

Bangsaphan Barmill Public Company Limited
Report and financial statements
31 December 2023



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Independent Auditor's Report

To the Shareholders of Bangsaphan Barmill Public Company Limited

Opinion

I have audited the accompanying financial statements of Bangsaphan Barmill Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2023, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangsaphan Barmill Public Company Limited as at 31 December 2023, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are describe below.

Revenue recognition

Revenue from sales is one of the Company's significant accounts because it directly impacts on the Company's annual profit or loss. Moreover, the sales volumes and selling prices of the Company correlate with the global market price of steel billet. I therefore focused on the Company's revenue recognition.

I have examined the revenue recognition of the Company by assessing and testing the Company's internal controls with respect to the revenue cycle. This involved making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I also examined supporting documents for actual sales transactions, on a sampling basis, occurring during the year and near the end of the accounting period, reviewed credit notes that the Company issued to its customers after the period-end, and performed analytical procedures to detect possible irregularities in sales transactions throughout the period.

Allowance for diminution in value of inventory

Estimating the net realisable value of inventories, as disclosed in Note 9 to the financial statements, is an area of management judgement. This is because the inventories of the Company are commodity products and prices fluctuate in accordance with the global market price, and also based on domestic supply and demand. In addition, estimation of the net realisable value of inventories requires the use of estimates of the costs of completed production, relating selling expenses and selling price. There is a risk with respect to the amount of allowance set aside for diminution in value of inventory.

I assessed the method and the assumptions applied by the Company's management in determining the allowance for diminution in value of inventory by making enquiry of responsible executives and gaining an understanding of the basis applied by management in determining the allowance for diminution in value of inventory. I also reviewed the consistency of the application of that basis, and compared proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory for each product line.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

I am responsible for the audit resulting in this independent auditor's report.



Chonlaros Suntiasvaraporn

Certified Public Accountant (Thailand) No. 4523

EY Office Limited

Bangkok: 19 February 2024

Bangsaphan Barmill Public Company Limited**Statement of financial position****As at 31 December 2023**

		(Unit: Baht)	
	<u>Note</u>	<u>2023</u>	<u>2022</u>
Assets			
Current assets			
Cash and cash equivalents	7	645,894,876	597,159,697
Trade and other receivables	8	82,475,686	173,035,257
Inventories	9	449,991,377	354,141,221
Advance payment for purchase of raw materials, supplies and spare parts		-	2,293,078
Input tax refundable		15,932,517	6,153,769
Other current assets		7,999,188	8,479,442
Total current assets		<u>1,202,293,644</u>	<u>1,141,262,464</u>
Non-current assets			
Property, plant and equipment	10	727,653,280	744,281,662
Right-of-use assets	11	1,581,521	3,163,060
Non-operating asset	12	-	-
Deferred tax assets	18	14,315,835	2,464,101
Other non-current assets		786,750	725,250
Total non-current assets		<u>744,337,386</u>	<u>750,634,073</u>
Total assets		<u>1,946,631,030</u>	<u>1,891,896,537</u>

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

Bangsaphan Barmill Public Company Limited**Statement of financial position (continued)**

As at 31 December 2023

			(Unit: Baht)
	<u>Note</u>	<u>2023</u>	<u>2022</u>
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	6, 14	116,358,467	5,317,627
Advance received from customer		-	5,262,945
Current portion of lease liabilities	11	1,674,804	1,627,395
Other current liabilities		747,909	2,648,842
Total current liabilities		<u>118,781,180</u>	<u>14,856,809</u>
Non-current liabilities			
Lease liabilities, net of current portion	11	-	1,674,804
Provision for long-term employee benefits	15	9,383,423	8,740,466
Total non-current liabilities		<u>9,383,423</u>	<u>10,415,270</u>
Total liabilities		<u>128,164,603</u>	<u>25,272,079</u>

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

Bangsaphan Barmill Public Company Limited**Statement of financial position (continued)****As at 31 December 2023**

		(Unit: Baht)	
	<u>Note</u>	<u>2023</u>	<u>2022</u>
Shareholders' equity			
Share capital			
Registered			
1,121,175,000 ordinary shares of Baht 1 each		1,121,175,000	1,121,175,000
Issued and fully paid-up			
1,121,175,000 ordinary shares of Baht 1 each		1,121,175,000	1,121,175,000
Ordinary share premium		621,846,700	621,846,700
Premium on treasury shares		1,369,255	1,369,255
Retained earnings (Deficit)			
Appropriated - statutory reserve	16	113,250,000	113,250,000
Unappropriated (deficit)		(39,174,528)	8,983,503
Total shareholders' equity		<u>1,818,466,427</u>	<u>1,866,624,458</u>
Total liabilities and shareholders' equity		<u>1,946,631,030</u>	<u>1,891,896,537</u>

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

Directors

Bangsaphan Barmill Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2023

		(Unit: Baht)	
	<u>Note</u>	<u>2023</u>	<u>2022</u>
Profit or loss:			
Revenues			
Sales		602,845,561	1,081,300,107
Other income			
Revenue from sale of scrap		8,144,150	6,622,560
Others		774,487	1,737,329
Total revenues		<u>611,764,198</u>	<u>1,089,659,996</u>
Expenses			
Cost of sales		593,094,721	1,020,053,878
Cost of sales of scrap		6,147,212	3,454,287
Selling and distribution expenses		9,496,533	13,550,620
Administrative expenses		24,276,815	26,043,330
Other expenses			
Factory overheads during production halt	17	41,685,209	25,033,107
Total expenses		<u>674,700,490</u>	<u>1,088,135,222</u>
Operating profit (loss)		(62,936,292)	1,524,774
Finance income		3,038,947	678,821
Finance cost		(112,420)	(223,218)
Profit (loss) before income tax expenses		(60,009,765)	1,980,377
Income tax benefits (expenses)	18	11,851,734	(719,138)
Profit (loss) for the year		<u>(48,158,031)</u>	<u>1,261,239</u>
Other comprehensive income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial gain - net of income tax	15, 18	-	1,491,760
Other comprehensive income for the year		<u>-</u>	<u>1,491,760</u>
Total comprehensive income for the year		<u>(48,158,031)</u>	<u>2,752,999</u>
Earnings per share			
Basic earnings (loss) per share	19	(0.043)	0.001

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

Bangsaphan Barmill Public Company Limited

Statement of changes in shareholders' equity

For the year ended 31 December 2023

(Unit: Baht)

	Note	Issued and fully paid-up share capital	Share premium	Premium on treasury shares	Retained earnings (Deficit)		Total shareholders' equity
					Appropriated - Statutory reserve	Unappropriated (deficit)	
Balance as at 1 January 2022		1,121,175,000	621,846,700	1,369,255	113,250,000	28,654,004	1,886,294,959
Profit for the year		-	-	-	-	1,261,239	1,261,239
Other comprehensive income for the year		-	-	-	-	1,491,760	1,491,760
Total comprehensive income for the year		-	-	-	-	2,752,999	2,752,999
Dividend paid	22	-	-	-	-	(22,423,500)	(22,423,500)
Balance as at 31 December 2022		1,121,175,000	621,846,700	1,369,255	113,250,000	8,983,503	1,866,624,458
Balance as at 1 January 2023		1,121,175,000	621,846,700	1,369,255	113,250,000	8,983,503	1,866,624,458
Loss for the year		-	-	-	-	(48,158,031)	(48,158,031)
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	(48,158,031)	(48,158,031)
Balance as at 31 December 2023		1,121,175,000	621,846,700	1,369,255	113,250,000	(39,174,528)	1,818,466,427

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

Bangsaphan Barmill Public Company Limited**Cash flow statement****For the year ended 31 December 2023**

	(Unit: Baht)	
	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Profit (loss) before income tax expense	(60,009,765)	1,980,377
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:		
Depreciation	20,784,913	24,131,669
Reduction of inventory to net realisable value	2,274,606	3,440,899
Realised loss (gain) on exchange	89	(15,364)
Unrealised loss (gain) on exchange	7,257	(280,233)
Long-term employee benefits expenses	1,406,874	1,466,040
Finance income	(3,038,947)	(678,821)
Finance cost	73,605	119,672
Profit (loss) from operating activities before changes in operating assets and liabilities	(38,501,368)	30,164,239
Operating assets (increase) decrease		
Trade and other receivables	90,559,571	(10,169,708)
Inventories	(100,182,925)	(12,258,567)
Advance payment for purchase of raw materials, supplies and spare parts	2,293,078	(2,250,059)
Other current assets	(9,298,494)	4,514,166
Other non-current assets	(61,500)	(20,250)
Operating liabilities increase (decrease)		
Trade and other payables	111,040,751	(61,643,883)
Advance received from customers	(5,262,945)	5,262,945
Other current liabilities	(1,900,933)	1,918,066
Cash paid for long-term employee benefits	(763,917)	(1,032,867)
Cash flows from (used in) operating activities	<u>47,921,318</u>	<u>(45,515,918)</u>
Interest received	3,038,947	678,821
Corporate income tax paid	-	(9,082,805)
Net cash flows from (used in) operating activities	<u>50,960,265</u>	<u>(53,919,902)</u>

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

Bangsaphan Barmill Public Company Limited**Cash flow statement (continued)****For the year ended 31 December 2023**

	<u>2023</u>	<u>2022</u>
		(Unit: Baht)
Cash flows from investing activities		
Acquisition of equipment	(516,829)	(3,239,755)
Net cash flows used in investing activities	<u>(516,829)</u>	<u>(3,239,755)</u>
Cash flows from financing activities		
Payment of principal portion of lease liabilities	(1,701,000)	(1,701,000)
Dividend paid	-	(22,423,500)
Net cash flows used in financing activities	<u>(1,701,000)</u>	<u>(24,124,500)</u>
Net increase (decrease) in cash and cash equivalents	48,742,436	(81,284,157)
Effect of exchange rate on cash and cash equivalents	(7,257)	280,233
Cash and cash equivalents at beginning of year	597,159,697	678,163,621
Cash and cash equivalents at end of year (Note 7)	<u><u>645,894,876</u></u>	<u><u>597,159,697</u></u>
Supplemental cash flows information		
Non-cash transaction		
Transfer inventories to equipment	2,058,163	6,870,600

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

Bangsaphan Barmill Public Company Limited

Notes to financial statements

For the year ended 31 December 2023

1. General information of the Company

Bangsaphan Barmill Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of deformed and round steel bars. The registered office of the Company is at 28/1 Prapawit building, 8th Floor, Surasak Road, Kwang Silom, Khet Bangrak, Bangkok. Its plant is located at 8 Moo 7, Ban Klang Na-Yai Ploy Road, Tambon Mae Rumphueng, Amphur Bangsaphan, Prachuabkirikhan.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company believes that adoption of these amendments will not have any significant impact on the Company's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts to customers.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at bank, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Inventories

Finished goods are valued at the lower of cost (under the average method) and net realisable value. Cost includes cost of raw material, wages and attributable factory overheads.

Raw material and manufacturing supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

Spare parts are valued at the lower of cost (the first-in, first-out method).

4.4 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings, equipment and bearer plant (rubber trees) stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any):

Depreciation of buildings, equipment and bearer plant is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Office buildings	20 years
Plant building and plant building improvement	30 years
Equipment	5, 10 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 years
Bearer plant	20 years

Depreciation for machinery and equipment in production line which is depreciated using the units-of-production method as follows:

Machinery and equipment in production line	production units estimated
- Normal line	at a total 7.2 million tons
- Special line	at a total of 0.864 million tons

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.5 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, and key management personnel, and directors and officers with authority in the planning and direction of the Company's operations.

4.6 Leases as a lessee

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

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Buildings and building improvement	3	years
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Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.7 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.8 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment and right-of-use asset whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in the profit or loss.

4.9 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

4.10 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.11 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.12 Financial instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Classification and measurement of financial liabilities

At initial recognition the Company's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from estimates. Significant judgements and estimates are as follows:

Allowance for diminution in value of inventory

In determining allowance for diminution in value of inventory, the management exercises judgment in estimating the net realisable value of inventory. These estimates are based on estimates of selling prices, which take into account events occurring after the end of the period and estimates of related costs and expenses.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives, units-of-production and residual values of the plant and equipment and to review estimate useful lives, units-of-production and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

6. Related party transactions

During the years, the Company had significant business transactions with its related parties. Such transactions, which are summarised below, arose the ordinary course of business and were conclude on commercial terms and based agreed upon by the Company and those related parties.

(Unit: Million Baht)

	<u>2023</u>	<u>2022</u>	<u>Transfer Pricing Policy</u>
<u>Transactions with related companies</u>			
Sales	-	0.2	At prices and on trading terms similar to those of sales to normal customers
Utilities expenses	24.7	30.0	At agreed price with reference of cost and related expenses of provision
Transportation expenses	-	5.2	Based on distance which is priced in the normal course of business
Service expenses	2.5	2.4	Contract price
Rental expenses	2.3	2.2	Contract price
Management fee	0.6	0.6	Contract price

As at 31 December 2023 and 2022, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Trade payables - related parties (Note 14)		
Related companies		
Sahaviriya Steel Industries Plc.	498	624
SVL Corporation Co., Ltd.	11	11
Western Security Guard Co., Ltd.	212	211
Total trade payables - related parties	<u>721</u>	<u>846</u>

Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Company had employee benefit expenses of its directors and management as below.

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	9,231	10,134
Post-employment benefits	195	178
Total	<u>9,426</u>	<u>10,312</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Cash	80	80
Bank deposits	645,815	597,080
Total	<u>645,895</u>	<u>597,160</u>

As at 31 December 2023, bank deposits in saving accounts carried interests between 0.15 and 1.25 percent per annum (2022: between 0.125 and 0.325 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	76,216	161,080
Past due		
Up to 3 months	4,565	11,955
Total trade receivables	<u>80,781</u>	<u>173,035</u>
<u>Other receivables</u>		
Other receivables - unrelated party	1,695	-
Total other receivables	<u>1,695</u>	<u>-</u>
Total trade and other receivables	<u>82,476</u>	<u>173,035</u>

As at 31 December 2023, the outstanding balances included in post-dated cheques and notes receivable amounting to Baht 77 million (2022: Baht 149 million).

The normal credit term is 30 to 120 days.

9. Inventories

	(Unit: Thousand Baht)					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Finished goods	250,252	219,529	(5,716)	(3,441)	244,536	216,088
Raw materials	110,259	42,471	-	-	110,259	42,471
Supplies and spare parts	95,196	95,582	-	-	95,196	95,582
Total	<u>455,707</u>	<u>357,582</u>	<u>(5,716)</u>	<u>(3,441)</u>	<u>449,991</u>	<u>354,141</u>

During the current year, the Company reduced cost of inventories by Baht 2 million (2022: Baht 3 million), to reflect the net realisable value. This was included in cost of sales.

10. Property, plant and equipment

(Unit: Thousand Baht)

	Land	Building and building improvement	Machinery and equipment in production line	Furniture, fixtures and office equipment	Equipment	Motor vehicles	Assets under installation	Bearer plant	Total
Cost:									
As at 1 January 2022	96,293	363,907	1,023,503	23,159	40,307	8,505	301	7,714	1,563,689
Additions	-	-	2,522	718	-	-	-	-	3,240
Transfers	-	-	7,135	37	-	-	(301)	-	6,871
As at 31 December 2022	96,293	363,907	1,033,160	23,914	40,307	8,505	-	7,714	1,573,800
Additions	-	-	-	177	55	-	285	-	517
Transfers	-	400	1,715	102	11	-	(170)	-	2,058
As at 31 December 2023	96,293	364,307	1,034,875	24,193	40,373	8,505	115	7,714	1,576,375
Accumulated depreciation:									
As at 1 January 2022	-	264,654	470,933	22,556	40,303	7,139	-	1,383	806,968
Depreciation for the year	-	12,125	8,865	379	3	793	-	385	22,550
As at 31 December 2022	-	276,779	479,798	22,935	40,306	7,932	-	1,768	829,518
Depreciation for the year	-	12,126	5,751	362	6	573	-	386	19,204
As at 31 December 2023	-	288,905	485,549	23,297	40,312	8,505	-	2,154	848,722
Net book value:									
31 December 2022	96,293	87,128	553,362	979	1	573	-	5,946	744,282
31 December 2023	96,293	75,402	549,326	896	61	-	115	5,560	727,653
Depreciation for the year:									
2022 (Baht 17 million included in manufacturing cost, and the balance in administrative expenses)									22,550
2023 (Baht 11 million included in manufacturing cost, and the balance in administrative expenses)									19,204

As at 31 December 2023, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 73 million (2022: Baht 69 million).

All land, buildings and machinery are mortgaged/pledged as collateral for credit facilities obtained from a bank. The beneficiary rights under the insurance policies for these mortgaged/pledged assets have also been transferred to the bank.

11. Leases

The Company has lease contracts for building and building improvement used in its operations. Leases generally have lease terms of 3 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2023 and 2022 are summarised below:

	(Unit: Thousand Baht)
	Building and building improvement
1 January 2022	4,745
Depreciation for the year	(1,582)
31 December 2022	3,163
Depreciation for the year	(1,581)
31 December 2023	1,582

b) Lease liabilities

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Lease payments	1,701	3,402
Less: Deferred interest expenses	(26)	(100)
Total	1,675	3,302
Less: Portion due within one year	(1,675)	(1,627)
Lease liabilities - net of current portion	-	1,675

Movements of the lease liability account during the years ended 31 December 2023 and 2022 are summarised below:

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Balance at beginning of year	3,302	4,883
Accretion of interest	74	120
Repayments	<u>(1,701)</u>	<u>(1,701)</u>
Balance at end of year	<u>1,675</u>	<u>3,302</u>

A maturity analysis of lease payments is disclosed in Note 24.1 under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Depreciation expense of right-of-use assets	1,581	1,582
Interest expense on lease liabilities	74	120
Expense relating to leases of low-value assets	72	72

d) Others

The Company had total cash outflows for leases for the year ended 31 December 2023 of Baht 1.8 million (2022: Baht 1.8 million), including the cash outflow related to leases of low-value assets.

12. Non-operating asset

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Non-operating asset - land	4,154	4,154
Less: Allowance for impairment	<u>(4,154)</u>	<u>(4,154)</u>
Non-operating asset - net	<u>-</u>	<u>-</u>

a) In January 2010, the Company received a letter dated 5 January 2010 from the Department of Lands, relating to the revocation of the Certificate of Utilisation (Nor Sor 3 Kor), ordering that the Nor Sor 3 Kor certificate be revoked in accordance with the order of the Director General of the Department of Lands No. 15/2553 dated 5 January 2010. For prudent reasons, the Company has set aside allowance for impairment of this non-operating asset in full in the 2009 financial statements.

In August 2010, the Company filed a lawsuit against the officers of Prachuapkhirikhan Provincial Lands Office, Bangsaphan Branch with the Central Administrative Court, petitioning the Central Administrative Court to order the cancellation of the announcement of revocation for such Nor. Sor.3. Kor. In addition, the Company also petitioned the Court to identify measures to provide temporary relief to the plaintiff. In September 2010, the Company petitioned the Central Administrative Court to withdraw the order of the Director General of the Department of Lands No. 15/2553 dated 5 January 2010. The Court ordered to combine two cases into one case. Later in 2017, the Central Administrative Court has dismissed the plaintiff's complaint. The Company filed an appeal against the judgement of the Central Administrative Court with the Supreme Administrative Court. Currently, this case is being considered by the Supreme Administrative Court.

- b) In December 2010, the Company received a letter from Bangsaphan Sheriff, as the official responsible for protection the conserved forest area of Klong Mae Rumphueng, Prachuabkirikhan. This referred to Section 25(1) of the Conserved Forest Act B.E. 2507 and ordered the Company to leave and discontinue any activities on the conserved forest area.

In March 2011, the Company petitioned the Central Administrative Court to reverse the Sheriff's order that the Company leave and discontinue any activities on the conserved forest area.

Later in 2017, the Central Administrative Court dismissed the case. As a result, the Sheriff's order has continued. The Company filed an appeal against the judgment of the Central Administrative Court with the Supreme Administrative Court. Currently, this case is being considered by the Supreme Administrative Court.

However, the management of the Company believes that this order will not have any significant impact on the Company's operations and financial statements.

13. Short-term credit facilities from bank

The Company has been granted credit facilities amounting to Baht 675 million from a bank, consisting of bank overdraft facilities amounting to Baht 10 million and short-term loan facilities amounting to Baht 665 million. As at 31 December 2023, the Baht 675 million credit facilities (2022: Baht 675 million) have yet been drawn down.

The credit facilities are secured by the mortgage/pledge of all land, buildings and machinery of the Company as described in Note 10 to the financial statements. In addition, under the credit facilities agreement, the Company has to comply with certain covenants regarding the operations, financial ratios and other conditions.

However, the Company has already received a waiver for not complying with covenants regarding the financial ratio.

14. Trade and other payables

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Trade payables - related parties (Note 6)	721	846
Trade payables - unrelated parties	113,855	3,327
Accrued expenses	1,782	1,145
Total	<u>116,358</u>	<u>5,318</u>

15. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensations payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Provision for long-term employee benefits		
at beginning of year	8,740	10,172
Included in profit or loss:		
Current service cost	1,120	1,242
Interest cost	287	224
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	-	9
Financial assumptions changes	-	(697)
Experience adjustments	-	(1,177)
Benefits paid during the year	(764)	(1,033)
Provision for long-term employee benefits		
at end of year	<u>9,383</u>	<u>8,740</u>

The Company expects to pay Baht 0.7 million of long-term employee benefits during the next year (2022: Baht 0.8 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 10 years (2022: 10 years).

Significant actuarial assumptions at the valuation date are summarised belows:

	(Unit: Percent per annum)	
	<u>2023</u>	<u>2022</u>
Discount rate	3.40%	3.40%
Salary increase rate	4.00%	4.00%
Turnover rate	5.00%-15.00%	5.00%-15.00%

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

	(Unit: Thousand Baht)					
		<u>2023</u>		<u>2022</u>		
	%	Increase	Decrease	Increase	Decrease	
Discount rate	1	(570)	641	(555)	624	
Salary increase rate	1	774	(688)	657	(595)	
Turnover rate	10	(321)	340	(313)	331	

16. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit for the year after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

17. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Salaries and wages and other employee benefits	45,705	49,980
Depreciation	20,785	24,132
Transportation expenses	8,009	10,973
Raw materials and consumables used	581,745	969,397
Changes in inventories of finished goods	(30,724)	(23,969)
Factory overheads during production halt	41,685	25,033

In 2023, the Company halted production in February, April, May, June, September, October and December due to the fluctuate market price of steel billet (2022: halted production in June, July, November and December since the Company was in the fluctuate market price of steel billet).

18. Income tax

Income tax expenses (benefits) for the years ended 31 December 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Current income tax:		
Current income tax charge	-	1,494
Deferred tax:		
Relating to origination and reversal of temporary differences	<u>(11,852)</u>	<u>(775)</u>
Income tax expenses (benefits) reported in profit or loss	<u>(11,852)</u>	<u>719</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Deferred tax on actuarial gains	<u>-</u>	<u>373</u>

The reconciliation between accounting profit (loss) and income tax expenses (benefits) is shown below.

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Accounting profit (loss) before tax	<u>(60,010)</u>	<u>1,980</u>
Applicable tax rate	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(12,002)	396
Effects of:		
Non-deductible expenses	150	404
Additional expense deductions allowed	-	(81)
Total	<u>150</u>	<u>323</u>
Income tax expenses (benefits) reported in profit or loss	<u>(11,852)</u>	<u>719</u>

The components of deferred tax assets and deferred tax liability are as follows:

	(Unit: Thousand Baht)	
	Statements of financial position	
	<u>2023</u>	<u>2022</u>
Deferred tax assets		
Provision for long-term employee benefits	1,877	1,748
Allowance for diminution in value of inventories	1,143	688
Lease	340	680
Unused tax losses	11,277	-
Total	<u>14,637</u>	<u>3,116</u>
Deferred tax liability		
Lease	321	652
Total	<u>321</u>	<u>652</u>
Deferred tax assets - net	<u>14,316</u>	<u>2,464</u>

The unused tax losses amounting to Baht 11 million will expire by 2028.

19. Earnings per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

20. Segment information

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

The Company is principally engaged in the manufacture and distribution of deformed and round steel bars. Its operation is carried on exclusively in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographic area.

For the year 2023, the Company has revenue from three major customers in amount of Baht 353 million (2022: Baht 665 million derived from three major customers).

21. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contribution for the year 2023 amounting to Baht 0.5 million (2022: Baht 0.5 million) were recognised as expenses.

22. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Interim dividend for 2022	The Board of Director Meeting on 8 August 2022	22.4	0.02
Total for 2022		22.4	

23. Commitments

The Company has entered into the lease agreement of low-value assets of equipment and services agreements. The terms of the agreements are generally between 1 and 4 years.

As at 31 December 2023, future minimum lease payments required under these leases and service contracts were as follows:

	(Unit: Million Baht)	
	<u>2023</u>	<u>2022</u>
Payable:		
In up to 1 year	3.6	3.4
In over 1 and up to 4 years	0.2	0.7

24. Financial instruments

24.1 Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, trade receivables, trade and other payables, and lease liabilities. The financial risks associated with these financial instruments and how they are managed are described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade receivables and deposits at banks. The Company's maximum exposure to credit risk is limited to the carrying amounts as stated in the statements of financial position.

Trade receivables

The Company manages the risk by adopting appropriate credit control policies and procedures. Although the Company are exposed to credit risk with respect to trade receivables since the majority of sales are made to a limited number of customers. However, due to those customer's creditworthiness, the Company does not anticipate material losses from debt collection.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Deposits at banks

The Company manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are three types of market risk comprising interest rate risk, currency risk and commodity price risk.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks. However, this Company's financial assets bear floating interest rates, the interest rate risk is expected to be minimal. The detail of interest rates of cash at banks is set out in Note 7 to the financial statements.

Foreign currency risk

The Company's exposure to the foreign currency risk relates primarily to purchasing raw materials for production that are denominated in foreign currencies. The Company considered that there may be an effect from changes in exchange rates at low level since mostly, the Company will make the payment for purchase of goods in advance.

Commodity price risk

The Company is affected by the price volatility of certain commodities, billets. Its operating activities require the ongoing purchase of billet for continuous supply of billet, therefore the Company is exposed to changes in the price of its forecast billet purchases.

The Company has developed and enacted a risk management strategy for commodity price risk and its mitigation. The Company mainly hedges the purchase price by sourcing the billet from domestic sources and ordering the small quantities in accordance with the production plan and sales forecast of each month. However, the Company will purchase the big lots of billet from abroad when the price is reasonable.

Liquidity risk

The Company monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. The Company has assessed the concentration of risk with respect to financing and settlement of its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	As at 31 December 2023				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Trade and other payables	-	116,358	-	-	116,358
Lease liabilities	-	1,701	-	-	1,701
Total non-derivatives	-	118,059	-	-	118,059

(Unit: Thousand Baht)

	As at 31 December 2022				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Trade and other payables	-	5,318	-	-	5,318
Lease liabilities	-	1,701	1,701	-	3,402
Total non-derivatives	-	7,019	1,701	-	8,720

24.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at a rate closed to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

25. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2023, the Company's debt-to-equity ratio was 0.07:1 (2022: 0.01:1).

26. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2024.