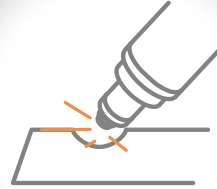


We deliver values  
to steel supply chain ecosystem

**TMT**

บริษัท ทีเอ็มที สตีล จำกัด (มหาชน)  
TMT STEEL PUBLIC COMPANY LIMITED



Annual Registration Statement / Annual Report 2023  
(56-1 One Report)

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# Message from Board of Directors

*“On behalf of the Board of Directors, I would like to express my sincere gratitude to our valued customers, business partners, shareholders, and all stakeholders who have placed trust in and supported the company. Special thanks to executives, and all employees for their dedicated and collaborative efforts, contributing to the company's success in achieving its goals for the year 2023. The company will continue to conduct business with ethical principles, aiming to develop and elevate operational standards, achieve continuous success, and foster sustainable and stable growth for the benefit of all stakeholders in the future.”*



In the year 2023, Thailand's economy recovered slowly and expanded at a low rate. This was due to economic slowdown factors, including a decrease in private sector investments, reduced government spending, and a slower recovery in international tourism than anticipated. These challenges were compounded by persistent political uncertainties, risks associated with climate change, and financial system vulnerabilities due to rising interest rates globally. As a result in 2023, the steel industry had to adjust by reducing production capacity and minimizing inventory accumulation due to excessive product volumes in the market, surpassing actual demand. Domestic manufacturers also faced challenges from increasing production costs, both in terms of raw materials and energy costs. Despite efforts to align prices with production costs, domestic market prices remained higher than global market prices. Consequently, there was an increase in imports, along with a decline in domestic demand for steel in China, impacting both the real estate and various manufacturing sectors. The overall consumption of steel in Thailand equivalent to 16,330,806 tons, contracted by 0.4%, compared to the year 2022 (Source: Iron and Steel Institute of Thailand). This decline was reflective of both global economic fragility and the specific challenges faced by the Thai steel industry.

Given the aforementioned situation, the company has analyzed the environmental factors that may impact business operations, including business risks across various aspects. The company's focus is on managing its business prudently and vigilantly, navigating the uncertainties and variations in the economic conditions both in Thailand and globally. This includes efficient inventory management to ensure product availability and variety for customers. In the year 2023, the sales revenue was 19,992 million Baht, a 9.9% decline because the average selling price was reduced by 13.91%, compared to last year. However, the sales volume increased to 740,064 tons, 4.72% higher than last year, and a net profit was 332.74 million Baht, 40.94% higher than last year. The company successfully delivered products and services to customers across various segments through continuous solutions. These solutions include;

- 1) Inventory Management Solutions:** being a manufacturer with diverse customers and products, expert in managing product adequacy efficiently. The ability to rotate inventory to meet the varying needs of customers from different businesses gives TMT strength in maintaining product sufficiency and managing volume effectively.
- 2) Product Solutions:** TMT offers comprehensive services covering the entire steel product cycle under one-stop service, including sourcing, storage, production, and processing. This ensures quality, sufficient quantity, and timely delivery of products according to customers' specifications.
- 3) Logistic Management Solutions:** TMT focuses on flexible delivery options, convenient storage, and distribution of products, as well as safe and efficient packing of steel products. The company adheres to customer standards for loading and unloading, and it has developed a digital platform for customer convenience, starting from order placement to shipment tracking.

In summary, TMT's commitment to prudently managing its business, offering a diverse and comprehensive range of steel products and services, and efficient logistics solutions has resulted in increased revenue and net profit. All of these are the key mechanisms that create a balance between the business in terms of size and the ability to generate a stable and consistent income. This ensures the long-term stability of the company's overall performance, as outlined in our objectives. In terms of future growth, TMT continues to innovate and develop new initiatives, thinking outside the box, and encouraging an innovative mindset among its workforces. TMT has established a subsidiary company called 'Red Rocco Digital Co., Ltd.' to operate in the e-commerce system. This success comes from studying and developing work processes on the digital platform, internally analyzing the root causes of problems, and developing solutions for TMT's customers. The company incorporates fundamental technology to manage customer-specific product ordering systems, enhancing convenience, speed, and overall ease of doing business. This enables customers to access product information instantly. Currently, new solutions are being developed to enhance traditional steel business models, making it more convenient for TMT's customers.

In addition, the company places great importance on conducting business sustainably across various dimensions, emphasizing the significance of issues related to ESG (The Environment, Social, and Governance) risks. The company reports its sustainability performance under the topic 'Driving Sustainable Business' and remains committed to the principles of Good Corporate Governance, with transparency, environmental consideration, community, and social value creation. The company also ensures that its subsidiary operates following ethical principles and takes responsibility for all stakeholders.

In the current year, the company has maintained its excellent 5-star rating for the 3rd consecutive year in the SET ESG Rating, consistently achieving AA level. The company has also renewed its membership in the Collective Action Coalition Against Corruption (CAC) for the 2nd time (during the years 2023-2026), demonstrating its continuous commitment to ethical business practices. Additionally, the company has received various awards and certificates, notably in the field of environmental management. The company is actively involved in the Thailand Carbon Neutral Network (TCNN) initiative, operating as a Climate Action Initiator under the Thailand Greenhouse Gas Management Organization (TGO). This initiative aims to collaborate with the government in reducing greenhouse gas emissions. The company focuses on

- Enhancing operational efficiency by upgrading machinery with modern production technology, incorporating semi-automatic and automatic systems, installing supplementary equipment, increasing production output, and ensuring employees' safety.
- Utilizing electricity from renewable energy sources through the installation of a solar rooftop system covering an expansive 38,255 square meters. This system can generate a total electrical output of 6.3 megawatts and contributes to reducing carbon dioxide emissions by an estimated 4,500 tons annually.
- Waste management and recycling to reduce waste and scrap metal from the production process continuously.
- Green space management within the factory to filter air pollutants and create a healthy environment both within the company and in the surrounding area. By allocated land for tree planting to increase green space on vacant land, a total of 85 rai, for the first phase of the forest planting project was initiated on an area of 20 rai.

On behalf of the Board of Directors, I would like to express my sincere gratitude to our valued customers, business partners, shareholders, and all stakeholders who have placed trust in and supported the company. Special thanks to executives, and all employees for their dedicated and collaborative efforts, contributing to the company's success in achieving its goals for the year 2023. The company will continue to conduct business with ethical principles, aiming to develop and elevate operational standards, achieve continuous success, and foster sustainable and stable growth for the benefit of all stakeholders in the future.

**Chai Jroongtanapibarn**

Chairman of The Board





# Awards and Achievements

## Corporate Governance Report (CGR)

Achieved a 5-star rating for "Excellent" corporate Governance Report by the Thai Institute of Directors Association (IOD) for 3 consecutive years (2021-2023).



## Thai Private Sector Collective Action Against Corruption (CAC)

A renewal of certification as a member of the Thai Private Sector Collective Action Against Corruption for 2023 (2023-2026) from the Thai Institute of Directors Association (IOD).



## Thailand Sustainability Investment, SET ESG Ratings

Achieved SET ESG Ratings at the AA level after being selected as Thailand Sustainability Investment (2020-2023) by the Stock Exchange of Thailand.



## Sustainability Disclosure Recognition

Honored with Sustainability Disclosure Recognition for 2023 for 4 consecutive years (2020-2023) from Thaipat Institute.



## TRIS RATING

Rated a "BBB" corporate credit rating with a stable outlook by TRIS Rating.



### CSR-DIW Continuous Award

Achieved the “CSR-DIW Continuous Award 2023” for the 10th consecutive year (2014-2023) from the Department of Industrial Works by the Ministry of Industry.



### Good Labour Practices

Awarded with the certification of Good Labor Practice (GLP) for 2023 from the Department of Labour Protection and Welfare in Phra Nakhon Si Ayutthaya Province.



### Standard on Prevention and Solution to Drug Problems in Establishment

Received a certification of standard on drug prevention and solutions for establishment from The Department of Labour Protection and Welfare in Phra Nakhon Si Ayutthaya Province.



### MiT or Made in Thailand Certification

25 TMT steel products are certified Made in Thailand by the Federation of Thai Industries, boosting consumer confidence both domestically and internationally in the quality and standard of steel products manufactured in Thailand.



### Green Industry, Level 4

Awarded with Green Industry Award Level 4 for Green Culture Organization from the Department of Industrial Works.



### Corporate Carbon Footprint and Product Carbon Footprint

Certified corporate carbon footprint and product carbon footprint for 9 products in 2023 from the Greenhouse Gas Management Organization (TGO).



# Corporate Profile

## TMT STEEL PUBLIC COMPANY LIMITED

Stock Code	: TMT
Registration Number	: 0107547000800
Type of Business	: Integrated Steel Service Center
Registered Capital	: Baht 870,758,034
Issued and Paid-up Capital	: Baht 870,758,034
Head Office	: 179 Bangkok City Tower 22nd Floor, South Sathorn Rd., Thungmahamek, Sathorn, Bangkok 10120 Thailand Tel : 0 2685 4000 Fax : 0 2670 9090-2
Rama III Plant and Distribution Center	: 129, 131 Rama III Rd., Bangkholaem, Bangkok 10120
Wangnoi Plant and Distribution Center	: 332-333 Moo 5, Paholyothin Rd., Lamsai, Wangnoi, Ayutthaya 13170
Investor Relations	: Tel : 0 2685 4000 extension 4003 E-mail : ir@tmtsteel.co.th
Designated Directors as Shareholders' representative	: Fax : 0 2670 9093 E-mail : ind_dir@tmtsteel.co.th
Homepage	: www.tmtsteel.co.th

## References

### Share Registrar :

Thailand Securities Depository  
Company Limited  
93 SET Building,  
Ratchadaphisek Rd.,  
Dindaeng, Bangkok 10400  
Tel : 0 2009 9999  
Fax : 0 2009 9991

### Legal Consultant :

Seri Manop and Doyle  
Company Limited  
21 Soi Amnuaiwat,  
Suthisan Rd., Samsennok,  
Huaikhwang,  
Bangkok 10310  
Tel : 0 2693 2036  
Fax : 0 2693 4189

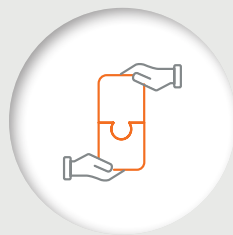
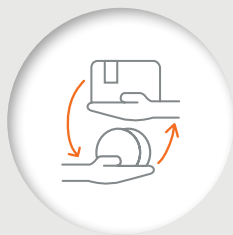
### Auditor :

PricewaterhouseCoopers ABAS  
Company Limited  
179, 15<sup>th</sup> Floor Bangkok City Tower,  
South Sathorn Rd.,  
Thungmahamek, Sathorn,  
Bangkok 10120  
Tel : 0 2344 1000  
Fax : 0 2286 5050



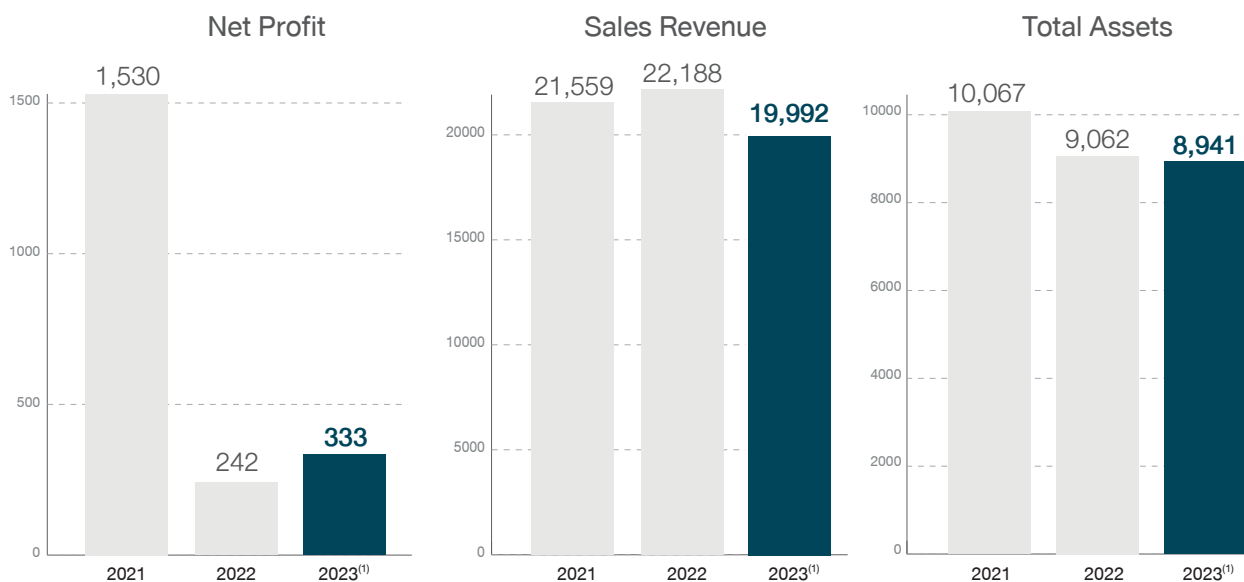


# Business Operation and Performance



# Financial Highlights

As of 31 December 2023



(Baht: million)

Summary	2021	2022	2023 <sup>(1)</sup>
Sales Revenue	21,559	22,188	19,992
Gross Profit	2,661	993	1,303
Net Profit	1,530	242	333
Total Assets	10,067	9,062	8,941
Total Liabilities	6,313	5,812	5,615
Total Shareholder's Equity	3,754	3,250	3,326
Paid-up Capital	871	871	871
Financial Ratio			
Gross Profit Margin	12.34%	4.48%	6.52%
Net Profit Margin	7.10%	1.09%	1.66%
Return on Assets (ROA)	15.20%	2.68%	3.72%
Return on Fixed Assets (ROFA)	50.85%	7.74%	10.15%
Return on Equity (ROE)	40.76%	7.46%	10.00%
Current Ratio (Time)	1.49	1.43	1.25
Debt to Equity Ratio (Time)	1.68	1.79	1.69
Net Interest Bearing Debt to Equity Ratio (Time)	1.48	1.54	1.54
Interest Coverage Ratio (Time)	19.48	3.53	3.42
Collection period (Day)	48	50	49
Inventory turnover period (Day)	50	51	52
Book Value per share (Baht)	4.31	3.73	3.82

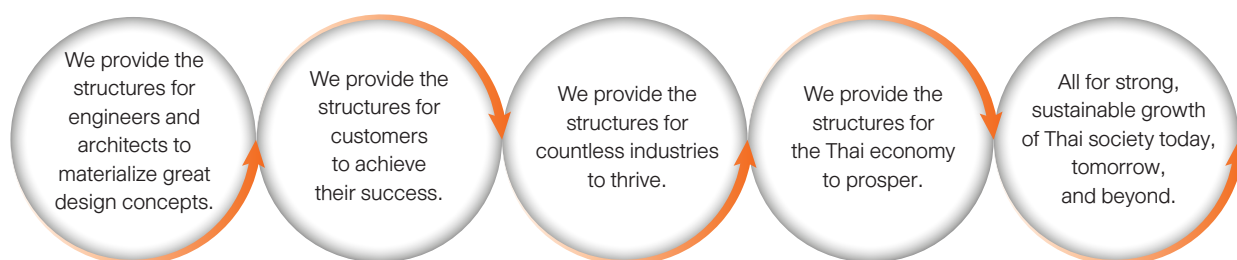
Note: <sup>(1)</sup> The data in 2023 is derived from the Company's consolidated financial statements. The Company began investing in a subsidiary on March 16, 2023. The consolidated financial statements began in the first quarter of 2023.

# Policy and Business Overview

## Vision

### “Providing Structure of your Imagination”

**This vision statement is what we believe in, and we strive every single day to live up to this commitment. To be different, we challenge ourselves at all times to come up with new creative ideas to provide better solutions to customers and to keep improving our business functions, in order to respond to the ever-changing demand.**



## Mission

### We Deliver Value to the Steel Supply Chain Ecosystem

TMT is a manufacturer, processor, and distributor of steel products to business operators nationwide in the manufacturing industry, construction industry, and building material distributors. The Company specializes in the efficient management of distribution channels and product distribution which includes the management of raw materials from manufacturers, processing, collection, storage, and delivering products quickly, completely, and on time to reduce storage costs. This enhances the capabilities of business operators in the supply chain system to facilitate the expansion and management of the businesses of operators to be more efficient and convenient.

#### Corporate Goals

The Company aims to be Thailand's largest and most comprehensive steel service center with the vision of "Providing Structure of Your Imagination" and the mission to "We deliver value to the Steel Supply Chain Ecosystem". The Company prioritizes its service business as a structure for the success of all stakeholders, especially an integral component of our clients' success. In addition to striving for product innovation that meets customer needs, the Company focuses on customer service development to assist customers in maximizing production efficiency and capacity as well as building up their

competitiveness for the maximum benefit of their businesses. Furthermore, in 2023, the Company established a subsidiary, "Red Rocco Digital Company Limited (Red Rocco)" to operate an electronic commerce system service business by integrating technology into the business model to create a digital operating system for ordering system of specific customer groups in early stages to increase convenience, speed up business operation, and expand capabilities to provide a fully integrated digital operation for the Company's future growth.

The Company's growth target for 2024 is 750,000 tons of sales volume. An operational plan will be established to support the Company's growth to increase production capacity to over 1,000,000 tons. Details can be found in the topic Major Changes and Development.

