

**M.C.S. Steel Public Company Limited
and its Subsidiaries**

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

Independent Auditor's Report

To the shareholders of M.C.S. Steel Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of M.C.S. Steel Public Company Limited and its subsidiaries (the "Group") and of M.C.S. Steel Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2022, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Key Audit Matter

Key audit matter is that matter that, in my professional judgment, was of most significance in my audit of the consolidated and separate financial statements of the current period. This matter was 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 this matter.

Adequacy of provision for product warranty	
Refer to notes 18 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
The Company has warranted the quality of the products by compensating the customers for the damage arising from normal usage due to the quality of the products. The product warranty period is 2 years counting from the completion date of the construction projects in which the products were installed. Therefore, a provision of product warranty was recognized. The determination of the provision involves estimates of the probability and amount of damage under warranty through the use of management's judgement. Therefore, I consider this matter to be a key audit matter.	My audit procedures included, among others: <ul style="list-style-type: none"> - Inquiring management to gain understanding on the process and method for estimation; - Testing the reliability of actual claims with warranties data including testing on sampling basis of relevant documents; - Considering the appropriateness of assumptions used for estimation of expected damage from warranty by comparing with historical actual claims data; - Testing the calculation of provision for product warranty by considering the value of the products in the warranty period, total actual warranty expense and average number of years being claimed; and - Considering the adequacy of the Company's disclosures in accordance with the related Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the 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 those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines 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, management is 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 management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible 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 judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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, actions taken to eliminate threats or safeguards applied.

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



(Bantit Tangpakorn)
Certified Public Accountant
Registration No. 8509

KPMG Phoomchai Audit Ltd.
Bangkok
28 February 2023

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2022	2021	2022	2021
		<i>(in Baht)</i>			
Current assets					
Cash and cash equivalents	5	197,655,467	566,374,891	131,649,650	509,004,269
Trade and other current receivables	4,6	870,674,081	1,788,650,314	1,339,923,426	2,268,331,067
Current portion of long-term loans to related party	4	-	-	25,734,200	-
Current portion of long-term loans to employees	8	7,831,200	7,831,200	7,831,200	7,831,200
Inventories	7	3,883,494,394	1,990,924,716	3,449,723,243	1,579,308,066
Total current assets		4,959,655,142	4,353,781,121	4,954,861,719	4,364,474,602
Non-current assets					
Investments in subsidiaries	9	-	-	172,957,034	204,062,113
Long-term loans to related party	4	-	-	398,777,163	430,251,735
Long-term loans to employees	8	71,355,557	73,097,367	71,355,557	73,097,367
Property, plant and equipment	11	1,379,476,202	1,457,311,266	895,649,482	912,496,559
Right-of-use assets	12	134,799,080	148,534,258	5,975,695	8,133,403
Goodwill	13	19,177,980	21,381,560	-	-
Other intangible assets	14	15,289,601	18,510,121	7,436,022	8,139,480
Deferred tax assets	22	910,404	3,618,299	5,305,805	8,518,738
Contract cost assets	20	216,281,509	131,959,767	216,281,509	131,959,767
Other non-current assets		544,879	2,915,356	34,775	34,775
Total non-current assets		1,837,835,212	1,857,327,994	1,773,773,042	1,776,693,937
Total assets		6,797,490,354	6,211,109,115	6,728,634,761	6,141,168,539

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

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity		2022	2021	2022	2021
		<i>(in Baht)</i>			
Current liabilities					
Short-term loans from financial institution	16	120,071,283	39,843,635	-	-
Trade and other current payables	4, 15	2,595,110,098	1,361,415,896	3,166,080,165	1,822,197,369
Current portion of lease liabilities	25	2,759,490	2,833,651	2,632,679	2,677,809
Short-term loan from related party	4,16	-	-	-	5,809,400
Income tax payable		20,010,173	55,325,913	-	28,480,630
Total current liabilities		2,737,951,044	1,459,419,095	3,168,712,844	1,859,165,208
Non-current liabilities					
Lease liabilities	25	4,191,150	5,885,180	4,145,575	5,693,320
Deferred tax liabilities	22	35,489,456	40,258,731	-	-
Non-current provisions for employee benefits	17	28,985,559	27,529,344	28,985,559	27,529,344
Provision for product warranty	18	47,370,597	54,403,705	42,826,361	49,820,663
Total non-current liabilities		116,036,762	128,076,960	75,957,495	83,043,327
Total liabilities		2,853,987,806	1,587,496,055	3,244,670,339	1,942,208,535
Equity					
Share capital:					
Authorised share capital					
<i>(477 million ordinary shares, par value at Baht 1 per share)</i>		<u>477,000,000</u>	<u>477,000,000</u>	<u>477,000,000</u>	<u>477,000,000</u>
Issued and paid-up share capital					
<i>(477 million ordinary shares, par value at Baht 1 per share)</i>		477,000,000	477,000,000	477,000,000	477,000,000
Share premium		140,000,000	140,000,000	140,000,000	140,000,000
Retained earning					
Appropriated					
Legal reserve	19	50,000,000	50,000,000	50,000,000	50,000,000
Unappropriated		4,479,515,264	4,596,990,110	4,099,021,740	4,327,527,230
Other components of equity		<u>(1,369,071,749)</u>	<u>(796,685,671)</u>	<u>(1,282,057,318)</u>	<u>(795,567,226)</u>
Equity attributable to owners of the parent		3,777,443,515	4,467,304,439	3,483,964,422	4,198,960,004
Non-controlling interests	10	<u>166,059,033</u>	<u>156,308,621</u>	<u>-</u>	<u>-</u>
Total equity		3,943,502,548	4,623,613,060	3,483,964,422	4,198,960,004
Total liabilities and equity		6,797,490,354	6,211,109,115	6,728,634,761	6,141,168,539

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

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of comprehensive income

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
<i>(in Baht)</i>					
Income					
Revenue from sale of goods and rendering of services	20	3,988,030,942	6,844,549,454	3,911,608,406	6,802,994,211
Contract revenue	20	-	62,044,887	-	62,044,887
Net foreign exchange gain		27,459,817	-	-	-
Other income		26,888,028	37,315,028	22,970,363	44,802,313
Total income		4,042,378,787	6,943,909,369	3,934,578,769	6,909,841,411
Expenses					
Cost of sales of goods and rendering of services	7, 21	3,055,041,165	3,936,316,690	3,191,966,531	4,291,719,210
Contract costs	7, 21	-	32,057,449	-	32,057,449
Distribution costs	21	481,530,563	888,836,812	481,530,563	888,836,812
Administrative expenses	21	303,581,147	417,920,929	207,611,569	345,833,477
Net foreign exchange loss		-	28,993,887	11,387,231	21,557,283
Total expenses		3,840,152,875	5,304,125,767	3,892,495,894	5,580,004,231
Profit from operating activities		202,225,912	1,639,783,602	42,082,875	1,329,837,180
Finance costs		10,727,349	17,017,075	8,973,875	17,355,852
Profit before income tax expense		191,498,563	1,622,766,527	33,109,000	1,312,481,328
Tax expense	22	56,935,407	163,439,952	24,271,005	109,958,140
Profit for the year		134,563,156	1,459,326,575	8,837,995	1,202,523,188

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

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of comprehensive income

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
		<i>(in Baht)</i>			
Profit for the year		<u>134,563,156</u>	<u>1,459,326,575</u>	<u>8,837,995</u>	<u>1,202,523,188</u>
Other comprehensive income (expense)					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		<u>(577,330,183)</u>	<u>35,388,060</u>	<u>(486,490,092)</u>	<u>13,315,670</u>
Total item that will be reclassified subsequently to profit or loss		<u>(577,330,183)</u>	<u>35,388,060</u>	<u>(486,490,092)</u>	<u>13,315,670</u>
<i>Items that will not be reclassified to profit or loss</i>					
Gain on remeasurements of defined benefit plans		1,171,063	-	1,171,063	-
Income tax relating to items that will not be reclassified	22	<u>(158,498)</u>	<u>-</u>	<u>(158,498)</u>	<u>-</u>
Total item that will not be reclassified to profit or loss		<u>1,012,565</u>	<u>-</u>	<u>1,012,565</u>	<u>-</u>
Other comprehensive income (expense) for the year, net of tax		<u>(576,317,618)</u>	<u>35,388,060</u>	<u>(485,477,527)</u>	<u>13,315,670</u>
Total comprehensive income (expense) for the year		<u>(441,754,462)</u>	<u>1,494,714,635</u>	<u>(476,639,532)</u>	<u>1,215,838,858</u>
Profit attributable to:					
Owners of parent		119,868,639	1,415,770,443	8,837,995	1,202,523,188
Non-controlling interests	10	<u>14,694,517</u>	<u>43,556,132</u>	<u>-</u>	<u>-</u>
		<u>134,563,156</u>	<u>1,459,326,575</u>	<u>8,837,995</u>	<u>1,202,523,188</u>
Total comprehensive income (expense) attributable to:					
Owners of parent		(451,504,874)	1,436,068,625	(476,639,532)	1,215,838,858
Non-controlling interests	10	<u>9,750,412</u>	<u>58,646,010</u>	<u>-</u>	<u>-</u>
		<u>(441,754,462)</u>	<u>1,494,714,635</u>	<u>(476,639,532)</u>	<u>1,215,838,858</u>
Basic earnings per share (in Baht)	23	<u>0.25</u>	<u>2.97</u>	<u>0.02</u>	<u>2.52</u>

