



2023 ANNUAL REPORT

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2S Metal public company limited

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Messages from the Board of Director

The domestic steel industry in 2023 has received pressure from many factors both from the economic conditions in the country and abroad. Thailand has been facing the problem of inflation, high cost of living, and delays in government formation. Large state construction projects require a significant budget. As a result, demand for steel in the country and exports to neighboring countries has slowed down. At the same time, some steel products have been replaced by imports from Chinese enterprises investing in the steel business in Thailand offering at a lower cost. This puts pressure on the average selling price of steel products in Thailand to be lower than the average selling price in 2022.

In 2023, the company generated a sales income of 6,775.34 million Baht, a slight increase from the previous year from the increase of sales by 17.31% while the average selling price decreased by 13.91%. The profits were benefited from a quick inventory rotation strategy and complete product offers that meet the needs of customers. With high fluctuations in steel prices, extra care must be taken when stocking inventory. In addition to monitoring global world steel situations, the management is also looking for ways to reduce the delivery time for raw materials/products with today's transportation networks that offer more options to reduce the risk of Net Realizable Value.

In addition, the company is now able to manage its logistics system more efficiently, expand its partner network to make each round of transportation worthwhile, and manage timely delivery of products to customers. The company has developed and designed a transportation system application that allows real-time access to delivery information and creates satisfaction for customers. Last year, transportation costs per ton decreased while sales volume increased.

The company is well aware of the use of resources to the maximum capacity as the company's business is in an industry that uses high amounts of fuel, both for electrical energy in production and processing and transportation. Last year, the company has invested in additional solar cell projects (Phase 2) both at the Hat Yai branch and the Korat branch, with the ability to produce electricity in 2 phases at approximately 3.5 GWh per year. This will help save electricity costs and greatly reduce greenhouse gas emissions.

Business results were satisfactory last year. One important mechanism comes from the company's personnel. Apart from basic remuneration and benefits that employees should receive, the company promotes knowledge to increase employees' skills by building a learning system that is easily accessible along with organizing activities to build relationships. Last year the employee satisfaction index was at a very good level.

On behalf of the Board of Directors, executives, and all employees, we express our gratitude to our shareholders, co-workers, customers, partners and communities, as well as all stakeholders for their excellent support to the Group throughout. We promised that the company will continue to strive to develop the organization to grow steadily and sustainably.

Mr. Sombat Leeswadtrakul
Chief Executive Officer

Performance Highlight



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"*

Furthermore, production policy of the Company is set to perform at the highest capability and providing services efficiently. Running with awareness of the environment and stakeholders. to control cost of production. The Company controls cost of operation to the competitive with maintaining to the quality of products and performing machinery maintenance regularly. This will lead to the cost advantage and increase the sustainable competitiveness.

Vision : "The steel producer and distributor as a One-Stop Service Center to building of the satisfaction of customer, colleague and stakeholders"

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;

1. **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 100,680 tons a year (excluding slitting coil).
2. **Neastern Steel Co., Ltd.** The Original equipment manufacturer (OEM) for the Company since 2010. Its head office and the plant located in Chaloe PhraKiat District, Nakhonratchasima Province with the combined production capacity of all types of products of approximately 184,610 tons a year (excluding slitting coil).
3. **Mega Trans and Logis Co., Ltd.** handling the transportation for the Company of those 4 zones each branch.
4. **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*	Raw Material	Applying for
Steel Pipe round, square, rectangular,	≤ 4.0 inch thick 0.7-3.2 mm. length 5.0-7.0 m.	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	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	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.		use for ceiling structure
steel purlin	thick 0.50-0.65 mm length 6.0 m	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.	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.	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

** 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					
	2021		2022		2023	
	M. Baht	%	M. Baht	%	M. Baht	%
Formed Steel products	4,310.36	66.10	4,261.45	63.52	3,925.00	57.93
Trading of Steel products	2,042.32	31.32	2,292.94	34.18	2,706.84	39.95
By-products ¹	168.13	2.58	154.57	2.30	143.50	2.12
Total revenues from Sales	6,520.81	100.00	6,708.96	100.00	6,775.34	100.00
Increase (Decrease)	917.79	14.07	188.15	2.89	66.38	0.99

Note: 1. By-products refer to B-grade and C-grade steel that have defects or have a length not up to standards.

Marketing and Competition

The overview of the domestic steel industry in 2023 is still likely to slow down due to uncertainty in government formation and delayed budget disbursement. In addition, China's economy has not yet fully recovered. This causes the demand for steel products to be consumed in the country to decrease. Chinese entrepreneurs have started investing by buying small Thai steel businesses to import steel products to sell in Thailand. As a result, the average steel price in the country will be lower than in 2022.

As for the steel product consumption in 2024, it is expected that it will grow by 5-6 percent from the continued acceleration of large-scale infrastructure work in existing projects and the emergence of new government projects together with the recovery of the real estate sector after being stagnant due to a large amount of accumulated supply. However, competition with low-priced imported steel products from China is still a factor that puts pressure on the production and distribution of steel products in the country within a narrow framework.

❖ 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.

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.

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 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.

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 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.



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. **Mor.Aor.Kor. 1227-2558** Hot- rolled flat structural steel sections
4. **Mor.Aor.Kor. 1228-2561** Cold forming structure steel section for general structure
5. **Mor.Aor.Kor. 20-2559** steel bar for reinforced concrete : round bars
6. **Mor.Aor.Kor. 24-2559** steel bar for reinforced concrete : deformed bars
7. **Mor.Aor.Kor. 95-2540** wires for prestressed concrete
8. **Mor.Aor.Kor. 348-2559** low carbon steel wire rods



General Standards

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

Production and Sources of Supply

At present, the Company and its subsidiaries have the total capacities 309,290 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 6 places with 13 Plants and building are following;

- a) Factory and Warehouse – Bangklum District, Songkhla province, 3 buildings.
- b) Factory and Warehouse – Chalermprakiet District, Nakornratchasima, 5 buildings.
- c) Warehouse and Distribution - Suratthanee province, 2 buildings.
- d) Warehouse and Distribution – Bhudhamonthon 3, Bangkok, 2 buildings.
- e) Warehouse and Distribution – Prapadeang District, Samuthprakarn province, 1 buildings.
- f) Factory and Warehouse – Vientiane Capital, Lao PDR, 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 2023, the Company's average capacity utilization rate of all types of machinery at 51.07% slightly change from previous year, according to order required the lightweight product. Neastern Steel Company Limited (subsidiaries) had 42.85% of capacities increased as the quantity of Sales. Therefore, the 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 increased by 21.72% increased from 2022 as the Economic recovery of Laos.

On hand

As of 31 December 2023, there was no work that has not been delivered.

Investment Promotion Privileges

2S Metal Public Company Limited

Investment Promotion card number 66-0427-1-04-1-0 on March 27, 2023, according to the Investment Promotion Act B.E. 2520, Sections 25, 26, 28, 31, and 34, received benefits from corporate income tax exemption of the net profit received from the promoted business for 50 percent of the investment to improve efficiency with value not exceeding 5,875,000 baht. The amount excluded the cost of land and working capital with a 3-year limit and conditioned to apply for parallel circuit permission to the Electricity Generating Authority of Thailand (EGAT) from the day of receiving investment promotion and the day of earning income from 1 April 2023 to 31 March 2026.

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) Investment Promotion card number 66-0666-1-04-1-0 on May 19 2023, according to the Investment Promotion Act B.E. 2520, Sections 25, 26, 28, 31, and 34, received benefits from corporate income tax exemption of the net profit received from the promoted business for 50 percent of the investment to improve efficiency with value not exceeding 11,750,000 baht. The amount excluded the cost of land and working capital with a 3-year limit and conditioned to apply for parallel circuit permission to the Electricity Generating Authority of Thailand (EGAT) from the day of receiving investment promotion and the day of earning income from 1 June 2023 to 18 May 2026.

Risk Management Policy

The Board of Directors continuously monitors risks in the past 2-3 years. With the change in the business model, The Board of Directors reviewed and adjusted the risk management policies to ensure systematic and efficient risk control by expanding the scope of structures and measures that cover the stakeholders and business chains. The overall significant risk management policies are as follows:

1. Establish that risk management is a part of the decision-making process, strategic planning, and operations of the group of companies.
2. Promote the structure of risk management in the working group to together consider risk factors, identify important types of risks, and put in place risk mitigation measures as well as evaluate and consider ways to reduce or avoid risks to an acceptable level by taking into account the benefits and all stakeholders.
3. Improve employees and the risk management working team to have knowledge and understanding of risk management processes and guidelines, including cultivating an organizational culture that recognizes the importance of risk management.
4. Promote the development of tools or various approaches to measure and assess risks appropriately and in line with the current situation.
5. Supervise operations and inspection process to be per policies to have an efficient internal control system and appropriate risk management policies.
6. Monitor the overall risks of the company's group and prepare reports on the status of important risks to the Board of Directors.
7. Establish a plan to support continuous business operations to at least cover important transactions. If there is an impact, operations will be halted.
8. Arrange the group's risk management to be reviewed regularly, at least once a year to update the policies and reflect on the changing situations.
9. Assign the Chairman of the Executive Committee to establish a risk management committee and the Managing Director to set rules, criteria, and guidelines for risk management.

Edited 9 November 2023

2023 the Risk committee and related united were gathered to determine and analysis the risk and reviewed risk factors which may prevent potential losses from happening. There were 5 classified risks categories may impact to the operation as follows;

Strategic Risk

1. Risk from Fluctuation in Raw Material Price The steel industry is an important factor that causes the price of steel to be highly volatile. Prices move up and down quickly. Currently, the main raw materials that the company uses in steel processing are 2 types: hot-rolled steel sheets (HRC) and galvanized steel sheets. Due to price fluctuations, It directly affects the company's operating results, especially during the downturn of steel prices. That causes the risk of inventory impairment (NRV) because it takes approximately 30 days to receive raw materials and the ability to determine the difference between the selling price and cost (margin) is not possible.

Therefore, the management is looking for ways to manage inventory to reduce risk during the downturn in steel prices, starting from closely monitoring the steel prices and steel consumption trends, planning and determining order quantities, sourcing imported raw materials and transportation routes or even adjusting the strategy to focus on selling finished products to shorten the period of remaining of products in the warehouse.

2. Raw Material Procurement

Hot Rolled Coil (HRC) is a kind of 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, HRC is not the main raw material and the management has the solution to support and Sales adjustment by expanded product group for alternatively when there are trended of HRC will be lacked. Anyhow, 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.

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 maintains 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. Sangrung 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 Exchange Rate Fluctuation

Exchange rate fluctuations are a direct risk factor for the company's income and expenses. In terms of income, the company exports raw materials and finished goods to GSP subsidiaries in Lao PDR. The net export and import value after offset may cause the company to run into a deficit. As for expenses, the company may have to order raw materials and import machinery from abroad at higher prices.

To manage risk from such fluctuating exchange rates. The company has established a policy for managing export costs and selecting financial tools such as forward contracts and currency insurance (Options) to be appropriate to the situation.

As for the loss from the exchange rate in 2023, the major cause was from receiving payment for goods of GSP subsidiaries in Lao PDR. Lao PDR has been facing economic

Recession and Lao Kip's currency weakened. The management, therefore, set up a strategy to temporarily suspend payment for goods with the interest rate calculated according to commercial banks with a limit that does not affect the company's financial status.

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, which 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 2023, the company had trade receivables in the amount of 338.78.15 million baht, a increase of 3.24% from 2022 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. Risk in Human Resource Management

The company consists of factories and offices located in various regions distributed throughout the country with different ways of life. Therefore, there may be a risk of a lack of workers with the knowledge and ability to keep up with the demand. The human resource management model can be divided as follows.

Recruitment: The company is unable to ensure that it has a large enough applicant database to be able to select employees promptly and if the selected employees will be compatible with the organization's culture. This includes the selected employees who do not have the appropriate knowledge and abilities to work at all. To manage such risks, the companies need new channels to recruit employees and analyze effective recruitment channels to recruit employees with the desired target group.

Training and development: Resource development is something that gives employees knowledge and new skills to use in work. However, sometimes it is unavoidable to encounter risks from investing in employees' skills and knowledge and they are unable to use the knowledge to create results for the organization or resign after they are skilled. The company, therefore, reduces the risks by using labor relations activities to help and focus on creating good relationships and attitudes between the company and employees.

Employee retention: The company has no way of knowing in advance when skilled employees will resign. This is another issue that HR places importance on to find ways to prevent such risks, including preventative measures to allow the business to run smoothly.

7. Information and Communication Technology Risk

Changes in information technology are evolving and changing rapidly. Today's competition and business development must rely on the use of technology and linking various information via the internet to help increase business efficiency and create a good experience for customers. The company takes into account the stability of the use of the organization's information technology system, such as software that is not developed in time or is not responsive enough which could cause data saving or setting errors, leakage of important information, and in backup and storage errors as well as cyber threats. All of which may have severe impacts on both the company and its stakeholders. The company, therefore, places importance on preventive measures and impact reduction to control risks. A plan has been created to deal with emergencies in information technology (IT). Procedures for software development have been established, the right to access various information determined, and compliance with the set plan provided.

However, the Audit Committee assigned the Internal Audit Department to report the results of inspections of information technology systems at least twice a year and immediately when issues arise. The reports will be submitted to the Board of Directors' meeting. In addition, the company also places importance on developing and training personnel to be knowledgeable and up-to-date with emerging technologies to be able to plan, assess risks, establish guidelines for risk prevention efficiently and effectively, and reduce the impact of risks to an acceptable level.

Compliance Risk

8. 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.

9. 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.

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 Risks

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

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

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

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>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>More than 99% Customer satisfaction</p>	<p>Saved electricity consumption of more than 2.86 units while increasing production capacity</p> <p>Reduced greenhouse gas emissions by using solar energy of more than 2.58 million TonCO2-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:

- 1. 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.
- 2. 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.
- 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 2023	Year 2022
Electricity consumption	5,762,650 units	6,427,460 units
Water consumption	12,355,490 liters	12,163,000 liters
Oil and fuel consumption		
* Diesel (liter)	1,431,260.4 liters	1,379,021.2 liters
* Benzene	-	-
* LPG gas	32,880 kg	32,256 kg
* Anti-rust oil	83,800 liters	93,800 liters

Greenhouse Gas Management

In 2023, 2S Metal Public Company Limited generated greenhouse gas emissions of 4,510 TonCO₂eq from operational activities which can be divided into 3 categories:

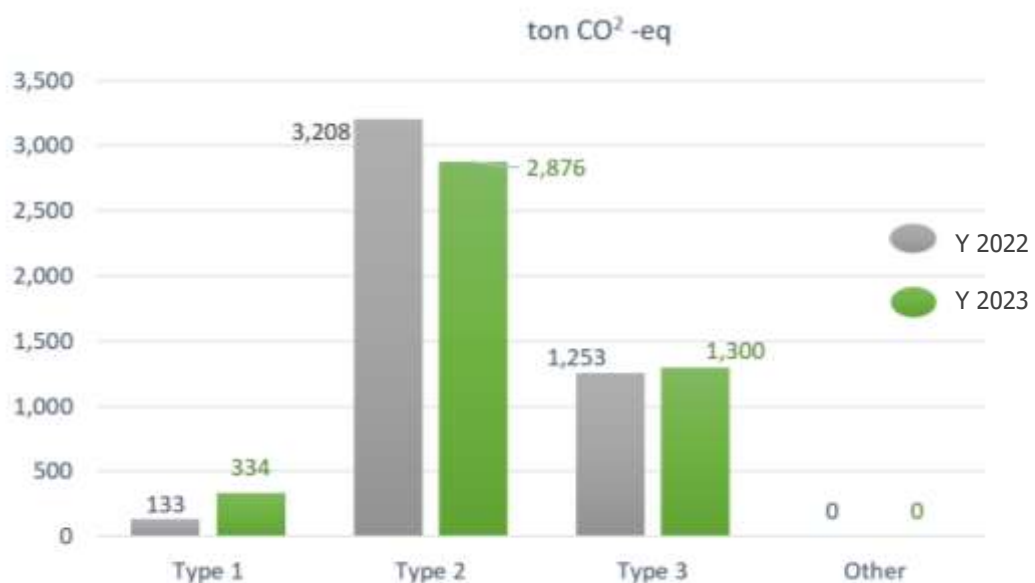
Category 1: Direct Emissions of 334 TonCO₂eq, representing 7.41%, caused by activities within the organization such as the combustion of machinery in the production process, fuel use for corporate-owned vehicles, chemical use in wastewater treatment, leakage, etc.

Category 2: Energy Indirect Emission of 2,876 TonCO₂eq, representing 63.77% of energy purchases for use in the organization such as electricity and thermal energy.

Category 3: Other Indirect Emissions of 1,300 TonCO₂eq, representing 28.82% 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).

Comparison the Carbon footprint usage Y2022 vs Y2023



Solar Roof Project

The Company further invested to Solar Cell project 2 at the Hat Yai branch and Subsidiaries, Nakornratchasima. The total capacity of the solar power generators is approximately 3.5 gigawatts GWh. From 2023, the company and its subsidiaries have been using electricity from solar roofs at 1,068,793 kWh and 1,795,010 kWh, respectively. When calculating the electricity cost at 4.96 baht/unit, it is calculated to save 14.21 million baht on electricity costs and help reduce greenhouse gas emissions by 2.58 million kilograms.

Other Environmental Operations in 2023

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 2023, the Company and its subsidiaries requested to remove waste from production totaling 78,280 kilograms to SCG and Waste 2 Energy Co., Ltd. Whos' service Industrial waste disposal treatment.

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/m³ from the standard value of 0.12 mg/m³, 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 processes that are related to corruption risks within the organization and all forms of corruption, both directly and indirectly.
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

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. https://www.ss.co.th/about_th/corporate-governance_th/related_policy/ So far, the Company has had no record of being complained of violating human rights.

Employment Info. (as 31 December 2023)	The Company and branches		Subsidiaries*	
	Male	Female	Male	Female
No. of employee	213	97	280	20
Operation class	208	92	277	15
Executive Class	5	5	3	5
No. of Resigned	33	24	65	-
Disable person	1	2	1	1

* Subsidiaries consist of Neastern Steel Co. Ltd. Mega Trans and Logis Co. Ltd. and Grand Steel Pipe.

In 2023, The Employee turnover rate of the Company was 19.35% and Neastern Steel was 36.31%

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.

In addition to compensation in the form of salary and wages, the company has established a provident fund as a welfare benefit for employees for stability after retirement. In 2023, there were a total of 123 employees of the company volunteering to join the fund, accounting for 1.23 million Baht in fund contribution, and 77 subsidiaries accounting for 0.90 million Baht.

- The company hires by the minimum wage policy and considers adjusting wages and salaries annually. The adjustment takes into account the results of work and the rate of deflation and inflation together with the company's operational performance. In addition to the annual wage and salary adjustment, the company also has a fast-track program for talented employees or employees with knowledge and ability to receive appropriate compensation without having to wait for the annual adjustment.
- The company pays total compensation for the company and its subsidiaries at 132.89 million Baht
- The company provides welfare to employees to help with their livelihood. Facilitation for employees such as provident fund, social security, annual health check, marriage benefits, funeral benefits, various special leave days, employee transportation, uniforms, etc.