Under these challenges, the Company realized that the business must be conducted based on sustainable development by adhering to good corporate governance principles underlying the economy, society, and the environment, along with appropriate risk management which will build business sustainability from within to deliver good value to all stakeholders and enable the Company to achieve sustainable growth.

## History and Background

Mr. Soon Tarasansombat founded "Soon Huat Iron Work Limited Partnership" in 1976. The business was initially focused on steel trading alone until 1986. Then the business was changed into "Soon Huat Steel Company Limited". In 1992, the Company eventually changed into a new business model called "Thai Metal Trade Company Limited".

Thai Metal Trade Company Limited (TMT) was established on April 17, 1992, with an initial paid-up capital of 5 million Baht. The Company was positioned as a fully integrated steel service center that was able to cover a full range of steel products, have expertise in steel trading, and manufacturing, and have an excellent distribution system as well as proactive marketing strategies. Thai Metal Trade was on its way to rapidly guarantee long-term growth.

On September 1, 2004, TMT became a public company. It became a listed company on the Stock Exchange of Thailand on February 18, 2005. This was a bold step forward to enhancing credibility, widening financial instruments and greater business opportunities, and reinforcing sustainable growth.

On April 9, 2019, TMT changed the Company's name to "TMT STEEL PUBLIC COMPANY LIMITED" in order to align with the current business model and future business expansion.

On April 18, 2019, TMT changed its paid-up capital from 435,379,017 Baht to 870,758,034 Baht resulting from the stock dividend payment at the ratio of 1 existing share per 1 new share.

The Company's first plant and distribution center was located on Rama III Road and a substantial investment of more than 1 billion Baht was spent in the beginning on a plot of land measuring 135 rai in Ayutthaya in order to increase the capacity of the warehouse and production. Currently, the Company has expanded its investment to a total area of 334 rai with 3 billion Baht invested.

The Company is currently one of Thailand's largest integrated steel business operators. The business guidelines have been modified to be in line with various changing factors that occur by emphasizing value enhancement and the success of all stakeholders rather than focusing solely on the distribution of steel products.



## Major Changes and Developments in 2023 are as follows:

- On January 31, 2023, the Company jointly signed a contract with NAKATA MFG. and NOORI T&C for the purchase of a large 10-inch diameter steel pipe production machinery with Flexible Forming Excellent innovation valued at 456 million Baht for the production line. This includes large steel pipes in order to expand the product variety of the carbon steel pipe product group. The installation is expected to be completed by the third quarter of 2024, which will increase steel pipe production capacity by 400,000 tons per year.
- Established Red Rocco Digital Company Limited as a subsidiary on March 16, 2023, with a registered capital of 30 million Baht and 6,000,000 shares. The Company holds 70% of the shares, while File One One DR Company Limited owns 30% of the shares. The subsidiary was established to operate an electronic commerce system service business by developing digital business models to create business opportunities and offering services that meet all of the diverse needs of customers.
- Installed a galvanized steel roll forming machine for light structural work with Lip Z section and Lip C channel section, which was completed in the third quarter of 2023. The machine is currently being developed and tested in collaboration with the machine manufacturer to produce high-quality products that meet the needs of customers. It is expected to be completed in the first quarter of 2024.
- Installed a second solar rooftop project on 17,055 square meters to generate 3.8 megawatts of electricity. This was completed in the fourth quarter of 2023. The combined electricity production capacity of the first and second projects is 6.3 megawatts. It is expected to reduce approximately 4,500 tons of CO<sub>2</sub> emissions.
- Initiated Phase 1 of the factory reforestation project by planting trees on 20 rai of the total area of 85 rai area around the Wangnoi factory and distribution center, creating green space and a positive environment for surrounding communities. At 6 years of maturity, the trees would produce 100 tons of CO<sub>2</sub> per year. Through a consultation by the professors from the Faculty of Agricultural Technology, Valaya Alongkorn Rajabhat University. The area served as a demonstration for forest plantation for local community representatives and TMT employees.
- Completed the warehouse construction project of 16,272 square meters in the fourth quarter of 2023. This warehouse can store 6,400 tons of steel pipe products with a 136-meter-long product sorting roller conveyor. This reduces the time for product transfer and vehicle pick-up points in the warehouse, resulting in improved time management and faster delivery to customers.
- Joined as a member of the Thailand Carbon Neutral Network (TCNN) by the Greenhouse Gas Management Organization or TGO to demonstrate its intention to participate in promoting carbon neutrality.
- Executed an integrated management policy (IMS) to combine quality management system (ISO9001), occupational health and safety management system (ISO 45001), and environmental management system (ISO 14001) for maximum efficiency in every system to lead the organization to sustainable development.

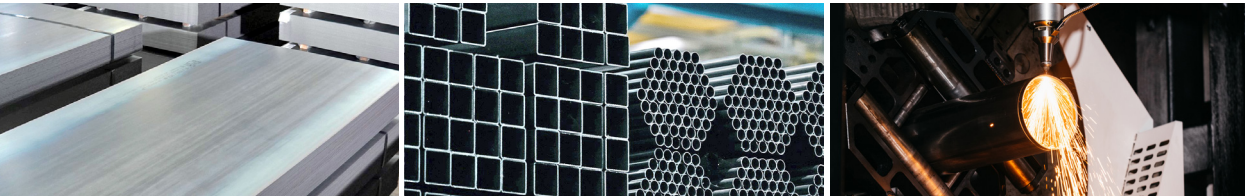


# Nature of Business

## Products, Services, and Business Innovation Development

TMT is a manufacturer, processor, and distributor of steel products to business operators nationwide in the manufacturing industry, construction industry, and building material distributors. The Company specializes in the efficient management of distribution channels and product distribution which includes the management of raw materials from manufacturers, processing, collection, storage, and delivering products quickly, completely, and on time to reduce storage costs. This enhances the capabilities of business operators in the supply chain system to facilitate the expansion and management of the businesses of operators to be more efficient and convenient.

The Company utilizes modern, suitable technology and innovation to improve product quality and create value in both the production process and management to meet the diverse needs of customers to maintain its leadership position in Thailand's comprehensive steel service industry. The service model of TMT can be summarized as follows:



<p><b>1. Cold Forming Process</b></p>	<p>The Company is committed to developing modern and comprehensive steel production lines for general structural work such as steel tubes, carbon steel pressure pipes, C-Channel steel, and pressing production lines.</p>
<p><b>2. Flat Steel Processing</b></p>	<p>TMT is ready to provide various types of flat steel processing services that utilize modern steel processing machines to meet the diverse and specific needs of customers. For instance, the cut-to-length, STAY FLAT (stretcher leveling), and hot-rolled steel strips (slitting).</p>
<p><b>3. Steel Distribution and Service Center</b></p>	<p>The Company is able to meet the needs of its customers by procuring and collecting all types of steel products. The raw materials, processed products, and finished products are stored in a large warehouse, 80,000 sq.m. located in potential strategic locations that can quickly deliver products, cover every area, and have efficient warehouse management. This also reduces the cost of product storage for customers. Customers can be assured that their orders will be delivered promptly. In terms of services, the Company provides pre-processed steel products in various forms, and laser cutting that can cut both steel tubes and steel sheets according to the design, as well as CNC gas cutting, CNC plasma cutting, re-cutting, shearing, and band sawing. This includes bending workpieces, etc., as required for a variety of business applications to facilitate convenience, reduce the time to prepare workpieces and improve the work process efficiency of customers.</p>

## Business Innovation Development

The Company places great emphasis on bringing innovation to improve the quality of products and services, creating value in both production and management to best meet the different needs of customers, as well as creating opportunities and increasing business competitiveness. This included enhancing employees' quality of life, creating a safe work environment, and reducing the environmental impact on society and the surrounding communities. More details are disclosed under the topic of Driving Business for Sustainability clause Innovation Management and Product Quality Development. The Company allocated a sufficient budget to continually support research, work process development, and various innovations. The expenses over the past three years (2021-2023) were 546,912,584 Baht. The expenses included designing, developing, and constructing labor-saving machinery to increase efficiency and safety in the production process, developing and installing extensible prototype equipment for other machines to create new business opportunities, as well as developing and designing software programs that increase convenience, speed, and accuracy, especially for the product and service delivery. This also included business research and analysis to develop new business models. (More details were stated in a part of Sustainable Development / Sustainability Report 2023, Subject: Innovation Management)



## Marketing and Competition

With a complex requirement of customers which is diverse as its industrial needs and variety of business applications, it creates a complicated need not only in pattern, quality, standard, or utilization to meet their requirements but also a need for services that can ensure a committed delivery, secured source of material and valuable recommendation on alternatives of efficient material planning. In the meantime, this management should be synchronized and conform to upstream material management in both local and foreign mills' constraints and conditions which are described below:

Mills' Needs	Customers' Needs
<p><b>1. Quantity</b> Mills prefer mass production and require a minimum quantity in order to control production costs and achieve economies of scale.</p>	<p><b>1. Quantity</b> Customers, such as construction companies as well as part and automobile part manufacturers, require limited quantities of products for a certain period of time which may not meet the minimum quantity requirement of mills. In addition, customers need various types of products at one time.</p>
<p><b>2. Pattern</b> Mills prefer standard pattern orders which require a normal production process in order to ensure efficiency in the production process.</p>	<p><b>2. Pattern</b> Each customer requires different types of products. Some products cannot be completed in a mill's production process and need additional processing.</p>
<p><b>3. Delivery</b> Mills prefer mass volume for each delivery together with a small number of shipments and few destinations in order to control transportation costs.</p>	<p><b>3. Delivery</b> Customers generally require one-time delivery of several types of products in one order. In addition, many customers mean a lot of destinations.</p>
<p><b>4. Order</b> Mills prefer to have a confirmed order in advance and lead time in order to fix the production planning.</p>	<p><b>4. Order</b> Consumers may require the product immediately or in a shortened period which makes it difficult to place orders in advance.</p>

The Company, as a full-service center and distribution center, manages and serves the varying preferences of both mills and consumers to meet their requirements at the same time by placing orders to mills in large volume, with some products maintained in its warehouse and others reprocessed in order to provide various products to customers in each industry and value-added service. The Company assists its customers in saving time and reducing handling and storage costs and expenses by providing a product sourcing service. The Company also helps mills reduce transportation costs by delivering the products to each consumer directly.



## Sources of Supply

In 2023 the Company's products were from its production and procurement from other sources which were raw materials for use in its production and finished goods for sale, described as follows:

### The Production

The Company has 19 warehouses and factories. An additional warehouse was constructed to store steel pipe products. Also, the installation of the galvanized steel roll forming machinery for the Lip Z section and Lip C channel section, for light structural use to increase product variety and efficiency of the original machinery, as well as continuously improve operating procedures to be more efficient. In 2023, the Company's total production capacity for finished products was 1,032,450 tons, with a 76.68% capacity utilization rate.

### Raw Material Sourcing

Hot Rolled Coil is the main raw material for the Company's production. The Company purchased Hot Rolled Coil from various domestic and foreign mills, where the domestic sourcing from 4 main suppliers and other suppliers accounted for 64.60% and the import sourcing was 19.42% of the total products purchasing amount in 2023.

### Products for Sale Sourcing

The Company sources the products for sale as the customer's requirement which cannot be produced itself or some can be produced but not match with its production planning as the following:

1. **Hot Rolled Steel Section** The Company purchased Hot Rolled Steel Section products from various domestic mills, accounting for 11.70% of the 2023 total products purchased. These products are H or I Sections, Equal, and Angle.
2. **Cold Forming Steel Section** Though the Company can produce some types of this Cold Forming Steel Section, TMT also purchases the others mostly tubes from various domestic manufacturers which accounted for 1.17% of the total products purchased in 2023.
3. **Hot Rolled Plate** This product type is not the production from Hot Rolled Coil or cannot be processed through the Company's production line. Therefore, the Company purchased from various domestic and foreign mills at 1.44% of the total product purchase amount.
4. **Other Steel Products** As a Total Steel Solution Provider, TMT also sources and procures to serve a variety of customers' needs such as D Formed Bars, Steel Rods, Stainless Steel, Wire Mesh, etc., amounting to 1.67% of the total products purchased in 2023.

### Investment Policy Statement in Subsidiaries and Associates

The Company aspires to be a world-class steel service center and supply chain solution provider. A policy was established to consider opportunities for synergy, whether in the form of establishing a new company, making business acquisitions, forming joint ventures, or investing in other companies to create a network of services. This included distribution, transportation, production, or processing, as well as the distribution and development of new business models for the Company's products to meet a wide range of customer needs and reach all domestic and regional markets. However, the Company has no policy to diversify investments in businesses that are not related to the Company's business operation.

In 2023, the Board of Directors resolved to approve the establishment of Red Rocco Digital Company Limited as a subsidiary on March 16, 2023, with a registered capital of 30 million Baht and 6,000,000 issued shares. The Company holds 70% of the shares and File One One DR Company Limited holds 30% of the shares. This subsidiary was established to develop a digital business model and provide services that cover the diverse needs of customers.

## Revenue structure

The Company's revenue structure over the past three years covering its financial period ended 31 December 2021 to 2023<sup>(1)</sup> is as follows:

Product Category	2023		2022		2021	
	Baht thousands	%	Baht thousands	%	Baht thousands	%
<b>Trading</b>						
1. Hot-Rolled Coil	<b>278,682</b>	<b>1.39</b>	549,218	2.46	701,799	3.24
2. Hot Formed Shape Steel	<b>2,321,867</b>	<b>11.56</b>	2,619,434	11.75	2,757,605	12.74
3. Steel Pipe and C-Channel	<b>217,933</b>	<b>1.08</b>	125,031	0.56	295,122	1.36
4. Sheet and Plate Steel	<b>376,334</b>	<b>1.87</b>	498,165	2.24	578,188	2.67
5. Others <sup>(2)</sup>	<b>207,335</b>	<b>1.03</b>	299,703	1.34	257,165	1.19
<b>Total</b>	<b>3,402,150</b>	<b>16.93</b>	4,091,551	18.36	4,589,879	21.20
<b>Processing</b>						
1. Steel Sheet (Cutting)	<b>4,079,292</b>	<b>20.31</b>	4,404,759	19.77	4,154,704	19.19
2. Steel Sheet (Shearing and Pressing)	<b>3,097,634</b>	<b>15.42</b>	3,645,932	16.36	3,724,341	17.20
3. Slit Coil	<b>792,977</b>	<b>3.95</b>	980,625	4.40	914,513	4.22
<b>Manufacturing</b>						
4. Steel Pipe	<b>6,969,095</b>	<b>34.69</b>	7,395,640	33.19	6,494,094	30.00
5. C-Channel	<b>1,668,312</b>	<b>8.31</b>	1,687,939	7.57	1,706,096	7.88
<b>Total</b>	<b>16,607,310</b>	<b>82.68</b>	18,114,894	81.29	16,993,749	78.49
Other Income <sup>(3)</sup>	<b>77,835</b>	<b>0.39</b>	77,511	0.35	66,782	0.31
<b>Total Revenue</b>	<b>20,087,295</b>	<b>100.00</b>	22,283,956	100.00	21,650,410	100.00

Notes:

<sup>(1)</sup> Revenue shown in 2021-2023 still excludes discounts

<sup>(2)</sup> Such as deformed bar, special size, and special grade steel

<sup>(3)</sup> Such as processing service, delivery service, and interest income



## Shareholders Structure / Dividend Policy

The Top 10 Shareholders of the Company as of August 25, 2023 <sup>(1)</sup>

No.	Shareholders	Number of Shares	Percentage of Shareholding
1	Mr. Soon Tarasansombat	196,100,000	22.52
2	Mr. Paisal Tarasansombat	104,767,700	12.03
3	Mr. Chamnan Tarasansombat <sup>(2)</sup>	68,112,000	7.82
4	Ms. Patitta Tarasansombat	67,889,800	7.80
5	Mr. Komsan Tarasansombat	66,140,150	7.60
6	Mrs. Pornjit Tarasansombat	64,000,000	7.35
7	Mrs. Panlapa Tarasansombat	35,621,000	4.09
8	CREDIT SUISSE AG, SINGAPORE BRANCH	25,000,000	2.87
9	UBS AG SINGAPORE BRANCH	20,000,000	2.30
10	Mr. Kiat Techapongtada	10,200,000	1.17
11	Other Shareholders	212,927,384	24.45
	<b>Total</b>	<b>870,758,034</b>	<b>100.00</b>

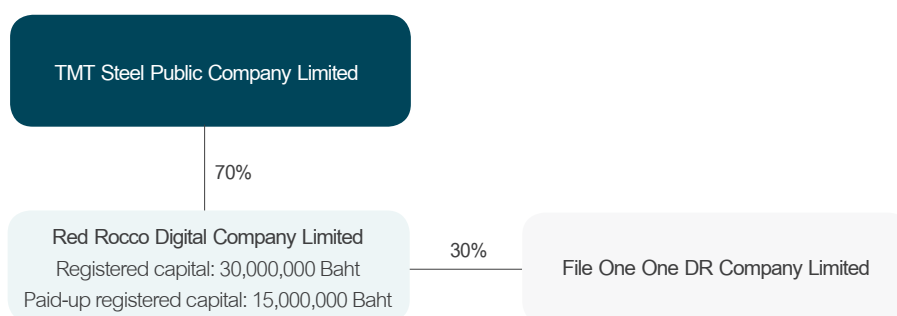
Source: Thailand Securities Depository Company Limited

<sup>(1)</sup> The record date for interim dividend payment, as of August 25, 2023.

