li> <li>B.A. (Finance),Prince of Songkla University</li> </ul> <b>Training courses</b> ( - ) <b>Shareholding Proportion</b> (10 February 2023) <ul style="list-style-type: none"> <li>Personally -none-</li> <li>Spouse / minor Children -none-</li> </ul> <b>Family Relationship with the other directors</b> - None – <b>Working experience in the past 5 years:</b> <u>Listed Company</u> ( - ) <u>Non-Listed Companies</u> (-) 2004-2020 Marketing Manager, 2S Metal PCL.	<b>Vice MD of IT</b> <b>Age</b> 44 years <b>Tenure of Directorship :</b> 1 February 2021 <b>Education Background</b> <ul style="list-style-type: none"> <li>Master of Science, ICT, Prince of Songkla University,</li> </ul> <b>Training courses</b> ( - ) <b>Shareholding Proportion</b> (10 February 2023) <ul style="list-style-type: none"> <li>Personally 123,750 shares (0.02%)</li> <li>Spouse / minor Children -none-</li> </ul> <b>Family Relationship with the other directors</b> - None – <b>Working experience in the past 5 years:</b> <u>Listed Company</u> ( - ) <u>Non-Listed Companies</u> (-) 2010- 2020 ICT Manager, 2S Metal PCL.

Mr.Pakorn Onkaew	Ms. Kannika Angruvirote
<b>Vice MD of Accounting /Accountant</b>	<b>Branch Manager</b>
<b>Age</b> 48 years	<b>Age</b> 57 years
<b>Tenure of Directorship :</b> 1 February 2021	<b>Tenure of Directorship :</b> 1 March 2010
<b>Education Background</b> <ul style="list-style-type: none"> <li>B.A. (Accounting), Had Yai Community College</li> </ul>	<b>Education Background</b> <ul style="list-style-type: none"> <li>B.A. Faculty of Arts, Silpakorn University</li> </ul>
<b>Training courses</b> <ul style="list-style-type: none"> <li>Accounting principles compared to business taxation principles #2, FAP</li> </ul>	<b>Training courses ( - )</b>
<b>Shareholding Proportion</b> (10 February 2023) <ul style="list-style-type: none"> <li>Personally 60,500 shares (0.01%)</li> <li>Spouse / minor Children -none-</li> </ul>	<b>Shareholding Proportion</b> (10 February 2023) <ul style="list-style-type: none"> <li>Personally -none-</li> <li>Spouse / minor Children -none-</li> </ul>
<b>Family Relationship with the other directors</b> <p>- None –</p>	<b>Family Relationship with the other directors</b> <p>- None –</p>
<b>Working experience in the past 5 years:</b> <u>Listed Company</u> (-) <u>Non-Listed Companies</u> (1) 2013- present Director and Managing director, Mega Trans and LogisCo.,Ltd. 2007-2020 Accounting Manager, 2S Metal PCL.	<b>Working experience in the past 5 years:</b> <u>Listed Company</u> (-) <u>Non-Listed Companies</u> (-)
Mr. Pongdech Lersithisak	Mr. Teerasak Onrachorn
<b>Branch Manager</b>	<b>Plant Manager</b>
<b>Age</b> 55 years	<b>Age</b> 39 years
<b>Tenure of Directorship :</b> 1 March 2010	<b>Tenure of Directorship :</b> 1 July 2018
<b>Education Background</b> <ul style="list-style-type: none"> <li>Master of Business Administration Program in Finance Chulalongkorn University</li> <li>B.A. (Faculty of Business) Chulalongkorn University</li> </ul>	<b>Education Background</b> <ul style="list-style-type: none"> <li>B.A. (Electrical Engineering), King Mongkut's University of Technology Thonburi.</li> </ul>
<b>Training courses ( - )</b>	<b>Training courses ( - )</b>
<b>Shareholding Proportion</b> (10 February 2023) <ul style="list-style-type: none"> <li>Personally -none-</li> <li>Spouse / minor Children -none-</li> </ul>	<b>Shareholding Proportion</b> (10 February 2023) <ul style="list-style-type: none"> <li>Personally -none-</li> <li>Spouse / minor Children -none-</li> </ul>
<b>Family Relationship with the other directors</b> <p>- None –</p>	<b>Family Relationship with the other directors</b> <p>- None –</p>
<b>Working experience in the past 5 years:</b> <u>Listed Company</u> ( - ) <u>Non-Listed Companies</u> (2) 2008- present Director and Executive, Wattana Mansion 2016 – present Director, Grand Steel Pipe Co.,Ltd.	<b>Working experience in the past 5 years:</b> <u>Listed Company</u> ( - ) <u>Non-Listed Companies</u> (-)