Potential Development

The company provides training and develops personnel to increase their skills and ability to work, together with creating campaigns that are consistent with corporate governance, such as ethics and anti-corruption campaigns for executives and employees of the company and its subsidiaries. In addition, the company has created channels for employees to participate in reporting clues or making complaints about corruption through various channels to instill love in employees for the organization and help prevent the risk of errors or damage to the company.

The company has set a personnel development plan and reviewed every quarter training courses to suit its needs for its employees and its subsidiaries so that employees can utilize their knowledge in their line of work for higher efficiency. In 2023, the Company organized 325 training courses for all of employees 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 12 hours per person per year which was divided into:

- | | |
|---|--|
| * 18 basic knowledge courses, | * 28 Warehouse management and Logistics courses |
| * 107 Sales and Marketing courses | * 15 Technology Information and Computer courses |
| * 39 Human resources and safety courses | * 97 Manufacturing Engineer and Purchasing courses |
| * 4 Management skills courses | * 6 Quality Control and work improvement courses |
| * 11 Accounting and Finance courses | |

- 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	2023	2022	2021
No. of work accidents	Times	9 / 11	9 / 13	14 / 9
No. of stop working	Person	9 / 2	8 / 7	14 / 4
No. of deaths from work	Person	-	-	-
No. of days of absence	< 3 days	2 / 1	4 / 5	6 / 5
	> 3 days	7 / 1	3 / 2	8 / 4

Safety in the grinding work



policy of Occupational Health and Safety

2 S 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.

- Relationship Activities

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.

- * Thank you Party was held on New Year Eve, which served banquet and gift to employee.
- * Sport activities: Sport Day, sport club such as running club, badminton club, football club. To strength healthy and utilized time for good life and stay away from drugs.
- * Baby Welcoming Days: gift and provide welfare benefits for employees who gave birth.
- * Express condolences for the death of family members.
- * Morning talk: Monday morning, supervisor and HR would meet with employee to announce news or information.
- * Newcomers activities: Employee whos' work more 2-4 weeks will meet HR to knowledge "2S Values" activities.
- * Satisfaction survey: To exploring the welfare aspect for improve the level of service.
- * the management provides scholarship to employee's child of the Company and its subsidiaries for reduce expenses by 269 units at Bt. 1,000
- * 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.



Satisfaction Improvement Plan In 2024, the company has the plan to create satisfaction and build relationships among employees to the company, including creating employee happiness surveys, developing supervisors' skills in providing feedback and arranging various activities for employee engagement.

Responsibility to Customer

Satisfiable service is one of the keys to running a good business. For this reason, the satisfaction of the customers is the company's priority. Every year, the company conducts a survey of customer satisfaction with its products and services to use the information to evaluate and improve products and services to meet customer needs and work more comprehensively in the future.

In 2023, the company developed a customer satisfaction survey program through a convenient and fast application. Customers can take the survey every time they receive the products through a delivery person from subsidiary companies. From 9,406 responses, 81.92% of the responses were from the company's transportation service, while the rest were from self-pick-up at the factory. The results

of the survey say over 99.6% of the customers are satisfied. In addition, the company places importance on customer feedback, suggestions, and opinions to respond and improve until further satisfactory, such as product conditions upon delivery and services.

As for Delivery, in some periods, the subsidiaries' delivery capacity is insufficient, making it necessary to find partners to support delivery services instead. However, the company continues to ensure that its delivery partners follow good principles and the results of the transportation evaluation both from subsidiaries and partners show that over 98% is satisfied.

Responsibility to the Community and Society.

The Company always places importance on the Community and Social relations. In the past year, the Company has involve and support the activities of the community, families of employees or local administrative municipalize.



✧ Support the scholarship and provide lunch some necessities to the Foundation of Blink under Royal patronage, Nakornrachasima



✧ Support the air pressure machine that solve the problem of water during the summer.



✧ Blood Donation; every 3 month



- * Children’s Day activities of Natawong school and nurseries nong-ngu-luerm.
- * Light bulb forwarding activities to get rid and safe the environment friendly by Ta-chang sub-district
- * Donate steel to expand the kitchen of Wad None Mun, Nakornratchasima.
- * Support to the Gratitude day, Elderly day, or Red-Cross fair with Tha-Chang sub-district, Bang kluam District.



* Support textbooks and reading books to the Library at Wad Noen Phichai School.



*to be the host of annual Kathin ceremony at wat Noen Phichai.

- * Donation and Forwarding recycled bottles to generate income and for the Community Health Center of Tha-Chang subdistrict, Songkhla.



- * Support the football activities for relationships of the Songkhla Police.
- * forwarding old document files to school and various child care in the community for further usage.
- * Joining the Korat clean city project, get rid of larvae and mosquitoes to reduce dengue fever in the Non Man community.
- * Donate equipment and supplies to the Blind foundation for braille media.

- * Support the almshouse and make merit by giving alms to 90 monks in the Sangha Inspection project at Wat Non Man, Nakornratchasima.



Management's Discussion and Analysis

Company's Performance

Demand for steel in the country and neighboring countries has slowed down. Especially the uncertainty in Government formation after election on May this delayed budget disbursement. In addition, some steel products have been replaced by imports from Chinese which has lower cost. Therefore, the average price of steel products in Thailand was decreased approximate 14% from previous year. However, in 2023 the Company has net profit Baht 159.81 million increased by 282.88 million or 229.85% when compared to the year 2022.

Total Revenue from Sales

The total revenue from sales in 2023 amounted to Bt. 6,775.34 million, slightly increase cause quantity of sales increased by 17.31% while average of selling price was reduced to 13.91% due to the condition of steel price fluctuation. The company's sales revenue came from 2 main businesses: namely the steel product processing business at approximately 60.0% and trading was increased from 34% in 2022 to 40%. According to reduce risk in Net Realizable Value of Inventory.

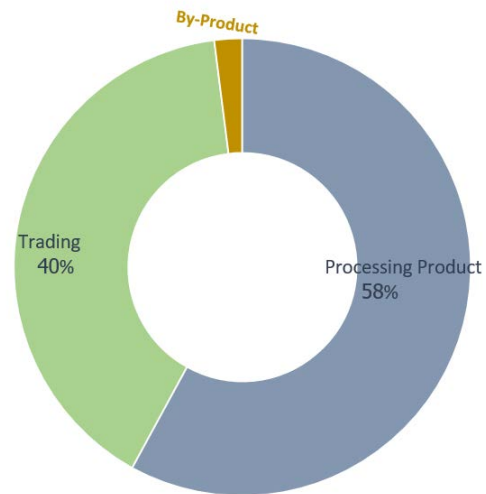
Cost of Sales

In 2023, the Company had total Cost of Sales of Bt.6,351.66 million, or 93.75% of Sales revenue, decreased by 3.78% when compared to the year 2022. Due to the steel price situation was falling which the price of raw materials and inventory to be lower than the selling price in the market at that time. Throughout the year 2023, the company recorded Net Realizable Value by Bt. 4.76 million.

The cost of goods sold can be divided into cost of sales incurred from steel processing, accounted for approximately 55-60%, most of which was the cost of raw materials which include Galvanized steel, 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 35.-40% 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.

Gross Profit

The company had a gross profit of Bt.. 423.68 million, representing a gross profit margin of 6.25% from total sales, increase from the year 2022 with a gross profit margin of 1.60%, due to the efficiency of cost of raw material and inventory management which enable to make price spread.



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 Bt. 163.06 million or 10.62% increasing, due to the quantity of sales while the transport cost per ton decreased to 508.7 Baht from 524.7 Baht of year 2022.

The administrative expenses amounted to Bt.111.10 million, increased by 0.49 million Baht, proportioning to revenue from sales of 1.64% which consisted of employees' salary, directors' remuneration, bonuses and employees' benefits (According to Accounting Standard No. 19) , including the provision for doubtful accounts in the amount of Bt. 4.0 million.

The Loss on foreign exchange amounted to Bt. 12.10 million, decreased by Bt8.13 million from 2022, which was caused by the currency exchange of a subsidiary in Lao PDR to pay debts and pay for goods to the company.

Impairment of Investments in subsidiaries in the amount of Bt. 15.09 million.

Interest Expenses was 0.26 million decreased of 55.17% from year 2022, 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.

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 17.62%, 1.60%, and 6.25% in 2021-2023, respectively.

Financial Position

Asset

The company has total assets of Bt. 2,180.28 million, decrease of 4.63% compared to the end of 2022. The assets are divided into current assets and non-current assets. The current assets amounted to Bt.1,534.44 million, decreased by Bt. 83.41 million or 5.16%. Consisting of inventory of Bt. 809.68 million which increased of Bt.157.68 million and trade accounts receivable of Bt. 338.79 million, representing a ratio of 37.14% and 15.54% of total assets. Cash and cash equivalents was Bt. 341.89 million which decreased Bt. 253.40 million at the end of period.

As for non-current assets, the Company invested to the Land, Building, Warehouse machine and Solar cell equipment. Anyhow, when adjusting the depreciation of building and equipment – also goodwill decreased. Hence, the non-current assets were Bt.645.84 million which slightly decreased from 2022. Therefore, the return on assets in 2023 was 7.61%, increased from the year2022 by 31.66% return on assets.



Inventory

The inventory was Bt. 809.68 million, increased of 24.18% from 2022. The Company kept more inventories in the form of raw materials, finished goods and goods in process.

Cause of the steel price situation in 2023, the steel price decreased during this year. As a result, the cost of goods was higher than the net realizable value at the end of 2023, an increase of

Bt.4.76 million (see more details in the topic "Loss from cost of goods being higher than received value") with an average sales period of approximately 22 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 2023, Accounts Receivable was Bt.338.79 million, representing a ratio of AR to total assets of 15.54%. In 2023, there was an increase of Bt. 10. 63 million, or an increase of 3. 24% compared to the end of 2022, and the provision for doubtful accounts has decreased compared to 2022.

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.

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

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. .

Property, Plants and Equipment

Property, building, and equipment - net at the end of 2023 amounted to 629.33 million baht, which decreased of Bt. 9.72 million or 1.52% from 2022, during the year the Company had invest in Solar cell phase 2, bought land close Had- Yai plant and machine. However, its decrease of depreciation for the company and its subsidiaries.



Liabilities

At the end of 2023, the company had total liabilities of 168.18 million Baht, comprising of current liabilities of 134.03 million Baht and non-current liabilities of 37.85 million baht. The total liabilities was decreased by Bt. 102.41 million or 37.85% when compared to previous year which was mainly due to repayment of loans from financial institutions.

Equity

At the end of 2023, the company had equity of Bt. 2,012.11 million, or approximately 92.29% of total assets. When considering return on equity, it was found that, in 2023, the rate was 7.94%, cause of the Company's net profit and the factors mentioned above.

Liquidity

Unit: Million Baht	2023	2022	% Change	2021
cash provided from operating activities	101.38	322.48	-68.6%	574.19
Cash flows from investing activities	(36,84)	(90.33)	59.2%	37.99
Cash flows from financing activities	(317,38)	13.52	-2,447.5%	(391.51)
Net increase in cash and cash equivalents	(253.40)	242.70	-204.4%	220.48

In 2023, the company's net cash profit from operating activities amounted to Bt. 101.38 million before corporate income tax of Bt. 166.09 million. The net profit of cash received (paid) from the operation, most of which was from an adjustment from the impact of depreciation of 54.66 million Baht. As a result, there were cash flow from operations before changes in operating assets and liabilities of Bt. 227.45 million. The results of changes in assets and liabilities were carried out by an increase in trade receivables of Baht 9.57 million, an increase in deposits for payment of goods of 0.93 million Baht, a reduction in cash received from operating activities with inventories of Baht 147.62 million, and interest expenses and corporate income tax of Baht 0.28 million and 6.44 million, respectively. Meanwhile, the company had net cash from investing activities of Bt. 36.84 million and net cash used from financing activities of Bt.317.38 million, which was due to the repayment of loans from financial institutions of Bt.150.00 million and dividend payment of Bt. 165.0 million. This resulted in an decrease in cash and cash equivalents in 2023 by Bt.253.40 million. Hence, cash and cash equivalents as of December 31, 2023, amounted to Bt.341.89 million.

When considering the liquidity ratio in 2023, it is approximately 11.45 times and the quick ratio is about 5.08 times, due to decreasing of the loan from financial institution and cash flow sufficient for operations.

Capital Structure

The company's capital structure in 2021 - 2023 has a debt-to-equity ratio of approximately 0.08 times, 0.13 times and 0.08 times, respectively. Considering past performance, the ratio shows that the company has a stable financial position.

STATEMENTS OF FINANCIAL POSITION

List	Separate F/S						Consolidated F/S					
	2021		2022		2023		2021		2022		2023	
	thousand baht	ratio	thousand baht	ratio	thousand baht	ratio	thousand baht	ratio	thousand baht	ratio	thousand baht	ratio
ASSETS												
Cash and cash equivalents	330.38	13.85%	587.36	13.85%	320.72	14.96%	352.60	352.60	595.29	26.04%	341.89	15.68%
Trade and other accounts receivable - net	409.37	17.16%	347.05	17.16%	350.42	16.35%	363.56	363.56	328.16	14.36%	338.79	15.54%
Inventories - net	1,032.48	43.29%	638.82	43.29%	790.09	36.87%	1,105.14	1,105.14	652.00	28.52%	809.68	37.14%
Deposits for purchase of goods	0.44	0.02%	19.51	0.02%	28.13	1.31%	0.44	0.44	19.51	0.85%	18.58	0.85%
Short-term loans and accrued interest receivable - subsidiary	17.42	0.73%	65.92	0.73%	69.42	3.24%	-	-	-	-	-	-
Refundable value added tax	-	-	7.62	-	4.72	0.22%	3.93	3.93	7.62	0.33%	4.72	0.22%
Refundable income tax	-	-	1.75	-	1.75	0.08%	-	-	10.14	0.44%	4.91	0.23%
Other current assets	2.30	0.10%	3.04	0.10%	3.52	0.16%	5.40	5.40	5.13	0.23%	15.87	0.73%
Total Current Assets	1,792.39	75.14%	1,671.07	75.14%	1,568.77	73.20%	1,831.07	1,831.07	1,617.85	70.77%	1,534.44	70.38%
Investments in subsidiaries	216.77	9.09%	216.77	9.09%	216.77	10.11%	-	-	-	-	-	-
Long-term loans receivable - subsidiary	12.69	0.53%	9.40	0.53%	9.40	0.44%	-	-	-	-	-	-
Property, plant and equipment - net	278.63	11.68%	277.82	11.68%	274.97	12.83%	593.13	593.13	639.05	27.95%	629.33	28.86%
Rights-of-use assets - net	80.27	3.37%	73.29	3.37%	71.40	3.33%	11.26	11.26	8.98	0.39%	11.79	0.54%
Investment property - net	-	-	-	-	-	-	1.27	1.27	0.93	0.04%	0.60	0.03%
Intangible assets - net	1.92	0.08%	0.68	0.08%	0.37	0.02%	2.08	2.08	0.81	0.04%	0.44	0.02%
Goodwill	-	-	-	-	-	-	15.09	15.09	15.09	0.66%	-	-
Restricted deposits with banks	1.05	0.04%	-	0.04%	-	-	1.05	1.05	-	-	-	-
Deferred tax assets	-	-	-	-	-	-	1.01	1.01	1.01	0.05%	2.29	0.11%
Non - Other current assets	1.54	0.06%	1.50	0.06%	1.49	0.07%	1.54	1.54	2.30	0.10%	1.39	0.06%
Total Non-Current Assets	592.87	24.86%	579.46	24.86%	574.40	26.80%	626.43	626.43	668.17	29.23%	645.84	29.62%
TOTAL ASSETS	2,385.26	100.00%	2,250.53	100.00%	2,143.17	100.00%	2,457.50	2,457.50	2,286.02	100.00%	2,180.28	100.00%

List	Separate F/S						Consolidated F/S					
	2021		2022		2023		2021		2022		2023	
	thousand baht	ratio	thousand baht	ratio	thousand baht	ratio	thousand baht	ratio	thousand baht	ratio	thousand baht	ratio
LIABILITIES AND SHAREHOLDERS' EQUITY												
Short-term loans from financial institutions	-	-	150.00	6.67%	-	-			15000	6.56%	-	-
Trade and other accounts payable	34.97	1.47%	50.19	2.23%	84.84	3.96%	30.23	1.23%	46.04	2.01%	78.52	3.60%
Current portion of liabilities under finance lease agreements	5.34	0.22%	5.39	0.24%	5.83	0.27%	1.48	0.06%	1.34	0.06%	1.58	0.07%
Current portion of employee benefits obligation	-	-	-	-	2.54	0.12%	-	-	-	-	2.54	0.12%
Accrued income tax	55.55	2.33%	-	-	6.88	0.32%	62.28	2.53%	-	-	6.88	0.32%
Value added tax payable	3.57	0.15%	-	-	-	-	4.10	0.17%	0.23	0.01%	0.80	0.04%
Accrued expenses	31.16	1.31%	25.32	1.13%	28.91	1.35%	38.91	1.58%	31.77	1.39%	36.47	1.67%
Other current liabilities	5.61	0.24%	4.35	0.19%	5.16	0.24%	6.73	0.27%	5.93	0.26%	7.23	0.33%
Total Current Liabilities	136.20	5.71%	235.25	10.46%	134.16	6.26%	143.73	5.85%	235.31	10.29%	134.02	6.15%
Liabilities under finance lease agreements -net	77.55	3.25%	72.16	3.21%	70.99	3.31%	4.22	0.17%	2.88	0.13%	5.95	0.27%
Employee benefits obligation	15.56	0.65%	16.99	0.76%	13.84	0.65%	17.79	0.72%	19.09	0.84%	18.24	0.84%
Deferred tax liabilities - net	4.83	0.20%	4.67	0.21%	2.18	0.10%	13.94	0.57%	13.31	0.57%	9.96	0.46%
Total Non-Current Liabilities	97.94	4.11%	93.82	4.18%	87.01	4.06%	35.95	1.46%	35.28	1.54%	34.15	1.57%
TOTAL LIABILITIES	234.14	9.82%	329.07	14.64%	221.17	10.32%	179.68	7.31%	270.59	11.83%	168.17	7.71%
Registered 549,997,741 shares	500.00	20.96%	550.00	24.44%	550.00	25.66%	500.00	20.35%	550.00	24.06%	550.00	25.23%
Issued and paid - up 549,995,954 shares	500.00	20.96%	550.00	24.44%	550.00	25.66%	500.00	20.35%	550.00	24.06%	550.00	25.23%
Premium on share capital	121.76	5.10%	121.76	5.41%	121.76	5.68%	121.76	4.95%	121.76	5.33%	121.76	5.58%
Retained earnings	50.00	2.10%	55.00	2.44%	55.00	2.57%	50.00	2.03%	55.00	2.41%	55.00	2.52%
- Appropriated for legal reserve												
- Unappropriated	1,434.98	60.16%	1,150.32	51.10%	1,150.86	53.70%	1,584.63	64.48%	1,272.46	55.66%	1,268.18	58.17%
Other components of shareholders' equity	44.38	1.86%	44.38	1.97%	44.38	2.07%	22.87	0.93%	18.61	0.81%	19.80	0.91%
Non-controlling interests in subsidiaries	-	-	-	-	-	-	(1.44)	(0.06%)	(2.40)	(0.10%)	(2.63)	(0.12%)
Shareholders' equity of the Company	2,151.12	90.18%	1,921.46	85.36%	1,922.00	89.68%	2,277.82	92.69%	2,015.43	88.17%	2,012.11	92.29%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,385.26	100.00%	2,250.53	100.00%	2,143.17	100.00%	2,457.50	100.00%	2,286.02	100.00%	2,180.28	100.00%