<sup>(2)</sup> Mr. Chamnan Tarasansombat holds securities through the custodian CREDIT SUISSE AG, SINGAPORE BRANCH in the amount of 25,000,000 shares and UBS AG SINGAPORE BRANCH in the amount of 20,000,000 shares.

## The Shareholding Structure in Associated Company or Subsidiary of TMT Steel Public Company Limited

As of December 31, 2023



Red Rocco Digital Company Limited is a subsidiary of TMT Steel Public Company Limited, which was established on March 16, 2023, to operate an electronic commerce system service business. The headquarters is located at No. 179 Bangkok City Tower Building, 23rd Floor, South Sathorn Road, Thung Maha Mek Subdistrict, Sathorn District, Bangkok 10120, Telephone 02-685-4000, Fax 02-670-9093. The Company holds 4,199,998 shares (70%), representing a paid-up share value of 10,499,995 Baht.



## Dividend Payment Policy

The Company has a dividend payment policy at a rate of no less than 50% of net profits after legal reserves. However, such dividend payments are subject to change depending on the operating results, financial position, and investment plans of the Company in the future.

Dividend Payments Over the Past 5 years, as follows:

Annual Operating Results	Profit (Baht)	Profit per Share (Baht)	Dividend per Share (Baht)			Dividends Paid (Baht) <sup>(1)</sup>	Dividend Payout Ratio Per Net Profit
			Annual Dividends (full year)	Interim Dividends	Final Dividends		
2022 <sup>(3)</sup>	236,079,180	0.27	0.30	0.15	0.15	261,227,410	110.65%
2021	1,530,060,410	1.76	1.30	0.60	0.70	1,131,985,444	73.98%
2020	537,878,156	0.62	0.50	-	-	435,379,017	80.94%
2019 <sup>(3)</sup>	229,946,286	0.26	0.30	-	-	261,227,410	113.60%
2018 <sup>(3)</sup>	405,883,466	0.93	1.07 <sup>(2)</sup>	-	-	465,855,548	114.78%

<sup>(1)</sup> Calculated from paid-up capital shares multiplied by dividends per share.

<sup>(2)</sup> Dividend payout ratio of 1 original share: 1 dividend share (par value of 1 Baht per share) and cash dividend of 0.07 Baht per share.

<sup>(3)</sup> Dividend was paid from annual operating results and retained earnings.



# Risk Management and Risk Factors

TMT Steel Public Company Limited recognizes that risk management is an integral component of the process of developing its business strategy to achieve its objectives and goals. An efficient risk management and control system serves to minimize unforeseen challenges, protect the resources of the organization, improve the ability to respond to changes in the business environment, instill confidence, as well as create business opportunities for sustainable growth.

The Company developed policies and strategies for effective risk management which were approved by the Risk Management and Strategy Development Committee and published on the website [[www.tmtsteel.co.th/SustainableDevelopment/Enterprise Risk Management](http://www.tmtsteel.co.th/SustainableDevelopment/EnterpriseRiskManagement)] to ensure that risk management is prudent and effective. Enterprise risk management was established following international standards and practices. The Risk Management and Strategy Development Committee reports and reviews risk management results at least once a year to the Board of Directors to improve risk management effectiveness and develop organizational strategies. Risk management has been identified as a material sustainability issue. The Company's performance is disclosed in Part 1 Business Operations and Performance: Driving Business for Sustainability/Risk Management.

In 2023, the Company evaluated significant risk factors that could impact its business operations, financial position, and operating results. The Company developed operational guidelines to efficiently manage controllable risks, including determining risk appetite, identifying key risk indicators (KRI), and developing risk management tools such as a dashboard and heat map to formulate proactive risk management measures in a timely and effective manner.

The summary of the risk factors and operational guidelines for risk management are divided into six categories as follows:

## 1. Strategic Risk

### 1.1 Risk from Reliance on Large Raw Material Manufacturers

In 2023, the Company procured hot rolled steel coils (HRC) from both domestic and international traders, including manufacturers. The Company purchased products from Sahaviriya Steel Industries Public Company Limited, G J Steel Public Company Limited, and G Steel Public Company Limited, accounting for a total value of 61.51% of total orders, a 72.51% decrease from 2022. In addition, the Company purchased structural steel products from Siam Yamato Steel Company Limited, Thailand's largest structural steel producer, accounting for 1.80% of total orders, a decrease of 1.61% from 2022.

The limitations of only three hot rolled steel sheet manufacturers in the country, the anti-dumping duty measures, and anti-circumvention: AC by the Department of Foreign Trade remain barriers to importing. This puts the Company at risk of becoming overly reliant on a large steel producer. If the manufacturer is unable to deliver the product on time or is forced to halt production for any reason, the Company may experience a raw material shortage and be unable to obtain raw materials from other sources to replace them.

However, the Company has a policy of maintaining inventory levels between 30 and 60 days, as well as plans to order raw materials approximately 30 to 60 days in advance by collaborating with manufacturers to exchange product information based on customer needs and joint marketing. This enables manufacturers to plan production more flexibly. The Company has a policy of maintaining positive relationships with domestic and international manufacturers and distributors to ensure resource reserves and raw material stability, including imports from other countries without anti-dumping duties for replacement products. In 2023, imports accounted for 19.46% of total orders, a 7.88% increase from 2022.

*Risk level: moderate, within an acceptable level.*



## 1.2 Risk of Fluctuations Price of Hot Rolled Steel Coils

In 2023, the Company's total revenue from the sale and processing of hot rolled coil products accounted for 87.02% of total sales revenue and 86.55% in 2022. In 2023, the Company purchased 76.89% of its hot-rolled coils from domestic manufacturers, and 90.89% in 2022. As a result, fluctuations in the price of domestic hot rolled coils affected the costs of products and inventory management of the Company. Domestic hot-rolled coils prices fluctuate in response to international hot -rolled coils prices.

The Company has attempted to mitigate the impact of price fluctuations by implementing a policy for setting selling prices while maintaining profit margins. The Company closely monitors raw material prices to assess order placement and inventory management costs, ensuring they are appropriate and sufficient to meet market demand.

*Risk level: moderate, within an acceptable level.*

## 2. Financial Risk

### 2.1 Customer Credit Risk

As of December 31, 2023, the Company's total net trade receivables were 2,592.98 million Baht, representing 12.97% of sales. The average debt collection period in 2023 was 52 days, and the Company's receivables not yet due totaled 1,874.01 million Baht, accounting for 72.27% of net receivables. The Company may face difficulties collecting debt if the trade receivables have operational issues, which may have an impact on the Company's profits and financial position.

However, the Company has a policy to mitigate this risk by regularly monitoring credit quality and setting aside an allowance for doubtful debts when unsecured receivables are more than 180 days past due or if repayment is likely to be difficult, regardless of whether the receivables are past due. The Company evaluates doubtful debts in accordance with Financial Reporting Standards No. 9 and strictly grants customer credit through a credit committee comprised of executives from various departments. Customer credit is only granted to those with whom the Company has had a reasonable business relationship for a reasonable period of time. Otherwise, the Company will request financial risk mitigation tools and insurance policies to protect against trade receivables risks. The Company has a diverse and large customer credit base. The Company is not restricted to any specific type of trade receivable.

*Risk level: moderate, within an acceptable level.*

### 2.2 Interest Rate Risk

As of December 31, 2023, the Company's short-term loans from financial institutions totaled 3,318.26 million Baht or 59.10% of total liabilities. Long-term loans from financial institutions totaled 1,866.14 million Baht or 33.23% of total liabilities. The Company's short-term loans are primarily promissory notes, trust Receipt Agreements, and letters of credit which are used as working capital to order products from manufacturers. Loan repayment maturities are typically longer than trade receivable maturities. Long-term loans from financial institutions are loans with a 5-year maturity period which are used for investment in machinery and the construction of a warehouse to store products in support of the Company's business expansion.

Changes in market interest rates may affect interest expenses and the Company's operating results. In 2023, interest expenses were 0.85% of sales volume, a rise from 0.54% in 2022. The interest coverage ratio was 3.42 times, based on operating profits before interest and taxes, compared to 3.53 times in 2022.

However, the Company has a policy to mitigate interest rate fluctuation risk by extending the repayment period of short-term loans from financial institutions and obtaining additional long-term loans from financial institutions to minimize the impact of fluctuations on overall financial costs as well as managing cash flow to ensure its sufficiency for business operation and to avoid financial obligations.

*Risk level: high, at a manageable level with continuous monitoring.*



### 2.3 Exchange Rate Risk

In 2023 and 2022, the Company's imports accounted for approximately 19.46% and 7.88% of total US dollar orders, respectively. As a result, the Company is vulnerable to fluctuations in exchange rates. Previously, the Company mitigated the impact of exchange rate risk by entering a forward contract to convert dollars into Baht, ahead of the deadline, taking into account cash flow and the situation at the time.

The Company expects to continue to order some products from abroad. As a result, the Company will continue to pursue a policy of mitigating the impact of exchange rate risk through this method, as appropriate for the circumstances at the time.

*Risk level: low, within an acceptable level*

## 3. Regulatory Risk

### 3.1 Risks Related to the Impact of Measures to Protect Domestic Manufacturers from Steel Dumping

The Anti-Dumping and Subsidy Committee of the Ministry of Commerce collects high taxes and import duties on hot-rolled coils and steel sheets from 21 countries and the Department of Foreign Trade enacted the Anti-circumvention: AC measure, causing the cost of importing steel products from the aforementioned countries exceeds that of purchasing from domestic manufacturers. As a result, domestic consumers reduced imports and began to use more domestically produced steel. This may result in a shortage of steel raw materials if domestic steel mills are unable to produce steel by specifications or do not have sufficient supplies to meet demand.

The Company has a policy of maintaining inventory levels between 30 and 60 days and planning to order raw materials 30 to 60 days in advance, allowing it to mitigate the impact of such measures to some extent.

*Risk level: low, within an acceptable level.*

## 4. Operational Risk

### 4.1 Human Resource Risks

The Company prioritizes effective human resource management to ensure employees are capable, efficient, and well-balanced to drive business success. In 2023, the Company had 1,410 employees, compared to 1,386 in 2022.

Effective human resource management ensures an adequate workforce and minimizes business costs. Effective communication and a positive work culture can steer business operations toward a consistent and unified direction. Building employee potential will help the organization grow and develop. Workplace safety and occupational health promote a safe, effective, and enjoyable work environment for employees.

The Company evaluated and analyzed its workforce plan to align with ongoing business operations, maintain consistent production levels, and ensure adequate overtime hours for workers. The Company evaluates employee engagement annually to provide guidelines for work improvement and development as well as enhancing employees' potential through various forms of learning, including TMT Academy courses, E-Learning, and Online Learning projects and activities. This included developing digital technology knowledge and skills so that employees have an innovation mindset, take the initiative to create new things, dare to think, dare to present, and use digital technology to continuously develop and improve work processes via an Innovation Mindset Project, Business Innovation for Everyone (Online Learning) course, Innovative Thinkers Workshop, Alpha Bootcamp, and Innovation Lab.

*Risk level: low, within an acceptable level.*

## 5. Social and Environmental Dimensions

### 5.1 Natural Disasters and Climate Change

Climate change is causing global warming on a global, regional, and national scale. This has caused the global temperature to rise, resulting in climate change. Natural disasters are occurring more frequently and with greater severity. The polar ice cap is also melting. There are sea disturbances, flooding, etc. All of these factors have an impact on every business, whether it's the relocation of production bases due to natural disasters or transportation disruptions. Steel is the first industry to emit the most greenhouse gases. Therefore, it is impacted by carbon emission control policies, including the implementation of CBAM: Carbon Border Adjustment Mechanism) in Europe, etc. Based on the issues, the Company has established guidelines to reduce greenhouse gas emissions and operational management to reduce greenhouse gas emissions following the carbon-neutral framework. The significant operations are as follows;

- Improve operational efficiency in a variety of areas, including improving and increasing efficiency in related operating procedures, reducing waste generation, and reducing energy consumption.
- Install a solar rooftop system to generate electricity from renewable energy.
- Reduce trash, waste, and metal scrap in the manufacturing process through effective waste and recycling management.
- Allocate space for planting trees in the factory to help filter air pollution and create a healthy environment for the Company and its surroundings.

In addition, the Company continues to monitor and assess flood risks. The massive flood of 2011 disrupted production operations and transportation to the factory and Wang Noi distribution center, making it impossible to open and operate normally. As a result, the Company has taken steps to mitigate risks by purchasing insurance that covers all types of risks. There are limitations to flood protection, and the Company has developed a comprehensive plan to mitigate flood risks, as well as a continuous review and improvement of business plans to ensure that the Company's operations are not disrupted.

*Risk level: moderate, within an acceptable level.*

### 5.2 Pandemic Risk

The Company is aware that the epidemic situation persists and that new epidemics may emerge in the future. As a result, the Company prioritizes workplace safety and occupational health, creating public health safety for nearby communities and supply chain stakeholders to ensure business stability. The Company's actions are as follows:

- Create an emergency plan for severe epidemics and strictly adhere to it when an epidemic occurs.
- Continually educate and communicate with employees about COVID-19 and respiratory infection prevention measures and guidelines, as well as various risks to employee health, hygiene, and safety.
- Prepare a backup plan for operation in case an infected person with an epidemic is discovered in the Company's area.
- Establish a system for working from home.

*Risk level: low, within an acceptable level.*

## 6. Emerging Risk

Emerging risks can take various forms and significantly impact business operations. The Company prioritizes emerging risk factors and recognizes cyber security as a significant risk to its digital business model. This was due to the emphasis on information technology and innovation in developing digital business models and increasing competitiveness for future business opportunities.

### 6.1 Cyber Security Risks

The Audit Committee and the Risk Management and Strategy Development Committee considered and approved EY Corporate Services Company Limited to review the internal control system, assess risks, and formulate a risk management plan for cyber security, including preparation of a risk assessment report that covers the 10 significant topics as follows:

- |  |  |
|--|--|
| 1) Governance and Organization Structure | 2) Policy and Standards                          |
| 3) Asset Management                      | 4) Privacy Management                            |
| 5) Identity Access Management (IAM)      | 6) Incident Response                             |
| 7) Awareness                             | 8) Security Monitoring                           |
| 9) Third-Party Management                | 10) Vulnerability Identification and Remediation |

The assessment is divided into 2 phases. The first phase took place in 2022 and the second phase in 2023. According to the cyber security risk assessment result in Phase 2, the Company's risks were at the acceptable levels. The Company has taken additional steps for improvement as follows:

- Analyze issues that require improvement and development, such as the causes and scope of risk factors, as well as related departments.
- Discuss issues that need to be improved and developed with relevant departments to review and determine solutions.
- Set the frequency and follow-up for assessments.
- Report and present solutions to relevant executives.

This allows for more efficient control, monitoring, and management of such risks. The Company aims to continuously improve, develop, and review relevant operations.

# Driving Business for Sustainability

## Policy and Sustainability Management Goals

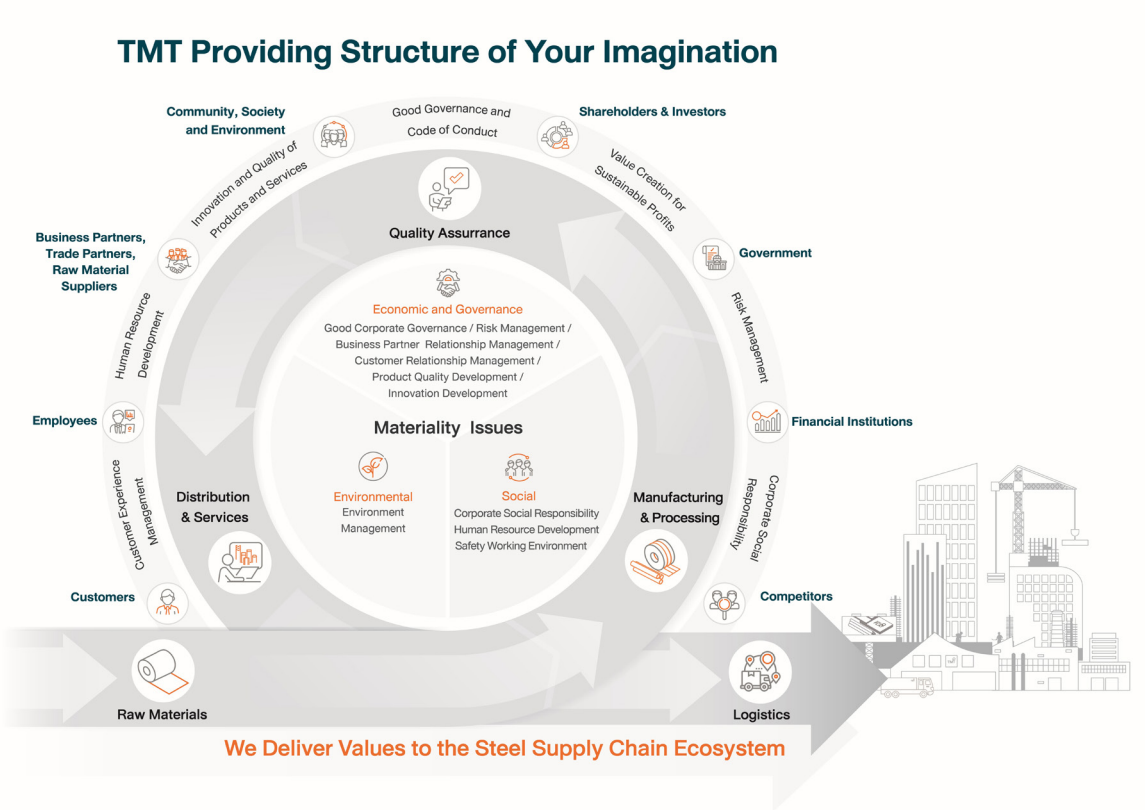
TMT Steel Public Company Limited is committed to conducting business based on sustainable development to create value for all stakeholders by carrying out policies and 4 main principles. These include good corporate governance principles, economic principles, social principles that cover respecting human rights, and environmental principles, as well as operating the business to create value for every stakeholder, committing to support and be a part of the 17 Sustainable Development Goals (SDGs) of the United Nations by 2027. This ensures that the Company's business operations are in a consistent direction with the international goals and creates benefits for all stakeholders.