Mrs. Pattranit Janthong Sasutham	Miss Pornnica Lertithibaht
<p><b>Human Resources Manager</b></p> <p><b>Age</b> 49 years</p> <p><b>Tenure of Directorship:</b> 5 August 2021</p> <p><b>Education Background</b></p> <ul style="list-style-type: none"> <li>• MBA, Prince of Songkla University, Thailand</li> <li>• Bachelor of Business Administration Faculty of Management Sciences, Prince of Songkla University</li> </ul> <p><b>Training courses ( - )</b></p> <p><b>Shareholding Proportion</b> (10 February 2023)</p> <ul style="list-style-type: none"> <li>• Personally -none-</li> <li>• Spouse / minor Children 3,000 shares</li> </ul> <p><b>Family Relationship with the other directors</b></p> <p>- None –</p> <p><b>Working experience in the past 5 years:</b></p> <p><u>Listed Company ( - )</u></p> <p><u>Non-Listed Companies (-)</u></p>	<p><b>Corporate Secretary</b></p> <p><b>Age</b> 49 years</p> <p><b>Tenure of Directorship:</b> 1 July 2008</p> <p><b>Education Background</b></p> <ul style="list-style-type: none"> <li>• B.A., Marketing, Bangkok University</li> </ul> <p><b>Training courses</b></p> <ul style="list-style-type: none"> <li>• Company Secretary Program (CSP) #27/2008 from Thai Institute of Directors</li> </ul> <p><b>Shareholding Proportion</b> (10 February 2023)</p> <ul style="list-style-type: none"> <li>• Personally 8,950 shares</li> <li>• Spouse / minor Children -none-</li> </ul> <p><b>Family Relationship with the other directors</b></p> <p>- None –</p> <p><b>Working experience in the past 5 years:</b></p> <p><u>Listed Company ( - )</u></p> <p><u>Non-Listed Companies (-)</u></p>
Ms. Natcha Limpakornthanachot	
<p><b>Accountant/ Accounting Manager</b></p> <p><b>Age</b> 49 years</p> <p><b>Tenure of Directorship:</b> 14 September 2021</p> <p><b>Education Background</b></p> <ul style="list-style-type: none"> <li>• Bachelor of Business Administration (Accountancy) Ramkhamhaeng University</li> </ul> <p><b>Training courses</b></p> <ul style="list-style-type: none"> <li>• Corruption news stories on standard accounting of the Listed Company #1/2021, Federation of Accounting Professions</li> <li>• Update Tax Accounting Year 2021, Invite Training Company Limited</li> <li>• Focusing accounting issue and new law #Jul2022, Inwite training Co.,Ltd.</li> </ul> <p><b>Shareholding Proportion</b> (10 February 2023)</p> <ul style="list-style-type: none"> <li>• Personally 82,500 shares (0.02%)</li> <li>• Spouse / minor Children -none-</li> </ul> <p><b>Family Relationship with the other directors</b></p> <p>- None –</p> <p><b>Working experience in the past 5 years:</b></p> <p><u>Listed Company ( - )</u></p> <p><u>Non-Listed Companies (-)</u></p>	