STATEMENTS OF PROFIT OR LOSS COMPREHENSIVE INCOME

List	2021		Separate F/S 2022		2023		2021		Consolidated F/S 2022		2023	
	Amount	ratio	Amount	ratio	Amount	ratio	Amount	ratio	Amount	ratio	Amount	ratio
Revenue from sales	6,308.93	97.50%	6,462.13	97.72%	6,502.31	97.93%	6,352.68	97.42%	6,554.45	97.70%	6,632.00	97.88%
Revenue from sales of by-product	162.02	2.50%	150.55	2.28%	137.28	2.07%	168.13	2.58%	154.52	2.30%	143.34	2.12%
Total revenues	6,470.95	100%	6,612.68	100%	6,639.59	100%	6,520.81	100%	6,708.97	100%	6,775.34	100%
Costs of sales	(5,403.72)	(83.51%)	(6,529.44)	(98.74%)	(6,250.44)	(94.14%)	(5,371.70)	(82.38%)	(6,601.39)	(98.40%)	(6,351.66)	(93.75%)
Gross profit	1,067.23	16.49%	83.24	1.26%	389.15	5.86%	1,149.11	17.62%	107.58	1.60%	423.68	6.25%
Interest income	2.87	0.04%	4.11	0.06%	8.16	0.12%	1.80	0.03%	2.03	0.03%	3.62	0.05%
Gain on exchange rate	13.25	0.20%	10.93	0.17%	-	-	-	-	-	-	-	-
Other income	34.62	0.54%	45.29	0.68%	47.20	0.71%	32.52	0.50%	42.28	0.63%	40.39	0.60%
Selling expenses	(129.70)	(2.00%)	(143.57)	(2.17%)	(158.35)	(2.38%)	(127.47)	(1.95%)	(147.41)	(2.20%)	(163.06)	(2.41%)
Administrative expenses	(92.51)	(1.43%)	(90.45)	(1.37%)	(110.53)	(1.66%)	(107.85)	(1.65%)	(107.36)	(1.60%)	(111.10)	(1.64%)
Loss from exchange rate	-	-	-	-	(1.10)	(0.02%)	(21.70)	(0.33%)	(20.23)	(0.30%)	(12.09)	(0.18%)
Loss on impairment from goodwill	-	-	-	-	-	-	-	-	-	-	(15.09)	(0.22%)
Profit before finance costs	895.76	13.84%	(90.44)	(1.37%)	174.53	2.63%	926.41	14.21%	(123.12)	(1.83%)	166.35	2.46%
Finance costs - Interest expense	(5.51)	(0.09%)	(4.39)	(0.07%)	(3.76)	(0.06%)	(1.72)	(0.03%)	(0.58)	(0.01%)	(0.26)	(0.00%)
Profit before income tax	890.25	13.76%	(94.83)	(1.43%)	170.77	2.57%	924.69*	14.18%	(123.70)	(1.84)%	166.09	2.45%
Income tax expense	(178.18)	(2.75)	0.16	0.00	(7.18)	(0.11%)	(186.64)	(2.86%)	0.63	0.01%	(6.28)	(0.09%)
Profit for the year	712.07	11.00%	(94.67)	(1.43%)	163.59	2.46%	738.05	11.32%	(123.07)	(1.83%)	159.81	2.36%
OTHER COMPREHENSIVE INCOME												
Items to be reclassified subsequently to profit or loss												
Actuarial gain from remeasurements of post-employment benefit obligation – net of tax			-	-	-	-	-	-	-	-	-	-
Translation adjustment for foreign currency Financial statement – net of tax			-	-	-	-	(3.34)	(0.05%)	(4.33)	(0.06%)	1.22	0.02%
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	712.07	11.00%	(94.67)	(1.43%)	163.59	734.71	734.71	11.27%	(127.39)	1.90%	161.67	2.39%
Allocation of total comprehensive income (Portion of the Company)	712.07	11.00%	(94.67)	(1.43%)	163.59	734.27	734.27	11.26%	(126.43)	1.88%	161.91	2.39%
EARNING PER SHARE	1.42		(0.17)		0.30		1.47		1.47		0.29	

STATEMENTS OF CASH FLOWS

List	Separate F/S			Consolidated F/S		
	2021	2022	2023	2021	2022	2023
Cash flows from operating activities						
Profit before income tax	890.25	-94.83	170.77	924.69	-123.70	166.09
Adjustments to reconcile profit before income tax to net cash provided from operating activities:						
Provision (reversal of allowance) for doubtful debts	-2.80	-0.63	13.09	-2.84	-0.72	-1.06
Provision (reversal of allowance) for decline value of inventories	17.68	-3.84	-9.38	17.68	-3.15	-10.06
Loss on impairment of goodwill	0.00	0.00	0.00	0.00	0.00	15.09
Depreciation	24.69	25.38	25.17	48.53	50.08	54.66
Unrealized gain on exchange rate	0.00	0.00	0.00	-3.16	-1.36	1.79
Loss (gain) on disposal and written off of fixed assets	0.02	0.85	0.73	0.01	0.99	0.72
Amortization	0.38	0.38	0.31	0.48	0.43	0.36
Provision for post employee benefits obligation	1.42	1.43	1.85	1.63	1.30	3.22
Interest income	-2.87	-4.11	-8.16	-1.80	-2.03	-3.62
Interest expense	5.51	4.39	3.76	1.72	0.58	0.26
operating assets and liabilities	934.28	-70.98	198.14	986.94	-77.57	227.45
Decrease (increase) in operating assets:						
Trade and other accounts receivable	-92.70	62.95	-16.43	-85.33	36.12	-9.57
Inventories	-36.48	397.50	-141.89	-66.76	456.29	-147.62
Deposits for purchase of goods	10.64	-19.07	-8.62	10.64	-19.07	0.93
Refundable value added tax	10.01	-7.62	2.90	10.01	-7.62	2.90
Refundable income tax	0.30	-1.75	0.00	-2.25	-6.21	5.23
Other current assets	0.50	-0.62	-0.49	3.51	2.85	-7.58
Other non-current assets	0.00	0.04	0.00	0.00	-0.76	0.00
Increase (decrease) in operating liabilities:						
Trade and other accounts payable	-120.61	15.23	34.64	-118.86	15.70	32.37
Accrued expenses	9.73	-5.81	2.98	11.80	-7.16	2.84
Value added tax payable	3.57	-3.57	0.00	1.36	-3.87	0.57
Other current liabilities	2.77	-1.27	0.80	1.93	-0.80	1.30
Employee benefit paid	-4.31	0.00	0.00	-6.14	0.00	-0.72
Cash received from operating activities	717.70	365.03	72.03	746.85	387.90	108.10
Interest payment	-5.67	-4.36	-3.78	-1.88	-0.56	-0.28
Income tax paid	-166.87	-55.66	-3.29	-170.78	-64.86	-6.44
Net cash provided from operating activities	281.70	305.01	64.96	574.19	322.48	101.38

	Separate F/S			Consolidated F/S		
	2021	2022	2023	2021	2022	2023
Cash flows from investing activities						
Interest received	2.87	4.11	8.16	1.80	2.03	3.62
Acquisition of building and equipment	-15.95	-17.59	-15.13	-33.96	-93.50	-40.75
Sale of equipment	0.09	0.00	0.29	0.10	0.09	0.29
Addition to intangible assets	-1.25	0.00	0.00	-1.26	0.00	0.00
Decrease (increase) in restricted deposits with banks	71.30	1.05	0.00	71.31	1.05	1.05
Short-term loan granted to subsidiary	0.00	-48.50	-12.50	0.00	0.00	0.00
Net cash provided from (used in) investing activities	57.07	-60.93	-19.18	37.99	-90.33	-36.84
Cash flows from financing activities						
Decrease in short-term loans from financial institutions	-176.24	150.00	-150.00	-176.24	150.00	-150.00
Repayment for liabilities under finance lease agreement	-5.09	-5.39	-6.42	-2.78	-1.48	-2.38
Proceeds from short-term loans from subsidiary	3.70	3.29	9.00	0.00	0.00	0.00
Repayment of short-term loans from subsidiary	-1.00	0.00	0.00	0.00	0.00	0.00
Proceeds from conversion of warrants to common shares	50.00	0.00	0.00	50.00	0.00	0.00
Cash dividend payment	-262.50	-135.00	-165.00	-262.50	-135.00	-165.00
Net cash used in financing activities	-391.13	12.90	-312.42	-391.52	13.52	-317.38
Exchange rate losses on cash and cash equivalents	0.00	0.00	0.00	-0.18	-2.97	-0.56
Net increase in cash and cash equivalents - net	211.12	256.98	-	220.48	242.70	-253.40
Cash and cash equivalents at beginning of year	119.26	330.38	587.36	132.11	352.59	595.29
Cash and cash equivalents at end of year	330.38	587.36	320.72	352.59	595.29	341.89

	Separate F/S			Consolidated F/S		
	2021	2022	2023	2021	2022	2023
Liquidity Ratio (time)	13.16	7.10	11.69	12.74	6.88	11.45
Quick ratio (time)	5.43	3.97	5.00	4.98	3.92	5.08
Cash ratio (time)	2.01	1.64	0.35	2.08	1.70	0.76
Account Receivable Turnover Ratio (time)	17.08	16.80	19.04	20.41	19.40	20.32
Average Collection Period (day)	21.00	21.00	19.00	17.88	18.82	18.00
Inventory Turnover Ratio (time)	11.69	14.43	16.59	10.74	13.69	16.51
Average Inventory Period (day)	31.00	25.00	22.00	34.00	26.00	22.00
Account Payable Turnover Ratio (time)	56.72	153.34	92.58	59.91	173.11	77.76
Average Payment Period (day)	6.00	2.00	4.00	6.00	2.00	5.00
Cash Cycle (day)	46.00	44.00	37.00	47.00	43.00	35.00
Gross profit margin (%)	16.49	1.26	5.86	17.62	1.60	6.25
Operating profit margin (%)	13.76	-1.43	2.51	14.18	-1.84	2.46
Other profit margin (%)	0.78	0.90	0.83	0.52	0.66	0.65
Cash profit margin (%)	61.24	-321.64	39.05	62.10	-260.70	60.94
Net profit margin (%)	10.92	-1.42	2.44	11.26	-1.82	2.34
Return On Equity (ROE) (%)	37.45	-4.65	8.51	36.54	-5.69	7.94
Return On Assets (ROA) (%)	31.31	-4.08	7.45	39.74	-5.19	7.16
Return On Fixed Asset (ROFA) (%)	263.54	-24.90	68.30	131.28	-11.85	33.82
Assets Turnover Ratio (time)	2.87	2.88	3.05	2.81	2.85	3.05
Debt to Equity ratio (time)	0.11	0.17	0.12	0.08	0.13	0.08
Interest coverage ratio (time)	132.33	526.70	20.18	539.86	-212.64	408.80
Cash Basis (time)	0.72	1.10	0.18	0.74	1.05	0.28
Dividend Payout (%)	40.02	n/a	73.97	38.62	n/a	75.71
Information of share ¹ - Reference on Financial Statement						
Book Value Per Share (BVPS) (baht)	4.30	3.49	3.49	4.56	3.66	3.66
EARNING PER SHARE (EPS) (baht) ^{1/}	1.42	-0.17	0.30	1.47	-0.22	0.29

Company's Securities*As of 8 March 2024*

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 8 March 2024 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	16,897,482	3.07
6	Ms. Sivaporn Nitipawachon	16,769,636	3.05
7	Mr. Sunt Amornlertvimarn	16,647,856	3.03
8	Mr. Vichian Srimunintnimit	16,600,000	3.02
9	Ms. Suporn Nitipawachon	15,121,139	2.75
10	Mr. Tanatat Chavaldith	14,479,151	2.63
	Total	306,580,798	55.74

Controlling Shareholders

No	Name	No. of Shares	% of total shares
1	Leeswadtrakul group	157,893,876	28.71
	Mr. Sombat Leeswadtrakul	136,452,654	24.81
	Miss Supatsara Leeswadtrakul	12,222,222	2.22
	Mr. Varuth Leeswadtrakul	9,219,000	1.68
2	Nitipawachon group	95,960,697	17.45
	Mr. Sangrung Nitipawachon	32,019,995	5.82
	Ms. Umporn Nitipawachon	16,897,482	3.07
	Ms. Sivaporn Nitipawachon	16,769,139	3.05
	Ms. Suporn Nitipawachon	15,121,139	2.75
	Ms. Chonlada Nitipawachon	6,099,512	1.11
	Ms. Chonsita Vacharaphunjit	2,140,385	0.39
	Ms Punyavee Nitipawachon	2,082,700	0.38
	Ms Gunyamanee Nitipawachon	1,857,161	0.34
	Ms Punchika Nitipawachon	1,817,022	0.33
	Mr. Jirayu Nitipawachon	1,155,660	0.21

No	Name	No. of Shares	% of total shares
3	Punyapiamsak group	37,355,378	6.79
	Ms. Bunsri Panyapiamsak	16,959,004	3.08
	Mr. Vichai Panyapiamsak	5,775,000	1.50
	Mr. Sombat Panyapiamsak	8,239,000	1.05
	Ms. Boonchuay Panyapiamsak	3,690,500	0.67
	Mr. Somporn Panyapiamsak	2,500,074	0.45
	Ms Lalita Panyapiamsak	191,800	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	2022	2021	2020
Net Profit (Million Bt.)	-94.67	712.07	378.90
Basic profit per share (Baht/share)	-0.17	1.42	0.82
Dividend payable per share (Baht/share)	0.20	0.57	0.3611
Total dividend payable (million Baht)	110	285	162.50
Net Profit (Million Bt.)	n/a	40.02	42.90

*Calculating by paid up capital mainly


Legal Disputes

As of 31 December 2023, 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

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	: www.ss.co.th
Warehouse -Surathani	: No. 24/19 Moo 4, Karnjanavithi Road, Bangkok, Muang District, Suratthani 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 th , 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 th 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

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.
- Increased registered capital to 49,999,794 Baht at par value 1.0 Baht to support the dividend payment by common stock. The Company's paid-up capital to 549,995,954 Baht.
 - The company has been certified as a private sector that cooperates in combatting corruption by Coalition Against Corruption (CAC)
- 2023 - Neastern Steel Co.,Ltd. (subsidiaries) was certified to the Green Industrials level 1.

Corporate Governance Policy

The Board of Directors has reviewed together with the management to improve and set the Corporate Governance policy that have occurred by applying the principles of Good Corporate Governance 2017 (CG Code). The Corporate Governance handbook prepared for directors, executives and employee of the Company's group to knowledge and practice as the guideline. That will create value for sustainable operation furthermore kept the confidence of investors. This focus to the Corporate governance along with Environments and Sociality, 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. https://www.ss.co.th/about_th/corporate-governance_th/)

Overview of Policies and Guidelines Related to The Board of Director

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 Practice 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 or by postal mail.

Section 2 The Equitable Treatment of Shareholders

The Annual General Shareholders Meeting of 2023 was held on 19 April 2023 via Electronic media at Sathorn room, Qhouse Lumpini 4 flr., No. 1 South Sathorn Rd., Thungmahakek, Sathorn, Bangkok to 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 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 2023 since 15 December 2022 till 31 January 2023. 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

Right of Shareholders in the Meeting

As the company organizes meetings via electronic channels, shareholders get convenience in registration and document delivery. The company has informed shareholders of the conditions and details on how to register to attend the meeting in advance. In the attached document of the invitation to the shareholder meeting, the said document shows the registration time for meeting attendees and explains the granting of proxies, as well as their rights and voting methods at the shareholder meeting.

The awareness of modern electronic media may create difficulties for elderly shareholders who are not proficient in using modern technology. The company has, therefore, increased the delivery channel for the proxy form B along with the meeting invitation letter. This promotes the exercise of rights to attend meetings and vote for shareholders who are unable to attend meetings in person. A proxy can be given to another person to attend the meeting on shareholders' behalf if documents cannot be delivered via electronic media. The invitation entails an explanation of the documents/ evidence that shareholders or proxies must present and/or accompany in granting a proxy. English version was provided.

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.

Meeting Proceeding

To facilitate shareholders with video conferencing that can process information of shareholders who have already registered in advance with an easy- to- use voting function which shows details of meeting participants and number of shares with voting rights of each agenda in a quick manner. The company has informed shareholders that they can register in advance. This is to prevent interruptions during identity verification or signal failure. After registration, shareholders can attend the meeting all the scheduled time. The computer system will process and adjust votes based on the registration sequence of the attendees.

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.

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 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.
- 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.
- 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.
- 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.
6. 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

For the investor relations, Mr. Sombat Leesawadtrakul (Chairman of the Executive Committee) and Mr. Sangrung 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

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 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

In 2023, the company secretary has e-mailed to Director and Management knows the silent period 30 days before disclosure financial statement to public. Which there was no any transaction of Director or management use significant information.