The Company established a Corporate Governance and Sustainability Committee by aiming to be an efficient mechanism for the Board of Directors to supervise sustainable development, review and communicate the policy and practice guidelines through the subcommittee and sustainable development working group of the Company in all 7 aspects, namely 1) Corporate Governance, 2) Economic and Risk Management, 3) Social and Community Development, 4) Environment and Safety, 5) Labor and Human Rights, 6) Innovation and Technology Development, and 7) Communication and Whistleblowing. This includes corporate governance, economy, society and community development, the environment and safety, labor and human rights, innovation and technology development, and communication & whistleblowing report so that TMT is an organization that operates its business with responsibility, transparency, and fairness to build confidence among stakeholders and develop the Company toward sustainable growth.

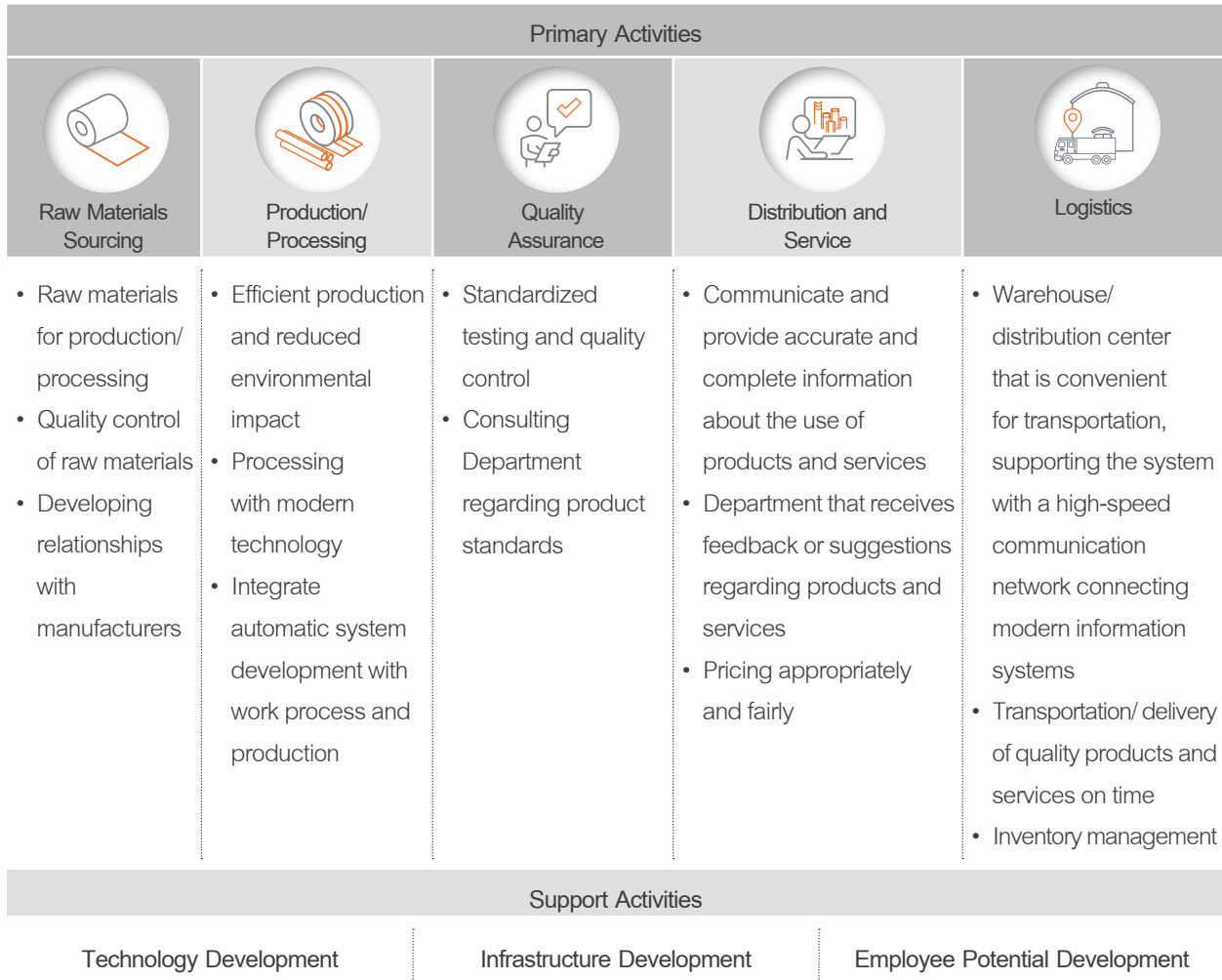
The details of the "Sustainability Policy" are disclosed on the website at [[www.tmtsteel.co.th/sustainability/sustainability-policy](http://www.tmtsteel.co.th/sustainability/sustainability-policy)]

## Managing the Impact on Business Value Chain Stakeholders

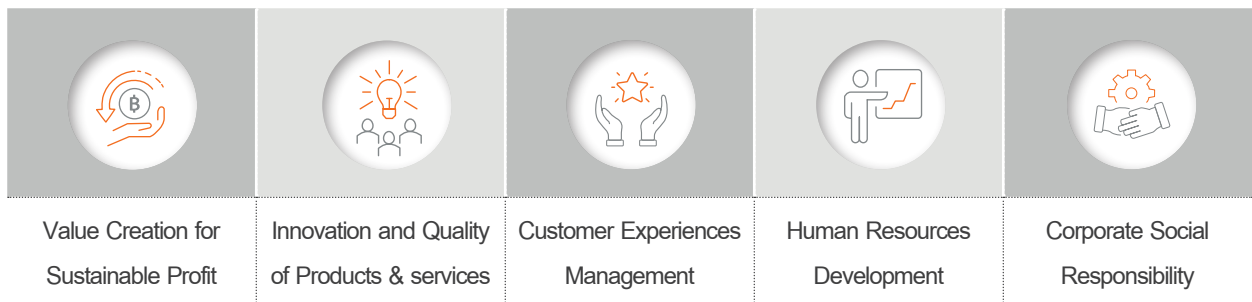
### Business Value Chain



“Providing Structure of your Imagination”, TMT is a comprehensive steel service provider that meets every possible expectation of all stakeholders by providing counsel and advice, helping with product sourcing and new services, as well as creating a wide range of options to add value to the business cooperation process under an integrated management system that serves all needs. This consists of 5 main activities which are linked together following the overall business operation context. They are as follows:




The Company established 5 aspects of business operation principles to manage risk appropriately and comply with good governance principles and the business code of conduct to ensure that the Company’s business processes deliver sustainable value to all stakeholders. These include:



This goes together with managing sustainability issues that cover economic, social, and environmental dimensions, and taking all stakeholders into account in order for the Company to achieve sustainable growth. The Company has described these details in **Analysis of Materiality Issues**.



### Analysis of Business Value Chain Stakeholders




The Company analyzed and identified the major stakeholders from the Company's business operations beginning with raw material sourcing, production and processing, quality checks, distribution and service, to storage and delivery. All activities are important to the Company's business operations and are relevant to all stakeholders. Therefore, the Company incorporated the interests of stakeholders into its plans and sustainability issues. This included providing communication methods by establishing channels for feedback and suggestions, whether formal or informal, as well as promoting participation with all stakeholders in order to respond effectively to the needs and expectations, and continue to create value and sustainable returns so that the Company can respond effectively to the needs and expectations. Participation with stakeholders can be summed up as follows:

Stakeholders	Relevance to Business Processes	Engagement/ Communication	Expectations	Responding to Expectations
Customers 	<ul style="list-style-type: none"> <li>• Distribution and Service</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction survey once a year</li> <li>• Meet regularly with customers throughout the year to be aware of their needs</li> <li>• Provide regular visits to factories and production processes throughout the year</li> <li>• Train to consistently educate customers throughout the year</li> <li>• Communicate to customers via an online channel, Website, Facebook, Line</li> </ul>	<ul style="list-style-type: none"> <li>• Quality products and services</li> <li>• Complete range of products</li> <li>• Correct usage of steel products</li> <li>• On-time delivery</li> <li>• Steel knowledge, standards, and guidelines for application</li> </ul>	<ul style="list-style-type: none"> <li>• Develop innovations in products and services</li> <li>• Produce quality products that meet customers' needs</li> <li>• Logistics management to have on-time delivery</li> <li>• Provide technical and academic consultations by the Technical Service Team</li> <li>• Systematic inventory management in order to have products ready to instantly respond to customers' needs</li> <li>• Adopt the appropriate digital technology to enhance work efficiency.</li> <li>• Organized 10 training sessions on subjects of interest to customers.</li> </ul>

Stakeholders	Relevance to Business Processes	Engagement/ Communication	Expectations	Responding to Expectations
Employees 	<ul style="list-style-type: none"> <li>• Production/ Processing</li> <li>• Quality Inspection</li> <li>• Logistics</li> <li>• Distribution and Service</li> </ul>	<ul style="list-style-type: none"> <li>• Channels to receive suggestions, comments, and complaints through the company's complaint system throughout the year</li> <li>• Survey of corporate values or employee satisfaction once a year</li> <li>• Internal communication channels such as TMT Magazine, email, Line@, Morning Meeting, TouchPoint, and public relations board at least once a month</li> <li>• CEO Message (VDO / E-mail)</li> <li>• Meeting of the Welfare Committee in the workplace 4 times per year</li> <li>• Employee Forum: listen to suggestions and opinions from employee representatives 1 time.</li> <li>• Training Needs Assessment Survey</li> <li>• Employee activities and Health and Safety Projects/Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Career Advancement</li> <li>• Acquiring development of capabilities</li> <li>• Benefits both monetary and non-monetary</li> <li>• Equality without discrimination</li> <li>• Promote and supervise work safety</li> </ul>	<ul style="list-style-type: none"> <li>• Equitable and fair treatment, and respect for human rights</li> <li>• Communicate business Targets and policies via CEO Message / TMT Talk</li> <li>• Performance evaluations 2 times per year</li> <li>• Develop employees to be promoted</li> <li>• Talent Management</li> <li>• Average staff development is 30.33 hours/person</li> <li>• Join the wage survey with the HR Center each year</li> <li>• 9 Projects for employee benefits whether monetary or non-monetary.</li> <li>• Safety Day Project</li> </ul>
Business Partners Trade Partners Raw Material Suppliers 	<ul style="list-style-type: none"> <li>• Procurement of Raw Materials</li> <li>• Production/ Processing</li> <li>• Logistics</li> </ul>	<ul style="list-style-type: none"> <li>• Evaluate trade partners once a year</li> <li>• Meeting online Regularly with partners to have plans for purchase orders throughout the year</li> <li>• Partner development through training programs and knowledge training for partner employees</li> </ul>	<ul style="list-style-type: none"> <li>• Fair competition without discrimination</li> <li>• Efficient procurement system that is transparent and verifiable</li> <li>• Joint business continuity stability</li> </ul>	<ul style="list-style-type: none"> <li>• Have policies and practice guidelines regarding procurement</li> <li>• Develop trade partners to have good practice guidelines such as Code of Business Conduct of trade partners and anti-corruption policy</li> <li>• Trained 64 partner employees through the Smart Truck Driver Project</li> </ul>



Stakeholders	Relevance to Business Processes	Engagement/ Communication	Expectations	Responding to Expectations
Community, Society and the Environment 	<ul style="list-style-type: none"> <li>• Production/ Processing</li> <li>• Logistics</li> </ul>	<ul style="list-style-type: none"> <li>• Community visits 4 times per year</li> <li>• Install a solar rooftop generation system of 6.3 MW to generate electricity from renewable energy</li> <li>• Cooperate with the education sector to organize bilateral education and internships</li> <li>• Cooperate to prevent and solve drug problems in the workplace (Mor Yor Sor.)</li> <li>• Environmental management system assessment by external agencies</li> <li>• Greenhouse gas emissions assessment by the Thailand Greenhouse Gas Management Organization (TGO)</li> </ul>	<ul style="list-style-type: none"> <li>• Caring for the environment around the community</li> <li>• Conduct business that does not negatively impact the community</li> <li>• Share useful things to promote a good quality of life for people in the community</li> </ul>	<ul style="list-style-type: none"> <li>• Improve the production process and environmentally friendly work processes by controlling air and noise pollution</li> <li>• Improve the environment inside and outside the factory so it is clean and increase green space</li> <li>• Regularly share and provide knowledge for institutions, departments, and organizations on issues that the company has expertise</li> <li>• Support resources and equipment that is useful such as a steel project for sustainability, etc.</li> <li>• Signing an MOU with educational institutions in bilateral projects.</li> <li>• Coordinate community-based learning such as forest plantation to impart knowledge regarding organic vegetable farming.</li> </ul>
Shareholders, Investors, Analysts 	<ul style="list-style-type: none"> <li>• Distribution, and Services</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders' Meeting once a year</li> <li>• Analyst Meeting once a year</li> <li>• Opportunity Day 1 time per year</li> <li>• Provide channels for inquiries through the investor relations website and telephones throughout the year</li> </ul>	<ul style="list-style-type: none"> <li>• Operating results of the company</li> <li>• Transparency in business operations and good corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Report / 56-1 One Report</li> <li>• Explanation of operating results through the company website and the Stock Exchange of Thailand</li> <li>• Manage the company's operating results under appropriate risk management</li> <li>• Proceed according to the investment plan</li> <li>• CG Score 5 Stars (3rd year)</li> <li>• Received AA-level Rating for SET ESG Ratings after 4 consecutive years for Thailand Sustainability Investment (THSI)</li> <li>• A second-year renewal of CAC certification for 2023.</li> </ul>

Stakeholders	Relevance to Business Processes	Engagement/ Communication	Expectations	Responding to Expectations
Government Sectors 	<ul style="list-style-type: none"> <li>Product/ Processing</li> <li>Quality Inspection</li> <li>Logistics</li> <li>Distribution and Service</li> </ul>	<ul style="list-style-type: none"> <li>Report business performance and operating results to relevant government agencies at the specified frequency</li> <li>Continuous participation in government activities and projects</li> </ul>	<ul style="list-style-type: none"> <li>Comply with regulations, laws and policies of regulatory agencies</li> </ul>	<ul style="list-style-type: none"> <li>Report business results and provide information that is true, correct, and complete as stipulated</li> <li>Cooperate and support various projects of government agencies</li> <li>Comply with related laws</li> <li>Certified by MiT (Made in Thailand)</li> <li>Certified Industrial product licenses</li> </ul>
Financial Institutions 	<ul style="list-style-type: none"> <li>Product/ Processing</li> <li>Quality Inspection</li> <li>Logistics</li> <li>Distribution and Service</li> </ul>	<ul style="list-style-type: none"> <li>Business update meeting 1 time/ quarter</li> <li>Negotiation for terms and conditions</li> <li>Joint seminars 10 times/year</li> </ul>	<ul style="list-style-type: none"> <li>Operate business as planned and target</li> <li>Paid back as terms and conditions</li> </ul>	<ul style="list-style-type: none"> <li>Disclose the Company's performance via the website of the Company and the stock exchange</li> <li>Manage the Company's operating results under appropriate risk management</li> <li>Operate business as Investment Plan</li> </ul>
Competitors 	<ul style="list-style-type: none"> <li>Distribution and Service</li> </ul>	<ul style="list-style-type: none"> <li>Joint meetings with associations and organizations that are relevant to the business according to the agenda and appropriate opportunities</li> <li>Provide channels to regularly receive suggestions, comments, and complaints through the company complaint system</li> </ul>	<ul style="list-style-type: none"> <li>Company business information</li> <li>Market share</li> <li>Conduct business transparently and fairly</li> </ul>	<ul style="list-style-type: none"> <li>Disclose operating results through the company website and the Stock Exchange of Thailand.</li> <li>Create fair business competition conditions</li> </ul>

## Analysis of Materiality Issues

### 1. Identification of Materiality Issues

This was considered from the analysis of external factors, challenges in the steel industry, and sustainability issues that were significant or had an impact on stakeholders and businesses (economy, society, environment). This included analysis of internal factors which were weaknesses, strengths, risk factors, and the business performance of the Company.

### 2. Prioritization

The Company considered the priority of issues by measuring the importance from the Company's perspective, and external stakeholders, both in terms of opportunities and the impact each issue had on the economy, society, and the environment.




### 3. Verification Issues

The Sustainability Subcommittee and Working Group proposed issues raised from prioritization and a reporting framework to the Board of Directors for approval after it had been approved by the Corporate Governance and Sustainability Committee in order to be disclosed in the 56-1 One Report and disseminated on the Company's website. In addition, the Company assigned the relevant departments, subcommittees, and working groups to review the accuracy and completeness of significant issues in order to cover all aspects, whether in the economic, social, or environmental dimension. The Company's annual significant issues are analyzed through business value chain stakeholders. The results will be used to formulate policies, strategies/ operational plans, and goals in order to manage significant sustainability issues appropriately.