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

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of changes in equity

		Consolidated financial statements										
		Retained earnings			Other components of equity							
					Difference from							
		Issued and	Shares	Legal	Exchange differences	change in shareholding	Total	Equity attributable	Non-	Total		
		paid-up	premium	reserve	on translating	proportion in	other components	to owners of	controlling	equity		
<i>Note</i>	share capital	share capital	premium	reserve	Unappropriated	financial statements	of equity	the parent	interests	equity		
<i>(in Baht)</i>												
Year ended 31 December 2021												
	Balance at 1 January 2021	477,000,000	140,000,000	50,000,000	3,834,693,981	(801,733,792)	(15,250,061)	(816,983,853)	3,684,710,128	97,662,611	3,782,372,739	
Transactions with owners, recorded directly in equity												
<i>Distributions to owners of the parent</i>												
	Dividends	24	-	-	-	(653,474,314)	-	-	-	(653,474,314)	-	(653,474,314)
	Total transactions with owners, recorded directly in equity		-	-	-	(653,474,314)	-	-	-	(653,474,314)	-	(653,474,314)
Comprehensive income for the year												
	Profit		-	-	-	1,415,770,443	-	-	-	1,415,770,443	43,556,132	1,459,326,575
	Other comprehensive income		-	-	-	-	20,298,182	-	20,298,182	20,298,182	15,089,878	35,388,060
	Total comprehensive income for the year		-	-	-	1,415,770,443	20,298,182	-	20,298,182	1,436,068,625	58,646,010	1,494,714,635
	Balance at 31 December 2021	477,000,000	140,000,000	50,000,000	4,596,990,110	(781,435,610)	(15,250,061)	(796,685,671)	4,467,304,439	156,308,621	4,623,613,060	

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

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of changes in equity

		Consolidated financial statements									
		Retained earnings			Other components of equity						
					Difference from						
		Issued and paid-up share capital	Shares premium	Legal reserve	Unappropriated	Exchange differences on translating financial statements	change in shareholding proportion in subsidiary	Total other components of equity	Equity attributable to owners of the parent	Non- controlling interests	Total equity
<i>Note</i>											
<i>(in Baht)</i>											
Year ended 31 December 2022											
	Balance at 1 January 2022	477,000,000	140,000,000	50,000,000	4,596,990,110	(781,435,610)	(15,250,061)	(796,685,671)	4,467,304,439	156,308,621	4,623,613,060
Transactions with owners, recorded directly in equity											
<i>Distributions to owners of the parent</i>											
	Dividends	-	-	-	(238,356,050)	-	-	-	(238,356,050)	-	(238,356,050)
	Total transactions with owners, recorded directly in equity	-	-	-	(238,356,050)	-	-	-	(238,356,050)	-	(238,356,050)
Comprehensive income (expense) for the year											
	Profit	-	-	-	119,868,639	-	-	-	119,868,639	14,694,517	134,563,156
	Other comprehensive income (expense)	-	-	-	1,012,565	(572,386,078)	-	(572,386,078)	(571,373,513)	(4,944,105)	(576,317,618)
	Total comprehensive income (expense) for the year	-	-	-	120,881,204	(572,386,078)	-	(572,386,078)	(451,504,874)	9,750,412	(441,754,462)
	Balance at 31 December 2022	477,000,000	140,000,000	50,000,000	4,479,515,264	(1,353,821,688)	(15,250,061)	(1,369,071,749)	3,777,443,515	166,059,033	3,943,502,548

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

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of changes in equity

	Note	Separate financial statements						Total equity
		Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity		
				Legal reserve	Unappropriated	Exchange differences on translating financial statements	Total other components of equity	
<i>(in Baht)</i>								
Year ended 31 December 2021								
Balance at 1 January 2021		477,000,000	140,000,000	50,000,000	3,778,478,356	(808,882,896)	(808,882,896)	3,636,595,460
Transactions with owners, recorded directly in equity								
<i>Distributions to owners</i>								
Dividends	24	-	-	-	(653,474,314)	-	-	(653,474,314)
Total transactions with owners, recorded directly in equity		-	-	-	(653,474,314)	-	-	(653,474,314)
Comprehensive income for the year								
Profit		-	-	-	1,202,523,188	-	-	1,202,523,188
Other comprehensive income		-	-	-	-	13,315,670	13,315,670	13,315,670
Total comprehensive income for the year		-	-	-	1,202,523,188	13,315,670	13,315,670	1,215,838,858
Balance at 31 December 2021		477,000,000	140,000,000	50,000,000	4,327,527,230	(795,567,226)	(795,567,226)	4,198,960,004

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

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of changes in equity

	Note	Separate financial statements						Total equity
		Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity		
				Legal reserve	Unappropriated	Exchange differences on translating financial statements	Total other components of equity	
<i>(in Baht)</i>								
Year ended 31 December 2022								
Balance at 1 January 2022		477,000,000	140,000,000	50,000,000	4,327,527,230	(795,567,226)	(795,567,226)	4,198,960,004
Transactions with owners, recorded directly in equity								
<i>Distributions to owners</i>								
Dividends	24	-	-	-	(238,356,050)	-	-	(238,356,050)
Total transactions with owners, recorded directly in equity		-	-	-	(238,356,050)	-	-	(238,356,050)
Comprehensive income (expense) for the year								
Profit		-	-	-	8,837,995	-	-	8,837,995
Other comprehensive income (expense)		-	-	-	1,012,565	(486,490,092)	(486,490,092)	(485,477,527)
Total comprehensive income (expense) for the year		-	-	-	9,850,560	(486,490,092)	(486,490,092)	(476,639,532)
Balance at 31 December 2022		477,000,000	140,000,000	50,000,000	4,099,021,740	(1,282,057,318)	(1,282,057,318)	3,483,964,422

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

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
(in Baht)					
<i>Cash flows from operating activities</i>					
Profit for the year		134,563,156	1,459,326,575	8,837,995	1,202,523,188
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Tax expense		56,935,407	163,439,952	24,271,005	109,958,140
Finance costs		10,727,349	17,017,075	8,973,875	17,355,852
Depreciation and amortisation	21	139,727,314	137,395,468	110,222,857	95,731,149
Amortisation of contract cost assets		46,769,340	109,974,833	46,769,340	109,974,833
Provisions for employee benefits expense	17	2,757,809	2,746,808	2,757,809	2,746,808
Unrealised gain on exchange rate		(5,352,243)	(3,297,935)	(5,352,243)	(3,297,935)
Provision for warranty	18	29,670,440	28,043,198	29,244,039	25,532,639
(Reversal of) expected credit loss	6	(7,479,964)	-	(7,479,964)	18,707,273
Gain on disposal of property, plant and equipment		(5,512,046)	(3,184,844)	(5,512,046)	(11,757,395)
(Reversal of) loss on inventories devaluation	7	(11,374,952)	2,670,264	(11,374,952)	2,670,264
Interest income		(1,673,101)	(2,780,754)	(5,133,133)	(7,867,063)
		389,758,509	1,911,350,640	196,224,582	1,562,277,753
<i>Changes in operating assets and liabilities</i>					
Trade and other current receivables		936,345,791	(389,857,210)	949,354,574	(500,934,213)
Inventories		(1,881,194,726)	397,700,979	(1,859,040,225)	575,133,102
Contract cost assets		(142,824,810)	(80,908,903)	(142,824,810)	(80,908,903)
Other non-current assets		2,183,761	(142,139)	-	-
Trade and other current payables		1,226,224,001	(659,017,707)	1,336,025,707	(315,855,286)
Exchange rate differences on translating of financial statements		(412,956,480)	(1,047,289)	(320,033,661)	11,577,166
Net cash generated from operating		117,536,046	1,178,078,371	159,706,167	1,251,289,619
Provisions for employee benefits paid	17	(125,000)	(927,292)	(125,000)	(927,292)
Provision for warranties paid	18	(31,181,230)	(22,727,219)	(31,181,230)	(22,727,219)
Taxes paid		(89,777,035)	(187,269,158)	(55,616,047)	(132,213,180)
Net cash from (used in) operating activities		(3,547,219)	967,154,702	72,783,890	1,095,421,928
<i>Cash flows from investing activities</i>					
Decrease in loans to employees	8	1,741,809	4,993,772	1,741,809	4,993,772
Proceeds from capital reduction in subsidiary		-	-	10,074,471	69,207,280
Acquisition of property, plant and equipment	11	(202,950,178)	(146,849,788)	(179,504,321)	(109,112,492)
Proceeds from disposal of property, plant and equipment		5,632,963	4,850,012	5,587,861	12,802,712
Acquisition of other intangible assets	14	(1,258,619)	(10,200,673)	(1,258,618)	(1,660,843)
Interest received		1,694,564	2,765,494	5,610,997	9,433,211
Net cash used in investing activities		(195,139,461)	(144,441,183)	(157,747,801)	(14,336,360)

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

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
<i>(in Baht)</i>					
Cash flows from financing activities					
Repayment of short-term loans from financial institutions		(39,843,635)	-	-	-
Proceeds from short-term loans from financial institutions		120,071,283	39,843,635	-	-
Payment of long-term loans to related party	4	-	-	(38,601,300)	-
Repayment of short-term loan from related party	4	-	-	(5,809,400)	(74,190,600)
Payment of lease liabilities	12	(3,088,379)	(2,792,048)	(2,948,357)	(2,613,143)
Dividend paid to owners of the Company	24	(238,356,050)	(653,474,314)	(238,356,050)	(653,474,314)
Interest paid		(12,055,126)	(17,012,050)	(9,914,764)	(16,426,936)
Net cash used in financing activities		(173,271,907)	(633,434,777)	(295,629,871)	(746,704,993)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rate changes		(371,958,587)	189,278,742	(380,593,782)	334,380,575
Effect of exchange rate changes on cash and cash equivalents		3,239,163	(1,192,743)	3,239,163	(1,192,743)
Net increase (decrease) in cash and cash equivalents		(368,719,424)	188,085,999	(377,354,619)	333,187,832
Cash and cash equivalents at 1 January		566,374,891	378,288,892	509,004,269	175,816,437
Cash and cash equivalents at 31 December	5	197,655,467	566,374,891	131,649,650	509,004,269
Non-cash transactions					
Acquisition of right-of-use assets under lease		-	5,219,852	-	5,219,852

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

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 28 February 2023.

1 General information

M.C.S. Steel Public Company Limited, the “Company”, is incorporated in Thailand since 1992 and was listed on the Stock Exchange of Thailand in February 2005. The Company’s registered office at 70 Moo 2, Changyai, Bangsai, Ayutthaya. The Company’s major shareholders during the financial year were Thai NVDR Co., Ltd. (7.31% shareholding), incorporated in Thailand, and Nomura Securities Co., Ltd. (7.00% shareholding), incorporated in Japan.

The principal activities of the Company and the Group are production and distribution of structural steel products for building construction, and residential development project for sale. Details of the Company’s subsidiaries as at 31 December 2022 are described in notes 9.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

(a) *Functional and presentation currency*

Item included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). These financial statements are presented in Thai Baht which is different from the functional currency of the Company, which is Japanese Yen. The presentation currency in Thai Baht is in accordance with the regulatory requirements in Thailand. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated. Condensed financial statements presented in Japanese Yen, which is the Company’s functional currency, are disclosed in note 29.

(b) *Use of judgements and estimates*

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

3 Significant accounting policies

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

(a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”)

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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.

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At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there is a change in the Group's interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control are accounted for as other surpluses/deficits in shareholders' equity.

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

(b) Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(c) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency difference are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to functional currency at the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated to functional currency at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve until disposal of the investment, except to the extent that the translation difference is allocated to non-controlling interests.

(d) Financial instruments

(d.1) Classification and measurement

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

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

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

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

(d.2) Derecognition and offset

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

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

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

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

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

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI.

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

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

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 270 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

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

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group takes action such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

(d.4) Write offs

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

(e) Cash and cash equivalents

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

(f) Trade and other current receivables

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

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

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost of inventories are calculated by the following methods:

Work in process	By actual cost specific to weight of the work piece
Raw materials, spare parts and factory supplies	By the first-in, first-out method

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

(h) Property, plant and equipment

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

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

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

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Subsequent costs

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

Depreciation

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

The estimated useful lives are as follows:

Buildings	20 years
Machinery and factory equipment	5 - 20 years
Furniture, fixtures and office equipment	3 - 5 years
Vehicles	5 years

(i) ***Intangible assets***

Goodwill

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment.

Other intangible assets

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of other intangible assets and recognised in profit or loss. The estimated useful lives are as follows:

Software licences	5 - 10 years
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No amortisation is provided on software under installation.

The amortisation of other intangible assets is included in administrative expenses.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) ***Leases***

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

At commencement, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component.

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

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease

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liability adjusted for any prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero. The Group remeasured lease liabilities using the original discount rate and recognised the impact of the change in lease liability in profit or loss.

(k) Impairment of non-financial 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 assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

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

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

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

(l) Employee benefits

Defined contribution plan

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

Defined benefit plans

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

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

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

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Short-term employee benefits

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

(m) Provisions

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

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(n) Fair value measurement

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

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

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

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(o) Revenue

(1) Revenue recognition

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

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers.

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Revenue for rendering of services is recognised over time based on stage of completion. The stage of completion is assessed based on cost-to-cost method. The related costs are recognised in profit or loss when they are incurred.

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

(2) Contract balances

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

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

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

(3) Contract cost assets

Contract cost assets are the incremental costs to obtain a contract with a customer. The Group expects to recover these costs.

Contract cost assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is charged to profit or loss on systematic basis over the term of the contract it relates to, consistent with the related revenue recognition.

(p) Income tax

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

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

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

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

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(q) *Earnings per share*

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

4 Related parties

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

Relationships with subsidiaries are described in notes 9. Other related parties which the Group had significant transactions with during the year were as follows:

Persons	Nationality	Nature of relationships
Key management personnel	Multi-nationalities	Persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company

Transactions	Pricing policies
Interest income	Contractually agreed price
Cost of services	Contractually agreed price
Technical assistance expense	Contractually agreed price
Interest expense	Contractually agreed price
Sales assets	Contractually agreed price

<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Subsidiaries				
Interest income	-	-	4,556	6,376
Cost of services	-	-	2,053,478	1,461,201
Technical assistance expense	-	-	17,511	18,129
Interest expense	-	-	88	929
Sales assets	-	-	-	8,496
Key management personnel				
Sales assets	-	4,300	-	4,300
Key management personnel compensation				
Short-term employee benefits	46,601	73,542	38,342	65,195
Post-employment benefits	214	211	214	211
Total key management personnel compensation	<u>46,815</u>	<u>73,753</u>	<u>38,556</u>	<u>65,406</u>
<i>Balances with related parties</i> <i>At ended 31 December</i>				
Other current receivables				
Subsidiaries	-	-	545,546	629,771
Less allowance for expected credit loss	-	-	(16,779)	(18,707)
Net	<u>-</u>	<u>-</u>	<u>528,767</u>	<u>611,064</u>

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Movement of long-term loans to related party

	Interest rate (% per annum)	At 1 January	Separate financial statements			At 31 December
			Increase	Decrease	Translation adjustment	
2022						
Subsidiary	1.00	454,754	38,601	-	(46,867)	446,488
Less allowance for expected credit loss		(24,502)	-	-	2,525	(21,977)
Net		430,252				424,511
2021						
Subsidiary	1.83	454,698	-	-	56	454,754
Less allowance for expected credit loss		(24,499)	-	-	(3)	(24,502)
Net		430,199				430,252

<i>Balances with related parties</i> <i>At ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Trade accounts payable</i>				
Subsidiaries	-	-	861,923	647,695
Total	-	-	861,923	647,695
<i>Other current payables</i>				
Subsidiaries	-	-	63,047	43,151
Total	-	-	63,047	43,151

Movement of short-term loans from related party

	Interest rate (% per annum)	At 1 January	Separate financial statements		
			Increase	Decrease	At 31 December
<i>(in thousand Baht)</i>					
2022					
Subsidiary	2.00	5,809	-	(5,809)	-
Total		5,809			-
2021					
Subsidiary	2.00	80,000	-	(74,191)	5,809
Total		80,000			5,809

Significant agreements with related parties

Loans to subsidiary

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On 20 February 2022, The Company entered into unsecured loan agreements with a subsidiary with totalling amount of Yen 150.00 million or equivalent to Baht 38.60 million, bearing interest at 1.00% per annum and was repayable on 31 January 2037.

Service agreement

The Company entered into a fabrication steel service agreement with M.C.S. Steel (Xiamen) Co., Ltd. to conduct the fabrication work according to design drawing and to delivery according to the project schedule. Under the agreement, the Company has to prepay for material to M.C.S. Steel (Xiamen) Co., Ltd. to provide procurement main steel materials used in the project as requirement identifying in agreement.

Technical service agreement

The Company entered into a technical service agreement with M.C.S. - JAPAN Co., Ltd. to obtain technical and proficiency skills for improving efficiency of the fabrication work. The Company is committed to pay service charges at amounts specified in the agreements. The agreement is for the periods within one year, which are automatically renewable unless either party notified for termination.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Cash on hand	818	1,187	652	665
Cash at banks	196,192	564,543	130,353	507,694
Highly liquid short-term investments	645	645	645	645
Cash and cash equivalents in the statement of financial position and statement of cash flows	197,655	566,375	131,650	509,004

6 Trade and other current receivables

At 31 December	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Trade accounts receivable					
Other parties					
Within credit terms		446,789	833,848	397,969	754,736
Overdue:					
Less than 3 months		16,454	267,664	16,454	267,664
3 - 6 months		54,014	-	54,014	-
6 - 12 months		26,329	1,382	26,329	1,382
More than 12 months		102,537	109,475	-	-
Total		646,123	1,212,369	494,766	1,023,782
Less allowance for expected credit loss		(102,537)	(109,475)	-	-
Net		543,586	1,102,894	494,766	1,023,782
Net - Trade accounts receivable		543,586	1,102,894	494,766	1,023,782
Other current receivables					
Related parties					
Product and service advance payment	4	-	-	542,052	616,770
Others		-	-	3,494	13,001
Total		-	-	545,546	629,771
Less allowance for expected credit loss		-	-	(16,779)	(18,707)
Net		-	-	528,767	611,064
Other parties					
Retention receivables		133,490	549,501	133,490	549,501
Contract assets	20	7,480	7,480	7,480	7,480
Product and service advance payment		112,546	52,540	101,303	6,328

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	Consolidated		Separate	
	financial statements		financial statements	
Revenue department receivables	84,294	73,087	51,328	36,296
Others	37,438	61,617	22,789	41,360
Total	375,248	744,225	316,390	640,965
<i>Less</i> allowance for expected credit loss	<i>(48,160)</i>	<i>(58,469)</i>	<i>-</i>	<i>(7,480)</i>
Net	327,088	685,756	316,390	633,485
Net - other current receivables	327,088	685,756	845,157	1,244,549
Net - trade and other current receivables	870,674	1,788,650	1,339,923	2,268,331

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<i>Allowance for expected credit loss</i>				
		<i>(in thousand Baht)</i>		
At 1 January	167,944	147,780	7,480	7,480
Addition	-	466	-	-
Reversal	(8,345)	(1)	(7,480)	-
Effect of movements in exchange rates	(8,902)	19,699	-	-
At 31 December	150,697	167,944	-	7,480

7 Inventories

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
		<i>(in thousand Baht)</i>		
Work in progress	1,229,930	750,625	1,063,415	532,692
Raw materials	1,990,035	945,473	1,950,567	792,124
Spare parts and factory supplies	406,707	210,513	178,919	170,178
Goods in transit	256,822	95,689	256,822	95,689
Total	3,883,494	2,002,300	3,449,723	1,590,683
<i>Less</i> allowance for decline in value of inventories	<i>-</i>	<i>(11,375)</i>	<i>-</i>	<i>(11,375)</i>
Net	3,883,494	1,990,925	3,449,723	1,579,308
Inventories recognised in 'cost of sales of goods and rendering of services' and 'contract costs':				
- Cost	3,066,416	3,965,704	3,203,342	4,321,107
- Write-down to net realisable value	-	2,670	-	2,670
- Reversal of write-down	(11,375)	-	(11,375)	-
Net	3,055,041	3,968,374	3,191,967	4,323,777

As at 31 December 2022 and 2021, the Company's certain portion of raw materials are pledged as collateral for credit facilities with a local financial institution as disclosed in note 16.

8 Loans to employees

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
		<i>(in thousand Baht)</i>		
At 1 January	80,928	85,922	80,928	85,922
Decrease	(1,741)	(4,994)	(1,741)	(4,994)
At 31 December	79,187	80,928	79,187	80,928

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021

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	<i>(in thousand Baht)</i>			
Current	7,831	7,831	7,831	7,831
Non-current	71,356	73,097	71,356	73,097
At 31 December	<u>79,187</u>	<u>80,928</u>	<u>79,187</u>	<u>80,928</u>

According to the Board of Directors Meeting No. 3/2018 dated 24 March 2018, it had resolution to approve the Company to provide loans to employees as welfare and support employees to have accommodation at low cost by calculating interest at 2% per annum. The period of payment is not over 20 years.

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9 Investments in subsidiaries

	Type of business	Country of operation	Ownership interest		Paid-up capital		Separate financial statements							
							Cost		Impairment		At cost - net		Dividend income for the year	
							2022	2021	2022	2021	2022	2021	2022	2021
<i>Direct subsidiaries</i>														
Tanaka Welding Center Co., Ltd.	Welder training and Real estate	Thailand	99.92	99.92	Baht 14.85 million	Baht 24.75 million	10,604	23,054	-	-	10,604	23,054	-	-
M.C.S. - JAPAN Co., Ltd.	Design and production of structural steel product	Japan	98.00	98.00	Yen 50 million	Yen 50 million	12,610	14,059	-	-	12,610	14,059	-	-
M.C.S. Steel (Xiamen) Co., Ltd.	Production and distribution of structural steel product	China	74.00	74.00	Yuan 64 million	Yuan 64 million	162,853	181,565	(13,110)	(14,616)	149,743	166,949	-	-
Total							186,067	218,678	(13,110)	(14,616)	172,957	204,062	-	-

At the Extraordinary General Meeting of shareholders of a subsidiary, Tanaka Welding Center Co., Ltd., held on 2 September 2022, the shareholders of the subsidiary approved to decrease the registered share capital of the subsidiary in amount of Baht 9.90 million from amount of Baht 24.75 million (99,000 ordinary shares, at par value of Baht 25 per share) to Baht 14.85 million (99,000 ordinary shares, at par value of Baht 15 per share). The subsidiary registered the decrease of share capital with the Ministry of Commerce on 7 October 2022.

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10 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	M.C.S. Steel (Xiamen) Co., Ltd.	
	2022	2021
	<i>(in thousand Baht)</i>	
Non-controlling interest percentage	26.00	26.00
Current assets	717,852	465,362
Non-current assets	281,843	317,037
Current liabilities	(435,555)	(202,557)
Non-current liabilities	(35,817)	(38,520)
Net assets	528,323	541,322
Carrying amount of non-controlling interest	<u>166,059</u>	<u>156,309</u>
Revenue	1,607,552	926,307
Profit	56,518	167,524
Other comprehensive income (expense)	(19,019)	58,038
Total comprehensive income	37,499	225,562
Profit allocated to non-controlling interest	14,695	43,556
Other comprehensive income allocated to non-controlling interest	(4,945)	15,090
Total	9,750	58,646
Cash flows from operating activities	(49,954)	(143,203)
Cash flows from investing activities	(382)	(13,236)
Cash flows from financing activities	83,336	36,713
Effect of exchange rate changes on cash and cash equivalents	8,156	7,774
Net increase (decrease) in cash and cash equivalents	41,156	(111,952)

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11 Property, plant and equipment

	Consolidated financial statements						
	Land and land improvement	Buildings	Machinery and factory equipment	Furniture, fixtures and office equipment <i>(In thousand Baht)</i>	Vehicles	Assets under construction and installation	Total
Cost							
At 1 January 2021	370,484	979,626	1,055,831	145,588	48,499	211,684	2,811,712
Additions	-	2,951	39,190	7,220	8,630	88,858	146,849
Transfers	-	38,361	199,543	6,575	-	(244,479)	-
Disposals	(1,021)	-	(1,432)	(4,535)	-	-	(6,988)
Effect of movements in exchange rates	44	33,886	16,970	9,648	781	26	61,355
At 31 December 2021 and 1 January 2022	369,507	1,054,824	1,310,102	164,496	57,910	56,089	3,012,928
Additions	-	57	18,406	11,591	6,546	166,350	202,950
Transfers	-	8,257	5,294	10,694	-	(24,245)	-
Disposals	-	-	(105)	(851)	(19,120)	-	(20,076)
Effect of movements in exchange rates	(38,081)	(95,647)	(127,755)	(11,448)	(5,750)	(5,781)	(284,462)
At 31 December 2022	331,426	967,491	1,205,942	174,482	39,586	192,413	2,911,340

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Consolidated financial statements

	Land and land improvement	Buildings	Machinery and factory equipment	Furniture, fixtures and office equipment (In thousand Baht)	Vehicles	Assets under construction and installation	Total
Depreciation							
At 1 January 2021	3,241	523,533	704,850	122,308	41,347	-	1,395,279
Depreciation charge for the year	-	50,050	64,133	9,866	4,164	-	128,213
Disposals	-	-	(1,289)	(4,034)	-	-	(5,323)
Effect of movements in exchange rates	-	17,287	11,609	8,386	166	-	37,448
At 31 December 2021 and 1 January 2022	3,241	590,870	779,303	136,526	45,677	-	1,555,617
Depreciation charge for the year	-	47,270	78,232	10,781	5,081	-	141,364
Disposals	-	-	(105)	(730)	(19,119)	-	(19,954)
Effect of movements in exchange rates	(334)	(54,855)	(74,155)	(11,009)	(4,810)	-	(145,163)
At 31 December 2022	2,907	583,285	783,275	135,568	26,829	-	1,531,864
Net book value							
At 31 December 2021	366,266	463,954	530,799	27,970	12,233	56,089	1,457,311
At 31 December 2022	328,519	384,206	422,667	38,914	12,757	192,413	1,379,476

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	Separate financial statements						
	Land and land improvement	Buildings	Machinery and factory equipment	Furniture, fixtures and office equipment <i>(In thousand Baht)</i>	Vehicles	Assets under construction and installation	Total
Cost							
At 1 January 2021	133,242	630,648	881,655	67,688	38,100	211,684	1,963,017
Additions	-	1,974	7,320	5,374	8,259	86,185	109,112
Transfers	-	38,323	198,225	6,575	-	(243,123)	-
Disposals	(1,021)	-	(15,639)	(129)	-	-	(16,789)
Effect of movements in exchange rates	15	77	108	9	5	26	240
At 31 December 2021 and 1 January 2022	132,236	671,022	1,071,669	79,517	46,364	54,772	2,055,580
Additions	-	-	457	10,607	2,159	166,281	179,504
Transfers	-	8,257	4,112	10,694	-	(23,063)	-
Disposals	-	-	(105)	(692)	(19,078)	-	(19,875)
Effect of movements in exchange rates	(13,629)	(69,155)	(110,446)	(8,194)	(4,778)	(5,645)	(211,847)
At 31 December 2022	118,607	610,124	965,687	91,932	24,667	192,345	2,003,362

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	Separate financial statements						Total
	Land and land improvement	Buildings	Machinery and factory equipment	Furniture, fixtures and office equipment <i>(In thousand Baht)</i>	Vehicles	Assets under construction and installation	
<i>Depreciation</i>							
At 1 January 2021	3,240	380,481	592,378	56,866	35,420	-	1,068,385
Depreciation charge for the year	-	24,843	56,378	7,416	3,320	-	91,957
Disposals	-	-	(15,639)	(105)	-	-	(15,744)
Effect of movements in exchange rates	-	(355)	(1,002)	(119)	(39)	-	(1,515)
At 31 December 2021 and 1 January 2022	3,240	404,969	632,115	64,058	38,701	-	1,143,083
Depreciation charge for the year	-	21,927	69,108	8,979	2,220	-	102,234
Disposals	-	-	(105)	(616)	(19,078)	-	(19,799)
Effect of movements in exchange rates	(332)	(41,736)	(65,146)	(6,602)	(3,989)	-	(117,805)
At 31 December 2022	2,908	385,160	635,972	65,819	17,854	-	1,107,713
<i>Net book value</i>							
At 31 December 2021	128,996	266,053	439,554	15,459	7,663	54,772	912,497
At 31 December 2022	115,699	224,964	329,715	26,113	6,813	192,345	895,649

As at 31 December 2022, the Group and the Company's land and building with a net book value of Baht 137.03 million (2021: Baht 162.79 million) are pledged as collateral for bank credit facilities and as at 31 December 2022 and 2021, the Company committed not to sell, transfer or make any restriction to the machinery for the such credit facilities with a local financial institution.

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12 Leases

<i>Right-of-use assets</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Land	128,823	140,401	-	-
Equipment	3,631	4,426	3,631	4,426
Vehicles	2,345	3,707	2,345	3,707
Total	134,799	148,534	5,976	8,133

In 2022, additions to the right-of-use assets of the Group and the Company were Baht 1.32 million (2021: Baht 5.22 million).

In 2022 and 2021, the Group leased a office equipment for 4 - 5 years and paid fixed lease payment. These payment terms are common in Thailand.

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Amounts recognised in profit or loss				
Depreciation of right-of-use assets:				
- Land	3,137	3,845	-	-
- Equipment	1,697	1,892	1,697	1,892
- Vehicles	1,019	822	1,019	822
Interest on lease liabilities	161	150	161	150
Expenses relating to short-term leases - office equipment	40	59	40	59

In 2022, total cash outflow for leases of the Group and the Company were Baht 3.09 million and Baht 2.95 million, respectively (2021: Baht 2.79 million and Baht 2.61 million, respectively).

13 Goodwills

	Consolidated financial statements	
	2022	2021
	<i>(in thousands Baht)</i>	
Cost		
At 1 January	21,381	21,379
Effect of movements in exchange rates	(2,203)	2
At 31 December	19,178	21,381
Net book value		
At 31 December	19,178	21,381

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs (operating divisions) as follows.

	Consolidated financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
M.C.S. Steel (Xiamen) Co., Ltd.	12,490	13,925
M.C.S. - JAPAN Co., Ltd.	6,688	7,456
Total	19,178	21,381

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M.C.S. Steel (Xiamen) Co., Ltd. and M.C.S. - JAPAN Co., Ltd.

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	Consolidated financial statements	
	2022	2021
	(%)	
Discount rate	8.51 - 10.93	8.83 - 12.06
Growth rate	0.00 - 1.00	0.00 - 1.00
Projected growth rate of EBITDA (the 5-year average yield)	0.52 - 3.01	0.52 - 3.01

14 Other intangible assets

	Consolidated financial statements		
	Software licences	Software under installation	Total
	<i>(In thousand Baht)</i>		
Cost			
At 1 January 2021	24,405	1,247	25,652
Additions	9,050	1,151	10,201
Transfers	1,260	(1,260)	-
Effect of movements in exchange rates	2	-	2
At 31 December 2021 and 1 January 2022	34,717	1,138	35,855
Additions	1,259	-	1,259
Transfers	1,022	(1,022)	-
Effect of movements in exchange rates	(2,626)	-	(2,626)
At 31 December 2022	34,372	116	34,488
Amortisation			
At 1 January 2021	14,755	-	14,755
Amortisation for the year	2,623	-	2,623
Effect of movements in exchange rates	(33)	-	(33)
At 31 December 2021 and 1 January 2022	17,345	-	17,345
Amortisation for the year	3,958	-	3,958
Effect of movements in exchange rates	(2,105)	-	(2,105)
At 31 December 2022	19,198	-	19,198
Net book value			
At 31 December 2021	17,372	1,138	18,510
At 31 December 2022	15,174	116	15,290

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	Separate financial statements		
	Software licences	Software under installation <i>(In thousand Baht)</i>	Total
Cost			
At 1 January 2021	17,908	1,247	19,155
Additions	510	1,151	1,661
Transfers	1,260	(1,260)	-
Effect of movements in exchange rates	2	-	2
At 31 December 2021 and 1 January 2022	19,680	1,138	20,818
Additions	1,259	-	1,259
Transfers	1,022	(1,022)	-
Effect of movements in exchange rates	(2,145)	-	(2,145)
At 31 December 2022	19,816	116	19,932
Amortisation			
At 1 January 2021	11,635	-	11,635
Amortisation for the year	1,060	-	1,060
Effect of movements in exchange rates	(16)	-	(16)
At 31 December 2021 and 1 January 2022	12,679	-	12,679
Amortisation for the year	1,166	-	1,166
Effect of movements in exchange rates	(1,349)	-	(1,349)
At 31 December 2022	12,496	-	12,496
Net book value			
At 31 December 2021	7,001	1,138	8,139
At 31 December 2022	7,320	116	7,436

15 Trade and other current payables

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<i>(in thousand Baht)</i>					
Trade accounts payable					
Related parties	4	-	-	861,923	647,695
Other parties		2,129,568	752,881	1,882,622	620,623
Total trade accounts payable		2,129,568	752,881	2,744,545	1,268,318
Other current payables					
Related parties					
Accrued expenses	4	-	-	2,975	10,905
Other		-	-	60,072	32,246
Total		-	-	63,047	43,151
Other parties					
Accrued expenses		320,990	434,606	224,322	348,503
Contract liabilities	20	104,433	90,998	104,433	90,998
Other		40,119	82,931	29,733	71,227
Total		465,542	608,535	358,488	510,728
Total other current payables		465,542	608,535	421,535	553,879
Trade and other current payables		2,595,110	1,361,416	3,166,080	1,822,197

16 Interest-bearing liabilities

	Consolidated financial statements					
	Secured	2022		Secured	2021	
		Unsecured	Total	Unsecured	Total	
	<i>(in thousand Baht)</i>					
Short-term loan from financial institutions	120,071	-	120,071	39,844	-	39,844
Lease liabilities	2,842	4,109	6,951	4,180	4,539	8,719
Total interest-bearing liabilities	122,913	4,109	127,022	44,024	4,539	48,563

	Note	Separate financial statements					
		Secured	2022		Secured	2021	
		Unsecured	Total	Unsecured	Total		
	<i>(in thousand Baht)</i>						
Short-term loans from related parties	4	-	-	-	5,809	5,809	
Lease liabilities		2,669	4,109	6,778	4,539	8,371	
Total interest-bearing liabilities		2,669	4,109	6,778	10,348	14,180	

<i>Assets pledged as security for liabilities</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Inventories	1,758,919	621,670	1,758,919	621,670
Property, plant and equipment	137,033	162,788	137,033	162,788
Right-of-use assets	135,452	140,401	-	-
Total	2,031,404	924,859	1,895,952	784,458

As at 31 December 2022, the Group and the Company had unutilised credit facilities totalling Baht 2,871.45 million and Baht 2,865.38 million, respectively (2021: Baht 1,185.86 million and Baht 1,098.90 million, respectively).

17 Non-current provisions for employee benefits

<i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Defined benefit plan	28,986	27,529	28,986	27,529
Total	28,986	27,529	28,986	27,529

Defined benefit plan

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

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	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<i>Present value of the defined benefit obligations</i>				
At 1 January	27,529	25,671	27,529	25,671
Recognised in profit or loss:				
Current service cost	2,413	2,430	2,413	2,430
Interest on obligation	345	317	345	317
Recognised in other comprehensive income				
Actuarial (gain) loss				
- Financial assumptions	(2,731)	-	(2,731)	-
- Experience adjustment	1,560	-	1,560	-
Effect of movements in exchange rates	(5)	38	(5)	38
Benefit paid	(125)	(927)	(125)	(927)
At 31 December	28,986	27,529	28,986	27,529

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<i>Principal actuarial assumptions</i>				
Discount rate	2.70	1.30	2.70	1.30
Future salary growth	5.00	5.00	5.00	5.00

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

At 31 December 2022, the weighted-average duration of the defined benefit obligation was 6.20 years (2021: 7.69 years).