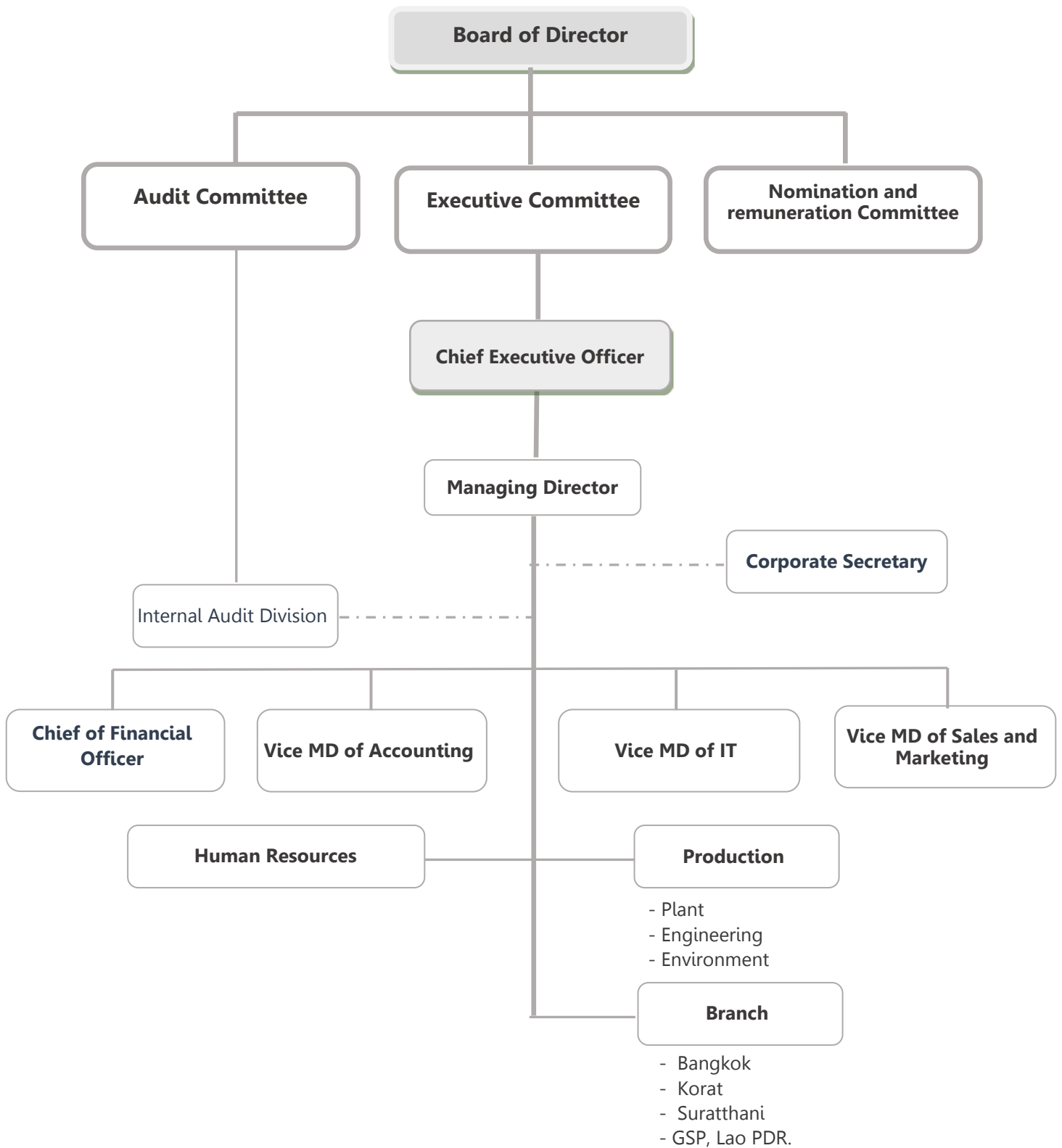
Business Ethics

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/ 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: Respect and compliance with laws, regulations and ordinances.

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

Organization Chart

Date 31 December 2023



Board of Director*As of 31 December 2023*

	Board of Director	Audit Committee	Nomination and Remuneration Committee	Executive Committee
*1. Mr. Kunchit Singsowan	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, 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 2023

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, 8 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

According to the Board Diversity and Skill Matrix structure, the company's Non-Executive Directors who have knowledge and experience in the manufacturing industry with no conflict of interest to the business are Mr. Preeda Wongsatitphon and Mr. Thanatat Chawaldit. The Directors with knowledge and experience in finance, banking and accounting include Mrs. Chintana Techamontrikul, Dr. Kanchit Singhsuwan, and Mr. Worawit Chailimpamontri. The Director with legal expertise is Mr. Suraphon Satimanon.

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, eventhough 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 counterbalances 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 has 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 share- holders 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
1.	Mr. Kunchit Singсуwan	Audit Committee

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

Duties and Responsibilities of the Audit Committee

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.

1. 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.
2. 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.
3. 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.
4. 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.
5. 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.
6. To perform any other duty as assigned by the Board of Directors and with the consent of the Audit Committee.
 7. 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

1. 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.
2. 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;
3. 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.
4. Arrange the meeting at least once a year, Teleconference is available to consider its matters.
5. 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

1. 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.
2. 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.

3. Supervise and monitor the Company's business operation to conform to policy, objectives, operation plan, business strategy, and budget as approved by the Board.
4. 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.
5. Plan and screen both long-term and short-term plan to fulfill the Company's objectives and goals.
6. 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	2022		2023	
	Person*	Amount (MB.)	Person*	Amount (MB.)
Salary	10	14.88	10	14.53
Bonus	10	7.12	10	5.42
Other -Commission and Provident fund	10	3.88	10	2.87
** Allowance from Subsidiaries		5.62		5.02
Total		33.40		27.84

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

Employee

The total of company employees as on December 31, 2023. This consists of the employee according to the working lines as follows

Division	No. of Employees		Division	No. of Employees	
	2023	2022		2023	2022
1. Plant	114	117	6. Information Technology (IT)	20	21
2. Sales and Marketing	76	70	7. The office of Committee	1	1
3. Accounting	8	8	8. Internal audit	1	1
4. Financial	3	3	9. Warehouses (4)	66	67
5. Personnel	11	11	Total	300	299

3 Subsidiaries consisted Neastern Steel Co.,Ltd., Mega 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 2023

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., Mega 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 2023, the Company and its subsidiaries paid the audit fee as bellows;

Company	Audit fee (baht)	Non-Audit fee**	ผู้สอบบัญชี
2S Metal Public Company Limited	*2,050,000	171,487.30	Grant Thornton Co., Ltd.
Neastern Steel Co., Ltd.	332,000	16,606	Grant Thornton Co., Ltd.
Mega Trans and Logis Co., Ltd.	268,000	17,477	Grant Thornton Co., Ltd.
Grand Steel Pipe Co., Ltd.	50,080.81	0.00	TBS Accounting Consultant Service Co., Ltd

* According to the AGM of 2023 has passed the resolve of Audit fee at 2,020,000 million Baht, actually paid in year 2023 more than the 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 Board of Directors must be 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.
2. The directors must perform their duties according to laws, objectives, and regulations of the Company, as well as the resolutions of the shareholder meetings.
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. 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 2023, there were 3 directors who retired by rotate. Dr. Kanchit Singsowan, Mrs. Chintana Techamontrikul and Mr. Tanatat Chavaladit. According to the Company invited shareholders to propose suitably qualified persons to be nominated for director position in the Annual General Shareholders Meeting 2023, 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 2023 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

The Board of Directors has established a policy allowing Directors to be able to hold directorship positions in other businesses, under the conditions their positions will not affect their performance in the company and cause conflict of interest to business.

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 2023, there were 4 meetings of the Board of Directors by physical and the 2023 Annual General Meeting of Shareholders on April 19, 2023, 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 3 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 November 9, 2023, 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 2023	Attendance / No. of Meeting				
	Board of Director	Audit Committee	Nomiation& Remuneration	Shareholder Meeting	Ind. Director
1. Mr. Kunchit Singsuwan	4/4	4/4		1/1	1/1
2. Mr. Sombat Leeswadtrakul	4/4	-	2/2	1/1	-
3 Mr. Sangrung Nitipawachon	4/4	-	-	1/1	-
4. Mr. Surapon Satimanont	4/4	4/4		1/1	1/1

The Meeting 2023	Attendance / No. of Meeting				
	Board of Director	Audit Committee	Nomination & Remuneration	Shareholder Meeting	Ind. Director
5. Mrs. Chintana Techamontrikul	4/4	4/4	2/2	1/1	1/1
6. Ms. Bunsri Panyapiamsak	4/4	-	-	1/1	-
7. Mr. Tanatat Chawaldit	4/4	-	-	1/1	-
8. Mr. Preeda Wongsathitporn	4/4	-	-	1/1	-
9. Gen. Phairat Phoubon	4/4	-	2/2	1/1	1/1
10. Mr. Woravit Chailimpamontri	4/4	-	2/2	1/1	1/1

3. 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 2023, Nomination and Remuneration Committee determined the remunerate 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	2023
1. Mr. Kunchit Singsowan	750,000.-	735,000.-
Salary	600,000	600,000
Meeting allowance	150,000	135,000
2. Mrs. Chintana Techamontrikul	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 Chavalidith	450,000.-	435,000.-
Salary	360,000	360,000
Meeting allowance	90,000	75,000
5. Mr. Preeda Wongsathitporn	450,000.-	435,000.-
Salary	360,000	360,000
Meeting allowance	90,000	75,000
Allowance from Subsidiaries*	20,000	20,000
6. Gen. Phairat Phoubon	490,000.-	475,000.-

Name	Compensation		
	2022	2023	
	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
		3,690,000	3,585,000

* the allowance from subsidiaries won't be calculated in the Company's compensation.

Other Remuneration

Directors and officers' liability insurance amounted 100,000,000 baht with policy period starting from January 1, 2023 to December 31, 2023 with a premium of 138,000 baht.

4. 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 2023

- | | |
|----------------------------------|---|
| Mr. Woravit Chailimpamontri | Honorary Doctorate degree of Business Administration, Dhonburi Rajabhat University. |
| Mr. Boonsri PanyaPiamsak | Understanding the point of TFRS for NPAEs, Federation of Accounting Professions. |
| Mrs. Pattranit Janthong Sasuthum | * Developing the officer and leader to monitor and prevent infection diseases, CDCU/SRRT, Bangklam Ditstrict Health office.
* How to Agile in the VUCA World, H&G (Thailand) |

5. 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 2023, 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:

- The self-assessment of the Committee resulted in an average of 93.80, a decrease of 0.26 from the previous year, as a result of an insufficient proportion of directors' opinions and time taken to consider the appropriate-ness of the use of resources.
- The self-assessment of the Board of Directors on an individual basis averaged 94.73%, an decrease of 2.03% from the previous year. The duration the directors spent studying the information before attending the meeting was insufficient.
- The self-assessment of the Sub-Committee
 - Audit Committee averaged at 98.66%, a increase of 0.74% from the previous year. The duration of each meeting was insufficient.
 - Members of the Nomination and Remuneration Committee averaged at 94.92%, a decrease of 1.44% from the previous year. The obtained documents and meeting information were insufficient.

4. The assessment of the performance of the top management averaged 97.0%.

6. Supervision the operation 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.

7. Monitoring and Compliance

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 2023, Board of Directors has reviewed and adopted the Risk management policy to consistent with the changing circumstances of the business operations. Also, the Internal Control was adjusted to ensure the effective tracking.

8. 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 2023

	10 February 2022		Changing	8 March 2024		% of Holding
	Personally	Spouses and minor Children		Personally	Spouses and minor Children	
1. Mr. Kunchit Singсуwan	-	-	-	-	-	-
2. Mr. Surapon Satimanont	-	-	-	-	-	-
3. Mr. Sombat Leeswadtrakul	136,452,654	-	-	136,452,654	-	24.81%
4. Mr. Sangrung Nitipawachon	32,019,995	-	-	32,019,995	-	6.03%
5. Mrs. ChintanaTechamontrikul	-	-	-	-	-	-
6. Miss Bunsri Panyapiamsak	16,959,004	-	-	16,959,004	-	3.08%
7. Mr. Tanatat Chawaldit	14,479,151	-	-	14,479,151	-	2.63%
8. Mr. Preeda Wongsathitporn	24,636,881	-	-	24,636,881	-	4.48%
9. Gen. Phairat Phoubon	-	-	-	-	-	-
10.Mr. Woravit Chailimpamontri	-	-	-	-	-	-
11. Mrs. Tassanee Phunuchaphai	-	-	-	-	-	-
12. Mr Pakorn Onkeaw	60,500	-	-	60,500	-	0.01%
13. Mrs. Kannika Angruvirote	-	-	-	-	-	-
14. Mr.Pongdech Lersithisak	-	-	-	-	-	-
15. Mr. Teerasak Onrachorn	-	-	-	-	-	-

	10 February 2022		Changing	8 March 2024		% of Holding
	Personally	Spouses and minor Children		Personally	Spouses and minor Children	
16. Mrs. Pattranit Janthong Sasutham	-	3,000	(2,000)	1,000	-	0.00%
17. Ms.Jaruwan Janpra-Ob	123,750	-	-	123,750	-	0.02%

9. Preventing the conflict of Interest

Board of Directors stipulated related transaction policy of the Company and its subsidiaries with related person which may have conflict interest. Audit Committee will inform to Board of Directors Meeting every quarter. Further, the Company train and announce the code of conduct via broadcast and internal channel. Year 2023 there was no conflict transactions issue.

10. Anti-Corruption

The company has been certified as a member of the CAC Private Sector Collective Coalition against Corruption. Year 2023, Board of Directors has monitored the internal audit and risk control system to preventing the fraud or corruption. Audit committee set the annual plan of internal audit and inform to Board of Directors Meeting as usual. The result of audit, there's no issue that may be fraud or 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/

11. Whistle blowing and Compliant

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/th/about_th/corporate-governance_th/. Year 2023, the Company didn't receive the complaint.

Whistle blowing

- 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

12. 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 2023 ending December 31, 2023, are reliable and adhering to generally accepted accounting standards and complying with relevant laws and regulations.

Audit Committee's Performance Summary

Audit Committee is appointed by the Board of Directors which composing of 3 independent director who qualified according to the regulation of the SET. Audit committee was independently within the scope of authority as stipulated in the Charter of the Audit committee.

Year 2023, 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 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 of year 2023 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. Further, the Audit Committee held a meeting with the company's auditors without the management attending on 9 November 2023 to discuss the concerning issue with feel free to comment.
2. Review the internal control system of the company and its subsidiaries to assess the adequacy and effectiveness of the internal control system to reasonably ensure that the company's operations will achieve the set goals. In 2023, the Audit Committee has placed importance on the inspection of information technology systems and compliance with the internal control system with consideration of corruption risks. Considering the internal audit report of each quarter. Regarding the 2023 internal auditing, reviewed and approved by the Audit Committee, the Audit Committee believes that the company's internal control system is sufficient and appropriate.
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 2023 to the Board of Directors for the Annual General Meeting of Shareholders to review and appointment approve auditor from Grant Thornton Co., Ltd. And considered the scope of annual audit plan

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's opinion the 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

The Nomination and Remuneration Committee has performed duties to support the Board of Directors within the scope of authority as stipulated in the Charter. Which composing of 3 independent directors and 1 Executive director. In 2023, there were 2 meetings (fully quorums) to consider important matters as assigned by the Board of Directors in the recruitment, selection and nomination of the persons to be directors also the compensation.

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 15 December 2022 to 31 January 2023, there's no any shareholders proposed the nominate person for considering in the AGM 2023.
2. Consider the qualifications of director who retired by rotation for the AGM to re-elect those retired directors to be the Company's director for another term. Year 2023, there were 2 independent directors who has tenure more 9 years but both of them suitable to comment freely and perform 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.
3. Reviewed the results of the performance assessment of the directors. In 2023, 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;
4. 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 55.
5. Considered the remuneration of company directors to propose to the Annual General Meeting of Shareholders on April 19, 2023, using the same criteria for considering remuneration as year 2022. 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 54.

Nomination and Remuneration Committee has performed their duties independently and have not been excessively controlled by the management and 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.

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 2023, the Audit Committee and the Board of Directors jointly evaluated the company's internal control system 9th November 2023 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 and set the Approval authority to determine the scope of director and executives in approving operation table. Furthermore, The company has set operational goals annually and used the actual operational performance to review the operational goals for the next year

The Company is committed to honesty and ethics operation and has prepared business the Code of Conduct guidelines for executives and employees to follow and has clearly defined penalties in the employee handbook.

2. Risk management. The Company realize and values to the Risk Management and comply according to the relevant legal and regulations. 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 may impact to the business operation, propose preventative measures for mitigate those potential risks to acceptable level.

Therefore, Board of Director assigned the management to establish the risk committee to follow up on risk management assessment and ensure that overall risk management is effective.

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.

In addition, the Audit Committee has reviewed and approved the annual audit plan that covers all operational processes with high risks. The company is confident that all departments have sufficient operational control system that covers both financial operation and compliance with the laws, rules and regulations.

4. Information and Communication System – nowadays, innovation and technology effects both good and risk of the data. The Company issue the guideline and operating procedures of information systems and data communication for control on data using has efficiency and safety also set the measures to maintain and backup data regularly according to the Personal Data Protection Act. B.E.2019.

Last year, the communication system and channel of communication for internal/external has developed to exchange information efficiency. The Board of Directors has appropriate access the information for support to the consideration such as Accounting-related operation, auditor's opinion, internal control system 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, also established internal audit to examine matters each department and report independently to the Audit Committee. The Company encourages internal auditor to attend training courses related the operation for enhance skill.

In addition, the certified public auditor 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, 2023. 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.

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

Standard 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, 2023, 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 - accounts receivable	8.64 0.09	The transactions are normal trading, and it was market price.
Grand Steel Pipe Co.Ltd (Lao PDR.)	- The subsidiary,	The Company has sold the finished products such as square tube , round tube for trading - accounts receivable - Interest income The Company has bought the finished goods for trading. - accounts payable - advance payment	15.94 30.49 1.79 9.45 0.00 9.55	The transactions are normal trading, and it was market price.
Mega Trans and Logis Co., Ltd.	- The subsidiary,	The Company has sold the finished products and tools for business. - accounts receivable	0.41 0.00	The transactions are normal trading, and it was market price.
United Steel Pipe Co., Ltd.	- Group of Executive management has hold the Company's share	The Company has sold supplies. - accounts receivable The Company has bought the finished goods for trading. - accounts payable	258.56 2.80 609.18 13.21	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.

Company	Nature of Relationship	Description	Value (Bt. million)	Necessary and Reasonable
City Metal Co., Ltd.	- Group of Executive management has hold the Company's share	The Company has sold raw material. - accounts receivable	124.60 0.00	The products are of special quality and size that the company could not produce in-house. A price com-parison 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.
		The Company has bought the finished goods for trading. - accounts payable	180.16 0.00	
Panich Swad Co., Ltd.	- Group of Executive management has hold the Company's share	The Company has sold raw material. - accounts receivable	127.40 0.00	the products are of special quality and size that the company could not produce in-house. A price com-parison 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.	- close relationship with the company's management	Company has bought some facilities for production, such glove, glue, etc.	0.01	The transactions are normal trading, and it was market price.
		- accounts receivable	0.00	
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.	0.02	The transactions are normal trading, and it was market price.
		- accounts payable	0.00	

- **Loan**

บริษัท	ลักษณะความสัมพันธ์	ลักษณะของรายการ	มูลค่ารายการ (ล้านบาท)	Necessary and Reasonable
Mega Trans and Logis Co.,Ltd.	- The subsidiary,	Mega loans for operations - Interest income	27.81 0.98	Its normal loan transaction by issuing the promissory Notes and Interest rate as the financial institution.
Neastern Steel Co., Ltd.	- The subsidiary,	The Company loans for working capital - Interest income	51.00 1.77	Its normal loan transaction by issuing the promissory Notes and Interest rate as the financial institution.

- **Properties**

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. - Accrued Expenses	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. - Accrued Expenses	9.71 0.04	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	0.31 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	75.11	The subsidiary can't service in rush hour and provide convenience with delivery of the products.
		- other accounts payable	0.56	
Neastern Steel Co., Ltd.	- The subsidiary,	Neaster produces products for the Company.	113.86	The Subsidiary's plant located in Nakornrachsim province which is center of Eastern. Such the Company can provide convenience with delivery to customers and safe cost.
		- other accounts payable	8.18	

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

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.

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	Authorized persons
Not exceed Bt. 10,000,000 per week	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. 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.

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 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

Part 3 Independent Auditor's Report and
Consolidated and Separate Financial Statement

- * Independent Auditor's Report
- * Statement of Financial Position
- * Notes to the Financial Statements



To the Shareholders and the Board of Directors 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 2023, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended; and notes to the consolidated and separate financial statements, which include significant accounting policies.

In my opinion, the 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 2023, 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

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, 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 matters.

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 2023, 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 and investments in subsidiaries are required to be tested when there is an indicator of impairment. Goodwill was set provision impairment fully amounting to Baht 15.09 million.</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>My audit procedures included:</p> <ul style="list-style-type: none"> - Obtaining an understanding of how management identified impairment indicators and the testing process - Reviewing the supporting documents prepared by management to assess whether the goodwill is impaired at the end of year and assess the appropriateness of the valuation model and key assumptions used by management - Assessing the reasonableness of the discount rate applied to the estimated future cash flows - Testing the calculation of the recoverable amount - Review the sensitivity analysis provided by management and considered the impact to recoverable amount - Considering the adequacy and appropriateness of the disclosure of the assumptions, methodology and recoverable amount of goodwill and investment in subsidiary.

Key Audit matters	How the matter was addressed in the audit
<p>Refer to Notes 4.19, 11 and 16 which provide details of the impairment testing performed by management.</p>	<p>As a result of the procedures performed, the key assumptions used by the management were reasonable and within the acceptable range. They were consistent with supporting evidence.</p>
<p><u>Inventories</u> As at 31 December 2023, the Group and the Company have ending inventories of Baht 809.68 million and Baht 790.09 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.</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"> - 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. - 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. - 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. - 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. <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

The directors are 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 to me 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 the audit committee to revise a material misstatement.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRS, and for such internal control as the directors determine is 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, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate 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 TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism 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 the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the 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 and the Company 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
22 February 2024

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

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		31-Dec		31-Dec	
		2023	2022	2023	2022
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	8	341,893	595,294	320,720	587,359
Trade and other accounts receivable - general customers	9	335,995	328,159	331,202	323,841
- related companies	7, 9	2,796	-	19,214	23,205
Inventories - net	10	809,676	651,997	790,088	638,824
Deposits for purchase of goods		18,580	19,510	28,129	19,510
Short-term loans and accrued interest receivable - subsidi	7	-	-	69,421	65,921
Refundable value added tax		4,722	7,621	4,722	7,621
Refundable income tax		4,908	10,141	1,751	1,751
Other current assets		15,874	5,131	3,524	3,035
Total Current Assets		1,534,444	1,617,853	1,568,771	1,671,067
NON-CURRENT ASSETS					
Investments in subsidiaries	11	-	-	216,770	216,770
Long-term loans receivable - subsidiary	7	-	-	9,400	9,400
Property, plant and equipment - net	12	629,332	639,052	274,968	277,822
Rights-of-use assets - net	13.1	11,793	8,978	71,402	73,292
Investment property - net	14	596	934	-	-
Intangible assets - net	15	443	805	371	684
Goodwill	16	-	15,086	-	-
Other non-current assets		2,288	2,300	1,484	1,496
Deferred tax assets	22	1,389	1,012	-	-
Total Non-Current Assets		645,841	668,167	574,395	579,464
TOTAL ASSETS		2,180,285	2,286,020	2,143,166	2,250,531

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		31-Dec		31-Dec	
		2023	2022	2023	2022
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term loans from financial institutions	17	-	150,000	-	150,000
Trade and other accounts payable - general companies	18	65,306	37,379	61,463	32,635
- related companies	7, 18	13,215	8,659	23,378	17,559
Current portion of liabilities under					
finance lease agreements	13.2	1,581	1,343	5,828	5,390
Current portion of employee benefits obligation	20	2,544	-	2,544	-
Accrued income tax		6,880	-	6,880	-
Value added tax payable		797	226	-	-
Accrued expenses	19	36,473	31,770	28,911	25,323
Other current liabilities		7,229	5,929	5,156	4,350
Total Current Liabilities	#REF!	134,025	235,306	134,160	235,257
NON-CURRENT LIABILITIES					
Employee benefits obligation	20	18,243	19,094	13,842	16,993
Liabilities under finance lease agreements - net	13.2	5,950	2,875	70,988	72,160
Deferred tax liabilities - net	22	9,961	13,311	2,175	4,672
Total Non-Current Liabilities		34,154	35,280	87,005	93,825
TOTAL LIABILITIES		168,179	270,586	221,165	329,082
SHAREHOLDERS' EQUITY					
Share capital - common share at Baht 1 par value					
- Registered 549,997,741 shares	23.1	549,998	549,998	549,998	549,998
- Issued and paid - up 549,995,954 shares	23.1	549,996	549,996	549,996	549,996
Premium on share capital		121,762	121,762	121,762	121,762
Retained earnings					
- Appropriated for legal reserve	23.2	55,000	55,000	55,000	55,000
- Unappropriated		1,268,184	1,272,462	1,150,861	1,150,309
Other components of shareholders' equity		19,799	18,613	44,382	44,382
Shareholders' equity of the Company		2,014,741	2,017,833	1,922,001	1,921,449
Non-controlling interests in subsidiaries		(2,635)	(2,399)	-	-
NET SHAREHOLDERS' EQUITY		2,012,106	2,015,434	1,922,001	1,921,449
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,180,285	2,286,020	2,143,166	2,250,531

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

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2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		2023	2022	2023	2022
REVENUES					
Revenue from sales		6,632,006	6,554,448	6,502,305	6,462,134
Revenue from sales of by-product		143,339	154,517	137,278	150,548
Total revenues	25	6,775,345	6,708,965	6,639,583	6,612,682
COSTS OF SALES					
Costs of sales	10	(6,351,661)	(6,601,387)	(6,250,443)	(6,529,443)
Gross profit		423,684	107,578	389,140	83,239
Interest income	25	3,618	2,028	8,163	4,111
Gain on exchange rate		-	-	-	10,932
Other income		40,395	42,277	47,202	45,293
Profit before expenses		467,697	151,883	444,505	143,575
Selling expenses	24	(163,066)	(147,414)	(158,349)	(143,572)
Administrative expenses	24	(111,097)	(107,362)	(110,529)	(90,447)
Loss from exchange rate		(12,095)	(20,225)	(1,099)	-
Loss on impairment from goodwill	16	(15,086)	-	-	-
Total expenses		(301,344)	(275,001)	(269,977)	(234,019)
Profit (loss) before finance costs		166,353	(123,118)	174,528	(90,444)
Finance costs	25	(264)	(579)	(3,761)	(4,386)
Profit (loss) before income tax		166,089	(123,697)	170,767	(94,830)
Income tax expense	21	(6,278)	629	(7,177)	160
Profit (loss) for the year		159,811	(123,068)	163,590	(94,670)
OTHER COMPREHENSIVE INCOME					
Items to be not reclassified subsequently to profit or loss					
Actuarial gain from remeasurments of post-employment benefit obligation - net of tax		638	-	1,961	-
Items to be reclassified subsequently to profit or loss					
Translation adjustment for foreign currency financial statements		1,222	(4,325)	-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		161,671	(127,393)	165,551	(94,670)
ALLOCATION OF PROFIT (LOSS) FOR THE YEAR					
Portion of the Company's shareholders		160,083	(122,177)	163,590	(94,670)
Portion of non-controlling interests		(272)	(891)	-	-
		159,811	(123,068)	163,590	(94,670)
ALLOCATION OF TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR					
Portion of the Company's shareholders		161,907	(126,430)	165,551	(94,670)
Portion of non-controlling interests		(236)	(963)	-	-
		161,671	(127,393)	165,551	(94,670)
BASIC EARNINGS PER SHARE					
Profit of the Company's shareholders (Baht : Share)		0.29	(0.23)	0.30	(0.17)
Weighted average number of common shares (Unit : Thousand S		549,996	549,996	549,996	549,996

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												
			Retained earnings			Other components of equity					Shareholders' equity of the Company	Non-controlling interests	Total
	Notes	Paid - up Share Capital	Premium on Share capital	Legal Reserve	Unappropriated	Surplus on revaluation of land - net of tax	Remeasurements of post-employment benefit obligation	Translation adjustment for foreign currency financial statements	Discount on dilution of investment in subsidiaries company	Total Other components of equity			
Consolidated F/S													
Balance as at 1 January 2022		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
Changes in shareholders' equity													
Increased in capital	23.1	49,998	-	-	-	-	-	-	-	-	49,998	-	49,998
Appropriation for legal reserve during the year	23.2	-	-	5,000	(5,000)	-	-	-	-	-	-	-	-
Cash dividend paid	23.3	-	-	-	(184,994)	-	-	-	-	-	(184,994)	-	(184,994)
Total transactions with shareholders		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)
Total comprehensive income (loss) for the year		-	-	-	(122,177)	-	-	(4,253)	-	(4,253)	(126,430)	(963)	(127,393)
Balance as at 31 December 2022		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
Balance as at 1 January 2023		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
Changes in shareholders' equity													
Cash dividend paid	23.3	-	-	-	(164,999)	-	-	-	-	-	(164,999)	-	(164,999)
Total transactions with shareholders		-	-	-	(164,999)	-	-	-	-	-	(164,999)	-	(164,999)
Comprehensive income (loss) for the year		-	-	-	160,083	-	638	1,186	-	1,824	161,907	(236)	161,671
Remeasurements of post-employment benefit obligation		-	-	-	638	-	(638)	-	-	(638)	-	-	-
Total comprehensive income (loss) for the year		-	-	-	160,721	-	-	1,186	-	1,186	161,907	(236)	161,671
Balance as at 31 December 2023		549,996	121,762	55,000	1,268,184	59,322	-	(9,706)	(29,817)	19,799	2,014,741	(2,635)	2,012,106

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

(Unit : Thousand Baht)

	Notes	Paid - up Share Capital	Premium on Share capital	Retained earnings		Other components of equity		Total
				Legal Reserve	Unappropriated	Surplus on revaluation of land	Other comprehensive income Remeasurements of post- employment benefit obligat	
Separate F/S								
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	23.1	49,998	-	-	-	-	-	49,998
Appropriation for legal reserve during the year	23.2	-	-	5,000	(5,000)	-	-	-
Dividend payment	23.3	-	-	-	(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
Balance as at 1 January 2023		549,996	121,762	55,000	1,150,309	44,382	-	1,921,449
Changes in shareholders' equity								
Dividend payment	23.3	-	-	-	(164,999)	-	-	(164,999)
Total transactions with shareholders		-	-	-	(164,999)	-	-	(164,999)
Comprehensive income (loss) for the year		-	-	-	163,590	-	1,961	165,551
Remeasurements of post-employment benefit obligation		-	-	-	1,961	-	(1,961)	-
Total comprehensive income (loss) for the year		-	-	-	165,551	-	-	165,551
Balance as at 31 December 2023		549,996	121,762	55,000	1,150,861	44,382	-	1,922,001

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

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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	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit (loss) before income tax	166,089	(123,697)	170,767	(94,830)
Adjustments to reconcile profit before income tax to net cash provided from operating activities:				
Provision (reversal) of expected credits losses	(1,063)	(719)	13,093	(631)
Reversal of allowance for decline value of inventories	(10,059)	(3,145)	(9,375)	(3,838)
Loss on impairment of goodwill	15,086	-	-	-
Depreciation	54,665	50,076	25,176	25,383
Loss (gain) on exchange rate	1,789	(1,355)	-	-
Loss on disposal fixed assets	722	985	727	850
Amortization	362	431	313	381
Interest income	(3,618)	(2,028)	(8,163)	(4,111)
Interest expense	264	579	3,761	4,386
Provision for post employee benefits obligation	3,217	1,300	1,845	1,431
Cash flows provided from operations before changes in operating assets and liabilities	227,454	(77,573)	198,144	(70,979)
Decrease (increase) in operating assets:				
Trade and other accounts receivable	(9,569)	36,117	(16,463)	62,952
Inventories	(147,620)	456,291	(141,889)	397,498
Deposits for purchase of goods	930	(19,069)	(8,619)	(19,069)
Refundable value added tax	2,899	(7,621)	2,899	(7,621)
Refundable income tax	5,233	(6,213)	-	(1,751)
Other current assets	(7,586)	2,851	(488)	(618)
Other non-current assets	13	(759)	11	41
Increase (decrease) in operating liabilities:				
Trade and other accounts payable	32,369	15,703	34,647	15,226
Accrued expenses	2,840	(7,160)	2,981	(5,814)
Value added tax payable	571	(3,869)	-	(3,572)
Other current liabilities	1,299	(798)	805	(1,265)
Post employee benefits obligation paid	(726)	-	-	-
Cash received from operating activities	108,107	387,900	72,028	365,028
Interest payment	(286)	(557)	(3,783)	(4,364)
Income tax paid	(6,441)	(64,859)	(3,284)	(55,655)
Net cash provided from operating activities	101,380	322,484	64,961	305,009

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

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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	
	2023	2022	2023	2022
Cash flows from investing activities				
Interest received	3,618	2,028	8,163	4,105
Decrease in restricted deposits with banks	-	1,052	-	1,052
Acquisition of building and equipment	(40,748)	(93,499)	(15,127)	(17,589)
Proceeds from sale of equipment	292	89	286	-
Acquisition to intangible assets	-	(3)	-	-
Payment short-term loan granted to subsidiary	-	-	(12,500)	(48,500)
Net cash used in investing activities	(36,838)	(90,333)	(19,178)	(60,932)
Cash flows from financing activities				
Proceeds from short-term loans from financial instituti	-	150,000	-	150,000
Repayment for short-term loans from financial institut	(150,000)	-	(150,000)	-
Proceeds from short-term loans from subsidiary	-	-	9,000	3,286
Repayment for lease liabilities	(2,377)	(1,484)	(6,423)	(5,391)
Dividend paid	(164,999)	(134,996)	(164,999)	(134,996)
Net cash provided from (used in) financing activities	(317,376)	13,520	(312,422)	12,899
Exchange rate losses on cash and cash equivalents	(567)	(2,970)	-	-
Net increase in cash and cash equivalents - net	(253,401)	242,701	(266,639)	256,976
Cash and cash equivalents at beginning of year	595,294	352,593	587,359	330,383
Cash and cash equivalents at end of year	341,893	595,294	320,720	587,359
Supplemental disclosure for cash flows information				
Non - cash item :				
Account payable for purchase asset	1,999	106	629	-
Recognition right-of-use asset with lease liabilities during the year	5,689	-	5,689	-

**2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2023**

1. NATURE OF OPERATION

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 BASIS OF FINANCIAL STATEMENTS PREPARATION

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 12).

3. AMENDED THAI FINANCIAL REPORTING STANDARDS

3.1 Amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2023

- Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
- Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.

- c) **Amendment to TAS 41 Agriculture** clarified about removal of the requirement for entities to exclude cash flows for taxation when measuring fair value of biological asset.
- d) **Amendment to TFRS 3 - Business combinations** clarified some minor amendments to update its references to the Conceptual Framework for Financial Reporting and added a consideration for the recognition of liabilities and contingent liabilities acquired from business combinations. The amendments also confirmed that contingent assets shouldn't be recognised at the acquisition date.
- f) **Amendment to TFRS 9 - Financial Instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

Amended Thai Financial Reporting Standards effective for the accounting periods beginning on or after 1 January 2023 do not have material impact on the Group.

3.2 Amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024 and have significant impacts on the Group and the Group has not early adopted these standards.

- a) **Amendment to TAS 1 - Presentation of financial statements** revises the disclosure from ' *significant* accounting policies' to ' *material* accounting policies' . The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.
- b) **Amendment to TAS 8 - Accounting policies, changes in accounting estimates and errors** revises to the definition of 'accounting estimates' to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.
- c) **Amendment to TAS 12 - Income taxes** requires companies to recognise deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations.

The amendment should be applied to transactions on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that they can probably be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The Group did not early adopt these standards. The Group's management is currently assessing the impact of adoption of these standards.

4. SIGNIFICANT ACCOUNTING POLICES

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 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.

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.

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.

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 12). 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).

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 classify 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 trusteed 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 expected credit loss

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 2023 are as follows:

(Unit : Thousand Baht)

	Consolidated F/S			Total
	Amortized cost	Fair value through profit or loss	Fair value through other comprehensive profit or loss	
Financial assets				
Cash at banks	341,844	-	-	341,844
Trade and other accounts receivable - net	338,791	-	-	338,791
Total	680,635	-	-	680,635
Financial liabilities				
Trade and other accounts payable	78,521	-	-	78,521
Lease liabilities	7,531	-	-	7,531
Total	86,052	-	-	86,052

(Unit : Thousand Baht)

	Separate F/S			Total
	Amortized cost	Fair value through profit or loss	Fair value through other comprehensive profit or loss	
Financial assets				
Cash at banks	320,699	-	-	320,699
Trade accounts receivable and other - net	350,416	-	-	350,416
Loan to subsidiary company	78,821	-	-	78,821
Total	749,936	-	-	749,936

(Unit : Thousand Baht)

	Separate F/S			Total
	Amortized cost	Fair value through profit or loss	Fair value through other comprehensive profit or loss	
Financial liabilities				
Trade and other accounts payable	84,841	-	-	84,841
Lease liabilities	76,816	-	-	76,816
Total	161,657	-	-	161,657

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
		2023	2022	
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
<i>Related parties</i>		
Nana Watsadu Furniture Co., Ltd.	Thailand	Co-shareholders
Panichsawad Co., Ltd.	Thailand	Co-related party

Name of entities	Country of incorporation/ nationality	Nature of relationship
United Steel Pipe Co., Ltd.	Thailand	Co-shareholders
City Metal Co., Ltd.	Thailand	Co-shareholders
Kwangfha Lohakit	Thailand	Co-shareholders
<i>Key management</i>	Thailand	Directors and managements
<i>Related person</i>	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 2023 and 2022 are as follows:

	Consolidated F/S		Separate F/S	
	2023	2022	2023	2022
(Unit: Thousand Baht)				
Trade and other accounts receivable				
Subsidiary companies	-	-	16,418	23,205
Related company	2,796	-	2,796	-
Total	2,796	-	19,214	23,205
Deposits for purchase of goods				
Subsidiary companies	-	-	9,549	-
Related company	-	9,654	-	9,654
Total	-	9,654	9,549	9,654
Short-term loans and interest receivable				
Subsidiary companies	-	-	69,421	65,921
Long-term loans receivable				
Subsidiary company	-	-	9,400	9,400
Total loans and interest receivable	-	-	78,821	75,321

Significant movements in loans to subsidiaries and accrued interest income for the year ended 31 December 2023 are as follows:

	1 January			During the year		31 December
	2023	Increase	Decrease	2023	2023	2023
Subsidiary companies	75,321	12,587	(9,087)			78,821

Short-term loans to subsidiaries 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		Separate F/S	
	2023	2022	2023	2022
Trade and other accounts payable				
Subsidiary companies	-	-	10,163	8,900
Related parties	13,215	8,659	13,215	8,659
Total	13,215	8,659	23,378	17,559
Lease Liabilities				
Subsidiary companies	-	-	69,285	73,332
Related parties	2,291	3,361	2,291	3,361
Total	2,291	3,361	71,576	76,693
Employee benefits obligation				
Key management personnel				
- Post-employment benefits	15,896	15,083	13,080	12,007

Significant transactions with the related parties for the years ended 31 December 2023 and 2022 are as follows:

(Unit: Thousand Baht)

Transaction	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2023	2022	2023	2022
Revenue from sales				
Related parties	510,571	190,671	510,571	190,671
Subsidiary company	-	-	24,492	85,882
Total	510,571	190,671	535,063	276,553
Rental assets and other service income				
Subsidiary company	-	-	801	277
Interest income				
Subsidiary companies	-	-	3,878	2,092
Purchase of goods and service				
Related parties	789,362	1,017,033	789,362	1,017,033
Subsidiary company	-	-	9,451	57
Total	789,362	1,017,033	798,813	1,017,090
Manufacturing cost				
Subsidiary company	-	-	113,856	85,821
Transportation service				
Subsidiary company	-	-	75,113	78,047
Rental assets and other service expenses				
Related parties	1,200	1,200	1,200	1,200
Subsidiary company	-	-	9,706	9,458
Total	1,200	1,200	10,906	10,658
Key management personnel compensation				
Short-term employee benefits	30,823	31,972	23,230	22,831
Post-employment benefits	1,289	1,024	1,073	625
Total	32,112	32,996	24,303	23,456

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	
	2023	2022	2023	2022
Cash on hand	49	67	21	34
Cash at banks				
- Current account	34,695	74,006	22,715	68,813
- Saving account	307,149	521,221	297,984	518,512
Total	341,893	595,294	320,720	587,359

As at 31 December 2023 and 2022, most of cash and cash equivalents were cash at banks in savings accounts with interest rates of 0.15% - 1.50% per annum (2022: interest rates were 0.05% - 0.25% per annum).

9. TRADE AND OTHER ACCOUNTS RECEIVABLE NET

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2023	2022	2023	2022
Trade accounts receivable	335,987	328,151	331,202	323,841
- general customers – net				
Trade accounts receivable - Subsidiary companies	-	-	16,418	23,205
Trade accounts receivable - related companies	2,796	-	2,796	-
Total	338,783	328,151	350,416	347,046

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2023	2022	2023	2022
Other accounts receivable - general customers	8	8	-	-
Total	8	8	-	-
Total trade and other accounts receivable - net	338,791	328,159	350,416	347,046

Aging analysis of the trade accounts receivable - general customers and related companies as at 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2023	2022	2023	2022
<u>Trade accounts receivable - general customers and related companies</u>				
Not yet due	285,730	289,517	283,589	292,523
Past due				
Less than 3 months	50,957	33,260	50,002	35,435
More than 3 - 6 months	2,099	927	14,679	927
More than 6 - 12 months	917	1,379	3,634	15,097
Over 12 months	13,142	18,193	26,730	18,189
Total	352,845	343,276	378,634	362,171
<u>Less</u> Allowance for expected credit losses	(14,062)	(15,125)	(28,218)	(15,125)
Trade accounts receivable - general customers and related companies - net	338,783	328,151	350,416	347,046

During the years, the movements in the allowance for expected credit losses are as follows:

(Unit: Thousand Baht)

	Consolidated F/S		Separate F/S	
	2023	2022	2023	2022
Balance as at 1 January	(15,125)	(15,844)	(15,125)	(15,756)
<u>Add</u> Allowance for expected credit losses	(6,349)	(1,406)	(20,505)	(1,406)
<u>Less</u> Reversal of allowance for expected credit losses	7,412	2,125	7,412	2,037
Balance as at 31 December	(14,062)	(15,125)	(28,218)	(15,125)

10. INVENTORIES NET

(Unit: Thousand Baht)

	Consolidated F/S		Separate F/S	
	2023	2022	2023	2022
Raw materials	180,553	219,197	173,047	219,018
Work in process	43,999	58,733	42,274	57,618
Finished goods	395,079	374,296	389,228	364,355
Materials and goods in transit	187,820	9,346	187,820	9,346
Factory supplies	6,985	5,244	2,470	2,613
Total	814,436	666,816	794,839	652,950
<u>Less</u> Allowance for decline values of inventories	(4,760)	(14,819)	(4,751)	(14,126)
Net	809,676	651,997	790,088	638,824

During the years, the movements in allowance for decline values of inventories are as follows:

(Unit: Thousand Baht)

	Consolidated F/S		Separate F/S	
	2023	2022	2023	2022
Balance as at 1 January	(14,819)	(17,964)	(14,126)	(17,964)
<u>Add</u> Additional allowance for decline values of inventories	(23,037)	(151,092)	(22,954)	(150,399)
<u>Less</u> Reversal of allowance for decline values of inventories	33,096	154,237	32,329	154,237
Balance as at 31 December	(4,760)	(14,819)	(4,751)	(14,126)

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

(Unit: Thousand Baht)

	Consolidated F/S		Separate F/S	
	2023	2022	2023	2022
Costs of goods sold	6,361,036	6,604,532	6,259,818	6,533,281
<u>Add</u> Allowance for decline values of inventories	22,954	151,092	22,954	150,399
<u>Less</u> Allowance for decline values of inventories	(32,329)	(154,237)	(32,329)	(154,237)
Total costs of sales	6,351,661	6,601,387	6,250,443	6,529,443

11. INVESTMENTS IN SUBSIDIARIES

(Unit: Thousand Baht)

	Paid-up capital		Percentage of shareholding		Separate F/S			
					2023		2022	
	2023	2022	2023	2022	At cost	Dividend income	At cost	Dividend income
Neastern Steel Co., Ltd.	90,000	90,000	99.99	99.99	99,000	-	99,000	-
Mega Trans and Logis Co., Ltd.	30,000	30,000	99.99	99.99	30,000	-	30,000	-
Grand Steel Pipe Industry Co., Ltd.	121,970	121,970	97.11	97.11	87,770	-	87,770	-
Total					216,770	-	216,770	-

12. 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
Cost							
1 January 2023	194,411	352,294	589,151	27,480	158,305	23,292	1,344,933
Acquisitions	8,500	100	1,166	526	6,355	26,099	42,746
Disposals	-	-	(466)	(646)	(872)	-	(1,984)
Transfer in / (out)	-	11,971	30,315	1,789	-	(44,075)	-
31 December 2023	202,911	364,365	620,166	29,149	163,788	5,316	1,385,695
Accumulated depreciation							
1 January 2023	(18,241)	(177,541)	(406,441)	(23,537)	(80,121)	-	(705,881)
Depreciation for the year	(1,819)	(15,086)	(24,602)	(1,848)	(8,901)	-	(52,256)
Depreciation for disposals	-	-	274	630	870	-	1,774
31 December 2023	(20,060)	(192,627)	(430,769)	(24,755)	(88,152)	-	(756,363)
Net book value							
31 December 2023	182,851	171,738	189,397	4,394	75,636	5,316	629,332
Depreciation for the year 2023							
Cost of goods sold							40,506
Administrative expenses							11,750
Total							52,256

(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
Cost							
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)	3,375	26,731	28,407	22	6,062	(64,597)	-
31 December 2022	194,411	352,294	589,151	27,480	158,305	23,292	1,344,933
Accumulated depreciation							
1 January 2022	(16,518)	(164,517)	(384,345)	(21,952)	(71,542)	-	(658,874)
Depreciation for the year	(1,723)	(13,024)	(22,424)	(1,603)	(8,706)	-	(47,480)
Depreciation for disposals	-	-	328	18	127	-	473
31 December 2022	(18,241)	(177,541)	(406,441)	(23,537)	(80,121)	-	(705,881)
Net book value							
31 December 2022	176,170	174,753	182,710	3,943	78,184	23,292	639,052
Depreciation for the year 2022							
Cost of goods sold							35,573
Administrative expenses							11,906
Total							47,479

(Unit: Thousand Baht)

	Separate F/S						Total
	Land and improvement	Buildings and construction	Machinery and factory tools	Furniture and office equipment	Vehicles	Assets in transit and in progress	
Cost							
1 January 2023	116,874	144,827	264,004	15,883	10,466	7,676	559,730
Acquisitions	8,500	100	243	368	-	6,545	15,756
Disposals	-	-	(278)	(589)	(856)	-	(1,723)
Transfer in / (out)	-	11,912	397	1,677	-	(13,986)	-
31 December 2023	125,374	156,839	264,366	17,339	9,610	235	573,763
Accumulated depreciation							
1 January 2023	(5,919)	(69,329)	(185,370)	(13,021)	(8,269)	-	(281,908)
Depreciation for the year	(515)	(6,340)	(9,663)	(1,453)	(429)	-	(18,400)
Depreciation for disposals	-	-	87	571	855	-	1,513
31 December 2023	(6,434)	(75,669)	(194,946)	(13,903)	(7,843)	-	(298,795)
Net book value							
31 December 2023	118,940	81,170	69,420	3,436	1,767	235	274,968
Depreciation for the year 2023							
Cost of goods sold							12,550
Administrative expenses							5,850
Total							18,400

	Separate F/S						Total
	Land and improvement	Buildings and construction	Machinery and factory tools	Furniture and office equipment	Vehicles	Assets in transit and in progress	
Cost							
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
Accumulated depreciation							
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)
Net book value							
31 December 2022	110,955	75,498	78,634	2,862	2,197	7,676	277,822
Depreciation for the year 2023							
Cost of goods sold							12,585
Administrative expenses							5,835
Total							18,420

As at 31 December 2023 and 2022, the Company's and subsidiary's land and construction thereon, and machinery used for manufacturing with book values of Baht 47.23 million and Baht 55.76 million, respectively, in the consolidated financial statements, and Baht 38.87 million and Baht 41.87 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 17 and 27.2.

As at 31 December 2023 and 2022, the cost of fully depreciated assets that are still in use are Baht 396.63 million and Baht 379.45 million, respectively, in the consolidated financial statements and of Baht 194.26 million and Baht 180.56 million, respectively, in the separate financial statements.

13. LEASE

13.1 Rights-of-use- assets - net

During the year ended 31 December 2023 and 2022, the Company and subsidiaries have the following condensed movements in rights-of-use assets:

	(Unit: Thousand Baht)	
	Consolidated F/S	Separate F/S
Cost		
1 January 2022	16,026	92,649
31 December 2022	16,026	92,649
Increased	5,689	5,689
Write – off during the period	(2,177)	(2,177)
31 December 2023	19,538	96,161
Accumulated depreciation		
1 January 2022	(2,277)	(6,981)
Depreciation for the year	(7,048)	(19,357)
31 December 2022	1,374	1,374
Amortization for write – off	(7,745)	(24,759)
Depreciation for the year		
31 December 2023	8,978	73,292
	11,793	71,402
Net book value		
31 December 2022	(2,277)	(6,981)
31 December 2023	(2,071)	(6,776)

As at 31 December 2023, the prepaid land rental expenses of a subsidiary in Lao People's Democratic Republic amounted to Baht 3.15 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.

13.2 Lease liabilities - net

	(Unit: Thousand Baht)	
	Consolidated F/S 2023	Separate F/S 2023
Lease liabilities		
Not over 1 year	1,800	9,305
Over 1 year but not over 5 years	3,600	33,620
Over 5 years	3,000	59,963
Total	8,400	102,888
<u>Less</u> Deferred interest	(869)	(26,072)
Net before current portion	7,531	76,816
<u>Less</u> Current portion	(1,581)	(5,828)
Net	5,950	70,988

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 recognized 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:

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

14. INVESTMENT PROPERTY-NET

	(Unit: Thousand Baht)	
	Consolidated F/S	
Cost		
1 January 2022		5,060
31 December 2022		5,060
31 December 2023		5,060
Accumulated depreciation		
1 January 2022		(3,789)
Depreciation for the year		(337)
31 December 2022		(4,126)
Depreciation for the year		(338)
31 December 2023		(4,464)
Net book value		
31 December 2022		934
31 December 2023		596

15. INTANGIBLE ASSETS- NET

The movements in computer software for the years ended 31 December 2023 and 2022 are as follow:

	(Unit: Thousand Baht)	
	Consolidated F/S	Separate F/S
Cost		
1 January 2022	9,408	8,281
Addition	3	-
Write – off during the period	(850)	(850)
31 December 2022	8,561	7,431
Write – off during the period	(82)	(82)
31 December 2023	8,479	7,349
Accumulated amortization		
1 January 2022	(7,325)	(6,366)
Amortization for the year	(575)	(525)
Amortization for write – off	144	144
31 December 2022	(7,756)	(6,747)
Amortization for the year	(362)	(313)
Amortization for write – off	82	82
31 December 2023	(8,036)	(6,978)
Net book value		
31 December 2022	805	684
31 December 2023	443	371

16. GOODWILL

Goodwill of Baht 15 million arose from the business acquisition of Grand Steel Pipe Industry Co., Ltd. which is a subsidiary 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 2023, the key assumptions used for value-in-use calculations are as follows:

	Consolidated F/S	
	2023	2022
Growth rate (%)	1.00	1.00
Discount rate (%)	21.41	14.09

As at 31 December 2023, The group's management has considered setting the impairment of goodwill recorded in the consolidated financial statements as follows:

	(Unit: Thousand Baht) Consolidated F/S	
	2023	2022
As at 1 January	15,086	15,086
<u>Less</u> Provision for impairment	(15,086)	-
Net book value	-	15,086

17. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	(Unit: Thousand Baht) Consolidated and Separate F/S	
	2023	2022
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 12, the transfer of the right to receive insurance claims, and cross guarantees among the Group totaling Baht 690 million.

18. TRADE AND OTHER ACCOUNTS PAYABLE

(Unit: Thousand Baht)

	Consolidated F/S		Separate F/S	
	2023	2022	2023	2022
Trade accounts payable – general suppliers	59,741	31,453	59,741	31,453
Trade accounts payable – related companies	13,214	8,593	23,338	17,491
Other accounts payable – general suppliers	5,565	5,925	1,722	1,183
Other accounts payable – related companies	1	67	40	67
Total	78,521	46,038	84,841	50,194

19. ACCRUED EXPENSES

(Unit: Thousand Baht)

	Consolidated F/S		Separate F/S	
	2023	2022	2023	2022
Accrued bonuses	15,861	15,049	11,706	11,677
Accrued transportation	11,123	9,640	11,123	9,640
Accrued salary and other employee benefits	2,493	2,055	2,079	1,539
Accrued utilities	2,854	3,752	1,440	1,468
Accrued other expenses	4,142	1,252	2,563	977
Accrued interest	-	22	-	22
Total	36,473	31,770	28,911	25,323

20. EMPLOYEE BENEFIT OBLIGATIONS**20.1 Defined benefit plans**

During the years ended 31 December 2023 and 2022, movements in employee benefits obligation are as follow:

(Unit: Thousand Baht)

	Consolidated F/S		Separate F/S	
	2023	2022	2023	2022
Beginning Balance	19,094	17,794	16,993	15,562
Provision expense recorded in the statement of profit or loss				
- Current service costs	2,558	1,162	1,346	1,029
- Financial costs	658	450	499	402
Actuarial gains on remeasurement of employment benefits are recorded in other comprehensive income	(797)	-	(2,452)	-
Employee benefits paid	(726)	(312)	-	-
Total	20,787	19,094	16,386	16,993
<u>Less</u> portion due within one year	(2,544)	-	(2,544)	-
Ending Balance	18,243	19,094	13,842	16,993

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)	
	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

20.2 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 2023 and 2022, the Group contribution amounted to Baht 1.67 million and Baht 2.25 million, respectively, in the consolidated financial statements and Baht 1.23 million and Baht 1.54 million, respectively, in the separate financial statements.

21. INCOME TAX

Reconciliation of income tax expenses are as follows:

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2023	2022	2023	2022
Profit (loss) before tax	166,089	(123,697)	170,767	(94,830)
Applicable tax rate (Percentage)	20	20	20	20
Tax multiplied by applicable tax rate	33,218	-	34,153	-
Adjustment for:				
Tax on non-deductible expenses	3,059	3,936	2,636	2,192
Tax on exempted income and additional expendable expense	(3,791)	(4,565)	(3,404)	(2,352)

(Unit: Thousand Baht)

	Consolidated F/S		Separate F/S	
	2023	2022	2023	2022
Expense granted under investment promotion	(5,581)	-	(5,581)	-
Utilization of previously unrecognized tax losses	(20,627)	-	(20,627)	-
Income tax	6,278	(629)	7,177	(160)
Income tax consisted of:				
Current income tax	10,164	-	10,164	-
Deferred tax from temporary differences	(3,886)	(629)	(2,987)	(160)
Total income tax	6,278	(629)	7,177	(160)

As at 31 December 2023, the Company and subsidiaries have tax exempt under Promotional Privileges in the consolidated financial statements and separate financial statements of Baht 7.01 million and Baht 5.58 million, respectively.

22. 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)		Other	
	1 January 2023	Profit or loss	comprehensive income	31 December 2023
Deferred tax assets from:				
Provision for allowance doubtful of accounts receivable	3,025	2,618	-	5,643
Provision for employee benefits obligation	3,818	98	401	4,317
Taxable loss carried forward	1,012	90	-	1,102
Deferred tax liabilities from:				
Surplus from fair value of land, buildings and equipment	(20,154)	679	-	(19,475)
Deferred tax liabilities, net	(12,299)	3,485	401	(8,413)

	Consolidated F/S			
	Recognised as income (expense)		Other	
	1 January 2023	Profit or loss	comprehensive income	31 December 2023
Deferred tax assets from:				
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
Deferred tax liabilities from:				
Surplus from fair value of land, buildings and equipment	(20,650)	496	-	(20,154)
Deferred tax liabilities, net	(12,928)	629	-	(12,299)

	Consolidated F/S			
	Recognised as income (expense)		Other	
	1 January 2023	Profit or loss	comprehensive income	31 December 2023
Deferred tax assets from:				
Provision for allowance doubtful of accounts receivable	3,025	2,618	-	5,643
Provision for employee benefits obligation	3,398	(121)	490	3,767
Deferred tax liabilities from:				
Surplus from fair value land	(11,095)	-	-	(11,095)
Deferred tax liabilities, net	(4,672)	2,497	490	(1,685)

	Consolidated F/S			
	Recognised as income (expense)			31 December 2023
	1 January 2023	Profit or loss	Other comprehensive income	
Deferred tax assets from:				
Provision for allowance doubtful of accounts receivable	3,151	(126)	-	3,025
Provision for employee benefits obligation	3,112	286	-	3,398
Deferred tax liabilities from:				
Surplus from fair value land	(11,095)	-	-	(11,095)
Deferred tax liabilities, net	(4,832)	160	-	(4,672)

As at 31 December 2023, 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 4.76 million (2022: Baht 14.82 million). This does not have significant effect to the financial statements.

23. EQUITY

23.1 Authorized share capital

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.

23.2 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.

23.3 Dividend payment

At the Annual General Meeting for the year 2023 on 19 April 2023, the shareholders passed the resolution to propose to for approval to pay dividend from operating results of the year 2022, the Company's financial statements has 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 for 550 million common shares amounting to Baht 110 million. By the list of shareholders to receive the dividend appear on the shareholder register on 9 March 2023. The dividend was paid on 18 May 2023.

At the Board of Director Meeting No. 3/2023 on 8 August 2023, the directors passed a resolution to approve the payment of interim dividends from non-promoted income for the six-month period end 30 June 2023 of Baht 0.10 per share for 550 million common shares totaling Baht 55 million. The dividend was paid on 7 September 2023.

At the Annual General Meeting for the year 2022 held on 21 April 2022, shareholders passed a resolution to pay dividend from income from operation for year 2021 from non-promoted business by cash dividend amount of Baht 0.27 per share for 500 million common shares amount of Baht 135 million and stock dividend at the ratio of 10 existing shares per 1 stock dividend amount of Baht 0.10 per shares amount of Baht 50 million totaling Baht 185 million. The dividend was paid on 19 May 2022.

24. 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			
	2023	2022	2023	2022
Salaries, wages and other employee benefits	145,684	135,459	87,926	81,989
Executives' remuneration	33,663	32,996	24,304	23,457
Depreciation and amortization	55,390	50,868	25,488	25,765
Transportation expenses	103,214	88,636	124,455	112,762
Manufacturing service costs	317	500	114,174	86,321
Reversal of allowance excess of cost of goods over net realizable value	(9,366)	(3,144)	(9,375)	(3,838)
Loss from exchange rate	12,095	20,225	1,099	-
Raw material and supplies used	3,572,185	3,974,835	3,423,294	3,929,063
Purchase of finished goods	2,675,827	2,290,223	2,682,599	2,276,287
Change in finished goods and work in process	(13,197)	221,321	(12,120)	(189,942)
Loss on impairment from goodwill	15,086	-	-	-

25. 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 2023 and 2022.

	(Unit: Thousand Baht)							
	Consolidated F/S							
	For the years ended 31 December							
	Trading of products (include raw materials)		Production and distribution of steel products		Eliminated		Total	
2023	2022	2023	2022	2023	2022	2023	2022	
Revenues from external customers	2,708.50	2,309.27	4,066.84	4,399.70	-	-	6,775.34	6,708.97
Revenues from inter-segments	13.94	65.19	124.54	99.75	(138.48)	(164.94)	-	-
Total revenue	2,722.44	2,374.46	4,191.38	4,499.45	(138.48)	(164.94)	6,775.34	6,708.97
Interest income	3.23	1.42	4.97	2.70	(4.58)	(2.09)	3.62	2.03
Interest expense	3.27	2.18	5.03	4.14	(8.03)	(5.74)	0.26	0.58
Depreciation and amortization expenses	-	-	59.53	55.88	(5.21)	(5.37)	54.32	50.51
Segment profits	86.47	20.58	73.58	109.15	(0.24)	(6.63)	159.81	123.10
Segment assets	858.54	789.66	1,321.76	1,496.36	-	-	2,180.29	2,286.02
Increased (decreased) of segment non-current assets	(8.79)	14.41	(13.53)	27.32	-	-	(22.32)	41.73
Segment liabilities	66.22	93.48	101.96	177.14	-	-	168.18	270.62
At point in time	2,722.44	2,374.46	4,191.38	4,499.45	(138.48)	(164.94)	6,775.34	6,708.97
Over time	-	-	-	-	-	-	-	-
Total	2,722.44	2,374.46	4,191.38	4,499.45	(138.48)	(164.94)	6,775.34	6,708.97

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

	(Unit: Million Baht)							
	Consolidated F/S							
	Trading of products (include raw materials)		Production and distribution of steel products		Eliminated		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Local	2,718.56	2,361.01	4,034.88	4,337.51	(115.94)	(164.94)	6,637.50	6,533.58
Lao People's Democratic Republic	3.88	13.45	156.50	161.94	(22.54)	-	137.84	175.39
Total	2,722.44	2,374.46	4,191.38	4,499.45	(138.48)	(164.94)	6,775.34	6,708.97

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.

26. 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	12 September 2022	Cold formed structural steel sections	1 April 2023	31 March 2026
<u>The subsidiary</u>				
2488(2)/2557	25 August 2014	Cold formed structural steel sections	29 February 2016	29 February 2024
66-0666-1-04-1-0	12 September 2022	Cold formed structural steel sections	30 June 2023	29 June 2026

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.
- Permission to bring foreigners who are skilled workers or experts, their spouses, and dependents of these two types of persons into the Kingdom in the number and specified period of stay in the Kingdom.
- Permission granted to foreigners who are skilled workers or experts who are permitted to stay in the Kingdom Be allowed to work only in positions approved by the committee for the entire period of time permitted.

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 2023 and 2022 are follows:

	Consolidated F/S			Thousand Baht
	Promoted business	Non-promoted business	Eliminated	Total
2023				
Revenue from sales	957,556	5,933,677	(115,888)	6,775,345
2022				
Revenue from sales	14,047	6,859,856	(164,938)	6,708,965

	Separate F/S			Thousand Baht
	Promoted business	Non-promoted business		Total
2023				
Revenue from sales		904,375	5,735,208	6,639,583
2022				
Revenue from sales		-	6,612,682	6,612,682

27. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2023, the Company has commitments and contingent liabilities as follows:

27.1 The Company has purchase orders for raw materials and finished goods which products have not yet been received for Baht 615.96 million and Baht 132.71 million, respectively, in the consolidated and separate financial statements.

27.2 As at 31 December 2023 and 2022, the credit facilities of the Company and subsidiary are as follows:

(Unit: Million)

	Consolidated F/S						
	31 December 2023			31 December 2022			
	Currency	Total	Utilised	Remained	Total	Utilised	Remained
Letters of guarantee	Baht	1.56	1.56	-	8.81	1.56	7.25
Bank overdraft	Baht	15.00	-	15.00	15.00	-	15.00
Promissory notes and trust receipt agreement	Baht	690.00	321.01	368.99	690.00	150.00	540.00

Unit: Million)

	Separate F/S						
	31 December 2023			31 December 2022			
	Currency	Total	Utilised	Remained	Total	Utilised	Remained
Bank overdraft	Baht	10.00	-	10.00	10.00	-	10.00
Promissory notes and trust receipt agreement	Baht	690.00	321.01	368.99	690.00	150.00	540.00

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

28. 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.

28.1 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:

	Consolidated F/S 2023						Thousand Baht
	Fixed interest rate			Floating Interest Rate	Non Interest Rate	Total	Interest Rate (% per annum)
	Within 1 year	More than 1 – 5 years	More than 5 years				
<u>Financial assets</u>							
Cash at banks	152,635	-	-	154,514	34,695	341,844	0.15 – 1.50
Trade and other accounts receivable - net	-	-	-	-	338,791	338,791	-
Total	152,635	-	-	154,514	373,486	680,635	
<u>Financial liabilities</u>							
Trade and other accounts payable	-	-	-	-	78,521	78,521	-
Lease liabilities	1,581	3,150	2,800	-	-	7,531	4.51 - 4.84
Total	1,581	3,150	2,800	-	78,521	86,052	

	Thousand Baht						
	Consolidated F/S 2022						
	Fixed interest rate			Floating	Non	Within	Interest
	Within 1 year	More than 1 – 5 years	More than 5 years	Interest Rate	Interest Rate	1 year	More than 1 – 5 years
Financial assets							
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	
Financial liabilities							
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	

	Thousand Baht						
	Separate F/S 2023						
	Fixed interest rate			Floating	Non	Within	Interest
	Within 1 year	More than 1 – 5 years	More than 5 years	Interest Rate	Interest Rate	1 year	More than 1 – 5 years
Financial assets							
Cash at banks	152,635	-	-	145,349	22,715	320,699	0.15 – 1.50
Trade and other accounts receivable - net	-	-	-	-	350,416	350,416	-
Loan to subsidiary companies	69,421	9,400	-	-	-	78,821	2.80 – 4.00
Total	222,056	9,400	-	145,349	373,131	749,936	
Financial liabilities							
Trade and other accounts payable	-	-	-	-	84,841	84,841	-
Lease liabilities	5,828	22,345	48,643	-	-	76,816	4.51 – 4.84
Total	5,828	22,345	48,643	-	84,841	161,657	

	Thousand Baht)						
	Separate F/S 2022						
	Fixed interest rate			Floating	Non	Within	Interest
	Within 1 year	More than 1 – 5 years	More than 5 years	Interest Rate	Interest Rate	1 year	More than 1 – 5 years
Financial assets							
Cash at banks	-	-	-	518,512	68,813	587,325	0.05 – 0.25
Trade and other accounts receivable - net	-	-	-	-	347,046	347,046	-
Loan to subsidiary companies	65,921	9,400	-	-	-	75,321	2.80 – 4.00
Total	65,921	9,400	-	518,512	415,859	1,009,692	
Financial liabilities							
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	

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 2023, the Company and subsidiaries have assets and liabilities in the foreign currencies are as follows:

	Thousand Baht	
	Consolidated F/S	
	2023	
	Foreign currency	Average exchange rate
<u>Cash at banks</u>		
USD	1,304	33.97
	Separate F/S	
	2023	
	Foreign currency	Average exchange rate
<u>Cash at banks</u>		
USD	1,296	33.97
<u>Trade and account receivable</u>		
USD	855	33.97

28.1 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.

28.2 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 341.89 million (2022: Baht 595.29 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.

29. 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.

30. 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;

	Consolidated F/S			
	Short-term loans from financial institutions	Short-term loans from subsidiary	Liabilities under lease agreement	Total
1 January 2023	150,000	-	4,218	154,218
Cash-flows:				
Repayment	(150,000)	-	(2,377)	(152,377)
Proceeds	-	-	-	-
31 December 2023	-	-	1,751	1,751

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

	Separate F/S			
	Short-term loans from financial institutions	Short-term loans from subsidiary	Liabilities under lease agreement	Total
1 January 2023	150,000	-	77,550	227,550
Cash-flows:				
Repayment	(150,000)	-	(6,423)	(156,423)
Proceeds	-	-	-	-
31 December 2023	-	-	71,127	71,127

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

31. 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 2023 is as following;

	Thousand Baht			
	Consolidated F/S			Total
	Level 1	Level 2	Level 3	Total
Non - financial assets				
Revaluation of land	-	165,121	-	165,121
	Separate F/S			Total
	Level 1	Level 2	Level 3	Total
Non - financial assets				
Revaluation of land	-	117,357	-	117,357

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 2023, the Group has not re-measured land.

32. EVENTS AFTER THE REPORTING PERIOD

At the Board of director's meeting No. 1/2024, held on 22 February 2024, the meeting passed the resolution to propose to the Annual General Meeting of Shareholders 2024 for approval to pay dividend from operating results of the year 2023 from non-promoted income, which was considered to pay dividends at the rate of 0.12 baht per share for 550 million common shares, amounting to Baht 66 million. However, it will be further proposed for the shareholders' approval in the Annual General Meeting of the Shareholders for fiscal year 2024 in April 2024.

33. AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated and separate financial statements for the year ended 31 December 2023 were approved by the Board of Directors on 22 February 2024.

Attachment

Attachment 1 Details of Directors, Management, Controller, Corporate Secretary and Accountant

Attachment 2 Details of the Controlling parties of its Subsidiaries

Attachment 3 Details of the Head of Internal Audit

Attachment 4 Assets Used in Business Operation

Details of directors, management, controller, corporate secretary and accountant

Dr. Kanchit Singсуwan

Position**Chairman**

Audit Committee
Independent Director

Age 61 yr.

Tenure of Directorship : November 15th 2007**Shareholding Proportion** (8 March 2024)

Personally -None-
Spouse / minor child -None-

Family Relationship with the other directors

-None-

Working experience in the past 5 years:**Listed Company (2)**

2020 - present Chairman of Board of Director and Audit committee, Yong Thai Pcl.
2022 - present Chairman of Audit Committee and Ind. Director, World Corporation Pcl.,

Non-Listed Company (2)

2017- present Managing Director, The advisory of Dr. Kanchit and partner (changed from Baupost Associates Co.,ltd.)
2024- present Advisor to the Chairman of Police Commission

2562 –2565 Ind. Director, Nautic AWT Pcl. , SGX (Catalist Exchange)

Education Background

- Doctoral degree in International Business and Administration, Alliant International University, San Diego, CA, USA
- M.B.A. (International Business Management), Alliant International University, San Diego, CA, USA
- Bachelor of Laws, Chulalongkorn University, Thailand

Training courses

- Executive Development Program: EDP #8/2012, Fiscal Policy Research Institute Foundation.
- CEO #1/2013, Leadership Succession Program (LSP), Institute of Research and Development for Public Enterprises.
- Director Accreditation Program (DAP) #68/2551 from IOD
- Singapore Institute of Directors;
 - LED 1-8, SID Directors Conference 2021,
 - Board Governance of SPACs,
 - Corporate Governance Roundup 2021,
 - MCD 2 : Stakeholder Engagement in the Era of Security
 - ACRA-SGX-SID Audit Committee Seminar 2022
- TCFD 102: Building experience in climate-related financial reporting from Singapore Exchange
- Financial Advisory, Association of Thai Securities Company (ASCO)
- Corporate Valuation program & Corporate Finance Law & Restructuring program, Asia Connect

Mr.Sombat Leeswadtrakul

Position

Director, Chief Executive Officer
Nomination & Remuneration Committee
Authorized Director

Age 64 yrs.

Tenure of Directorship : May 29th 1992

Shareholding Proportion (8 March 2024)

Personally 136,452,654 shares (24.81%)
Spouse / minor Children - -None-

Family Relationship with the other directors

-None-

Education Background

- MBA, Mahidol University, Thailand

Training courses

- Thailand National Defence College #5222
- The program for Senoir Executive on Justice Administration (Batch 12)
- The 8th: Top Executive Program, Capital Market Academy, Thailand
- Director Accreditation Program (DAP) #68/2008, Thai Institute of Directors

Working experience in the past 5 years:

Listed Company -None-

Non-Listed Companies (2)

1994 - present Chairman and Chief Executive Officer,
Neastern Steel Co., Ltd.
2015 - present CEO, Authorized Director, Grand Steel
Pipe Co.,Ltd.

Mr. Sangrung Nitipawachon

Position

Director, Managing Director
Authorized Director

Age 54 yrs.

Tenure of Directorship : May 29th 1992

Shareholding Proportion (8 March 2024)

Personally 32,019,995 shares (5.82%)
Spouse / minor Children -None-

Family Relationship with the other directors

-None-

Education Background

- MBA , Chulalongkorn University, Thailand
- MBA, Prince of Songkla University, Thailand

Training courses

- Director Accreditation Program (DAP) # 68/2008 from IOD

Working experience in the past 5 years:

Listed Company -None-

Non-Listed Companies (2)

1994 - present Director, managing director, Neastern
Steel Co., Ltd.
2015 - present Authorized Director, Grand Steel Pipe
Co.,Ltd

Mr. Surapon Satimanont

Position

Vice Chairman
Chairman of Audit Committee
Independent Director

Age 63 yrs.

Tenure of Directorship : November 15th 2007

Education Background

- MBA, Webster University, USA
- Master of Laws (LL.M.), Howard University School of Law, USA
- Master of Laws (LL.M.), Southern Methodist University, USA

Training courses

- Director Certification Program (DCP) #40/2004, Thai Institute of Directors
- Anti - Corruption for Executive, July 2014 from Thai Institute of Directors
- Thailand Sustainable Banking 2019, Bank of Thailand

Working experience in the past 5 years:

Listed Company
2002 - present Director and Audit Committee, Ratchthani Leasing Public Co., Ltd.

Non-Listed Companies (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.
2023 - present Chairman, Audit Committee, Hybrid Energy Co., Ltd.
2548 - 2565 Director and Audit Committee, Baan Rock Garden Public Co., Ltd.
2561 - 2564 Director, Audit Committee, JSSR Group PCL

Shareholding Proportion (8 March 2024)

Personally -None-
Spouse / minor child -None-

Family Relationship with the other directors

-None-

นางจินตนา เตชะมนตรีกุล

Position

Audit Committee
Nomination and Remuneration Committee

Independent Director

Age 69 yrs.

Tenure of Directorship : November 15th 2007

Shareholding Proportion (8 March 2024)

Personally -None-
Spouse / minor child -None-

Family Relationship with the other directors

-None-

Education Background

- MBA (Finance), Kasetsart University, Thailand
- MBA, University of the Thai Chamber of Commerce, Thailand
- M.A. (Economic law), Faculty of Law, Chulalongkorn University, Thailand

Training courses

- Director Certification Program (DCP) 4/2000 from Thai Institute of Directors

Working experience in the past 5 years:

Listed Company -None-

Non-Listed Companies (1)

1992-present Managing Director, C&A Auditing
2018-2021 Director, Audit Committee, JSSR Group PCL

Gen. Phairat Phoubon

Position

Chairman of Nomination and Remuneration committee

Independent Director

Age 67 yrs.

Tenure of Directorship : 15 December 2015

Education Background

- Bachelor of Engineering, Royal Thai Survey Dept.
- Chulachomklao Royal Military Academy (CRMA#27)

Training courses

- National Defense Course (NDC #52)
- Directorate of Education and Training, RTAF #39
- Joint War College #47
- Director Accreditation Program (DAP) 123/2016 from Thai Institute of Directors

Working experience in the past 5 years:

Listed Company

2002 - present Chairman, Rich Sport Public Co., Ltd

Non-Listed Companies (4)

2018- present Director, Automate Asia Co.,Ltd.

2020- present Director, SermSarng Power Corporation

2017 – present Director, Council of The War Veterans

2017 – present Subcommittee on Strategic, Defense

Shareholding Proportion (8 March 2024)

Personally -None-

Spouse / minor child -None-

Family Relationship with the other directors

-None-

Mr. Tanatat Chavaldit

Position

Director

Age 56 yrs.

Tenure of Directorship : 21 May 2008

Education Background

- MBA, Sasin Graduate Institute of Business Administration, Chulalongkorn University

Training courses

- Director Accreditation Program (DAP) 68/2008, Thai IOD
- National Defense Course (NDC #63)

Working experience in the past 5 years:

Listed Company -None-

Non-Listed Companies (4)

2001 - present Director and Vice President, Golden (Thai) Teak Co., Ltd.

2002 - present Director, Relax Comfort Co., Ltd.

2001 - present Director and Vice President,SB Furniture Houses Co., Ltd.

2001 – present Director and Vice President,SB Furniture Industry Co., Ltd

Shareholding Proportion (8 March 2024)

Personally 14,479,151 shares (2.63%)

Spouse / minor Children -None-

Family Relationship with the other directors

-None-

Mr. Woravit Chailimpamontri

Position

Nomination and Remuneration Committee
Independent Director

Age 54 yrs.

Tenure of Directorship : 4 April 2018

Education Background

- Honorary Doctorate degree of Business Administration, Dhonburi Rajabhat University.
- M.B.A. (International Business Management), Schiller International University, London, England
- B.B.A. (Marketing), Bangkok University

Training courses

- Cert. of Thailand Government Savings Bank Management Leadership Program, Marshall School of Business, University of Southern California
- Top Executive Program, Capital Market Academy (CMA) #8/2009
- Top Executive Program in Commerce and Trade, Commerce Academy, Class 3/2010
- Director Certification Program (DCP) #100/2008
- Advanced Audit Committee Program (AACP) #30/2018, Thai IOD
- National Defense Course (NDC #63)

Working experience in the past 5 years:Listed Company (2)

2018 - present Vice Chairman and Chairman of Executive Committee, Sabuy Technology PCL
2021- present Director, Audit Committee, Sena Development Plc.