There are materiality issues in 2023 as follows:



As a result of the preparation of materiality issues, the Company categorized the issues and established sustainability operation plans following the strategy which covered the aspects of economic, social, environmental, and stakeholder dimensions as follows:

Economic Dimension	Social Dimension	Environmental Dimension
 <ul style="list-style-type: none"> <li>• Good Corporate Governance for Sustainable Business</li> <li>• Risk Management</li> <li>• Innovation and Quality of Products &amp; services</li> <li>• Supplier Relationship Management</li> <li>• Customer Relationship Management</li> </ul>	 <ul style="list-style-type: none"> <li>• Human Resources Management and Human Rights</li> <li>• Human Resources Development</li> <li>• Occupational Health and Safety</li> <li>• Society &amp; Community Development</li> </ul>	 <ul style="list-style-type: none"> <li>• Energy and Resources Management</li> <li>• Green Houses Gas Management</li> </ul>

# Economic Dimension



## Corporate Governance for Sustainability

### Policy

The Board of Directors realized the importance of the Company's good corporate governance by adhering to moral and ethical principles as a guideline in conducting business. The Company established various policies in order to perform duties with responsibility, caution, honesty, anti-corruption, and uphold virtues. This included products and service development that focus on value creation and added long-term value to the business and is equally responsible to all stakeholders. This will enable the Company to progress, have sustainable growth, and gain trust from shareholders, investors, and all stakeholders.

The details of Good Corporate Governance Principles, Code of Business Conduct, measures, and best practice guidelines for code of business conduct as well as the code of business conduct for partners, contractors, and subcontractors are disseminated on the website at [[www.tmtsteel.co.th/corporate-governance/corporate-governance-policy](http://www.tmtsteel.co.th/corporate-governance/corporate-governance-policy)]

### Goals

- Receive a 5-star rating from the evaluation of good corporate governance by the Thai Institute of Directors Association.
- Receive AAA level rating for SET ESG Rating by 2026 from the Stock Exchange of Thailand.

### Strategies/Operational Plans

- Comply with the laws governing the Company's business operations and the entire business chain.
- Improve the internal control processes, regulations, and the Company's Articles of Association to be consistent with the situation at all times.
- Apply Corporate Governance Code 2017 (CG Code) for Listed Companies and review its implementation on a regular basis to ensure that it remains relevant to the business environment.

### Operations

The Governance and Sustainability Committee was appointed to be an effective mechanism for the Board of Directors to supervise and oversee the Company so that it operates in accordance with good corporate governance guidelines and builds confidence, trust, and value for stakeholders in order to create sustainability and stability for the business. In 2023, the Corporate Governance and Sustainability Committee assigned a Corporate Governance working group to review and take action on various matters and then report to the Board of Directors and the Audit Committee to acknowledge after it was approved by the Corporate Governance and Sustainability Committee. This is as follows:

1. Reviewed the good corporate governance principles, code of business conduct, and anti-corruption policy to be consistent with the current business operations and the operations of subsidiaries.
2. Conducted a self-assessment survey to develop an anti-corruption system, assessed corruption risks, provided working papers by a certified public accountant, and requested a second renewal of certification for a member of the Thai Private Sector Coalition Against Corruption (CAC) for the years 2023-2026.

3. Communicated a code of business conduct for business partners, contractors, subcontractors, and trade partners to sign their names for acknowledgment. Encouraged business partners and trade partners to join the Thai Private Sector Collective Action Coalition Against Corruption (CAC). Currently, one of our business partners, Sahaviriya Steel Industries Public Company Limited, has become a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) from December 31, 2022, to December 31, 2025.
4. Organized online and onsite training and meetings to educate the Company's directors, executives, employees, and the subsidiary on the code of conduct and anti-corruption policies. Organized a test to assess target employees' comprehension and obtain their signatures for acknowledgment.
5. Implemented a corporate governance policy, a code of business conduct, best practice guidelines for a code of business conduct, an Anti-Corruption policy, a securities trading policy, and other related policies to cover all stakeholders. This included business partners, consultants, and business agents through effective channels of communication.
6. Complied with the laws governing the Company's business operations across the entire business chain. In 2023, the Company was not prosecuted for non-compliance with the law and there were no complaints against the Company.
7. Reviewed the Company's regulations as well as Articles of Association to be up to date.
8. Reviewed the internal control system. The Audit Committee considered and appointed EY Corporate Services Company Limited to be responsible for planning, auditing, and reviewing the Audit Committee-approved plans regarding cyber security, Phase 2 for 2023. The assessment report has already been submitted to the Audit Committee for consideration.
9. Appropriately applied the good corporate governance principles for listed companies in 2017 (CG Code) with the business context. The Company explained the details of the business operations in "Part 2: Corporate Governance". The details of the Company are published on the website at [[www.tmtsteel.co.th/corporate-governance](http://www.tmtsteel.co.th/corporate-governance)].

#### Performance

- Achieved a 5-star rating for "Excellent" Corporate Governance Report by the Thai Institute of Directors Association (IOD) for 3 consecutive years.
- Achieved SET ESG Ratings at the AA level after being selected as Thailand Sustainability Investment (2020-2023) by the Stock Exchange of Thailand for 4 consecutive years.
- A renewal of certification as a member of the Thai Private Sector Anti-Corruption Coalition for 2023 (2023-2026) from the Thai Institute of Directors Association (IOD).
- No lawsuits were filed for noncompliance with the law. There were no complaints from internal or external sources concerning the violation of the code of business conduct or the anti-corruption policy. There were no offenders identified for any misconduct.



#### Risk Management

##### Policy

TMT Steel Public Company Limited realized the importance of risk management. We believe that risk management is one of the processes that will help the Company develop business strategies to achieve its objectives and goals. A good risk management and control system will help reduce obstacles or any unexpected events that might arise and prevent damage to corporate resources. It also helps to increase the adaptation ability to the changing business environment effectively, build confidence, and create value for all stakeholders as well as creating business opportunities to drive the organization to sustainable growth. The details of the "Risk Management Policy and Corporate Strategy Development" are published on the website at [[www.tmtsteel.co.th/sustainability/organizational-risk-management/risk-management-policy](http://www.tmtsteel.co.th/sustainability/organizational-risk-management/risk-management-policy)].



## Goals

- To be a stable and consistent product provider.
- Deliver the value of products and services.

## Strategies/Operational Plans

The Risk Management and Strategic Development Committee reviewed the risk management policy and considered the approval of the 2023 revised version of the Enterprise Risk Management Manual to be used as an operational procedure guideline, for communication, and efficient work process development under appropriately controlled risk. The Enterprise Risk Management Manual covers principles, strategies, and risk management frameworks as well as the structure, roles, and responsibilities of stakeholders as well as the risk management process which was developed based on the international standards of enterprise risk management by the Committee of Sponsoring Organizations of the Tread way Commission (COSO) (2017 Enterprise Risk Management – Integrated Framework). There are 6 components of enterprise risks, namely: 1. Strategic Risk 2. Operational Risk 3. Financial Risk 4. Compliance Risk 5. ESG Risk and 6. Emerging Risk. The details regarding the Risk Management Manual are disseminated on the website [[www.tmtsteel.co.th/sustainability/organizational\\_risk\\_management/risk\\_management\\_manual](http://www.tmtsteel.co.th/sustainability/organizational_risk_management/risk_management_manual)].

## Operations

1. Determine the structure, roles, and responsibilities in enterprise risk management. The Company appointed Mr. Prawas Sontawakul Chief Operating Officer, to be the chairman of the Sustainable Development Subcommittee, holding the highest operational level position responsible for risk management in order to ensure compliance with the specified risk management policy and expand the duties and responsibilities of the Corporate Governance and Sustainability Committee in the structure chart for the duties and responsibilities of risk management.
2. Review and improve the risk map and impact risk assessment criteria, and ensure that the risk dashboard is consistent with current operations.
3. Communicate and announce the implementation of the revised risk management handbook, 2023, to ensure consistency with current business operations.
4. The risk management team implements enterprise risk management in accordance with the risk management and strategy development policy. A performance report shall be submitted to the Chairman of the Sustainable Development Committee and the Board of Directors twice a year through the Risk Management and Strategy Development Committee.
5. The risk owner and risk champion identify, assess, and review enterprise risks, as well as collect risk information, management measures, and evaluation results from responsible departments and submit them to the Risk Management Team twice a year.
6. Conduct a review, identify, and assess enterprise-level risks, prepare a risk matrix, review risk parameters, determine risk appetite and key risk indicators, as well as improve and develop various tools to control and monitor risks on a regular basis, such as Risk Dashboard, Risk Heat Map, etc. This was done to proactively prepare for risk management measures appropriately and in a timely manner. This includes developing risk profiles, risk monitoring and reporting, and conducting systematic enterprise risk management. A summary of risk factors and risk management guidelines are included in Part 1, Risk Management.
7. Establish guidelines and integration risk across departments. Establish guidelines to develop the skills, knowledge, and abilities of any relevant personnel for enterprise risk management.
8. Cultivate risk awareness among employees at all levels, foster a risk management culture that can effectively manage risks in the same direction throughout the organization, and develop shared values to achieve the organization's goals.

9. Improve internal and external risk communication and cross-departmental risk management knowledge sharing as well as maintaining regular communication with those involved in risk management.
10. Review and improve the Business Continuity Plan to be consistent with current operations.

#### Performance

- Business was not disrupted.
- There were no complaints or disputes that affected the operations and the business performance.
- All 6 types of enterprise risks are at an acceptable level.
- Delivered value of products and services to customers continually. There was stability and consistency in services, the availability of goods, as well as product quality and standards. The customers were satisfied with the products and services of TMT. The average rate of satisfaction for all aspects was equal to 91%







### Policy

Under the rapid technological change, the Company sees the importance of bringing innovation to develop product quality and create value in both the production and management processes to best meet the different needs of customers to maintain its leadership in the service center business, production, and distribution of steel products to various industries in Thailand. The Company also promotes continuous development of manufacturing innovation from within to increase productivity, reduce working hours, create safety and workplace environment for employees, and mitigate environmental impacts, which are a significant basis of the sustainability operation.

The Company published the policy on the website [[www.tmtsteel.co.th/Sustainability/Sustainability policy/Sustainability policy and practice/Innovation policy](http://www.tmtsteel.co.th/Sustainability/Sustainability%20policy/Sustainability%20policy%20and%20practice/Innovation%20policy)].

### Goals

- Customer satisfaction be higher than 80% or an increase from the previous year.
- Increase production capacity to 1 million tons.
- Continue to use technology to increase efficiency in the operational process every year.
- Continue to see the results from the improvement and development of employees every year.

### Strategy/Operational Plan

- Study to understand customer needs, develop quality and product standards, and provide services to meet the needs and satisfaction of all customer groups.
- Apply various technologies in the manufacturing process to increase production capacity, reducing steps in the manufacturing process and operational processes to be more efficient.
- Evaluate risks and review opportunities for business development or operational processes.
- Promote a corporate culture that encourages continuous learning, improvement, and development. Encourage employees to have creativity and innovation to develop/modify operational processes that can actually be applied to the project.

### Operations

#### 1. Utilized Technology to Increase Efficiency in Operational Processes.

A semi-automatic/automatic information technology system, including equipment installation and modern tools, was utilized in the operational process and certain manufacturing processes to increase efficiency, productivity, and employee safety as well as mitigate the accident risk, waste generation, and energy consumption that may affect the environment to be prepared for automatic production lines in the future. Important projects have been carried out are as follows:

- 1) Installed a Touch Sensor system on the flat steel cutting machine. This increases overall efficiency and cutting accuracy and also improves the quality of the workpiece by 100%.
- 2) Designed and installed the “Transfer Car” system to transport raw materials to Steel tube production machines. This improved the process of moving raw materials. Previously, raw materials would be moved by a forklift to a warehouse and then brought to the Steel tube factory building. The results from the “Transfer Car” in this process are as follows:
  - Eliminate the use of forklifts in this process entirely and use transfer cars instead. This results in energy saving by using the electrical system instead of fuel. The electricity generated from the Solar Rooftop **helps reduce air pollution by 100% (smoke from exhaust pipes)** and reduce greenhouse gas emissions.
  - Mitigate accident risk at work and the possibility of damaging raw materials by 100%
  - Reduce forklift maintenance costs such as repair costs, spare parts, tires, etc.



- Raw materials can be delivered at any time without stopping the production line. Steel tubes can be produced to meet customer needs to have products available for delivery.
  - Employees can work alone using an automated system. Reduce injuries and fatigue from working and driving forklifts for a long time.
  - Comparison of overall work efficiency is as follows:
    - The forklift can deliver 16 tons of raw materials per transportation cycle, which takes 10 minutes, and 3 employees.
    - The Transfer car can deliver 20 tons of raw materials per transportation cycle, which takes 5 minutes and one employee. This improves work efficiency by 100%.
- 3) Designed and installed the "Lifting Basket" system to transfer raw materials, which is a step up from the Coil Rack (as disclosed in the topic of innovation management and product quality development in 2022). It can lift the entire basket full of workpieces and transport them to another building or lift the entire basket to put on the Transfer Car from the warehouse to the Steel tube factory building. This device originated from the ideas of employees contributing to the improvement and development of operational processes. It was developed into practical devices to increase work efficiency. This is a change in the process of moving raw materials from the use of a traditional system that required 3 employees to an automatic system that requires only one employee to control the work using a remote-control system. The "Lifting Basket" lowers the risk of workplace accidents, saves time, and reduces the work procedure from three processes to one process, as well as from three employees to one employee. This increases average work efficiency by more than 50%.
- 4) Utilize information technology to connect existing databases and create functional models for digital systems, developing the Sales Platform system (Version 3) to support work efficiency, reducing the use of paper in the operational process to align with the reduction of greenhouse gas emissions guidelines. This system can also accurately respond to customer needs within the specified time frame.

## 2. Promote a Corporate Culture that Supports Continuous Improvement and Development.

The Company promoted activities to develop new creativity, whether it is a method, a format, a procedure, a device, or an invention. This began with operational process improvement for operational employees at the department level in order to improve work quality, reduce errors, increase the value of work, and raise employee awareness of the importance of work development. This also includes developing personnel to be ready for the change in digital technology. Employees were prepared for changes in digital technology. This is an important factor in promoting sustainable innovation development. The Company provides an adequate budget and encourages departments to initiate projects to improve and develop operational processes for employees at the operational level to supervisory levels. The main operations are as follows:

- 1) Work resulting from employee improvement and development in the maintenance department and production includes 475 ideas.
- 2) Extend the Think Idea project by creating prototype VDO clips for 8 outstanding works with practical applications. These clips can be used to communicate new ideas and methods of working to employees through internal communication channels, stimulating creativity and engaging employees all year round.
- 3) The TMT Innovation project aims to develop technological and digital knowledge and skills for the third consecutive year. The Company encouraged employees to have an Innovative Mindset, be creative to create new things, dare to think, dare to present, and use digital technology to contribute to the development and improvement of operational processes. This can lead to developing Innovation Thinkers and new business innovations from within the organization. The operations are as follows.



- Develop an innovation mindset in employees through a variety of courses, including Business Innovation for Everyone (Online Learning) and the Innovative Thinkers Workshop. This resulted in two batches of 57 employees. 12 Potential Alpha employees were chosen to participate in the third batch of Alpha Bootcamp, where they will learn through project-based training.
- In the second and third batches of Alpha Boot Camp, participants pitched innovative ideas to executives. Six ideas were entered into the Innovation Sandbox experiment to promote the development of innovation skills through hands-on experience, with the goal of using the results to improve and develop work.
- Promote the TMT Innovation Lab Team to develop skills that will drive innovation culture within the organization and give them the opportunity to experiment with innovation skills through 2 actual projects.
- Set up a Digital Clinic to offer advice and develop guidelines for transitioning operational processes to automation and a digital system. This year, employees proposed 2 ideas for development.

### 3. Product Quality and Standard Development

- 1) Developed the pre-processing procedures for steel products, including laser cutting, CNG gas cutting, CNC plasma cutting, shearing, recutting, bending, and band sawing to enhance convenience, reduce workpiece preparation time, and improve customer operational efficiency.
- 2) Certified MiT or Made in Thailand by the Federation of Thai Industries for the third consecutive year. 25 TMT steel products have been certified as manufactured in Thailand, boosting domestic and foreign consumers' confidence in the quality and standards of steel products produced in Thailand. This opens up new opportunities for the future development of sustainable steel products.
- 3) Received a license to produce industrial products certified by the Industrial Standards Institute (TISI), Ministry of Industry. This helps increase customer confidence in quality in accordance with the established standard. In 2023, the Company's products received certification as follows:
  - TIS 2060-2017 hot rolled flat steel for gas tank work, hot rolled thick/thin steel sheets.
  - TIS 2817-2019 cold-formed structural steel coated with metal for general structural work.

#### Performance

- Customer satisfaction with the product was 90%.
- The total capacity utilization was 76.68%.
- Technology was used to improve operational efficiency in 4 areas.
- Enhances employee productivity and creativity 486.