### Details of the Controlling parties of its Subsidiaries

	NES	MEGA	GSP
Mr. Sombat Leeswadtrakul	Chairman		Chairman
Mr. Sangrung Nitipawachon	Managing Director		Director
Miss Bunsri Panyapiamsak	Director		Director
Mr. Montian AmornLertvimarn	Director		
Mr. Swad Panapongwasin	Director		
Mr. Supot Wongstitporn	Director		
Mr. Preeda Wongstitporn	Director		
Mr Pakorn Onkeaw		Managing Director	
Mrs. Chuthamas Pewnuan		Director	
Miss Kulwarint Saphu		Director	
Mr. Pongdet Lersithisak			Director / GM

**NES :** Neastern Steel Co., Ltd.

**MEGA:** Mega Trans and Logis Co., Ltd.

**GSP:** Grand Steel Pipe Co.,Ltd.

## Attachment 3

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### Details of the Head of Internal Audit

Year 2022, details of the head of Internal Audit and AC secretary are following;

1. Name                Miss Thiparat Phetkwan                Age : 42 years
2. Position           Internal Auditor Officer
3. Education        B.A., Computer Dept., Songkhla Rajabhat University  
Training course    Fundamentals for New Auditor, The Institute of Internal Auditors Thailand
4. Experience  
2014 – 2021        Analysis IT Officer

### Assets Used in Business Operation

As of December 31, 2022. The company's main assets used in the business operation are as follows:

#### Property and Land Improvement

Place	Area (Rai-Ngan-Square wa)	Net Book Value (M.Baht)	Type of Obligation	Ownership
<b><u>The Company</u></b>				
Tachang, Bangklum, Songklah <sup>1</sup>	33 - 1 - 20	48.43	Owner	Mortgage
	5 - 3 - 20	4.70		-no obligation-
Nhongkangplu, Nhongkham, Bangkok <sup>1</sup>	2 - 3 - 54	57.82	Owner	Mortgage
<b><u>Its Subsidiaries</u></b>				
Nhong-ngulueam, Chaloem-Phrakiea, Nokhonratchasima <sup>2</sup>	18 - 1 - 81	14.63	Owner	Mortgage
	41 - 1 - 1	50.75		-no obligation-
<b>Total</b>		<b>176.33</b>		

#### Building and Structures

Place	Area (m <sup>2</sup> )	Net Book Value (M.Baht)	Type of Obligation	Ownership
<b><u>The Company</u></b>				
Tachang, Bangklum, Songklah <sup>1</sup>	21,312	63.84	Owner	Mortgage
Nhongkangplu, Nhongkham, Bangkok <sup>1</sup>	2,492	11.66	Owner	Mortgage
Solar roof		19.51		
<b><u>Its Subsidiaries</u></b>				
Nhong-ngulueam, Chaloem-Phrakiea, Nokhonratchasima <sup>2</sup>	5,580	1.98	Owner	Mortgage
	4,320	3.56	Owner	Mortgage
Nhong-ngulueam, Chaloem-Phrakiea, Nokhonratchasima <sup>2</sup>	7,500	19.88	Owner	-no obligation-
	7,500	24.19	Owner	-no obligation-
	4,224	27.18	Owner	-no obligation-
Solar roof		15.46	Owner	-no obligation-
Hadsayfong, Vientiane Cap., Lao PDR.	9,060	22.25	เป็นเจ้าของ	-no obligation-
<b>Total</b>		<b>209.51</b>		

**Machinery and Equipment**

Type	Net Book Value (M.Baht)	Type of Obligation	Ownership
<b>The Company</b>	78.63	Owner	-no obligation-
<b>Its Subsidiaries</b>			
Neastern Steel Co.,Ltd.	0.00	Owner	Mortgage
	101.39	Owner	-no obligation-
Grand Steel Pipe Co., Ltd.	2.69	Owner	-no obligation-
<b>Total</b>	<b>182.71</b>		

**Remarks:**

1. The Company's land Improvement and building and structures have been mortgaged in the amount of Bt. 500.0 million with the financial institutions.
2. Its subsidiaries' land Improvement, building and machinery have been mortgaged in the amount of Bt. 246.50 million with the financial institutions.
3. The Company's machineries have been mortgaged in the amount of Bt. 62.63 million with the financial
4. Its subsidiaries' machineries have been mortgaged in the amount of Bt. 10 million with the financial

**Furnishings, Office Equipment and Vehicles**

Type	Net Book Value (M.Baht)	Type of Obligation	Ownership
Furnishings and Office Equipment			
<b>The Company</b>	2.86	Owner	-no obligation-
<b>Its Subsidiaries</b>	0.92	Owner	-no obligation-
<b>Total</b>	<b>3.78</b>		
Vehicles			
<b>The Company</b>	2.20	Owner	-no obligation-
<b>Its Subsidiaries</b>	75.98	Owner	-no obligation-
<b>Total</b>	<b>78.18</b>		

**Important Contracts Details****1. Office Space**

<b>Counterparty</b>	:	Regus Center (Thailand) Ltd. ("Lessor") which is non-relationship with the Company
	:	2S Metal PIC. ( "Lessee")
<b>Rental Property</b>	:	The space for Board of Directors office of 9.3 m2 on the 30th flr. of Singha Complex, New Petchburi Rd., Bangkok, Huoykwang, Bangkok
<b>Rental rate</b> (Excluded VAT)	:	Baht 29,040 per month, and Kitchen Amenities Bt. The Retainer fee by 2 months (rate at year 2020) with Bt.53,000.
<b>Period</b>	:	2 years ; 1 November 2022 – 31 October 2024
<b>Further Condition</b>	:	Lessor may adjust the rental rate when contract reach the period, the renewal will automatically if Lessee has no notification of breaking.

<b>Cancellation</b>	<ol style="list-style-type: none"><li>1. If Lessee wish to cancel before the end of period, the notification is important before more 3 months of the end of period.</li><li>2. In case, Lessee breaches the contract such as arrears of rent payments or violates compliance the regulations. The Lessor has the right to terminate the contract immediately by Notification.</li></ol>
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### 2 Lease Land agreement

<b>Counterparty</b>	: The Lessor; Mr. Sumeth Sae-kow (which is non-relationship with the Company) : The lessee, 2S Metal PLC.
<b>Rental Property</b>	: Land and Building for the Company's warehouse. The title deed number are 30042 and 9082, 52083 and 52084 allocation Bangkung subdistrict, Muang Surathani District, Surathani Province. With a total area of 3 rai 84 wa <sup>2</sup> .
<b>Rental rate</b>	: Baht 600,000 by annual. The due date is January 5 <sup>th</sup> day of each year
<b>Period</b>	: 11 years ; 1 January 2023 – 31 December 2033
<b>Renewal Contract</b>	: -no-
<b>Obligation</b>	: The Lessor have mortgage some assets with the Bank.

### 3 warehouse agreement

<b>Counterparty</b>	: The Lessor; Neastern Steel Co., Ltd. (its subsidiaries) : The lessee, 2S Metal PLC.
<b>Rental Property</b>	: 2 warehouse with a total area of 15,000 m <sup>2</sup> , location no. 147 Moo 9, Nong-Ngulueam, ChaloemPhraKiat District, Nakhonratchasima Province
<b>Rental rate</b>	: Baht 560,000 per month (Baht 280,000 each warehouse), excluded communities expenses and Amenity. Paid date is 7 <sup>th</sup> day of each month
<b>Period</b>	: 1 <sup>st</sup> contact; 3 years which start on 1 July 2020 – 30 June 2023. 2 <sup>nd</sup> contact; 3 years which start on 1 August 2020 – 31 July 2023.
<b>Extra Condition</b>	: The Lessee responsible on maintenance expenses. : Either party has breach of any contract. The other has right to terminate the contract and call the compensation with interest 15% per year since the date of termination.
<b>Counterparty</b>	: The Lessor; United Steel Co., Ltd. : The lessee, 2S Metal PLC.
<b>Rental Property</b>	: Warehouse with a total area of 999 m <sup>2</sup> , location no. 272 moo 4, Nai-Klongplakod, Phrasamuthjadee district, Samuthprakarn.
<b>Rental rate</b>	: Baht 100,000 per month (included property tax), the communities fee and amenities is responsible by the Lessee.
<b>Period</b>	: 3 year; start on 1 January 2022 – 31 December 2024

- Extra Condition** :
- : The Lessee responsible on maintenance expenses
  - : Either party has breach of any contract. The other has right to terminate the contract and call the compensation with interest 15% per year since the date of termination.

### 4 Working Space and storage

- Counterparty** :
- : The Lessor; Neastern Steel Co., Ltd. (its subsidiaries)
  - : The lessee, 2S Metal PLC.
- Rental Property** :
- : Area of 24 m<sup>2</sup>, on the 1<sup>st</sup> floor of Buiding and area of 2,800 m<sup>2</sup> in the warehouse, location no. 147 Moo 9, Nong-Ngulueam, ChaloemPhraKiat District, Nakhonratchasima Province
- Rental rate** :
- : Baht 70,000 per month, included the communities expenses and amenities. Due date on 7<sup>th</sup> of each month.
- Period** :
- : 3 years which start on 1 December 2022 – 30 November 2025.
- Extra Condition** :
- : The Lessee responsible on maintenance expenses
  - : Either party has breach of any contract. The other has right to terminate the contract and call the compensation with interest 15% per year since the date of termination.

### 5 Equipment agreement

- Counterparty** :
- : The Lessor; Neastern Steel Co., Ltd. (its subsidiaries)
  - : The lessee, 2S Metal PLC.
- Rental Property** :
- : 2 of Crane
- Rental rate** :
- : Baht 140,000 per month (Baht 70,000 each), due date 7<sup>th</sup> of each month.
- Period** :
- : Crane of Building 3; 3 years which start on 1 July 2020 – 30 June 2023
  - : Crane of Building 4; 3 years which start on 1 August 2020 – 30 June 2023
- Extra Condition** :
- : The Lessee responsible on maintenance expenses
  - : Either party has right to break the contract by Notification 1 month in advance.

### Investment promotion Privileges

#### 2S Metal Public Company Limited

\* In processing issue the promotion card for Solar Cell project 2 from BOI

### Neastern Steel Co., Ltd. (subsidiary)

1. Investment Promotion no. 2488(2)/2557 was issued on August 25<sup>th</sup> 2014, under the Investment Promotion Act BE 2520, Section 25 26 28 31 34 35(3), 8-year entitled corporate income tax exemption for the net profit 100% of investment excluding land and working capital. According the income tax exempted under Section 31, Paragraphs 1 and 3, with a value not exceeding Bath 33.0 million for manufacturing of steel product which effectively February 29<sup>th</sup> 2016 until February 28<sup>th</sup> 2024

\* In processing the promotion card for Solar Cell project 2 from BOI

### *Investment on Subsidiaries*

Ended 31 December 2022, The company invested on the Subsidiaries as follows:

Subsidiary	Registered Capital	% of investment	Value of investment (Baht)
Neastern Steel Ltd.	THB 90,000,000	99.9	99,000,000
Mega Trans and Logis Co., Ltd	THB 30,000,000	99.9	30,000,000
Grand Steel Pipe Co.,Ltd	LAK28,000 million	97.1	87,770,000

The total investment in 3 subsidiaries was 216,770,000 Baht in total or 9.48% of total Company's assets.

### **The properties appraisal**

-none-



บริษัท 2 เอส เมทัล จำกัด (มหาชน)  
เลขที่ 8/5 หมู่ 14 ตำบลท่าช้าง  
อำเภอบางกล่ำ จังหวัดสงขลา 90110  
โทร. 074 800111

สำนักงานคณะกรรมการ  
เลขที่ 1788 อาคารสิงห์คอมเพล็กซ์ (รีจัส) ชั้น 30,  
ถนนเพชรบุรีตัดใหม่ แขวงบางกะปิ  
เขตห้วยขวาง กรุงเทพฯ 10310  
โทร. 02-0883618

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