Sensitivity analysis

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

	Consolidated/ Separate financial statements			
	Increase in assumption		Decrease in assumption	
<i>Effect to the defined benefit obligation</i>	2022	2021	2022	2021
<i>At 31 December</i>				
Discount rate (0.5% change)	(873)	(1,082)	925	1,032
Future salary growth (1% change)	2,135	2,368	(1,939)	(2,240)

18 Provision for product warranty

	Consolidated financial statement	Separate financial statement
	<i>(in thousand Baht)</i>	
At 1 January 2021	49,107	47,034
Provisions made	37,950	35,439
Provisions used	(22,727)	(22,727)
Provisions reversed	(9,906)	(9,906)
Effect of movements in exchange rates	(20)	(19)
At 31 December 2021 and 1 January 2022	54,404	49,821
Provisions made	29,670	29,244
Provisions used	(31,181)	(31,181)
Effect of movements in exchange rates	(5,522)	(5,058)
At 31 December 2022	47,371	42,826

Warranties

The provision for warranty relates mainly to structural steel products. The provision has been estimated based on historical warranty data associated with similar products.

19 Legal reserve

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

20 Segment information and disaggregation of revenue

(a) Segment information

Segment results that are reported to the Group’s CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group has three reportable segments on the basis of geographical of the entities, as described below, which are the Group’s strategic divisions. The strategic divisions offer different operations separately. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group’s reportable segments.

- Segment 1 Thailand
- Segment 2 China
- Segment 3 Japan

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit, as included in the internal management reports that are reviewed by the Group’s CODM. Segment operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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<i>Year ended 31 December</i>	Thailand		China		Japan		Elimination of inter-segment revenues		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>									
Information about reportable segments										
External revenues	3,911,608	6,865,039	-	-	76,423	41,555	-	-	3,988,031	6,906,594
Inter-segment revenue	-	-	1,567,199	932,355	410,416	456,510	(1,977,615)	(1,388,865)	-	-
Total revenue	<u>3,911,608</u>	<u>6,865,039</u>	<u>1,567,199</u>	<u>932,355</u>	<u>486,839</u>	<u>498,065</u>	<u>(1,977,615)</u>	<u>(1,388,865)</u>	<u>3,988,031</u>	<u>6,906,594</u>
Disaggregation of revenue										
Primary geographical markets										
Thailand	-	62,045	-	932,355	-	456,510	-	(1,388,865)	-	62,045
Japan	3,911,608	6,802,994	1,567,199	-	486,839	41,555	(1,977,615)	-	3,988,031	6,844,549
Total revenue	<u>3,911,608</u>	<u>6,865,039</u>	<u>1,567,199</u>	<u>932,355</u>	<u>486,839</u>	<u>498,065</u>	<u>(1,977,615)</u>	<u>(1,388,865)</u>	<u>3,988,031</u>	<u>6,906,594</u>
Major products/service lines										
Fabrication and sell of structural steel	3,574,531	6,169,194	1,567,199	932,355	486,839	498,065	(1,977,615)	(1,388,865)	3,650,954	6,210,749
Fabrication including installation of structural steel	-	62,045	-	-	-	-	-	-	-	62,045
Rendering of services	337,077	633,800	-	-	-	-	-	-	337,077	633,800
Total revenue	<u>3,911,608</u>	<u>6,865,039</u>	<u>1,567,199</u>	<u>932,355</u>	<u>486,839</u>	<u>498,065</u>	<u>(1,977,615)</u>	<u>(1,388,865)</u>	<u>3,988,031</u>	<u>6,906,594</u>
Timing of revenue recognition										
At a point in time	3,574,531	6,169,194	1,567,199	932,355	486,839	498,065	(1,977,615)	(1,388,865)	3,650,954	6,210,749
Over time	337,077	695,845	-	-	-	-	-	-	337,077	695,845
Total revenue	<u>3,911,608</u>	<u>6,865,039</u>	<u>1,567,199</u>	<u>932,355</u>	<u>486,839</u>	<u>498,065</u>	<u>(1,977,615)</u>	<u>(1,388,865)</u>	<u>3,988,031</u>	<u>6,906,594</u>
Segment profit before income tax	<u>32,745</u>	<u>1,313,167</u>	<u>83,512</u>	<u>210,278</u>	<u>15,074</u>	<u>34,562</u>	<u>60,168</u>	<u>64,760</u>	<u>191,499</u>	<u>1,622,767</u>
Segment assets as at 31 December	<u>6,738,914</u>	<u>6,161,612</u>	<u>1,029,145</u>	<u>782,231</u>	<u>711,266</u>	<u>828,065</u>	<u>(1,681,835)</u>	<u>(1,560,799)</u>	<u>6,797,490</u>	<u>6,211,109</u>
Segment liabilities as at 31 December	<u>3,246,222</u>	<u>1,943,660</u>	<u>491,133</u>	<u>243,319</u>	<u>712,725</u>	<u>839,368</u>	<u>(1,596,092)</u>	<u>(1,438,851)</u>	<u>2,853,988</u>	<u>1,587,496</u>

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(b) *Major customer*

Revenues from one customer of the Group's segment 1 and 3 represents approximately Baht 2,852.82 million (2021: Baht 4,014.26 million) of the Group's total revenue.

(c) *Promotional privileges*

The Group has been granted promotional certificates by the Office of the Board of Investment for the manufacturing of gasket under fabrication of metal structure products or platform repair. The Group has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates, which the Group must comply with.

Consolidated financial statements						
<i>Year ended</i> 31 December	2022		Total	2021		Total
	Promoted businesses	Non-promoted businesses		Promoted businesses	Non-promoted businesses	
Export sales	2,657,282	1,330,749	3,988,031	3,512,301	3,332,248	6,844,549
Local sales	-	-	-	20,810	41,235	62,045
Total	2,657,282	1,330,749	3,988,031	3,533,111	3,373,483	6,906,594

Separate financial statements						
<i>Year ended</i> 31 December	2022		Total	2021		Total
	Promoted businesses	Non-promoted businesses		Promoted businesses	Non-promoted businesses	
Export sales	2,657,282	1,254,326	3,911,608	3,512,301	3,290,693	6,802,994
Local sales	-	-	-	20,810	41,235	62,045
Total	2,657,282	1,254,326	3,911,608	3,533,111	3,331,928	6,865,039

(d) *Contract Balances*

<i>Contract assets</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Construction contract	6	7,480	7,480	7,480	7,480
Less: allowance for expected credit loss		-	(7,480)	-	(7,480)
Net		7,480	-	7,480	-

Material movement

<i>Year ended 31 December</i>	2022	2021	2022	2021
Recognised as revenue during the year	-	62,045	-	62,045
Transfer to trade accounts receivable	-	(79,572)	-	(79,572)
Effect of movements in exchange rates	-	(1,014)	-	(1,014)

The contract assets primarily relate to the Group's rights to consideration for project installation service agreements which the Group has rendered the services but not yet billed the customers at the reporting date.

<i>Contract liabilities</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021

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	<i>(in thousand Baht)</i>			
Advances received for services	-	55,024	-	55,024
Advances received for goods	104,433	35,974	104,433	35,974
Total	104,433	90,998	104,433	90,998

The Group's and the Company's contract liabilities at 31 December 2021 amounted of Baht 55.02 million, have been recognised as revenue in 2022.

(e) Contract cost assets

At 31 December 2022, the Group and the Company have net costs to obtain a contract amounted of Baht 216.28 million (2021: Baht 139.96 million).

21 Expenses by nature

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Changes in inventories of finished goods and work in progress		(486,005)	209,689	(530,723)	300,381
Raw materials and consumables used		2,700,468	2,555,700	1,244,788	1,860,900
Shipping cost		622,276	1,067,589	257,480	862,801
Personnel expenses		422,580	597,318	479,295	504,027
Subcontract cost		112,038	280,928	2,082,315	1,548,970
Depreciation and amortisation		139,727	137,395	110,223	95,731
Amortisation of contract cost assets		46,769	109,975	46,769	109,975
Utilities expense		48,105	51,455	36,621	43,444
Repair and maintenance		33,194	25,746	10,413	20,395
Professional and consultation fee		20,384	20,862	25,013	10,042
(Reversal of) loss on inventories devaluation	7	(11,375)	2,670	(11,375)	2,670
Others		191,992	215,805	130,290	199,111
Total cost of sales of goods and service, contract cost, distribution costs and administrative expenses		3,840,153	5,275,132	3,881,109	5,558,447

22 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	35,704	157,913	-	101,720
Adjustment for prior years	21,322	7,933	21,322	7,933
	57,026	165,846	21,322	109,653
Deferred tax expense				
Movements in temporary differences	(91)	(2,406)	2,551	293
Exchange differences	-	-	398	12
Total income tax expense	56,935	163,440	24,271	109,958

	Consolidated financial statements					
	Before tax	2022 Tax expense	Net of tax	Before tax	2021 Tax expense	Net of tax
<i>Income tax</i>						
			<i>(in thousand Baht)</i>			
<i>Recognised in other comprehensive income</i>						

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Consolidated financial statements						
	Before tax	2022 Tax expense	Net of tax <i>(in thousand Baht)</i>	Before tax	2021 Tax expense	Net of tax
<i>Income tax</i>						
Defined benefit plan actuarial gains	1,171	(158)	1,013	-	-	-
Total	1,171	(158)	1,013	-	-	-

Separate financial statements						
	Before tax	2022 Tax expense	Net of tax <i>(in thousand Baht)</i>	Before tax	2021 Tax expense	Net of tax
<i>Income tax</i>						
<i>Recognised in other comprehensive income</i>						
Defined benefit plan actuarial gains	1,171	(158)	1,013	-	-	-
Total	1,171	(158)	1,013	-	-	-

<i>Reconciliation of effective tax rate</i>	Consolidated financial statements			
		2022		2021
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		191,499		1,622,767
Income tax using the Thai corporation tax rate	20.00	38,300	20.00	324,553
Expenses not deductible for tax purposes		829		122
Expenses allowed increase in determine taxable		(1,075)		(2,418)
Income not subject to tax		(9,246)		(137)
The exemption of profit of the promoted business (BOI)		(28,217)		(157,497)
Recognition of previously unrecognised tax losses		-		(2,272)
Effect of different tax rates in foreign jurisdictions		7,585		8,371
Under provided in prior years		21,322		7,933
Others		27,437		(15,215)
Total	29.73	56,935	10.07	163,440

<i>Reconciliation of effective tax rate</i>	Separate financial statements			
		2022		2021
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		33,109		1,312,481
Income tax using the Thai corporation tax rate	20.00	6,622	20.00	262,496
Expenses not deductible for tax purposes		829		293
Expenses allowed increase in determine taxable		(1,075)		(2,418)
Income not subject to tax		(9,320)		-
The exemption of profit of the promoted business (BOI)		(28,217)		(157,497)
Under provided in prior years		21,322		7,933
Others		34,110		(849)
Total	73.31	24,271	8.38	109,958

<i>Deferred tax</i>	Consolidated financial statements	
	Assets	Liabilities

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<i>At 31 December</i>	2022	2021	2022	2021
			<i>(in thousand Baht)</i>	
Total	3,933	5,162	(38,512)	(41,802)
Set off of tax	(3,023)	(1,543)	3,023	1,543
Net deferred tax assets (liabilities)	910	3,619	(35,489)	(40,259)

<i>Deferred tax</i> <i>At 31 December</i>	Separate financial statements			
	Assets		Liabilities	
	2022	2021	2022	2021
			<i>(in thousand Baht)</i>	
Total	8,329	10,062	(3,023)	(1,543)
Set off of tax	(3,023)	(1,543)	3,023	1,543
Net deferred tax assets	5,306	8,519	-	-

<i>Deferred tax</i>	Consolidated financial statements				At 31 December
	(Charged) / Credited to				
	At 1 January	Profit or loss	Other comprehensive income	Exchange differences	
			<i>(in thousand Baht)</i>		
2022					
Deferred tax assets					
Inventories (<i>allowance for decline in value</i>)	1,460	(1,460)	-	-	-
Lease liabilities	11	(2)	-	-	9
Provisions for employee benefits	2,902	1,180	(158)	-	3,924
Other current receivables	789	(789)	-	-	-
Total	5,162	(1,071)	(158)	-	3,933
Deferred tax liabilities					
Property, plant and equipment	(13,628)	400	-	638	(12,590)
Prepaid land rental expense	(28,174)	762	-	1,490	(25,922)
Total	(41,802)	1,162	-	2,128	(38,512)
Net	(36,640)	91	(158)	2,128	(34,579)
2021					
Deferred tax assets					
Inventories (<i>allowance for decline in value</i>)	1,270	190	-	-	1,460
Lease liabilities	11	-	-	-	11
Provisions for employee benefits	3,019	(117)	-	-	2,902
Other current receivables	880	(91)	-	-	789
Total	5,180	(18)	-	-	5,162
Deferred tax liabilities					
Property, plant and equipment	(13,602)	1,619	-	(1,645)	(13,628)
Prepaid land rental expense	(25,569)	805	-	(3,410)	(28,174)
Total	(39,171)	2,424	-	(5,055)	(41,802)
Net	(33,991)	2,406	-	(5,055)	(36,640)

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<i>Deferred tax</i>	At 1 January	Separate financial statements (Charged) / Credited to			At 31 December
		Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	Exchange differences	
2022					
<i>Deferred tax assets</i>					
Inventories (<i>allowance for decline in value</i>)	1,460	(1,460)	-	-	-
Lease liabilities	11	(2)	-	-	9
Provisions for employee benefits	2,902	1,180	(158)	-	3,924
Loan to related party	4,900	-	(504)	-	4,396
Other current receivables	789	(789)	-	-	-
Total	10,062	(1,071)	(662)	-	8,329
<i>Deferred tax liabilities</i>					
Property, plant and equipment	(1,543)	(1,480)	-	-	(3,023)
Total	(1,543)	(1,480)	-	-	(3,023)
Net	8,519	(2,551)	(662)	-	5,306
2021					
<i>Deferred tax assets</i>					
Inventories (<i>allowance for decline in value</i>)	1,270	190	-	-	1,460
Lease liabilities	11	-	-	-	11
Provisions for employee benefits	3,019	(117)	-	-	2,902
Loan to related party	4,900	-	-	-	4,900
Other current receivables	880	(91)	-	-	789
Total	10,080	(18)	-	-	10,062
<i>Deferred tax liabilities</i>					
Property, plant and equipment	(1,268)	(275)	-	-	(1,543)
Total	(1,268)	(275)	-	-	(1,543)
Net	8,812	(293)	-	-	8,519

23 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<i>Profit attributable to ordinary shareholders</i>				
Profit attributable to ordinary shareholders of the Company (basic)	119,869	1,415,770	8,838	1,202,523
<i>Ordinary shares outstanding</i>				
Number of ordinary shares outstanding at 1 January	477,000	477,000	477,000	477,000
Number of ordinary shares outstanding (basic) at 31 December	447,000	477,000	477,000	477,000
Earnings per share (basic) (in Baht)	0.25	2.97	0.02	2.52

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24 Dividends

	Approval date	Payment schedule	Dividend rate per share (in Baht)	Amount (in thousand Baht)
2022				
Annual dividend 2021	7 April 2022	5 May 2022	0.50	238,356
				<u>238,356</u>
2021				
Annual dividend 2020	7 April 2021	28 April 2021	0.60	286,199
Interim dividend 2021	20 August 2021	15 September 2021	0.40	190,799
Interim dividend 2021	12 November 2021	9 December 2021	0.37	176,476
				<u>653,474</u>

25 Financial instruments

(a) *Carrying amounts and fair values*

The Group's financial assets and financial liabilities measured at amortised cost and the carrying amount is a reasonable approximation of fair value.

(b) *Financial risk management policies*

Risk management framework

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

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

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

(b.1) *Credit risk*

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

(b.1.1) *Trade accounts receivable and contract assets*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 20.

The Group limits its exposure to credit risk from trade accounts receivable by establishing a maximum payment period of 365 days. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

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Information relevant to trade accounts receivable and contract assets are disclosed in note 6 and 20, respectively.

(b.1.2) Cash and cash equivalents

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

(b.2) Liquidity risk

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

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

Consolidated financial statements					
Contractual cash flows					
<i>At 31 December</i>	Carrying amount	1 year or less	More than 1 year but less than 5 years	More than 5 years	Total
<i>(in thousand Baht)</i>					
2022					
<i>Non-derivative financial liabilities</i>					
Trade accounts payable	2,129,568	2,129,568	-	-	2,129,568
Lease liabilities	6,951	2,931	4,336	-	7,267
	<u>2,136,519</u>	<u>2,132,499</u>	<u>4,336</u>	<u>-</u>	<u>2,136,835</u>
2021					
<i>Non-derivative financial liabilities</i>					
Trade accounts payable	758,101	758,101	-	-	758,101
Lease liabilities	8,719	3,168	5,877	-	9,045
	<u>766,820</u>	<u>761,269</u>	<u>5,877</u>	<u>-</u>	<u>767,146</u>
Separate financial statements					
Contractual cash flows					
<i>At 31 December</i>	Carrying amount	1 year or less	More than 1 year but less than 5 years	More than 5 years	Total
<i>(in thousand Baht)</i>					
2022					
<i>Non-derivative financial liabilities</i>					
Trade accounts payable	1,882,622	1,882,622	-	-	1,882,622
Lease liabilities	6,778	2,758	4,336	-	7,094
	<u>1,889,400</u>	<u>1,885,380</u>	<u>4,336</u>	<u>-</u>	<u>1,889,716</u>
2021					
<i>Non-derivative financial liabilities</i>					
Trade accounts payable	625,387	625,387	-	-	625,387
Loans from related party	5,809	5,809	-	-	5,809
Lease liabilities	8,371	2,820	5,877	-	8,697
	<u>639,567</u>	<u>634,016</u>	<u>5,877</u>	<u>-</u>	<u>639,893</u>

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(b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(b.3.1) Foreign currency risk

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

Consolidated financial statements			
<i>Exposure to foreign currency</i>	USD	THB	Total
<i>At 31 December</i>		<i>(in thousand Baht)</i>	
2022			
Cash and cash equivalents	32,048	23,180	55,228
Trade and other current receivables	-	207,387	207,387
Interest-bearing liabilities	-	(127,022)	(127,022)
Trade and other current payables	(26,734)	(99,296)	(126,030)
Net statement of financial position exposure	5,314	4,249	9,563
2021			
Cash and cash equivalents	30,966	343,067	374,033
Trade and other current receivables	-	86,329	86,329
Interest-bearing liabilities	-	(48,563)	(48,563)
Trade and other current payables	(14,502)	(186,177)	(200,679)
Net statement of financial position exposure	16,464	194,656	211,120

Separate financial statements			
<i>Exposure to foreign currency</i>	USD	THB	Total
<i>At 31 December</i>		<i>(in thousand Baht)</i>	
2022			
Cash and cash equivalents	32,048	23,180	55,228
Trade and other current receivables	-	207,387	207,387
Interest-bearing liabilities	-	(6,778)	(6,778)
Trade and other current payables	(26,734)	(99,296)	(126,030)
Net statement of financial position exposure	5,314	124,493	129,807
2021			
Cash and cash equivalents	30,966	343,067	374,033
Trade and other current receivables	-	86,329	86,329
Interest-bearing liabilities	-	(14,180)	(14,180)
Trade and other current payables	(14,502)	(186,177)	(200,679)
Net statement of financial position exposure	16,464	229,039	245,503

Sensitivity analysis

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

<i>Impact to profit or loss</i>	Movement	Consolidated financial statements		Separate financial statements	
		Strengthening	Weakening	Strengthening	Weakening

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	(%)	(in thousand Baht)			
2022					
USD	10	531	(531)	531	(531)
THB	10	425	(425)	12,449	(12,449)
2021					
USD	10	1,646	(1,646)	1,646	(1,646)
THB	10	23,450	(23,450)	22,904	(22,904)

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (see note 16) are mainly fixed. So the Group has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Group.

26 Capital management

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

27 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
Capital commitments				
Buildings and other constructions	150	9,927	150	9,927
Total	150	9,927	150	9,927
Other commitments				
Unused letters of credit for goods and supplies	1,092,636	473,471	1,092,636	473,471
Purchase orders for goods and supplies	3,739	14,161	3,739	14,161
Bank guarantees	1,041,314	1,233,310	1,041,314	1,233,310
Other agreements	5,357	427	5,357	427
Total	2,143,046	1,721,369	2,143,046	1,721,369

Hiring job search agent agreement

On 1 December 2018, the Company entered into job search agreement with Creation Import Distribution Inc. Such company will be an agent in negotiating with the new customers under the rate of service fee specified in 2 year agreement. If either party does not give the advance notice not less than 3 months, it considers as the extension of this agreement.

28 Events after the reporting period

Approval of annual dividend

At the Board of Directors Meeting held on 28 February 2023, the Board of Directors approved the annual dividend payment in cash based on the operating result for the year of 2022 of Baht 0.20 per share, totaling Baht 95.40 million. The dividend is subject to approve by the shareholders at the annual general meeting to be held in April 2023.

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29 Condensed functional currency financial statements

The statements of financial position as at 31 December 2022 and 2021 and statements of comprehensive income for the year ended 31 December 2022 and 2021 presented in Japanese Yen currency which is used in its operations as major sales and purchases transactions are denominated in Japanese Yen currency. The detail are as follows:

<i>Statement of financial position</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Yen)</i>			
Assets				
Current assets				
Cash and cash equivalents	768,065	1,974,044	511,575	1,774,084
Trade and other current receivables	3,383,335	6,234,164	5,206,781	7,906,044
Current portion of long-term loans to related party	-	-	100,000	-
Current portion of long-term loans to employees	30,431	27,295	30,431	27,295
Inventories	15,090,791	6,939,172	13,405,209	5,504,523
Total current assets	19,272,622	15,174,675	19,253,996	15,211,946
Non-current assets				
Investments in subsidiaries	-	-	672,090	711,238
Long-term loans to related party	-	-	1,549,600	1,499,600
Long-term loans to employees	277,279	254,774	277,279	254,774
Property, plant and equipment	5,360,478	5,079,315	3,480,386	3,180,417
Right-of-use assets	523,813	517,701	23,221	28,348
Goodwill	74,523	74,523	-	-
Other intangible assets	59,414	64,515	28,895	28,369
Deferred tax assets	3,538	12,611	20,618	29,691
Contract cost assets	840,444	459,933	840,444	459,933
Other non-current assets	2,117	10,161	135	121
Total non-current assets	7,141,606	6,473,533	6,892,668	6,192,491
Total assets	26,414,228	21,648,208	26,146,664	21,404,437
Liabilities and equity				
Current liabilities				
Trade and other current payables	9,811,900	4,624,909	11,970,691	6,190,244
Current portion of lease liabilities	10,433	9,626	9,954	9,097
Short-term loan from related party	-	-	-	19,735
Short-term loans from financial institution	453,980	135,354	-	-
Income tax payable	75,657	187,949	-	96,752
Total current liabilities	10,351,970	4,957,838	11,980,645	6,315,828
Non-current liabilities				
Lease liabilities	15,846	19,993	15,674	19,341
Deferred tax liabilities	134,183	136,764	-	-
Non-current provisions for employee benefits	109,592	93,521	109,592	93,521
Provision for product warranty	179,104	184,817	161,923	169,248
Total non-current liabilities	438,725	435,095	287,189	282,110
Total liabilities	10,790,695	5,392,933	12,267,834	6,597,938

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<i>Statement of financial position</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Yen)</i>			
Equity				
Share capital:				
Authorised share capital	1,269,343	1,269,343	1,269,343	1,269,343
Issued and paid-up share capital	1,269,343	1,269,343	1,269,343	1,269,343
Share premium	371,008	371,008	371,008	371,008
Retained earning				
Appropriated				
Legal reserve	153,579	153,579	153,579	153,579
Unappropriated	13,073,000	13,619,793	12,084,900	13,012,569
Other components of equity	116,399	302,121	-	-
Equity attributable to owners of the parent	14,983,329	15,715,844	13,878,830	14,806,499
Non-controlling interests	640,204	539,431	-	-
Total equity	15,623,533	16,255,275	13,878,830	14,806,499
Total liabilities and equity	26,414,228	21,648,208	26,146,664	21,404,437

<i>Statement of comprehensive income</i>	Consolidated financial statements		Separate financial statements	
	Year ended 31 December 2022	Year ended 31 December 2021	Year ended 31 December 2022	Year ended 31 December 2022
	<i>(in thousand Yen)</i>			
Income				
Revenue from sale of goods and rendering of services	14,546,812	23,437,924	14,458,550	23,296,574
Contract revenue	-	216,242	-	216,242
Net foreign exchange gain	99,051	-	-	-
Other income	100,140	128,051	85,570	154,361
Total income	14,746,003	23,782,217	14,544,120	23,667,177
Expenses				
Cost of sales of goods and rendering of services	11,205,543	13,478,914	11,883,208	14,699,817
Contract costs	-	111,703	-	111,703
Distribution costs	1,767,493	3,040,007	1,767,493	3,040,007
Administrative expenses	1,127,279	1,438,698	770,353	1,182,387
Net foreign exchange loss	-	101,499	43,825	76,103
Total expenses	14,100,315	18,170,821	14,464,879	19,110,017
Profit from operating activities	645,688	5,611,396	79,241	4,557,160
Finance costs	40,747	58,831	34,117	60,036
Profit before income tax expense	604,941	5,552,565	45,124	4,497,124
Tax expense	209,055	562,914	86,247	379,429
Profit (loss) for the year	395,886	4,989,651	(41,123)	4,117,695

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<i>Statement of comprehensive income</i>	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2022	2021	2022	2022
	<i>(in thousand Yen)</i>			
Profit for the year	395,886	4,989,651	(41,123)	4,117,695
Other comprehensive income (expense)				
<i>Item that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	(141,081)	84,750	-	-
Total item that will be reclassified subsequently to profit or loss	(141,081)	84,750	-	-
<i>Items that will not be reclassified to profit or loss</i>				
Gain on remeasurements of defined benefit plans	4,427	-	4,427	-
Income tax relating to items that will not be reclassified	(599)	-	(599)	-
Total items that will be reclassified to profit or loss	3,828	-	3,828	-
Other comprehensive income (expense) for the year, net of tax	(137,253)	84,750	3,828	-
Total comprehensive income (expense) for the year	258,633	5,074,401	(37,295)	4,117,695
Profit (loss) attributable to:				
Owners of parent	339,754	4,839,303	(41,123)	4,117,695
Non-controlling interests	56,132	150,348	-	-
	395,886	4,989,651	(41,123)	4,117,695
Total comprehensive income (expense) attributable to:				
Owners of parent	157,860	4,871,382	(37,295)	4,117,695
Non-controlling interests	100,773	203,019	-	-
	258,663	5,074,401	(37,295)	4,117,695
Basic earnings (losses) per share (in Yen)	0.71	10.15	(0.09)	8.63