## Business Partner Relationship Management

### Policy

The Company sustainably manages its supply chain to earn the trust of its stakeholders, create value, effectively increase competitiveness, and mitigate business risk. This includes social and environmental risks as well as supply chain governance. As a result, the Company places a significant emphasis on treating its business partners and trade partners fairly for the development and maintenance of good relationships. This includes supporting and encouraging business partners and all trade partners to conduct business while taking social and environmental responsibilities and good corporate governance into consideration. The Company studied and integrated sustainability issues and supply chain into management to increase cooperation and business competitiveness, as well as meet the needs of all of its stakeholders, with supply chain management.

Details regarding the Company's Practice Guidelines are available at [[www.tmtsteel.co.th/Sustainability/ Development/ Sustainability Practices and Policy](http://www.tmtsteel.co.th/Sustainability/Development/SustainabilityPracticesandPolicy)].

### Goals

- No complaints from third parties.
- Obtain raw materials and factors as agreed upon.

### Strategies/Operational Plans

- Define roles, duties, and responsibilities within the organization's supply chain management.
- Establish processes/procedures/methods/guidelines that integrate sustainability issues with management.
- Engage with business partners and trade partners to communicate the Company's expectations and intentions regarding sustainability management, as well as to discover ways to increase potential, competitiveness, and cooperation.

### Operations

- Treated business partners and trade partners fairly and complied with the terms of trade agreements by adhering to human rights principles and providing whistleblowing and feedback channels via the Company's website.
- Established criteria for the selection of trade partners, suppliers, and new service providers to demonstrate compliance with safety, labor and human rights, and environmental rules, policies, and regulations.
- Prepared a guideline for determining payment terms for trade partners, then disseminated and communicated it via the Company's website [[www.tmtsteel.co.th/sustainabilitypracticesandpolicy/ payment practice guidelines for trade partner](http://www.tmtsteel.co.th/sustainabilitypracticesandpolicy/paymentpracticeguidelinesfortradepartner)]. For the year 2023, the company has implemented the aforementioned guidelines with the payment period to the actual average trading partner time is 2 days, which is in line with the company's guidelines, which have been set for no more than 30 days, and there is no case of payments to trading partners being later than the specified guidelines.
- Communicated a code of business conduct for business partners, contractors, subcontractors, and trade partners to sign their names for acknowledgment. Encouraged business partners and trade partners to join the Thai Private Sector Collective Action Coalition Against Corruption (CAC). Currently, one of our business partners, Sahaviriya Steel Industries Public Company Limited, has become a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) from December 31, 2022, to December 31, 2025.



- Driven sustainability management for business alliances and trade partners through the integration of quality management system standards (ISO9001), occupational health and safety management system standards (ISO45001), and environmental management system standards (ISO14001). This includes significant issues in the code of business conduct, social responsibility, and respect for human rights. The supplier self-audit and on-site audit of the trade partners were conducted annually to appropriately identify and manage risks in the supply chain.
- Build good relationships by visiting and studying the factories of business partners and main trade partners. This includes inviting them to visit the Company's factory and holding regular meetings to discuss needs, expectations, and guidelines for cooperation, as well as continuously improving the quality of raw materials together.
- Continue a Smart Truck Driver Project for the third consecutive year. Provide knowledge to 64 transportation company employees, 7 of whom are new transportation employees who play an important role in delivering products to customers. The Company also emphasizes training company's truck drivers in product delivery, best practices, and safety consciousness. The Smart Truck Driver Project increased work productivity and business collaboration for sustainability as follows:
  - The customer receives products on time.
  - The trucks are in good condition and ready to be used.
  - Drivers are responsible and comply with traffic regulations.
  - Reduce the risk of road accidents which protects both lives and property.
  - Drivers are pleased with their development, stable careers, and incomes.
  - Trade partners' revenue grows steadily with the Company.

#### Performance

- The Company did not receive any complaints from outsiders.
- The evaluation results from business partners had a total average score of 93.26%
- Obtained raw materials and factors as agreed upon.
- There were no violations of human rights.



#### Customer Relationship Management

#### Policy

The Company aims to be the leading comprehensive steel service center with the vision of "Providing Structure of Your Imagination" and the mission "We Deliver Values to the Steel Ecosystem". The Company prioritizes its service business as a structure for the success of all stakeholders, especially an integral component of our clients' success. In addition to striving for product innovation that meets customer needs, the Company focuses on customer service development to assist customers in maximizing production efficiency and capacity as well as building up their competitiveness for the maximum benefit of their businesses.

## Goals

- Customer satisfaction is higher than 80% or an increase from the previous year.

## Strategies/Operational Plan

- Give advice on solutions, assist in product procurement, and develop new types of services, options, and value for customers under an integrated management system to meet all needs of customers.
- Meet with customers regularly to learn about their needs and to improve the quality of products and services that meet those needs.
- Conduct a customer satisfaction survey and use the results to further improve and develop the service.
- Be open to suggestions, complaints, and requests for additional information regarding the Company's products and services through various channels such as telephone, email, and the website. More information is available at [[www.tmtsteel.co.th/contact-us/contact-us](http://www.tmtsteel.co.th/contact-us/contact-us)].
- Organize regular meetings to communicate and exchange knowledge regarding customer needs. This ensures that all parties involved are informed, understand, and respond to the needs of each customer appropriately and timely.

## Operation

The Company recognizes that customers are the most important contributors to its success and long-term growth. As a result, the Company is committed to meeting the needs of our customers and providing the highest level of customer satisfaction. In addition to implementing the strategy and operational plan in 2023, the Company has carried out activities as follows:

1. Constantly improved and developed customer satisfaction by studying and analyzing survey results in 2022, which indicated that the most important factors for purchasing decisions were product quality and product variety, respectively. Based on the aforementioned factors, the Company further analyzed, prioritized, and interviewed the target customers, and considered taking action in 2023 as follows:
  - Created a pre-process for steel products in various forms, such as laser cutting that can cut both steel pipes and steel sheets, CNC gas cutting, CNC plasma cutting, shearing, re-cutting, bending, and band saw, depending on the type of business to foster convenience, reduce time spent preparing workpieces, and improve efficiency in customer operational processes.
  - Installed a galvanized steel roll forming machine for light structural work with Lip Z section and Lip C channel section, which was completed in the third quarter of 2023. The machine is currently being developed and tested in collaboration with the machine manufacturer to produce high-quality products that meet the needs of customers. It is expected to be completed in the first quarter of 2024.
  - Completed the warehouse construction project of 16,272 square meters in the fourth quarter of 2023. This warehouse can store 6,400 tons of steel tube products and a 136-meter-long product sorting roller system. This reduces the time for product transfer and vehicle pick-up points in the warehouse, resulting in improved time management and faster delivery to customers.



- Received MIT or Made in Thailand certification from the Federation of Thai Industries. There are 25 TMT steel products that have been certified as manufactured in Thailand for 3 consecutive years, boosting domestic and foreign consumers' confidence in the quality and standards of steel products produced in Thailand as well as increasing the potential for future sustainable development of steel products.
  - Attained a license to manufacture certified industrial products by the Industrial Standards Institute (TISI), Ministry of Industry, to increase customer confidence in quality and compliance with established standards.
  - Created new business opportunities by connecting existing databases using information technology, and developed a digital platform to provide services that meet all of the customers' diverse needs, making it easier for customers to conduct business and improving the efficiency of their operational processes. Additional details regarding the Company's products and services can be found at [[www.tmtsteel.co.th/products/services](http://www.tmtsteel.co.th/products/services) and solutions].
2. The average customer satisfaction score for 2023 was 91%. According to the survey, customers are most satisfied with the "salesperson". The salesperson "service with politeness, care, and a willingness to provide services." Purchasing decision factors are product variety, quotations, and product delivery. Suggestions from customers in 2023 will be analyzed and prioritized by the Company for further improvement and development. Relevant departments must work together to achieve the set goals.

#### Performance

- Customer satisfaction score was 91%.



# Social Dimension

## Human Resources and Human Rights Management and Employee Development



### Human Resources and Human Rights Management Policy

#### Policy

The Company recognizes that employees are highly valuable human resources. Therefore, the Company values all employees with equality and fairness and is also committed to the development of personnel at all levels so that they have knowledge, experience, and expertise to strive for mutual success, building trust with customers and all stakeholders by creating a corporate culture of creativity and promoting a safe working environment. This includes the management of appropriate remuneration and welfare that is comparable with industries of the same nature as well as emphasizing the respect of human rights for all business value chain stakeholders.

The Company disseminated the policy on the website [[www.tmtsteel.co.th/Sustainability/Sustainability Policy/Human Rights Policy](http://www.tmtsteel.co.th/Sustainability/Sustainability%20Policy/Human%20Rights%20Policy)]

#### Goals

- An average score of 80% or higher for employee engagement
- A turnover rate of less than 10%.
- TMT employees receive training for an average of 20 hours of training/person/year.
- No labor disputes and no human rights violations.

#### Strategies/Operational Plans

- Comply with human rights principles in accordance with the Thai labor standards and Thai business's social responsibility (TLS 8001-2010).
- Create and promote a good work environment.
- Study and analyze the needs of employees which includes analyzing the need for employee development.
- Promote a work culture that encourages learning, continuous improvement, and development.
- Promote and develop employees to have career advancement and use their full potential.

#### Human Resource Management Operations

The Company places importance on employee care and development by adhering to the compliance of human rights policies, Thai labor standards, social responsibility of Thai Business (TLS 8001-2553), the business code of conduct, and related policies to ensure that the Company's business operations are able to achieve the objectives and corporate values, as well as build credibility and strengthen relationships with employees and all other stakeholders. The Company took the following significant actions in 2023:

- Developed a human resource information system (HRIS) for employee access to personal data. This is the first phase of development, which will continue until 2024. The goal is to use cloud systems to support operations, allowing employees to access the system from anywhere.





- Recruit employees in accordance with the growth objectives. As of December 31, 2023, the Company had a total of 1,410 employees, an increase of 25 employees, or 1.77% of 2022. The details are as follows.

Number of Employees	2021	2022	2023
Total of Employees	1,311	1,386	1,410

- Analyze the survey results of employee satisfaction and commitment to the organization, using the 2022 results and information from employee conversations to develop and improve human resource operation, analyze, and prioritize to plan and carry out the project or various activities continuously, as follows:

1) Establish short-term and long-term employee remuneration policies. Regarding short-term remuneration, the Company considers recruitment methods, welfare, and benefits that are appropriate and fair for the roles, duties, and responsibilities of employees at each level that align with employee roles, duties, and responsibilities, as well as operating results in comparison to other companies in the same industry group located nearby. In 2023, the Company adjusted the annual employee salary rate by adjusting the wage structure for each work group and considering employee performance for a salary increase. This included increasing daily employee wages above the government-mandated minimum wage rate while prioritizing internal competitiveness and fairness. In addition, incentives for employees in the production line have been adjusted based on skills and responsibilities to be consistent with working conditions to increase motivation for employees. In addition, incentives for employees on the production line have been adjusted based on skills and responsibilities to be consistent with working conditions, resulting in increased employee motivation. As for long-term remuneration, the Company organized a provident fund for employees. Employees can select an investment policy that best suits their personal savings needs, and the Company's contribution rate will increase as employees' length of service increases. Group insurance benefits for employees have increased, including health, life, and accidental insurance to promote employee health and hygiene.

2) Review the leave of absence policy and annual vacation for employees to reduce fatigue from work and allow employees to have a day off to rest and spend time with family by increasing the number of annual vacation days when employees have more years of service under the Company's criteria as an incentive for long-term employees. This includes birthday leave benefits for employees to take a break from work and spend time with their families on special occasions.

3) Each year, the Company provides an educational scholarship program for the children of TMT employees to support and encourage employees in the target group to be willing to strive for good performance. This was used as a criterion to grant scholarships to children of employees to boost their morale and spirits. This year, there were 45 applicants, and 20 of them met the criteria. This scholarship was categorized into 3 levels as follows:

- Elementary Level: 1,500 Baht per scholarship. There were 10 recipients of scholarships. This scholarship totaled 15,000 Baht.
- Middle School Level: 3,000 Baht per scholarship. There were 5 recipients of scholarships. This scholarship totaled 15,000 Baht.
- High School Level: 3,000 Baht per scholarship. There were 5 recipients of scholarships. This scholarship totaled 15,000 Baht.

- 4) Organized engagement activities to foster positive relationships among employees within the organization, such as Songkran activities, religious activities, Christmas activities, and TMT TAKE OFF TO THE FUTURE activities to promote new corporate values for employee engagement. The Company provided TMT Care Value shirts to employees to wear during activities and organized the Game of TMT Fit & Fun in 2023 to promote corporate values and good health for employees. A walking rally was organized to engage employees from all three branches to run 2.5 and 5 kilometers and conquer 4 organizational values. Additionally, a year-end activity called TMT Day FIT FUN FEST was held to celebrate the 4 Core Values. These events were held at the Company. Blood donation activities have been carried out for six consecutive years, with four blood donation events held each year to allow employees to contribute to society while also promoting employee health.
  - 5) Improved the environment and facilities to promote a good quality of life for employees such as providing an artificial grass football field for the TMT Arena in the dormitory area, adding a roof to the parking lot, carrying our factory forest plantation project to increase/improve the green area and provide more recreational areas as well as installing an automatic coffee machine, renovating men's and women's bathrooms, installing a new drinking water dispenser in the office, adding a walkway to the parking lot, and replacing the dormitory's light bulbs with LED bulbs.
  - 6) Organized massage activities to reduce the risk of Office Syndrome for employees and the rate of sick leave due to disease symptoms by the visually impaired from the Foundation for the Employment Promotion of the Blind (FEPB) to support people with disabilities to work and earn money.
  - 7) Collaborated on a "Quit Smoking and Live a New Life" project with the Environmental Quality Development Association to promote employee health, raise awareness about reducing and quitting smoking, and improve smoking areas for hygiene to avoid secondhand smoke and improve smoking areas to be hygienic and have less of an impact on others. This included providing information about the dangers and penalties of marijuana and kratom plants to employees.
- In 2023, the Company provided monetary and non-monetary programs and welfare to its employees. There was a total of 9 projects aimed at fostering motivation, morale, and encouragement as well as providing TMT employees with a good quality of life and excellent working conditions.
  - Organized the election of a workplace welfare committee in 2022 as a replacement for the previous committee that completed the term. Meetings were held quarterly. This included organizing employee discussion activities to provide employees with opportunities to offer opinions and suggestions that will be beneficial to the organization's overall improvement and development. This will be forwarded to all parties involved for consideration. The Company pays attention to every issue raised by employees at all levels.
  - Survey of employee satisfaction and commitment to the organization the results of the survey in 2023 were 81% and 86.1% and were communicated through internal communication channels within the company. Including summarizing important issues for executives, managers, supervisors, and welfare committees to know. To jointly determine relevant operational plans in 2024





## Human Rights Practices

The Company is aware of the importance of conducting business in accordance with respect for human rights principles which are a fundamental right and freedom for everyone without discrimination to ensure that the Company's activities and business operations are carried out in accordance with its objectives. There are guidelines in place to help prevent human rights violations against relevant stakeholders. In 2023, the Company's primary actions were as follows:

- Reviewed human rights practice guidelines in all aspects for working groups and relevant parties to conduct in accordance with the principles regarding prevention, respect, and remedy. This was a significant step toward reducing risks from human rights from business operations throughout the value chain, etc. This included reviewing measures, reporting and monitoring procedures and key indicators to reduce risk, and establishing a process for providing remedies if stakeholders' human rights are violated as practice guidelines. The details were published on the website [[www.tmtsteel.co.th / Investor Relations / Corporate Governance / Related Policies / Human Rights Policy](http://www.tmtsteel.co.th/Investor Relations/Corporate Governance/Related Policies/Human Rights Policy)].
- Collaborated with the Company's sustainable development team to assess human rights risks in all aspects, ensuring stakeholder rights issues are addressed in line with business procedures. The Labor and Human Rights Team collaborated with stakeholders to identify potential risks that aligned with human rights for all stakeholder groups. A risk ranking was developed by evaluating human rights risks for various stakeholders, including customers, employees, business partners, trade partners, raw material suppliers, the community, society, and shareholders. Prioritized risks and identified relevant human rights issues for vulnerable groups, including women, children, people with disabilities, alternative genders, outsourced staff, and pregnant women.
- Report a human rights audit, establish mitigation guidelines, and manage issues to reduce risk to an acceptable level. When the risk is extremely high, immediate risk management action is necessary to minimize negative effects. Implemented the risk management plan immediately to reduce the high-risk level to an acceptable level. Managed moderate risks, created an action plan, and monitored it regularly. If the risk level is low, the Company will plan, implement, control, and monitor measures to mitigate the impact. The Company will also conduct a risk assessment process to identify potential issues.
- The Nomination and Remuneration committee recruits employees based on knowledge and abilities that are suitable for the position, taking into account remuneration, potential development, and career advancement without bias based on race, nationality, skin color, gender, language, religion, political views, women, people with disabilities, locality, alternative genders, and senior citizens.
- Reviewed TMT Steel Public Company Limited's privacy policy and communicated it to all employees as well as outsiders by publishing it on the website [[www.tmtsteel.co.th/Investor Relations/Corporate Governance/Related Policies/Privacy Policy](http://www.tmtsteel.co.th/Investor Relations/Corporate Governance/Related Policies/Privacy Policy)]. This included developing continuous knowledge and understanding among employees via multiple channels of communication within the organization to prevent employees from disclosing relevant stakeholder personal data.
- Established internal and external channels for receiving complaints. The Company disclosed the process for protecting whistleblowers or complainants, as well as the whistleblowing channels, on the website [[www.tmtsteel.co.th/investor relations/corporate governance/preventing and combating corruption/receiving clues and complaints](http://www.tmtsteel.co.th/investor relations/corporate governance/preventing and combating corruption/receiving clues and complaints)]. In 2023, the Company received no complaints from employees, subcontractors, or outsiders.

- Communicated measures and best practices to comply with the code of business conduct to employees through various channels.
- Collaborated with the Phra Nakhon Si Ayutthaya Provincial Employment Office to encourage employment for people with disabilities by subcontracting or hiring 7 people with disabilities or their caregivers to do community work to promote their careers and income.
- The Company prohibits copyright and intellectual property infringement. The intellectual property infringement policy protects employees and businesses from violating information and copyright laws as well as the Company's Articles of Association.



## Employee Development

Every employee is valued by the Company, and the appropriate development plans have been prepared for employees at all levels. TMT Knowledge Center is a learning and development center for employees. The employee development plan was designed and developed by the Company based on the corporate goals and strategies. The Company also surveyed the needs for employee training and development by interviewing executives in each department, analyzing job positions, performance appraisals, and individual development plans, and implementing the development in accordance with the plan. This included developing a work environment and culture that promotes creativity and a work culture that encourages creativity through ongoing knowledge-promoting activities for employees.

In 2023, employees received an average of 30.33 hours of training per person. This was an increase from 2022 as a result of the improvement in COVID-19. This allowed for normal training to continue. The Company was able to organize 90% of the training according to the annual training plan and the departmental development plans through the following projects and activities:

- Promoted and developed employees in accordance with the New Core Value. Developed employees' potential to align with the Company's future business model through the activity "7.7 TMT TAKE OFF TO THE FUTURE, Heading Towards the Future Together". The Chief Executive Officer (CEO) delivered an opening speech describing the origin and meaning of Core Values. There were also activities for all employees to participate in to develop a better understanding of Core Values through various activities, ensure the implementation of Core Values through the Core Values Insider Workshop course, and expand the results to other employees.
- Promoted E-learning for a total of 43 courses, allowing employees to select courses and set aside time for learning on their own schedules. This included providing additional forms of learning, such as project-based learning, coaching, and on-the-job training (OJT), to employees at all levels of the organization.
- Carried out The TMT Innovation project for a third consecutive year to enhance digital skills and encourage employees to have an innovative mindset, be creative, eager to think, eager to present, and use digital technology to develop and improve work processes. This included developing Innovation Thinkers and new business innovations from within the organization. The operations are as follows:



- 1) Developed employees' innovative mindsets through different training programs such as Business Innovation for Everyone (Online Learning) and Innovative Thinkers Workshop, for two batches of participants for a total of 57 employees. Selected Potential Alpha to participate in the third batch of Alpha Bootcamp through Project-Based Learning for a total of 12 employees.
  - 2) Organized Idea Pitching activities for the second and third batch of participants of Alpha Bootcamp. This included an Idea Pitching activity in which executives were presented with Idea Projects that were developed and learned through innovative thinking processes to put more than 6 ideas to the test for the Innovation Sandbox, promoting the development of innovative skills through practice and the ability to use the results to further improve and develop work.
  - 3) Supported the TMT Innovation Lab Team to create an innovative culture and used their skills to complete two projects.
  - 4) Created a Digital Clinic to offer advice and guidelines for adapting work processes to accommodate automation and digital systems. This year, employees proposed two ideas for development.
- Knowledge Management under TMT Academy offers educational and training courses across all departments. The Company added new courses and improved the original curriculum to be more up-to-date for employee training, especially for new employees, to have the necessary skills and abilities to perform their duties correctly. This included the training of an additional 20 Internal Trainers this year to enhance the efficiency of knowledge training.
  - Created a Leadership Competency for employees at all levels to prepare and develop their potential following the Company's future business model, laid out a road map, and designed courses that will appropriately develop employees at every level.
  - TMT Business Plan and BU Goals Alignment Workshop projects improved knowledge and understanding of new approaches, set corporate goals, department goals, and tangible personal goals in line with the organization's direction through hands-on workshops. Therefore, the BU Initiative was carried out to align with over 40 corporate goals, serving as guidelines for work planning and ensuring practical follow-up.

Furthermore, the Company prioritized performance and career advancement management for employees at all levels as follows:

- Performance Management was developed to be more efficient and in line with the changing direction of the organization. There are two performance evaluations per year, each divided into two sections: the key performance indicators (KPI), accounting for 60% of the evaluation, replacing the core value evaluation with 40% of the competency evaluation. This was viewed as appropriate in light of the organization's transition to the New Core Value, in which the competency evaluation covers the potential results and impact rather than behavioral expressions. There is a clear Corporate KPI 2024 that addresses all four perspectives of BSC in terms of financial, market, and internal which includes learning, and growth dimensions. This will enable the organization to achieve the set goals. The new TMT PMS 2024 process was adjusted to reflect changes in both goal setting and performance evaluation.

- In terms of career advancement and management, the Company established career growth paths for employees at all levels, as well as guidelines for developing employees' capabilities in each position and providing opportunities for career transfers to meet increased abilities. Furthermore, employees who are promoted to the supervisory level or higher will prepare an Individual Development Plan (IDP) with a follow-up and report the results of self-development to executives in a systematic manner. Over the past year, 164 employees have been promoted. One employee was promoted to vice president, 2 senior managers, 2 managers, 3 assistant managers, 9 supervisors, 2 experts, 35 staff, and 110 operational staff. This accounted for 7% of total employees.
- Talent Management was carried out by selecting top performers from all departments as a focus group through the New Gen project, in which an individual development plan (IDP) for a total of 23 people was developed continuously, the results were monitored, and the self-development results were reported to executives. As a result, this focus group acquired knowledge and abilities, which led to career advancement. 48% of employees are in the career advancement process and the employee retention rate reached as high as 92%. The Company will use the results of this focus group for talent management to determine the appropriate talent persona for each BU, as well as recruiting and developing employees appropriately.
- Succession planning for critical positions involves developing a successor profile which serves as a guideline for creating, developing, and recruiting personnel who have the ability and are suitable to be in leadership roles at all levels and in all lines of work. Criteria were established to encourage employees in the focus group to plan their potential development to prepare for future career advancement opportunities. Studying and searching for tools, and activities to evaluate and select successors according to the successor profile for each critical position appropriately and planning potential development for future growth.

## Performance

- An average score for employee engagement with the organization was 86.1%.
- Turnover rate: 15.97%
- There were no labor disputes or human rights violations.
- TMT employees received an average of 30.33 hours of training per year



## Occupational Health and Safety

### Policy

The Company prioritizes regulatory compliance to eliminate workplace hazards, reduce accidents and diseases, and support all employees and stakeholders in developing quality, occupational health, safety, and environmental management systems.

The details are published on the website at [[www.tmtsteel.co.th/sustainability/sustainability-policy/integrated management policy \(IMS\)](http://www.tmtsteel.co.th/sustainability/sustainability-policy/integrated-management-policy-ims)]

### Goals

- Comply with laws and requirements and decrease legal inconsistencies by 10%.
- Decrease injury frequency rate by 20% each year.



## Strategy/Operational Plan

- Comply with all applicable laws, regulations, and requirements of the safety and environmental management system.
- Develop a project to reduce workplace hazards and accidents.
- Promote hygiene and prevent work-related illnesses projects.
- Improve the workplace environment to ensure safety and hygiene.
- Instill safety awareness among employees and relevant parties.
- Monitor the environmental quality of the workplace.

## Operations

### 1. Comply with applicable laws, regulations, and requirements, including safety and environmental management systems.

- Assigned a safety officer professional level in charge of following up on legal information and other related regulations, reviewing and updating them to ensure they are always current, and evaluating compliance with the law twice a year. This reduced legal inconsistency by 15% compared to the previous year.
- Review and conduct emergency and evacuation drills at least once a year. In 2023, there was training on emergency prevention and controls, as follows: 1) 2 fire drills, which were practiced twice. 2) 1 chemical emergency drill 3) 1 flood emergency drill, and 1 gas leak emergency drill.
- In 2023, licensed Practical Nurses provided medical care to employees between the working hours of 8:00 p.m. and 5:00 a.m.
- 
- Evaluate regulatory compliance once every six months, control and take corrective action to improve operations to comply with relevant laws or regulations.
- Review the risk assessment with each new activity or when work methods change and update them annually.
- Developed a process to control and manage temporary and permanent changes in the organization.

### 2. Reduced the risk of workplace hazards and accidents by organizing the following projects:

- The "3D Project" aims to promote workplace safety and reduce accidents for production line employees, while also improving machine maintenance knowledge and maintaining a clean environment. Every month, scores will be evaluated, and prizes will be awarded to groups that achieve 80% or higher. This resulted in no accidents on the production line for nine consecutive months.
- The "Safety Stars" project aims to reduce workplace accidents in production lines and warehouse departments. Safety officers will observe employee's work behaviors. This involves compliance with procedures: wearing PPE and maintaining a good workplace environment. Employees were divided and competed in groups. A group that demonstrates safe working behaviors, a safe workplace environment, and zero workplace accidents will receive a star and share safety methods with their colleagues. This led to zero accidents in four months (June to September 2023).
- Project "Safety Talk": Safety officers conduct the Safety Talk activity by dividing employees into groups of 7-8 people to discuss and exchange ideas about workplace safety, emphasizing how to work safely, and discussing dangerous points at work, including all safety regulations.



### 3. Hygiene Promotion Projects and Workplace Disease Prevention

- Annual Health Checkup Project: The Company arranges for all employees to receive annual health checks and examinations based on risk factors to monitor their health status, prevent occupational diseases, and improve the sanitary conditions of the workplace. In 2023, 1,325 employees, or 91.76% of the employees, received annual health checks.
- The "Quit Smoking and Live a New Life" Project encourages employees to be healthy and to have access to quit-smoking services through collaboration between companies and the Quit Smoking 1600 hotline. 7% of employees involved in the project were able to quit smoking, and another 50% were likely to quit.
- Organized a first aid training course to provide employees with basic knowledge to save lives in the event of an emergency, such as stopping bleeding, performing basic CPR, moving a patient, or assisting epileptic patients.

### 4. Establish and Promote a Culture of Safety for Employees.

The Company has occupational health and safety management in place in accordance with the occupational health and safety management system standard (ISO 45001:2018), to develop and promote employee knowledge of safety behaviors. The Company organized annual safety training for employees, including general knowledge, basic fire drills, annual fire evacuation drills, and specific knowledge in high-risk hazardous work that requires ongoing review. In 2023, the Company organized 3 activities to promote safety behaviors, including:

- 3 Courses on Safety Awareness Training:
  1. Maintenance and Engineering employees participated in a safety awareness training course. There were 6 training sessions and 30 participants.
  2. Provided safety awareness training for supervisors, foremen, and senior foremen in the Production Line and Warehouse Departments. The course included 12 training sessions with 183 participants.
  3. The Hands Injury Awareness course consisted of 8 training sessions for 121 participants.
- Organized a Safety Day activity for employees for all 3 branches (Wang Noi, Sathorn, and Rama 3), with a total of 646 participants.
- Organized training and drills regarding the prevention, control, and suppression of chemical and fire emergency courses. There was a total of 42 participants.
- Organized activities to discuss safety and the supervisor's role and duties with supervisory-level employees in the production, warehouse, and maintenance departments. There was a total of 224 participants.

### 5. Improve the workplace environment.

The Company organized Safety Patrol activities at least once a month, which included walking and surveying the work area to identify potential hazards that could lead to workplace accidents.

- Daytime illumination levels were measured in both the production and office buildings. Daytime met the standard criteria, with average increases of 79.83% and 89.11% over nighttime.



- Hearing conservation measures include:
  1. Training to provide all employees with knowledge of the hearing conservation policy, types of hearing loss, hearing test evaluations, noise control, the use of noise-reducing equipment, and various related laws.
  2. Install a noise map in the production areas in 3 buildings and designate them as noise and hearing monitoring areas.
  3. Check the sound reduction room, cut-off area, and all pipe-forming machines to make sure they are ready to use.
  4. Install a polyurethane sheet on the steel support unit of the LP1 machine to reduce noise when the cutting workpiece is dropped or hit.
- In 2023, bird spikes were installed above the factory's drinking water dispensers to reduce bird droppings in 5 locations. Bird netting was installed around the factory buildings in 5 locations. Pigeons and their droppings were reduced in the area surrounding the water dispenser.
- Improve traffic and safety signs in the factory to ensure the safety of employees, business partners, and customers who interact with the Company.
- Regularly monitor and measure environmental quality in the workplace, including industrial hygiene twice a year. In 2023, heat, light, noise, chemical concentration in the workplace, and drinking water quality met the specified standards.

### Performance

- The Lost Time Injury Frequency Rate (LTIFR) was 6.71 times per million working hours.
- The Injury Frequency Rate (IFR) was 8.76.
- 23 work-related injuries resulting in time off work.
- Zero work-related fatalities.
- 3 projects aim to reduce workplace hazards and accidents.
- 3 projects aimed at the prevention of work-related diseases.
- Industrial hygiene in the workplace met legal standards.



### Engagement and Social/Community Development

#### Policy

The Company prioritizes community engagement by valuing all stakeholders and engaging in relationship-building activities to foster understanding and participation. The Company listens to all stakeholders to ensure that its business activities do not negatively impact the locals, surrounding community, and society so that the Company can effectively respond to the needs and expectations as well as create sustainable value and returns together. The Company published the details of the “Social Responsibility Policy” on the website at [[www.tmtsteel.co.th/Sustainable development/Sustainability policy/Sustainability policy and practices/Social responsibility policy](http://www.tmtsteel.co.th/Sustainable%20development/Sustainability%20policy/Sustainability%20policy%20and%20practices/Social%20responsibility%20policy)].

## Goals

- No complaints from outsiders
- Carry out projects that foster collaboration between the Company and the community annually.

## Strategy/Operational Plan

- Engage with all stakeholders through resources, potential, and TMT expertise for maximum benefits.
- Create a positive experience for all stakeholders by organizing activities or projects that are mutually beneficial.
- Be attentive to the opinions of the surrounding communities through conversations or annual satisfaction surveys.
- Communicate and promote understanding of business practices based on the Company's sustainability development to create value for all stakeholders.

## Operation

Comply with corporate social responsibility policy, focus on community engagement and development, and improve the community's quality of life, whether in economic, social, or environmental dimensions, by prioritizing the community's needs and necessities. The Company promotes and raises awareness among personnel throughout the organization to build good relationships, demonstrates the friendship between the organization and the community through community engagement, and arranges for representatives to consult with the community. Organizes discussions to analyze issues to gather appropriate information from the community, which includes surveying community satisfaction from community representatives. In 2023, the Company received an average of 91% satisfaction ratings from surrounding communities. The survey results were analyzed and prioritized by the Company, and various projects were considered for implementation to promote a good quality of life, create knowledge, and develop the potential of people in the community and society, as well as create value for the Company's products. The Company first looks at nearby communities that are likely to be directly affected by the Company's operations. This includes emphasizing the importance of supporting and promoting a good quality of life for Thai society without discrimination, as well as providing support based on the Company's ability as follows;

### 1. Steel for Sustainability Project

**Project objectives:** Provide steel to benefit communities and society by promoting well-being and a higher quality of life. The Company helps communities build strong, safe, and appropriate steel structures, offers knowledge on steel types for appropriate work, and adds value to its products. The Company has supported steel in the community through the following projects:

- Provided cold-formed structural steel to Rattanaaburi Technical College in Surin Province for the construction of a learning center and as training material for structural steel welding students. Rattanaaburi Technical College is currently preparing a memorandum of understanding (MOU) with the Company to send students for internships in the workplace.
- Provided Structural steel for the Child Development Center at Wat Sukantharam, Bo Talo Subdistrict, Wang Noi District, Phra Nakhon Si Ayutthaya, for construction of an additional roof on the building.



## 2. From School to Steel Factory Project

**Project objectives:** Promote knowledge of steel, steel production/processing process, and career opportunities in the steel industry in collaboration with organizations and institutions. The Company also provides learning spaces for teachers, students, interns, and students in bilateral projects. This promotes the Company's positive image and employer branding. The following educational institutions are interested in cooperating with the Company:

- Designed and fabricated steel models for the "Mini Steel Gallery" that were donated as teaching materials and student learning models to the Faculty of Architecture, Silpakorn University. This project was extended from the previous study visit project when the Faculty of Architecture, Silpakom University visited the TMT Knowledge Center at Wang Noi Distribution Center in Phra Nakhon Si Ayutthaya.



- The Company welcomed groups of teachers and students from the College of Logistics and Supply Chain from Suan Sunandha Rajabhat University, the Faculty of Architecture from Silpakorn University, Rangsit University, and the 1st Army Royal Thai Air Force Base in the central region as well as employment office in Phra Nakhon Si Ayutthaya to visit the building structure of the Knowledge Center, warehouse, TMT steel production and its processing process, and warehouse and logistics management systems to extend the knowledge for instruction and task performance.



- Accepted internship and bilateral students to provide educational opportunities, skills training, and practical experiences to equip students for employment. The Company provided internships to 22 undergraduates and 63 bilateral vocational certificate students. This is a collaboration between the Company and 9 technical colleges. The Company employed 10 graduates from bilateral projects last year. This saves approximately 10,000 Baht on time and costs for employee recruitment.



### 3. TMT Sharing for Sustainability Project

**Project objectives:** Provide a wide range of basic amenities to improve the quality of life of people in the community, including equipment and various tools to support work and income as much as possible.

- Donated 1 automatic arm-mounted blood pressure monitor and 2 computers to Wang Noi Hospital in Phra Nakhon Si Ayutthaya to assist doctors and nurses in providing health services to the community.



- Supported the construction of multi-purpose buildings for the “raised vegetable learning center and organic vegetable farming innovation” project in collaboration with Assumption University for the Yuwapat Rak Thin project for 2023. This will be used as an organic farming learning center to promote sustainable career opportunities for the community by developing the economy from the grassroots level.
- Organized a “Grow Your Own Vegetables” activity to educate nearby communities to grow organic vegetables at the TMT Knowledge Center in Phra Nakhon Si Ayutthaya. This included the Palazzetto Village and the sensory impaired disorders club in Wangnoi district. This activity extended from the project a raised vegetable learning center and organic vegetable farming innovation, that TMT has supported. Speakers from the vegetable farm shared their knowledge to promote sustainable career opportunities in the community.



- Continuously supported the Garbage for Merit project by collaborating with other companies in the area to donate income from garbage sales to the Subdistrict Administrative Organization of Lam Sai District in Wang No to support people with disabilities, senior citizens, and bedridden patients in the community.
- Organized TMT Market, a flea market, to promote income distribution in the community by allowing local shops to sell quality products at the Company without any fees to increase the income of local shops.
- Designed and developed an online catalog called " Excellent OTOP Products from Phra Nakhon Si Ayutthaya" to promote OTOP community products in Phra Nakhon Si Ayutthaya through internal communication channels to promote income for the community by serving as a medium for publicizing and recommending products.
- Support the cardholder from the Children's Foundation and support OTOP products, small square wallets from the Ban Lam Sai Subdistrict community, to be used as gifts and prizes for participating in activities with employees within the company. A total value of 70,000 baht helps foundations and communities to have increased income including helping to promote the product to be more well-known..

#### 4. TMT Green Project

**Project objectives:** Increased green space within the factory to filter air pollution and create a good environment within the Company and surrounding areas, including creating communities' participation and outside agencies by carrying out activities as follows :

- Organized a one-person for one-tree activity to support the factory reforestation project at the factory and distribution center in Wang Noi District, Phra Nakhon Si Ayutthaya to increase green space and create a good environment for the communities surrounding the factory. At 6 years of maturity, the trees will produce 100 tons of CO2 per year. The Company began Phase 1 of the factory reforestation project by planting trees on 20 rai of an 85 rai area in the factory and distribution center, creating green space and a positive environment for surrounding communities. Consultation by the professors from the Faculty of Agricultural Technology, Valaya Alongkom Rajabhat University. The area served as a demonstration plot for forest plantations for local community representatives. This included Lamsai Subdistrict Administrative Organization, Bo Talo Subdistrict Administrative Organization, Wang Noi Hospital, and the Palazzetto Village as well as company representatives participating in this activity. The Company has 1,778 trees, with a total green area of 47 rai or 20.96% of the total area. Details and photos of the Company's activities are available on the website at [[www.tmtsteel.co.th/Sustainable Development/Projects and Activities/2023](http://www.tmtsteel.co.th/Sustainable Development/Projects and Activities/2023)].

## Performance

- There were no complaints from outsiders.
- There were 3 ongoing projects that promote collaboration among the Company, communities, and society. The TMT Green Project will be included as the fourth project. Totally 4 projects, this year.
- The Company received an average satisfaction rating of 91% from the surrounding communities.





# Environmental Dimension

## Cost-Effective Energy and Resources Management

### Greenhouse Gas Management

#### Policy

The Company is committed to promoting energy conservation and efficient utilization of resources as well as pollution control and prevention to reduce environmental impact. The Company also promotes and supports all employees and stakeholders to take part in consistently improving and developing management systems for quality, occupational health, safety, and the environment.

The Company published the policy on its website [[www.tmtsteel.co.th/Investor Relations/Corporate Governance/Related Policies/Integrated Management System Policy: IMS](http://www.tmtsteel.co.th/Investor%20Relations/Corporate%20Governance/Related%20Policies/Integrated%20Management%20System%20Policy%20-%20IMS)].

#### Goals

- Reduce greenhouse gas emissions per unit of production (ton CO<sub>2</sub> eq/ton product) by 20% compared to the base year of 2018 by 2027.
- Reduce water consumption and waste.
- Increase green space.
- Lower electricity consumption.

#### Strategy/Operational Plan

- Evaluate the current electrical consumption, water consumption, fuel consumption, and waste volume.
- Establish operational goals.
- Plan to reduce the consumption of electricity, water, fuel, and waste.
- Execute tasks in accordance with the established objectives.
- Provide a summary of operating results in comparison to goals.
- Evaluate, analyze, and rectify defects.

#### Operation



### Cost-Effective Energy and Resource Management

The Company organized an energy management team to develop guidelines for efficient and sustainable energy management. The environment and safety team were set up to ensure operations aligned with sustainable development. The Environmental Aspect evaluation results demonstrated that the Company's business activities have a significant environmental impact through electricity consumption. As a result, we prioritized conducting business in an environmentally friendly manner by utilizing renewable energy and implementing energy conservation projects as follows:

Phase 2 Solar Rooftop Installation Project, Size: 3.8 MW

**Short-term goals :** Reduce electrical consumption by 2% per year.

**Performance :** The Company installed the second Solar Rooftop Project on 17,055 square meters, generating approximately 3.8 megawatts of electricity. This is expected to reduce electricity consumption by 21.36%, saving 4,469,191.91 kilowatt-hours per year, equivalent to 18,524,051.43 Baht.

In 2023, the Company began generating electricity on a full system since October 2023, reducing electrical consumption by an average of 282,838.39 kilowatt-hours per month, saving approximately 3,394,060.64 Baht per month, or 21.364%. When combined with the first project, it can increase total electricity production by 6.3 megawatts. It is expected to reduce the release of carbon dioxide by approximately 4,500 tons per year. The Company had efficient energy management and maximized the production of electricity from the solar rooftop during the day.

The Company's operations managed energy consumption efficiently, whether maintaining the lighting system or the equipment that controlled electrical systems. As a result, in 2023, the Company's electricity consumption was 19.17 kWh/ton product, decreasing 16.40% from the previous year (2022 = 22.93 kWh/ton product).

Short-Term Goals	Performance
Decrease electricity consumption by 2% (per year).	The amount of electricity saved was 3,394,060.68 kW-hr/year, equivalent to 21.36%.

## Water Management

The Company established a water management plan in accordance with the environmental management system ISO 14001: 2015 and complied with applicable environmental laws by increasing water efficiency in the manufacturing process and recycling water for reuse. This included instilling employee awareness of efficient water consumption through internal communication channels and continuing to improve the basic utility system to save more water. The goals and operational plans are as follows:

**Short-term goals :** Reduce water consumption in the manufacturing process by 5% per year through the implementation of the following projects:

1. Reduce the use of tap water in the pipe manufacturing process. The Company uses technology to filter debris for pipe machinery, as well as checking and maintaining the water distribution system throughout the manufacturing process to meet the standards.

**Performance:** The water consumption for pipe manufacturing was 0.40 kg/ton product, a decrease of 0.32 kg/ton from the previous year's consumption of 0.72 kg/ton, or 44.5%. Tap water consumption was 72,077 cubic meters, resulting in 0.0699 cubic meters/ton product. In the previous year, tap water consumption was 76,350 cubic meters, which is equivalent to 0.0812 cubic meters/ton of product. This was a 13.92% decrease compared to the previous year.



## 2. Water Recycling

**Short-term goals :** Wastewater from the dust filtering process of gas-cutting machinery can be reused for 20 cubic meters.

**Performance :** The Company installed a 20-cubic-meter manhole to recycle wastewater released from the manufacturing process of the gas-cutting machinery. In 2023, recycled wastewater released from the manufacturing process of gas-cutting machinery was 18 cubic meters.

Short-Term Goals	Performance
Decrease water consumption in the pipe manufacturing process by 5% per year.	Water consumption in the pipe manufacturing process decreased from the previous year by 0.32 kg/ton product or 44.55%.
Decrease water consumption by 5% per year.	Tap water consumption decreased from the previous year by 0.0113 m3/ton product or 13.92%.

## Waste Management

The Company has a garbage and waste management system in place in accordance with relevant laws and regulations to minimize environmental impact, in accordance with the environmental management system ISO 14001: 2015. Waste is divided into two categories: hazardous waste and non-hazardous waste. The Company's waste management procedures are as follows:

### Short-term goals :

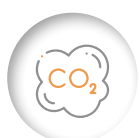
- 100% of steel scrap from the manufacturing process which is non-hazardous waste can be recycled or sold.
- Decrease hazardous waste and the amount of industrial waste per weight of pipe manufacturing by 5% annually.
- Increase efficiency in the management of non-hazardous wastes such as plastic, paper, copper, and brass.
- Lower waste management costs.
- Reduce environmental impact by separating waste and reducing hazardous waste disposal through landfills.

### Operation

- The Company used technology to filter debris for pipe machinery.
- Established measures to control the disbursement of consumables materials such as PPE and production aids, ensuring that they are used to their full potential and recycling waste materials before disposal.
- Determined operational waste management standards, communicated with employees, and emphasized the importance of meeting the standards. Assigned a responsible person to monitor and inspect employees to ensure proper waste segregation.
- The Company established a key performance indicator for the production line to reduce the amount of steel scrap from the manufacturing process. Steel scrap is managed systematically. There is a steel scrap separation area to separate steel scrap into various types. A steel scrap compactor was utilized to effectively increase the recycling process.

## Performance

Short-Term Goals	Performance
100% of steel scrap from the manufacturing process can be recycled or sold	100% of the 5,790.87 tons of steel scrap from the manufacturing process was recycled or sold.
Decrease the amount of industrial waste per weight of pipe manufacturing by 5% annually.	The amount of industrial waste per weight of pipe manufacturing increased by 39.81% per year.
Increase efficiency in the management of non-hazardous wastes such as plastic, paper, copper, and brass.	10.25 tons of non-hazardous waste such as plastic, paper, copper, and brass were sold to reduce waste disposal costs.
Reduce hazardous waste by landfill.	96.81% of all hazardous waste was reused or recycled.



## Greenhouse Gas Management

**Short-Term Goals :** Reduce the carbon footprint of the organization by 5% compared to 2022.

### Operation

- Solar Rooftop Installation Project, Phase 2, Size: 3.8 MW
- Increase the proportion of hybrid cars in executive vehicles.
- Improve the tractor-trailers that transport goods in the factory. Replace fuel-driven vehicles with electric vehicles to reduce greenhouse gas emissions.
- Request to register 9 CFP products with TGO.
- Be a member of the Thailand Carbon Neutral Network (TCNN), established by TGO.

### Performance Results:

- In 2023, the amount of greenhouse gas emissions (Scope 1&2) per production capacity or Carbon Intensity was 0.0116 tonCO<sub>2</sub>eq/ton, a decrease of 3.33% from 2022.

Type	Greenhouse Gas Emissions Equivalent (tonCO <sub>2</sub> eq)		Carbon Intensity (tonCO <sub>2</sub> eq/ton)	
	2022	2023	2022	2023
Scope 1 Greenhouse Gas Emissions	1,958	<b>2,073</b>		
Scope 2 Greenhouse Gas Emissions	9,295	<b>9,899</b>	0.0120	<b>0.0116</b>
<b>Total</b>	<b>11,253</b>	<b>11,972</b>		



- Comparison table of the total amount of greenhouse gas emissions (tons of carbon dioxide equivalent) over 3 years from 2021-2023.

	Unit	2021	2022	2023
Quantity of Carbon Footprint of Organization (Scope 1+2+3)	tonCO <sub>2</sub> eq	1,379,581	1,046,140	<b>1,210,594</b>
Scope 1 Greenhouse Gas Emissions	tCO <sub>2</sub> e	1,908	1,958	<b>2,073</b>
Scope 2 Greenhouse Gas Emissions	tCO <sub>2</sub> e	8,309	9,295	<b>9,899</b>
Scope 3 Greenhouse Gas Emissions	tCO <sub>2</sub> e	1,369,364	1,034,887	<b>1,198,622</b>

In 2023, SGS (Thailand) Company Limited, a data verification agency, verified the Company's greenhouse gas emissions. SGS (Thailand) Company Limited is registered as a carbon footprint verifier with Thailand Greenhouse Gas Management Organization (Public Organization).

**Remark:** Data from 2022 was used to set targets for greenhouse gas emissions.

- The Company organized a project to evaluate Carbon Footprint Products (CFP) by selecting a Product Champion from each product group, which was registered with the TAO. There were a total of 9 products as follows:

No.	Product	Unit	Greenhouse Gas Emissions (kgCO <sub>2</sub> eq)
1	2 mm Black Steel Sheet	1 kg	2.18
2	2.3 mm C-shaped structural steel size 100x50x20 mm	1 kg	2.21
3	4.5 mm cold-formed structural steel, black round tube type size 4 inches	1 kg	2.21
4	1.2 mm cold-formed structural steel square tube type, size 50x50 mm	1 kg	2.21
5	3.2 mm cold-formed structural steel, flat tube type, size 100x50 mm	1 kg	2.21
6	1.2 mm cold-formed structural steel square tube type galvanized, size 50x50 mm	1 kg	3.07
7	1.2 mm cold-formed structural steel, flat tube type, galvanized, size 2x1 inches	1 kg	3.07
8	2.3 mm C-shaped structural steel galvanized, size 100x50x20 mm	1 kg	3.07
9	2.3 mm color-coated C-shaped structural steel, size 100x50x20 mm	1 kg	2.29

- The Company is a certified member of the Thailand Carbon Neutral Network (TCNN), a pioneer in greenhouse gas management, the Thai-registered organization aims to promote carbon neutrality.

### Green Space

The Company provided green spaces within the factory to filter air pollution and promote a healthy environment for employees and surrounding areas. The Company also created a tree register at the factory.

Over the past year, the Company has organized the "Factory Reforestation Project" in which the Company collaborated with the Faculty of Agricultural Technology of Valaya Alongkorn Rajabhat University to develop areas for reforestation (an extended project from the Agricultural Garden Project) to increase green space on approximately 85 rai of vacant

land at the factory and distribution center in Wang Noi District. This will be divided into 4 phases, 20 rai per phase. The factory reforestation project in Phase 1 resulted in 1,778 trees with a green space of 47 rai, or 20.96% of the total area, to filter air pollution and create a healthy environment.

### Air Pollution Management

Goals : Manage air quality in the workplace and air vent outside the factory to meet legal requirements.

#### Operation

- Installed a Dust Collector air treatment system at the manufacturing process of a hot rolled steel sheet cutting machine.
- Improved the paint sprayer air treatment system's efficiency by switching from a wet scrubber to a venturi booth.
- Installed a large fan in the warehouse to improve ventilation efficiency.

#### Performance

The Company monitored air quality twice a year. The performance in 2023 was as follows:

- The air quality parameters measured in the workplace included total dust, iron dust, iron oxide fume, oil mist, CO, xylene, toluene, acetone, MEK, benzene, and hexane. All measurement results met legal standards.
- Evaluated the quality of the air discharged by the air treatment system. The parameters measured included total dust, SO<sub>2</sub>, NO<sub>x</sub>, copper, CO, xylene, boron, and cresol. All measurement results met legal standards.

### Employee Engagement in Environmental Management

In 2023, the Company organized the following activities and projects to engage employees in environmental management:

- Organized a Safety Day project for employees at three branches which included fun activities and promoted environmental awareness.
- The Company participated in the "Ting to Trash" waste segregation project organized by SEC to establish waste management guidelines from upstream to downstream. This led to data collection, measurement, and disclosure of waste segregation information via the 56-1 One Report. The Company ran a waste segregation campaign at the factory, providing trash cans to separate 2 types of waste which are plastic and glass bottles. This increased waste and recycling management efficiency.
- Organized training to refresh knowledge of the occupational health, safety, and environmental management system (ISO 45001 and 14001 Refresh Training)



## Sustainable Development Goals (SDGs)

The Company is committed to supporting and taking part in the United Nations Sustainable Development Goals (SDGs) to ensure that the Company conducts business in accordance with international goals and creates benefits for all stakeholders. The performance of the Company in 2022 was consistent with 16 Sustainable Development Goals. The Company is in the process of studying and developing operational guidelines to support Goal 14: Life Below Water, and is striving to achieve all 17 goals in the future.







Source: <https://thailand.un.org/th/sdgs/17>



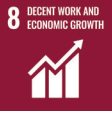

The operations can be summarized as follows:

Sustainable Development Goals (SDGs)	The Company's Sustainability Issues	Activities/ Projects that Support the Goal	Benefits to the Company	Benefits to Society and the Environment
1. No poverty 	<ul style="list-style-type: none"> <li>- Human Resource and Human Rights Management</li> <li>- Society/ Community Engagement and Development</li> </ul>	<ul style="list-style-type: none"> <li>- Monetary welfare programs for employees</li> <li>- Friend-Refer</li> <li>- Friends Project</li> <li>- Waste to Merit Project</li> <li>- Support community products to generate income for the community</li> <li>- Promote career and income for people with disabilities in Phra Nakhon Sri Ayutthaya</li> </ul>	<ul style="list-style-type: none"> <li>- Motivate employees</li> <li>- Increase employment channels and reduce the time for recruitment</li> <li>- Build good relationships with the community</li> </ul>	<ul style="list-style-type: none"> <li>- