



Independent Auditor's Report and Financial Statements of

Sahamitr Pressure Container Public Company Limited

For the Year Ended 31 December 2023



INDEPENDENT AUDITOR'S REPORT

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To the Shareholders of Sahamitr Pressure Container Public Company Limited

Opinion

I have audited the financial statements of Sahamitr Pressure Container Public Company Limited (the "Company"), which comprise the statement of financial position as at 31 December 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of Sahamitr Pressure Container Public Company Limited as at 31 December 2023, and its financial performance and its 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 (TFAC Code) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. 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.

Key audit matter	How my audit addressed the key audit matter
<p><i>Revenue recognition</i></p> <p>Revenue from sales and services are significant transactions in the financial statements and are important to the users of financial statements for evaluating the Company's performance.</p> <p>I focused on this matter because the Company has large number of customers and transactions are occurred both domestic and overseas with the various commercial terms, and conditions including the determination of timing of revenue recognition when the performance obligations are satisfied. The Company has disclosed accounting policy for revenue recognition and revenue in notes 3 and 19 to financial statements.</p>	<p>My audit procedures included</p> <ul style="list-style-type: none"> - Understanding the nature and type of revenue including the policy, internal controls related to revenue cycle and sampling test of key control designed by the Company. - Sampling trace to the supporting documents for the sales and services transactions during the year to the accounting records including the transactions occurred near the year ended. - Examining credit notes issued in subsequent period. - Performing disaggregated analytical procedures for revenue to analyse unusual trend of transactions. - Testing sales and service transactions recorded through journal vouchers. - Assessing the adequacy of the Company's disclosure for revenues from sales and services.

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 financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.



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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS, 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 are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 the 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 charge 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 charge 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 charge 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.



Saranya Akharamahaphanit

Certified Public Accountant

Registration No. 9919

Grant Thornton Limited

Bangkok

14 February 2024

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

ASSETS

	Notes	Thousand Baht	
		31 December 2023	31 December 2022
CURRENT ASSETS			
Cash and cash equivalents	6	232,483	59,887
Trade accounts receivable	7	702,644	491,592
Inventories	8	1,047,953	1,575,906
Advance payments for goods		11,918	14,680
Refundable value added tax		39,150	30,957
Other current financial assets	9, 27	411,187	663,281
Other current assets		14,563	13,518
Total Current Assets		2,459,898	2,849,821
NON-CURRENT ASSETS			
Restricted deposits with banks	10	-	30,154
Investment property	11, 27	61,677	61,766
Property, plant and equipment	12, 14	1,332,690	1,317,180
Deferred tax assets	21	14,896	13,661
Other non-current assets		448	448
Total Non-Current Assets		1,409,711	1,423,209
TOTAL ASSETS		3,869,609	4,273,030

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SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	Thousand Baht	
		31 December 2023	31 December 2022
CURRENT LIABILITIES			
Short-term loans from bank	13	416,960	1,062,433
Trade and other payables		423,243	228,847
Current portion of lease liabilities	14	2,920	1,689
Advances received from customers		55,041	58,781
Dividend payable	16	5,602	5,181
Accrued commission expenses		27,583	11,989
Accrued transportation expenses		6,880	16,920
Accrued income tax		45,024	52,677
Other accrued expenses		47,284	44,597
Other current liabilities		3,030	3,996
Total Current Liabilities		1,033,567	1,487,110
NON-CURRENT LIABILITIES			
Lease liabilities	14	4,449	812
Liabilities under post-employment benefits	15	66,404	64,542
Total Non-Current Liabilities		70,853	65,354
TOTAL LIABILITIES		1,104,420	1,552,464

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SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER

	Notes	Thousand Baht	
		2023	2022
Revenue from sales and services	19, 23	3,810,867	5,248,017
Costs of sales and services	23, 24	(3,139,590)	(3,899,115)
Gross profit		671,277	1,348,902
Other income	20	211,000	276,759
Profit before expense		882,277	1,625,661
Selling and distribution expenses	24	(193,860)	(321,241)
Administrative expenses	24	(209,089)	(267,374)
Profit from operating activities		479,328	1,037,046
Finance costs		(19,332)	(23,951)
Profit before income tax		459,996	1,013,095
Income tax	21	(88,762)	(184,212)
PROFIT FOR THE YEAR		371,234	828,883
Other comprehensive income			
Item not to be reclassified subsequently to profit or loss			
Actuarial loss - net of tax	15, 21	-	(974)
Other comprehensive income for the year		-	(974)
Total comprehensive income for the year		371,234	827,909
Basic earnings per share			
Profit (Baht per share)		0.69	1.55
Weighted average number of common shares (share)		535,506,333	535,506,333

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SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER

	Thousand Baht				
	Share Capital Issued and fully paid - up	Premium on share capital	Retained earnings		Total
			Appropriated for legal reserve	Unappropriated	
Notes					
Balance as at 1 January 2022	535,506	55,091	53,641	1,821,395	2,465,633
Dividend payment	-	-	-	(572,976)	(572,976)
Transactions with owners	535,506	55,091	53,641	1,248,419	1,892,657
Profit for the year	-	-	-	828,883	828,883
Other comprehensive income for the year	-	-	-	(974)	(974)
Total comprehensive income for the year	-	-	-	827,909	827,909
Balance as at 31 December 2022	535,506	55,091	53,641	2,076,328	2,720,566
Balance as at 1 January 2023	535,506	55,091	53,641	2,076,328	2,720,566
Dividend payment	-	-	-	(326,611)	(326,611)
Transactions with owners	535,506	55,091	53,641	1,749,717	2,393,955
Profit for the year	-	-	-	371,234	371,234
Total comprehensive income for the year	-	-	-	371,234	371,234
Balance as at 31 December 2023	535,506	55,091	53,641	2,120,951	2,765,189