Non-Listed Company (2)

2021- present Director, Audit Committee, Chairman of Risk Committee, Rabbit Insurance Plc.
2017 –present Director and Chairman of Audit Committee, National Power Supply Plc.
2018-2022 Audit Committee, Siam Future Development Plc.
2017-2021 Director and Executive director International Research Corporation Plc.

Shareholding Proportion (8 March 2024)

Personally -None-
Spouse / minor child -None-

Family Relationship with the other directors

-None-

Mr. Preeda Wongsathitporn

Position

Director

Age 69 yrs.

Tenure of Directorship : 10 August 2011

Education Background

- Wattana College

Training courses

- Director Accreditation Program (DAP) #92/2011, Thai IOD

Working experience in the past 5 years:

Listed Company -None-

Non-Listed Companies (4)

2006 - present Authorized Director, Tor. Vijjulsin Woods Co., Ltd.
2006 - present Authorized Director, Thanapol Laminate
2006 - present Authorized Director, Chaivasith (2002) Co.,Ltd.
2008 – present Director, Neastern Steel Co., Ltd.

Shareholding Proportion (8 March 2024)

Personally 24,636,881 shares (4.48%)
Spouse / minor child -None-

Family Relationship with the other directors

-None-

Miss Bunsri Panyapiamsak

Position

Director
Chief of Financial Officer
Authorized Director
Age 61 yrs.

Tenure of Directorship : 15 November 2007

Working experience in the past 5 years:

Listed Company -None-

Non-Listed Company

2011 - present Director and Executive committee,
Neastern Steel Co., Ltd.
2015 - present Authorized Director, Grand Steel Pipe
Co., Ltd.

Shareholding Proportio

Personally

(8 March 2024)

15,417,277 shares (3.08%)

- คู่ Spouse / minor child

-None-

Education Background

- High vocational Certificate, Technological and Vocational College, Southern Technical Campus

Training courses

- Director Accreditation Program (DAP) 75/2008 from Thai Institute of Directors
- Federation of Accounting Professions
 - TFSR Program
 - "Insight of financial reporting standard according to accounting principles compared with the principles of business taxation" Class 2nd
 - Corruption news stories on standard accounting of the Listed Company #1/2021,
 - Irregular items in the Financial Statement and case study 2022.
 - Understanding the point of TFRS for NPAEs, Federation of Accounting Professions.

Family Relationship with the other directors

-None-

Ms.. Tassanee Phunuchapai

Vice MD of Sales and Marketing

Age 49 yrs.

Date on Position 1 February 2021

Education Background

- MBA, Prince of Songkla University, Thailand
- B.A. (Finance), Prince of Songkla University

Training Courses (-)

Shareholding Proportion (8 March 2024)

- Personally -none-
- Spouse / minor Children -none-

Family Relationship with the other directors

- None -

Working experience in the past 5 years:

Listed Company (-)

Non-Listed Companies (-)

Ms. Jaruwan Janpra-Ob

Vice MD of IT

Age 45 yrs.

Date on Position 1 February 2021

Education Background

- Master of Science, ICT, Prince of Songkla University,

Training Courses (-)

Shareholding Proportion (8 March 2024)

- Personally 123,750 shares (0.02%)
- Spouse / minor Children -none-

Family Relationship with the other directors

- None -

Working experience in the past 5 years:

Listed Company (-)

Non-Listed Companies (-)

Mr. Pakorn Onkaew**Vice MD of Accounting**

Age 49 yrs.

Date on Position 1 February 2021**Education Background**

- B.A. (Accounting), Had Yai Community College

Training Courses "Accounting principles compared to business taxation principles #2, FAP"

Shareholding Proportion (8 March 2024)

- Personally 60,500 shares (0.01%)
- Spouse / minor Children -none-

Family Relationship with the other directors

- None –

Working experience in the past 5 years:Listed Company (-)

- Non-Listed Companies (1)

2013- Present Director and Managing director, Mega Trans and Logis Co.,Ltd.

Ms. Kannika Angruvirote**Branch Manager**

Age 58 yrs.

Date on Position 1 March 2010**Education Background**

- B.A. Faculty of Arts, Silpakorn University

Training Courses (-)**Shareholding Proportion** (8 March 2024)

- Personally -none-
- Spouse / minor Children -none-

Family Relationship with the other directors

- None –

Working experience in the past 5 years:Listed Company (-)Non-Listed Companies (-)**Mr. Pongdech Lersithisak****Branch Manager**

Age 56 yrs.

Date on Position 1 March 2010**Education Background**

- Master of Business Administration Program in Finance Chulalongkorn University
- B.A. (Faculty of Business) Chulalongkorn University

Training Courses (-)**Shareholding Proportion** (8 March 2024)

- Personally -none-
- Spouse / minor Children -none-

Family Relationship with the other directors

- None –

Working experience in the past 5 years:Listed Company (-)Non-Listed Companies (2)

2008- present Director and Executive, Wattana Mansion

2016 – present Director, Grand Steel Pipe Co.,Ltd.

Mr. Teerasak Onrachorn**Plant Manager**

Age 40 yrs.

Date on Position 1 July 2018**Education Background**

- B.A. (Electrical Engineering), King Mongkut's University of Technology Thonburi.

Training Courses (-)**Shareholding Proportion** (8 March 2024)

- Personally -none-
- Spouse / minor Children -none-

Family Relationship with the other directors

- None –

Working experience in the past 5 years:Listed Company (-)Non-Listed Companies (-)

Mrs. Pattranit Janthong Sasutham**Human Resources Manager**

Age 50 yrs.

Date on Position 5 August 2021**Education Background**

- MBA, Prince of Songkla University, Thailand
- Bachelor of Business Administration Faculty of Management Sciences, Prince of Songkla University

Training Courses

- Developing the officer and leader to monitor and prevent infection diseases, CDCU/SRRT, Bangkok District Health office
- How to Agile in the VUCA World, H&G (Thailand)

Shareholding Proportion (8 March 2024)

- Personally -none-
- Spouse / minor Children 1,000 หุ้น

Family Relationship with the other directors

- None –

Working experience in the past 5 years:Listed Company (-)Non-Listed Companies (-)

2018-2021 Assistance of executive director and Human resources, K. Owner Co.,Ltd.

Ms. Natcha Limpakornthanachot**Accountant/ Accounting Manager**

Age 51 yrs.

Date on Position 14 September 2021**Education Background**

- Bachelor of Business Administration (Accountancy) Ramkhamhaeng University

Training Courses

- Corruption news stories on standard accounting of the Listed Company #1/2021, Federation of Accounting Professions
- Update Tax Accounting Year 2021, Invite Training Company Limited
- Focusing accounting issue and new law #Jul2022, Inwite training Co.,Ltd.

Shareholding Proportion (8 March 2024)

- Personally 82,500 shares (0.02%)
- Spouse / minor Children -none-

Family Relationship with the other directors

- None –

Working experience in the past 5 years:Listed Company (-)Non-Listed Companies (-)**Miss Pornnica Lertithibaht**

เลขานุการบริษัท / Compliance unit

Age 51 yrs.

Date on Position : 1 July 2008**Education Background**

- ปริญญาตรี สาขาการตลาด มหาวิทยาลัยกรุงเทพ

Training Courses (-)**จำนวนการถือหุ้นของบริษัท** (8 March 2024)

- Personally 8,950 shares
- Spouse / minor Children -none-

Family Relationship with the other directors

- None –

Working experience in the past 5 years:Listed Company (-)Non-Listed Companies (-)

Attachment 1

รายชื่อ	บริษัท	บริษัทย่อย			บริษัทที่เกี่ยวข้อง																
		NES	MEGA	GSP	1	2	3	4	5-8	9	10-12	13	14	15-17	18	19-21	22-24	25			
ดร.ดรชิต สิงห์สุวรรณ	///, i, AC				M	i+AC	///+AC														
นายสุรพล สติมานนท์	//, i, AC					/	/	///	i/ AC												
นางจินดา เดชะมนตรีกุล	/, i, AC									M											
พลเอก ไพรัช โพธิ์อุบล	/, i										/	///	*								
นายสมบัติ ลีสวัสดิ์ตระกูล	/, X	/, X		/																	
นายแสงรุ่ง นิติกวาท	/, X, O	/, X		/																	
นางสาวบุญศรี บัญญาเปี่ยมศักดิ์	/, X, O	/, X		/																	
นายธนาทิต ชวาลศิริ	/													/, X	/						
นายปริดา วงศ์สถิตย์พร	/	/																X			
นายวรวิทย์ ชัยลิ้มปมนตรี	/, i																		i/ AC //, X		
นางทรงศนี ภูษะขอกัย	O																				
นายปกรณ์ อ่อนแก้ว	O		/ M																		
นางสาวกรรณิกา อังกูร์โรจน์	O																				
นายพงษ์เดช เลอสิทธิศักดิ์	O			/ M																	
นางสาวจรรวพรรณ จันทรประยอม	O																				

/// = ประธานกรรมการ
 // = รองประธานกรรมการ
 / = กรรมการ
 X = กรรมการบริหาร
 i = กรรมการอิสระ
 AC = กรรมการตรวจสอบ
 O = ผู้บริหาร
 M = กรรมการผู้จัดการ
 * = อนุกรรมการ
 ** = ที่ปรึกษา

หมายเหตุ

NES คือ บริษัท นิสเทิร์นสตีล จำกัด

GSP คือ บริษัท แกรนด์อุตสาหกรรมเหล็กกรุพรรณ จำกัด

MEGA คือ บริษัท เมก้า ทรานส์แอนดโลจิส จำกัด

บริษัทที่เกี่ยวข้อง :

- | | | | |
|--|--|---|--|
| 1. บริษัท ที่ปรึกษาดอกเตอร์ ดรชิต แอนด์ พาร์ทเนอร์ จำกัด | 7 บริษัท เอ็น.ดี.เอส. 34 จำกัด | 13. บริษัท ริช สปอร์ต จำกัด (มหาชน) | 19 บริษัท ด.วิบูลย์สิน ผลิตภัณฑ์ไม้ จำกัด |
| 2. บริษัท เวลด์ คอร์ปอเรชั่น จำกัด (มหาชน) | 8 บริษัทไฮบริด เอ็นเนอจี จำกัด (มหาชน) | 14. สถาบันเทคโนโลยีป้องกันประเทศ | 20 บริษัท ธนพล ลามิเนต จำกัด |
| 3. บริษัท ยงไทย จำกัด (มหาชน) | 9 สำนักงานสอบบัญชี ซี แอนด์ เอ จำกัด | 15 บริษัท เอส บี เฟอโรไนเจอร์เฮาส์ จำกัด | 21 บริษัท ชัยวิสิทธิ์ พาราวิวด์ (2002) จำกัด |
| 4. บริษัท เอส แอนด์มานนท์ จำกัด | 10. บจก. เสริมสร้าง เพาเวอร์คอร์ปอเรชั่น | 16 บริษัท เอส บี อุตสาหกรรมเครื่องเรือน จำกัด | 22 บมจ. เสนา ดีเวลลอปเม้นท์ |
| 5.ธนาคารซูมิโตโม มิตรชัย ทรัสต์ (ไทย) จำกัด (มหาชน) | 11. บริษัท ออร์โธเมด เอเชีย จำกัด | 17 บริษัท สักทอง (ไทย) จำกัด | 23 บมจ. เนชั่นแนล เพาเวอร์ ชีพพลาย |
| 6. บริษัท ราชธานี ลีสซิ่ง จำกัด (มหาชน) | 12. องค์การสงเคราะห์ทหารผ่านศึก | 18 บริษัท รีแลกซ์ คอมฟอร์ท จำกัด | 24 บมจ. แรมมิท ประกันชีวิต |
| | | | 25 บมจ. สบาย เทคโนโลยี |

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.

Details of the Head of Internal Audit

Year 2023, details of the head of Internal Audit and AC secretary are following;

1. Name Mr. Pannathorn Senachak Age : 27 years
2. Position Internal Auditor Officer
3. Education Bachelor of Industrial Technoloby, Mongkol Srivijaya University of Technology
Training course - Internal Audit Procedures, The Institute of Internal Auditors Thailand
- Risk management on ESG – Practical Challenges, FAP
- ESG Essentials for internal audit, Wolters Kluwer
4. Experience
2019 – 2021 Quality Control, Asia Pacific Parawood Co.,ltd.

Assets Used in Business Operation

As of December 31, 2023. 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
The Company				
Tachang, Bangklum, Songklah ¹	33 - 1 - 20	47.97	Owner	Mortgage
	5 - 3 - 20	4.70	Owner	-no obligation-
	8 - 2 - 44.7	8.50	Owner	-no obligation-
Nhongkangplu, Nhongkham, Bangkok ¹	2 - 3 - 54	57.77	Owner	
				-no obligation-
Its Subsidiaries				
Nhong-ngulueam, Chaloem-Phrakiea, Nokhonratchasima ²	18 - 1 - 81	13.74	Owner	Mortgage
	41 - 1 - 1	31.50	Owner	-no obligation-
Total		164.18		

Building and Structures

Place	Area (m ²)	Net Book Value (M.Baht)	Type of Obligation	Ownership
The Company				
Tachang, Bangklum, Songklah ¹	21,312	29.26	Owner	Mortgage
Nhongkangplu, Nhongkham, Bangkok ¹		41.17	Owner	-no obligation-
	2,492	10.74	Owner	-no obligation-
	Solar roof	29.11		-no obligation-
Its Subsidiaries				
Nhong-ngulueam, Chaloem-Phrakiea, Nokhonratchasima ²	5,580	1.83	Owner	Mortgage
	4,320	2.83	Owner	Mortgage
Nhong-ngulueam, Chaloem-Phrakiea, Nokhonratchasima ²	7,500	18.15	Owner	-no obligation-
	7,500	22.67	Owner	-no obligation-
	4,224	24.93	Owner	-no obligation-
	Solar roof	40.37	Owner	-no obligation-
Hadsayfong, Vientiane Cap., Lao PDR.	9,060	20.53	Owner	-no obligation-
Total		241.59		

Machinery and Equipment

Type	Net Book Value (M.Baht)	Type of Obligation	Ownership
The Company	69.42	Owner	-no obligation-
Its Subsidiaries			
Neastern Steel Co.,Ltd.	0.00	Owner	Mortgage
	118.10	Owner	-no obligation-
Grand Steel Pipe Co., Ltd.	1.88	Owner	-no obligation-
Total	189.40		

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 institutions.
4. Its subsidiaries' machineries have been mortgaged in the amount of Bt. 10 million with the financial institutions.

Furnishings, Office Equipment and Vehicles

Type	Net Book Value (M.Baht)	Type of Obligation	Ownership
Furnishings and Office Equipment			
The Company	3.44	Owner	-no obligation-
Its Subsidiaries	0.95	Owner	-no obligation-
Total	4.39		
Vehicles			
The Company	1.77	Owner	-no obligation-
Its Subsidiaries	73.84	Owner	-no obligation-
Total	75.61		

Important Contracts Details

1. Office Space

Counterparty	:	Regus Center (Thailand) Ltd. ("Lessor") which is non-relationship with the Company
	:	2S Metal PLC. ("Lessee")
Rental Property	:	The space for Board of Directors office of 9.3 m2 on the 30th flr. of Singha Complex, New Petchburi Rd., Bangkok, Huoykwang, Bangkok

Rental rate (Excluded VAT)	: Baht 30,201.60 per month, and Kitchen Amenities Bt. The Retainer fee by 2 months (rate at year 2020) with Bt.53,000.
Period	: 2 years ; 1 November 2022 – 31 October 2024
Further Condition	: Lessor may adjust the rental rate when contract reach the period, the renewal will automatically if Lessee has no notification of breaking.
Cancelation	: <ol style="list-style-type: none"> 1. If Lessee wish to cancel before the end of period, the notification is important before more 3 months of the end of period. 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.

2 Lease Land agreement

Counterparty	: The Lessor; Mr. Sumeth Sae-kow (which is non-relationship with the Company) : The lessee, 2S Metal PIC.
Rental Property	: 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 ² .
Rental rate	: Baht 600,000 by annual. The due date is January 5 th day of each year
Period	: 11 years ; 1 January 2023 – 31 December 2033
Renewal Contract	: -no-
Obligation	: The Lessor have mortgage some assets with the Bank.

3 warehouse agreement

Counterparty	: The Lessor; Neastern Steel Co., Ltd. (its subsidiaries) : The lessee, 2S Metal PIC.
Rental Property	: 2 warehouse with a total area of 15,000 m ² , location no. 147 Moo 9, Nong-Ngulueam, ChaloemPhraKiat District, Nakhonratchasima Province
Rental rate	: Baht 560,000 per month (Baht 280,000 each warehouse), excluded communities expenses and Amenity. Paid date is 7 th day of each month
Period	: 1 st contact; 3 years which start on 1 July 2023 – 30 June 2026. 2 nd contact; 3 years which start on 1 August 2023 – 31 July 2026.
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.
Counterparty	: The Lessor; United Steel Co., Ltd. : The lessee, 2S Metal PIC.

Rental Property	:	Warehouse with a total area of 999 m ² , location no. 272 moo 4, Nai-Klongplakod, Phrasamuthjadee district, Samuthprakarn.
Rental rate	:	Baht 100,000 per month (included property tax), the communities fee and amenities is responsible by the Lessee.
Period	:	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 PIC.
Rental Property	:	Area of 24 m ² , on the 1 st floor of Buiding and area of 2,800 m ² in the warehouse, location no. 147 Moo 9, Nong-Ngulueam, ChaloePhraKiat District, Nakhonratchasima Province
Rental rate	:	Baht 70,000 per month, included the communities expenses and amenities. Due date on 7 th 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 PIC.
Rental Property	:	2 of Crane
Rental rate	:	Baht 140,000 per month (Baht 70,000 each), due date 7 th of each month.
Period	:	Crane of Building 3; 3 years which start on 1 July 2023 – 30 June 2026
	:	Crane of Building 4; 3 years which start on 1 August 2023 – 30 June 2026
Extra Condition	:	The Lessee responsible on maintenance expenses
	:	Either party has right to break the contract by Notification 1 month in advance.

Investment on Subsidiaries

Ended 31 December 2023, 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 9.94% 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 (รีจิส) ชั้น 30,
ถนนเพชรบุรีตัดใหม่ แขวงบางกะปิ
เขตห้วยขวาง กรุงเทพฯ 10310
โทร. 02-0883618

2S Metal Public Company Limited
No. 8/5 Moo. 14, Tha-chang,
Bangklam District, Songkhla Province
Tel: +66 74800111

Office of the Board of Directors
No.1788 Singha Complex (Regus) Flr.30,
New Petchburi Rd., Bangkapi,
Huoykwang, Bkk. 10310
Tel: +66 2 0883618