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

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER

	Thousand Baht	
	2023	2022
Cash flows from operating activities:		
Profit before income tax	459,996	1,013,095
Adjustments to reconcile profit before income tax to net cash provided from (used in) operating activities:		
Depreciation	81,731	75,669
Unrealized loss (gain) on exchange rate	(1,604)	15,788
Provision for post-employment benefits	3,997	3,226
Loss (gain) on fair value adjustment of investment property	89	(1,260)
Loss on disposal and written-off assets	1,876	6,885
Unrealized gain on other current financial assets	(2,250)	(531)
Gain on disposal of other current financial assets	(1,657)	(947)
Reversal of accrued expenses	(429)	-
Interest expense	19,332	23,951
Cash provided from operations before changes in operating assets and liabilities	561,081	1,135,876
Decrease (increase) in operating assets:		
Trade accounts receivable	(210,473)	111,459
Inventories	527,953	(119,537)
Advance payments for goods	2,762	(1,040)
Refundable value added tax	(8,193)	23,457
Other current assets	(1,045)	6,569
Increase (decrease) in operating liabilities:		
Trade and other payables	195,678	(25,009)
Advances received from customers	(3,740)	(23,569)
Accrued commission expenses	15,762	(17,993)
Accrued transportation expenses	(10,040)	(7,993)
Other accrued expenses	2,658	2,123
Other current liabilities	(965)	(2,386)
Employee benefit paid	(4,493)	(2,656)
Cash provided from operations	1,066,945	1,079,301

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SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER

	Thousand Baht	
	2023	2022
Cash provided from operations (continue)	1,066,945	1,079,301
Interest paid	(16,687)	(21,402)
Income tax paid	(97,650)	(179,685)
Net cash provided from operating activities	<u>952,608</u>	<u>878,214</u>
Cash flows from investing activities:		
Purchase of other current financial assets	(3,247,000)	(3,199,800)
Proceeds from disposal of other current financial assets	3,503,000	3,312,000
Decrease (increase) in restricted deposits with bank	30,154	(56)
Proceeds from disposal of assets	217	1,523
Purchase of property, plant and equipment	(92,180)	(135,845)
Net cash provided from (used in) investing activities	<u>194,191</u>	<u>(22,178)</u>
Cash flows from financing activities:		
Decrease in short-term loans from bank	(645,467)	(250,006)
Repayment of lease liabilities	(2,545)	(3,497)
Dividend payment	(326,191)	(572,147)
Net cash used in financing activities	<u>(974,203)</u>	<u>(825,650)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	172,596	30,386
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	59,887	29,501
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>232,483</u>	<u>59,887</u>

Supplemental disclosures for cash flows information

Non-cash transactions :

- Recognition of right-of-use asset	7,155	1,388
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SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2023

1. NATURE OF BUSINESS

Sahamitr Pressure Container Public Company Limited, the "Company", is incorporated in Thailand and has its registered office at 92, Soi Thientalay 7, 4th intersection, Bangkhunthien - Chaitalay Road, Samaedam, Bangkhunthien, Bangkok.

The Company was incorporated as a limited public company in Thailand, and was listed on the Stock Exchange of Thailand on 3 December 1991.

The Company's major shareholders during the financial year were Mrs. Patama Laowong (20.33% shareholding) and Mr. Thamik Ekahitanond (10.65% shareholding).

The Company is engaged in the manufacturing of LPG and other pressure cylinders for both domestic and export sales.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

2.1 Statement of compliance

The accompanying financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") issued by the Federation Accounting Professions and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act. These financial statements are officially prepared in the Thai language. The translation of these financial statements to other languages must be in compliance with the official report in Thai.

The financial statements have been prepared on a historical cost basis, except as otherwise disclosed specifically.

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires management to use certain critical accounting estimates and to exercise judgement in the process of adoption and application the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to financial statements are disclosed in Note 4 to financial statements.

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

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

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

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

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

2.2.3 Thai Accounting Standard 41, "Agriculture"

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

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

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

2.2.5 Thai Financial Reporting Standard 3, "Business Combinations"

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

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2.2.6 Thai Financial Reporting Standard 9, "Financial Instruments"

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

The amendment do not have any significant impact to the Company's financial statements, when adoption.

2.3 Amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024 are as follows:

2.3.1 Thai Accounting Standard 1, "Presentation of financial statements"

There are revises the disclosure from 'significant accounting policies' to 'material accounting policies'. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

2.3.2 Thai Accounting Standard 8, "Accounting policies, changes in accounting estimates and errors"

There are revises to the definition of 'accounting estimates' to clarify how company should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.

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2.3.3 Thai Accounting Standard 12, "Income taxes"

There are requires companies to recognize deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations.

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

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

The cumulative effect of recognizing these adjustments is recognized at the beginning of retained earnings or another component of equity, as appropriate.

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

2.4 New Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

On 19 August 2022, Thai Financial Reporting Standard No.17 "Insurance Contracts" has been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after 1 January 2025 onwards.

The Company did not early adopt this standard. The management is currently assessing the impact of adoption of this standard.

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3. SIGNIFICANT ACCOUNTING POLICIES

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

Cash and cash equivalents

Cash and cash equivalents include cash on hand and all cash at banks (which do not have restriction of usage) and highly liquid investments maturing within 3 months that are readily convertible to cash on maturity date with insignificant risk of change in value.

Related parties

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

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

Inventory

Inventories are valued at the lower of cost or net realizable value, by the following methods:

Finished goods and work in process	At cost (average method)
Raw materials and others	At cost (specific and first - in, first - out method)

Net realizable value is the estimated selling price in the ordinary course of the business less the marginal cost to complete (for work in process) and other estimated costs necessary to make the sale.

Cost of purchase consists of purchasing price and other related direct cost, net of discounts and others (if any).

Costs of finished goods and work in process consist of raw materials, direct labour, other direct expenses and overhead which are allocated based on the production process.

The Company sets up allowance for decline value of inventories (if any), based on their current status such as slow-moving and defective.

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Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (if any).

Cost is measured by the cash or cash equivalent price of obtaining the asset that bring it to the location and condition necessary for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/expense in profit or loss.

Subsequent costs

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

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

	Years
Land improvements	10
Buildings and improvements	3 - 40
Machinery and equipment	3 - 20
Furniture, fixtures and office equipment	3 - 10
Vehicles	5

No depreciation is provided on freehold land or assets under construction.

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

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Impairment

The carrying amounts of the Company'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.

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

Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property also includes property where the future use has not been determined.

Investment property is measured initially at its cost including related transaction costs. After initial recognition, investment property is carried at its fair value estimated by an independent appraiser, and recognize changes in the fair value in profit or loss.

Subsequent expenditure is capitalised to the asset carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Right-of-use assets and lease liabilities

Leases - where the Company is the lessee

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

The Company recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Company uses the Company's incremental borrowing rate.

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Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and other rebates.

Sale of goods and services rendered

Revenue from sales of goods is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for estimated returns, which are estimated based on the historical data.

Freight income is recognized over time. The related costs are recognized in profit or loss when they are incurred.

Interest income

Interest income is recognized in profit or loss on an accrual basis.

Foreign currencies

Foreign currency transactions are translated into the functional currency (Thai Baht), using the exchange rate prevailing at the dates of the transactions (spot exchange rate).

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in profit or loss as incurred.

Income tax

The computation of corporate income tax in compliance with the Revenue Code, is based on the taxable profit for the year after adding back expenses that are not deductible in determining taxable profit and the deduction of exempted income, according to the Revenue Code.

Current income tax

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

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Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the corresponding amounts used for income tax computation purposes. Deferred tax is measured at the tax rate that is expected to be applied to the temporary differences when they reverse, using tax rate enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting year and reduced to the extent that the related tax benefit will be realized.

Employee benefits

Short-term employment benefits

Salaries, wages, bonuses and contribution to the social security are recognized as expenses when incurred on the accrual basis.

Post-employment benefits (Defined contribution plans)

The Company and its employees have jointly established a contributory provident fund plan whereby monthly contributions are made by employees and by the Company. The fund assets are held in a separate trust fund. The Company's contributions are recognized as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments for employees upon retirement under the Labour Law.

The obligation under the defined benefit plan is determined by actuary, using the projected unit credit method.

Share-based payments

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Basic earnings per share

The Company presents basic earnings per share for its ordinary shares. Basic earnings per share 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 year.

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Dividend payment

Dividend payment is recorded in the financial statements in the period in which they are approved by the Shareholders or Board of Directors of the Company.

Segment reporting

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment information is presented by geography as primary format.

Provisions

A provision is recognized if, as a result of a past event, the Company 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.

Financial instruments

Recognition and derecognition

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

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

Financial liabilities are derecognized when they are extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

The Company classified financial assets into the categorized (1) amortised cost (2) fair value through other comprehensive income (FVOCI) or (3) fair value through profit or loss (FVTPL) based on 2 criteria as follow;

- the entity's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset

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

At initial recognition, the financial assets (in the case of a financial asset not at FVTPL) are initial recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

The Company does not have any financial assets categorized and measured by FVOCI.

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Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions:

- the Company held such financial assets within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are subsequently measured at amortised cost using the effective interest method and are subjected to impairment which recognized in the profit or loss as separate item.

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

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL.

These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI (if any). The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Classification and initial measurement of financial liabilities

The Company classifies the financial instruments issued by the Company as financial liabilities or equity securities by considering contractual obligations.

The Company initial recognized the financial liabilities at fair value and adjusted with transaction costs that are directly attributable to the acquisition of the financial liabilities.

Subsequent measurement of financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method and are expensed in the profit or loss except derivative liabilities are measured at fair value through profit or loss.

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4.1.2 Allowance for decline in value of inventories

The Company estimates an allowance for slow-moving and defective inventories to reflect impairment of inventories. The allowance is based on the consideration of inventory turnover and deterioration of each inventory category.

4.1.3 Property, plant and equipment and computer software

Management regularly determines the estimated useful lives and residual values of building, plant and equipment and computer software, and will revise the depreciation and the amortization charge where useful lives and residual values previously estimated have changed or subject to be written down for their technical obsolescence or if asset is no longer in used.

4.1.4 Investment property

The fair value of investment property is determined by an independent valuer using the market approach. The valuation involves certain assumptions and estimates.

4.1.5 Post-employment benefits

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary increases, mortality rates and other demographic factors. Actual post-retirement costs may ultimately differ from these estimates.

4.1.6 Deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company future taxable income against which the deductible temporary differences can be utilized. In addition, management judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

4.1.7 Leases

Determining the lease term

The Company exercises judgement in determining whether it is reasonably certain to exercise option to terminate or extend a lease in determining the lease term which considered all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease or not to exercise the option to terminate the lease.

Determining of discount rate

The discount rate, which was used to calculate the lease liability, is the rate implicit in the leases if it can be readily determined, or the lessee's incremental borrowing rate if not. The Company used the rate implicit in the lease for hire purchase leases and incremental borrowing rate for other leases. The Company estimated interest rate closely to incremental borrowing rate.

4.2 Capital risk management

The Company's objectives in the management of capital is to safeguard its ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Company may issue new shares or issue new debentures to finance debts or sell assets to reduce debts.

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5. TRANSACTIONS WITH RELATED PARTIES

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

Significant transactions with related parties for the years ended 31 December 2023 and 2022 consist of:

	Thousand Baht	
	2023	2022
<u>Key management personnel compensation</u>		
Short-term employment benefits	71,144	81,541
Post-employment benefits		
- Service cost	646	921
- Finance cost	633	587
Total	<u>72,423</u>	<u>83,049</u>

As at 31 December 2023 and 2022, the Company has the following significant outstanding balances with related parties as follows:

	Thousand Baht	
	2023	2022
Lease liabilities	6,557	786
<u>Less</u> Portion due within 1 year	(2,392)	(786)
Net	<u>4,165</u>	<u>-</u>
Liabilities under post-employment benefits	<u>26,292</u>	<u>25,013</u>

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6. CASH AND CASH EQUIVALENTS

	Thousand Baht	
	2023	2022
Cash	165	169
Saving accounts with banks	225,718	53,658
Current accounts with banks	6,600	6,060
Total	<u>232,483</u>	<u>59,887</u>

7. TRADE ACCOUNTS RECEIVABLE

As at 31 December 2023 and 2022, the aged trade accounts receivable are as follows:

	Thousand Baht	
	2023	2022
Not yet due	534,995	335,349
Over due		
Less than 3 months	166,288	120,185
More than 3 months, not over 6 months	23	16,684
More than 6 months, not over 12 months	1,334	18,320
More than 12 months	4	1,054
Total	<u>702,644</u>	<u>491,592</u>

The normal credit term is between 0 - 90 days.

8. INVENTORIES

	Thousand Baht	
	2023	2022
Raw materials and others	566,081	1,266,832
Raw materials in transits	223,612	92,011
Work in process	85,314	49,135
Finished goods	173,602	168,584
Total	<u>1,048,609</u>	<u>1,576,562</u>
<u>Less</u> Allowance for decline in value of inventories	<u>(656)</u>	<u>(656)</u>
Net	<u>1,047,953</u>	<u>1,575,906</u>

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9. OTHER CURRENT FINANCIAL ASSETS

Movements in the other current financial assets for the years ended 31 December 2023 and 2022 are summarized below.

	Thousand Baht	
	2023	2022
Other current financial assets: Short-term investment		
Balance as at 1 January	663,281	774,003
<u>Add</u> Addition	3,247,000	3,199,800
<u>Less</u> Disposals	(3,501,344)	(3,311,053)
Unrealized gain on short-term investment	2,250	531
Balance as at 31 December	<u>411,187</u>	<u>663,281</u>

The Company has invested in an open-end mutual fund which yields return more than general savings deposits. The investment does not have any restriction for redemption and is classified as financial assets measured at fair value through profit or loss.

Measurement of fair value

The fair market value is based on the price quoted by the fund manager which is based on the fair value of the underlying investments held by the fund (Level 1).

10. RESTRICTED DEPOSITS WITH BANKS

As at 31 December 2022, the Company's fixed and saving deposits totalling Baht 30.15 million are restricted for usage as they have been pledged as collaterals for loans from bank and letters of guarantee issued by a local banks for performance bonds and utilities usage.

During the year 2023, the Company had redeemed the full amount of restricted deposit with banks which used as collateral.

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11. INVESTMENT PROPERTY

As at 31 December 2023 and 2022, the outstanding balances of investment property are as follows:

	Thousand Baht	
	2023	2022
Land	37,390	37,390
Land and construction	24,287	24,376
Total	61,677	61,766

Investment property comprises of land and construction which have not used in the Company's operations, and property where the future usage has not been determined.

During the years ended 31 December 2023 and 2022, movement of the investment property are as follows:

	Thousand Baht	
	2023	2022
Net book value as at 1 January	61,766	60,506
Gain on fair value adjustment for the year	(89)	1,260
Net book value as at 31 December	61,677	61,766

Measurement of fair value

The fair value of investment property is determined by external independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued and have been approved by The Securities and Exchange Commission. An independent valuation is performed at least every three years, or when management determines that there is a material change in the fair value. During the year 2023, fair value of properties was revalued resulting in a loss of Baht 0.09 million. The independent appraisers applied a market approach by comparing the value to market price of other property in the nearby location (Level 2). The Company recognized changes in the fair value of investment property in profit or loss for the year.

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12. PROPERTY, PLANT AND EQUIPMENT

	Thousand Baht						
	Land and improvement	Building and improvement	Machinery and equipment	Furniture fixtures and office Equipment	Vehicles	Machinery under installation and construction in progress	Total
Cost							
1 January 2022	328,847	556,146	1,075,179	45,730	60,890	101,425	2,168,217
Acquisitions	-	-	24,740	4,323	1,298	106,872	137,233
Disposals / write-off	-	-	(46,599)	-	(6,502)	-	(53,101)
Transfer in / (out)	36,949	36,592	114,139	-	-	(187,680)	-
31 December 2022	365,796	592,738	1,167,459	50,053	55,686	20,617	2,252,349
Acquisitions	7,240	24	19,412	3,662	-	68,997	99,335
Disposals / write-off	-	-	(13,572)	(15,269)	(400)	-	(29,241)
Transfer in / (out)	2,654	5,641	43,876	-	-	(52,171)	-
31 December 2023	375,690	598,403	1,217,175	38,446	55,286	37,443	2,322,443
Accumulated depreciation							
1 January 2022	41,083	257,649	511,369	39,060	55,032	-	904,193
Depreciation for the year	5,095	15,319	50,934	2,690	1,631	-	75,669
Accumulate depreciation for							
Disposals / write-off	-	-	(38,191)	-	(6,502)	-	(44,693)
31 December 2022	46,178	272,968	524,112	41,750	50,161	-	935,169
Depreciation for the year	7,676	16,375	52,399	3,478	1,803	-	81,731
Accumulate depreciation for							
Disposals / write-off	-	-	(11,486)	(15,261)	(400)	-	(27,147)
31 December 2023	53,854	289,343	565,025	29,967	51,564	-	989,753
Net book value							
31 December 2022	319,618	319,770	643,347	8,303	5,525	20,617	1,317,180
31 December 2023	321,836	309,060	652,150	8,479	3,722	37,443	1,332,690
Depreciation for the year 2022							
Costs of sales							64,029
Administrative expenses							11,640
Total							75,669
Depreciation for the year 2023							
Costs of sales							67,936
Administrative expenses							13,795
Total							81,731

As at 31 December 2023 and 2022, the cost of fully depreciated assets which remain in use amounted to Baht 351.75 million and Baht 361.54 million, respectively.

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13. SHORT-TERM LOANS FROM BANK

	Thousand Baht	
	2023	2022
Liabilities under trust receipts	201,960	1,062,433
Promissory note	215,000	-
Total	416,960	1,062,433

As at 31 December 2023, the Company has credit facilities from bank totalling Baht 6,764 million (2022: Baht 5,030 million). The liabilities under trust receipts bear interest at the rates of 2.10 - 6.10% per annum (2022: 1.00% to 4.95% per annum) and promissory note bears interest at the rates of 2.80% per annum. During the year 2023, the Company had redeemed the collateral for credit facilities as mentioned in Note 10.

14. LEASE

Right-of-use assets

The Company recorded right-of-use by asset category into property, plant, and equipment (Note 12 to financial statements) which are summarized as follow:

	Thousand Baht		
	Land	Vehicles	Total
<u>Cost</u>			
As at 1 January 2022	3,959	16,785	20,744
Acquisitions	-	1,298	1,298
Reclassify as Property, plant and equipment	-	(9,420)	(9,420)
As at 31 December 2022	3,959	8,663	12,622
Acquisitions	7,155	-	7,155
As at 31 December 2023	11,114	8,663	19,777
<u>Accumulated depreciation</u>			
As at 1 January 2022	2,112	11,107	13,219
Depreciation for the year	1,056	1,626	2,682
Reclassify as Property, plant and equipment	-	(9,420)	(9,420)
As at 31 December 2022	3,168	3,313	6,481
Depreciation for the year	1,391	1,731	3,122
As at 31 December 2023	4,559	5,044	9,603

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	Thousand Baht		
	Land	Vehicles	Total
<u>Net book value</u>			
As at 31 December 2022	791	5,350	6,141
As at 31 December 2023	6,555	3,619	10,174
Depreciation for the year 2022	1,056	1,626	2,682
Depreciation for the year 2023	1,391	1,731	3,122

Lease liabilities

As at 31 December 2023 and 2022, the Company has lease agreements for vehicles and land that are being used in the operations with instalment periods of 36 - 48 months. The present value of lease liabilities are as follows:

	Thousand Baht	
	2023	2022
Lease liabilities	7,369	2,501
<u>Less</u> Portion due within 1 year	(2,920)	(1,689)
Net	4,449	812

The analysis for maturity of lease liabilities are as follows:

	Thousand Baht	
	2023	2022
Not later than one year	3,204	1,885
Later than 1 year but not later than 5 years	4,912	856
Total	8,116	2,741

The Company recognized financial cost which related to leases of Baht 0.26 million (2022: Baht 0.31 million).

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15. LIABILITIES UNDER POST-EMPLOYMENT BENEFITS

	Thousand Baht	
	2023	2022
Statement of financial position:		
Post-employment benefits	66,404	64,542
Statements of profit or loss and other comprehensive income:		
<i>Recognized in profit or loss:</i>		
Post-employment benefits	6,355	5,462
<i>Recognized in other comprehensive income:</i>		
Actuarial loss	-	1,217

The Company has an obligation under the Thai Labour Law to provide retirement benefits to employees based on pensionable remuneration and length of service.

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

	Thousand Baht	
	2023	2022
Balance as at 1 January	64,542	60,519
Recognized in profit or loss:		
- Current service costs	3,997	3,226
- Finance costs	2,358	2,236
Actuarial losses	-	1,217
Benefits paid	(4,493)	(2,656)
Balance as at 31 December	66,404	64,542

Principal actuarial assumptions are as follows:

Discount rate	3.44 percent per annum
Future salary increment rate	5.15 percent per annum
Normal retirement age	60 years
Number of employees	458 persons
Mortality rate	100 percent of the Thai Mortality Table 2017

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Actuarial loss recognized in other comprehensive income arising from :

	Thousand Baht	
	2023	2022
Actuarial loss (gain) from changes in		
- Demographic assumption	-	(627)
- Financial assumptions	-	1,098
- Experience adjustment	-	746
Total recognized in other comprehensive income	-	1,217

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.

	Thousand Baht	
	Effect to the defined benefit obligation	
	2023	2022
Discount rate (1% increment)	(5,591)	(5,578)
Discount rate (1% decrement)	6,437	6,428
Future salary growth (1% increment)	6,655	5,975
Future salary growth (1% decrement)	(5,867)	(5,287)
Employee turnover (1% increment)	(6,735)	(6,076)
Employee turnover (1% decrement)	7,736	6,950

16. DIVIDEND PAYMENT

At the 2022 Annual General Meeting of Shareholders held on 31 March 2022, the shareholders passed a resolution to pay a dividend from operating income for the year ended 31 December 2021 of Baht 0.82 per share, of which an interim dividend payment for the six-month period ended 30 June 2021 was paid of Baht 0.35 per share for 535,506,333 ordinary shares, totalling Baht 187 million on 9 September 2021. Therefore, the dividend for the period from 1 July 2021 to 31 December 2021 remains Baht 0.47 per share totalling to Baht 252 million had been paid on 29 April 2022.

At the Board of Directors' Meeting No. 4/2022 held on 10 August 2022, the Board of Director passed a resolution to appropriate an interim dividend payment from the operating profit for the six-month period ended 30 June 2022 of Baht 0.60 per share for 535,506,333 shares, totalling Baht 322 million. The Company paid such dividend on 9 September 2022.

At the 2023 Annual General Meeting of Shareholders held on 31 March 2023, the shareholders passed a resolution to pay a dividend from operating income for the year ended 31 December 2022 of Baht 1.00 per share, of which an interim dividend payment for the six-month period ended 30 June 2022 was paid of Baht 0.60 per share for 535,506,333 ordinary shares, totalling Baht 322 million on 9 September 2022. Therefore, the dividend for the period from 1 July 2022 to 31 December 2022 remains Baht 0.40 per share totalling to Baht 214 million were paid on 28 April 2023.

At the Board of Directors' Meeting No. 4/2566 held on 10 August 2023, the Board of Director passed a resolution to appropriate an interim dividend payment from the operating profit for the six-month period ended 30 June 2023 of Baht 0.21 per share for 535,506,333 shares, totalling Baht 113 million. The Company paid such dividend on 8 September 2023.

As at 31 December 2023, the Company has an accrual for dividends payable amounting to Baht 5.60 million (2022: Baht 5.18 million) which is presented as Dividend payable in the statement of financial position.

17. LEGAL RESERVE

Under the provision of the Public Company Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net profit, after deduction of the deficit brought forward (if any), as reserve fund until the reserve reaches not less than 10% of the registered share capital. This reserve is not available for dividend distribution.

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18. PROVIDENT FUND

The Company and employee have established a contributory Provident Fund. This Provident Fund has already been registered under the Provident Fund Act, B.E. 2530. Under the Fund plan, employee has to contribute to the fund at the specific rate and will be entitled to receive the fund when employee is no longer member in accordance with regulation of the fund. The Company's contribution to the Fund for the year 2023, amounted to Baht 8.14 million (2022: Baht 7.94 million).

19. REVENUE

The Company has revenue from sales both domestic and export which consist of LPG and other pressure cylinders. In addition, the Company also provides services for container repairs and freight income required from customers.

The Company disclosed the revenue disaggregated by primary geographical areas and classified by pattern of revenue recognition for the years ended 31 December 2023 and 2022 are as follows:

	Thousand Baht							
	Sale of goods		Freight income		Others		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Asia	253,819	207,884	6,937	6,452	65	1,374	260,821	215,710
Africa	813,871	1,095,603	60,339	128,818	-	-	874,210	1,224,421
America	1,293,254	2,218,864	296	44,587	-	-	1,293,550	2,263,451
Others	1,354,420	1,476,143	27,866	68,292	-	-	1,382,286	1,544,435
Total	3,715,364	4,998,494	95,438	248,149	65	1,374	3,810,867	5,248,017
Revenue classified by revenue recognition								
- At point in time	3,715,364	4,998,494	-	-	65	1,374	3,715,429	4,999,868
- Overtime	-	-	95,438	248,149	-	-	95,438	248,149
Total	3,715,364	4,998,494	95,438	248,149	65	1,374	3,810,867	5,248,017

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20. OTHER INCOME

Other income for the years ended 31 December 2023 and 2022 are as follows:

	Thousand Baht	
	2023	2022
Revenue from scrap sales	180,393	270,671
Gain on exchange rate	22,158	-
Revenue from product quality test	2,100	525
Gain on fair value adjustment of investment property	3,906	1,260
Others	2,443	4,303
Total	<u>211,000</u>	<u>276,759</u>

21. INCOME TAX

Deferred tax

Deferred tax assets and liabilities are consisted of:

	Thousand Baht	
	2023	2022
Deferred tax assets	16,704	15,160
Deferred tax liabilities	(1,808)	(1,499)
Deferred tax	<u>14,896</u>	<u>13,661</u>

The movements in deferred tax assets / liabilities for the years ended 31 December 2023 and 2022 are as follows:

	Thousand Baht			31 December 2023
	1 January 2023	Recognized in		
		Profit or loss	Other comprehensive income	
Deferred tax assets				
From adjustment the fair value of investment property	1,834	18	-	1,852
From property, plant and equipment	-	97	-	97
From lease liabilities	418	1,056	-	1,474
From provision for employee benefits obligation	12,908	373	-	13,281
Total	<u>15,160</u>	<u>1,544</u>	<u>-</u>	<u>16,704</u>

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	Thousand Baht			
	1 January 2023	Recognized in		31 December 2023
		Profit or loss	Other comprehensive income	
Deferred tax liabilities				
From property, plant and equipment	(585)	88	-	(497)
From right-of-use assets	(914)	(397)	-	(1,311)
Total	(1,499)	(309)	-	(1,808)
Deferred tax - net	13,661	1,235	-	14,896

	Thousand Baht			
	1 January 2022	Recognized in		31 December 2022
		Profit or loss	Other comprehensive income	
Deferred tax assets				
From adjustment the fair value of investment property	2,086	(252)	-	1,834
From lease liabilities	606	(188)	-	418
From provision for employee benefits obligation	12,104	561	243	12,908
Total	14,796	121	243	15,160
Deferred tax liabilities				
From property, plant and equipment	(673)	88	-	(585)
From right-of-use assets	(1,046)	132	-	(914)
Total	(1,719)	220	-	(1,499)
Deferred tax - net	13,077	341	243	13,661

Income tax expense for the years ended 31 December 2023 and 2022 are as follows:

	Thousand Baht	
	2023	2022
Current tax expense		
Current year	89,997	184,553
Deferred tax expense		
Movements in temporary differences	(1,235)	(341)
Total income tax expense	<u>88,762</u>	<u>184,212</u>
Income tax recognized in other comprehensive income		
Actuarial loss	-	(243)

	2023		2022	
	Rate (Percentage)	Thousand Baht	Rate (Percentage)	Thousand Baht
Profit before income tax		459,996		1,013,095
Income tax at tax rate	20	91,999	20	202,619
Income tax expense from non-deductible expense for tax purpose		712		217
Income tax benefit from additional deduction of expenses for tax purpose		(3,713)		(2,624)
Adjustment for tax in prior years		(236)		-
Income tax expense		<u>88,762</u>		<u>200,212</u>
Utilized right of corporate income tax exemption from BOI		-		(16,000)
Net		<u>88,762</u>		<u>184,212</u>
Effective tax rate	19.30		18.18	

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22. PROMOTIONAL PRIVILEGES

The Company has been granted for promotional privileges certificate (No. 63-0026-1-04-1-0) by the Office of Board of Investment in the manufacturer steel products, including steel parts on 10 January 2020 subjected to certain terms and conditions.

The privileges include

1. An exemption from corporate income tax for the period of 3 years from the first date of promoted operations commence generating revenues which corporate income tax exemption is not exceeded 50% and 100% of the investment for production efficiency improvement exclude land and working capital investment.
2. An Exemption from import duty on imported machinery which must be imported within 10 January 2023. Those machineries had been processed completely and used in the operations in accordance with the conditions set by the Board of Investment.

During the year 2022, the Company utilized all remaining amount of right of corporate income tax exemption (privilege no.1)

23. SEGMENT REPORTING

Significant segment reporting for the years ended 31 December 2023 and 2022 are as follows:

	Thousand Baht					
	For the years ended 31 December					
	2023			2022		
Domestic	Export	Total	Domestic	Export	Total	
Revenue from sales and services	232,305	3,578,562	3,810,867	455,405	4,792,612	5,248,017
Costs of sales and services	(158,077)	(2,981,513)	(3,139,590)	(347,979)	(3,551,136)	(3,899,115)
Gross profit	74,228	597,049	671,277	107,426	1,241,476	1,348,902

Segment reporting 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 reported its operations by domestic and export. Segment performance is measured based on gross 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 assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Gross profit for domestic and export sales derived from the deduction of related costs of sales, which are calculated by the weighted average standard cost of each product.

Major Customer

For the year ended 31 December 2023, the Company has revenue from a major private customer amount of Baht 1,099 million (2022: Baht 1,413 million).

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24. EXPENSES BY NATURE

Significant expenses by nature for the years ended 31 December 2023 and 2022 are as follows:

	Thousand Baht	
	2023	2022
Raw materials and consumable supplies used	2,522,419	3,084,165
Salaries, wages and other employee benefits	355,387	394,901
Transportation expenses	111,535	264,359
Depreciation	81,731	75,669
Changes in finished goods and work in process	41,197	(85,570)
Commission	47,297	22,792
Loss on exchange rate	-	38,853

25. COMMITMENTS

As at 31 December 2023, the Company has the following commitments:

- 25.1 An obligation under a domestic bank guarantee amounting to Baht 2.17 million for the issuance of letters of guarantee to the Customs Department to exempt the Company from paying anti-dumping duties for materials imported for manufacturing and re-export within one-year.
- 25.2 Obligations under domestic bank guarantees for performance bonds, utilities usage and others totalling Baht 109.57 million.
- 25.3 Obligations under domestic bank to issue letter of credit for inventory importation Baht 239.18 million.
- 25.4 Obligations under construction agreement, the Company has commitment to pay for the remaining amount of Baht 3.63 million.
- 25.5 Obligations in respect of material purchase agreements, the Company has commitment to pay for the remaining amount of Baht 10.43 million when received goods.

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26. FINANCIAL RISK MANAGEMENT

The carrying amounts and classification of financial assets and financial liabilities as at 31 December 2023 are as follows:

	Thousand Baht		
	Carrying amounts	Fair value through profit or loss	Amortized cost - net
Financial assets			
Cash and cash equivalents	232,483	-	232,483
Trade accounts receivable	702,644	-	702,644
Other financial current assets	411,187	411,187	-
Total	1,346,314	411,187	935,127

	Thousand Baht		
	Carrying amounts	Fair value through profit or loss	Amortized cost - net
Financial liabilities			
Short-term loans from bank	416,960	-	416,960
Trade and other payables	423,243	-	423,243
Lease liabilities	7,369	-	7,369
Total	847,572	-	847,572

Financial risk management policies

The important financial risks of the Company comprise of credit risk, liquidity risk, market risk including credit risk, exchange rate risk and interest rate risk. The Company does not have any policy to trade financial assets for speculative purposes or commercial use. The Company has significant financial risk management policies as follow.

26.1 Credit Risk

The Company's credit risk is related with trade account receivable in which the Company provides credit term to customer on normal trade transactions. The Company manages its exposure to credit risk by closely monitoring of accounts receivable collection and focuses on each overdue accounts. Moreover, the Company has no significant concentrations of credit risk. The Company, therefore, does not expect to incur material financial losses from credit risk. The maximum financial losses to credit risk is limited to the carrying amounts of trade receivables as presented in the statement of financial position.

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26.2 Liquidity Risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in 30-day projection. The data used for analyzing these cash flows is consistent with that used in the contractual maturity analysis. Furthermore, the Company has access to a sufficient sources of funding.

In addition, the Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its existing cash resources, trade receivables, and other current financial assets (Note 7, 9 to financial statements) sufficient for the current cash outflow requirements. Cash flows from trade receivables are all contractually due within three months.

As of 31 December 2023 and 2022, the Company's financial assets and liabilities classified by the maturity dates subsequent from the statement of financial position date are as follows:

	Thousand Baht			
	2023			
	At call	Within 1 year	Over 1 year	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	232,483	-	-	232,483
Trade accounts receivable	-	702,640	4	702,644
Other current financial assets	411,187	-	-	411,187
Short-term loans from bank	-	416,960	-	416,960
Trade and other payables	-	423,243	-	423,243
Lease liabilities	-	2,920	4,449	7,369

	Thousand Baht			
	2022			
	At call	Within 1 year	Over 1 year	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	59,887	-	-	59,887
Trade accounts receivable	-	490,538	1,054	491,592
Other current financial assets	663,281	-	-	663,281
Restricted deposits with banks	-	-	30,154	30,154
Short-term loans from bank	-	1,062,433	-	1,062,433
Trade and other payables	-	228,847	-	228,847
Lease liabilities	-	1,689	812	2,501

26.3 Market risk

Foreign currency risk

Since most of business transactions of the Company are from overseas, hence the Company is subjected to foreign currency risk relevant to purchases and sales transactions dominated in foreign currencies. The Company manages this risk by entering into forward contracts as appropriated. Forward contracts are made to manage exposure from foreign currencies fluctuation on specific transactions.

As at 31 December 2023 and 2022, the Company has foreign currency risk exposure relating to sales and purchases denominated in foreign currencies as follows:

	2023	
	Foreign currencies (Thousand Unit)	Exchange rate (Closing rate)
<u>Cash and cash equivalent in foreign currency</u>		
USD	81	34.0590
<u>Trade accounts receivable in foreign currencies</u>		
USD	7,995	34.0590
EUR	3,258	37.6679
GBP	6,684	43.4180
<u>Trade accounts payable in foreign currencies</u>		
USD	6,430	34.3876
<u>Short term loan in foreign currencies</u>		
USD	266	34.3876
<u>Accrued commission expenses in foreign currencies</u>		
USD	219	34.3876
EUR	519	38.3988
<u>Other accrued expenses in foreign currencies</u>		
USD	433	34.3876

	2022	
	Foreign currencies (Thousand Unit)	Exchange rate (Closing rate)
<u>Cash and cash equivalent in foreign currency</u>		
USD	81	34.3913
<u>Trade accounts receivable in foreign currencies</u>		
USD	12,008	34.3913
EUR	874	36.4494
GBP	70	41.2273
<u>Trade accounts payable in foreign currencies</u>		
USD	2,631	34.7335
EUR	117	37.2053
<u>Accrued commission expenses in foreign currencies</u>		
USD	321	34.7335
EUR	23	37.2053
<u>Other accrued expenses in foreign currencies</u>		
USD	203	34.7335

As at 31 December 2023, the Company has forward contracts for collection balance of payment from trade accounts receivable net amount of Baht 16.52 million.

For the case where the Company fail to take delivery from, or fail to deliver to, derivatives contract amount at the date of maturity. The Company agree to pay compensation arising from the difference between exchange rate under this transaction and exchange rate under the prevailing market conditions multiplied by the untaken foreign currency amount to the bank. However, amount of gain or loss on exchange rate from forward contract as at 31 December 2023 and 2022 was insignificant therefore, no adjustment recognized from such derivatives.

Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The interest rate risk is the future movements in market interest rates. The Company's exposure to interest rate risk relates primarily to its deposits with banks and loans from bank.

Major financial assets and liabilities of the Company bear floating interest rates or fixed interest rates which are close to the market rate. However, the Company has not entered into interest rate swap agreements.

All financial assets and liabilities of the Company, matured within 1 year, classified by type of interest rates are summarized in the table below.

	Thousand Baht				
	2023				
	Floating rate	Fixed rate	No interest	Total	Interest rate (%)
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	225,718	-	6,765	232,483	0.05 - 0.50
Trade accounts receivable	-	-	702,644	702,644	-
Other current financial assets	-	-	411,187	411,187	-
Short-term loans from bank	201,960	215,000	-	416,960	2.10 - 6.10
Trade and other payables	-	-	423,243	423,243	-
Lease liabilities	-	2,920	-	2,920	3.44 - 8.72

	Thousand Baht				
	2022				
	Floating rate	Fixed rate	No interest	Total	Interest rate (%)
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	53,658	-	6,229	59,887	0.05 - 0.35
Trade accounts receivable	-	-	491,592	491,592	-
Other current financial assets	-	-	663,281	663,281	-
Restricted deposits with banks	-	30,154	-	30,154	0.10 - 0.45
Short-term loans from bank	1,062,433	-	-	1,062,433	1.00 - 4.95
Trade and other payables	-	-	228,847	228,847	-
Lease liabilities	-	1,689	-	1,689	3.80 - 8.72

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27. FAIR VALUE HIERARCHY

The fair value of financial assets and liabilities approximate to the carrying value in the financial statements.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

- Cash and cash equivalents, restricted deposits with banks and accounts receivable - the carrying values approximate their fair values due to the relatively short-term maturity of these financial instruments.
- Loans from bank, trade accounts payable and lease liabilities the carrying amounts of these financial liabilities approximate their fair values due to the relatively short-term maturity.

As at 31 December 2023 and 2022, the Company has the financial assets measured at fair value in the statement of financial position which are grouped into levels of a fair value hierarchy as follows:

(Unit: Thousand Baht)

	2023			Total
	Level 1	Level 2	Level 3	
Assets measured at fair value				
Short-term investment	411,187	-	-	411,187
Investment property	-	61,677	-	61,677

(Unit: Thousand Baht)

	2022			Total
	Level 1	Level 2	Level 3	
Assets measured at fair value				
Short-term investment	663,281	-	-	663,281
Investment property	-	61,766	-	61,766

During the year, there was no transfer within the fair value hierarchy.

28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Thousand Baht		
	Lease liabilities	Short-term loans	Total
1 January 2022	4,302	1,308,025	1,312,327
Repayment	(3,497)	(2,842,922)	(2,846,419)
Proceeds	-	2,592,916	2,592,916
Non-cash:			
Exchange rate	-	4,414	4,414
Increase	1,696	-	1,696
31 December 2022	2,501	1,062,433	1,064,934
Repayment	(2,545)	(2,746,879)	(2,749,424)
Proceeds	-	2,101,412	2,101,412
Non-cash:			
Exchange rate	-	(6)	(6)
Increase	7,413	-	7,413
31 December 2023	7,369	416,960	424,329

29. EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors' Meeting held on 14 February 2024, the Board of Director passed a resolution to propose to the Annual Shareholders' Meeting to approve dividend payment from the profit for the year ended 31 December 2023 of Baht 0.42 per share, of which an interim dividend payment for the six-month period ended 30 June 2023 had been paid of Baht 0.21 per share for 535,506,333 shares, totaling Baht 113 million on 8 September 2023. Therefore, the remaining dividend payment for approval for the period from 1 July 2023 to 31 December 2023 are Baht 0.21 per share, totaling not exceed of Baht 113 million.

30. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized by the Board of Directors on 14 February 2024.

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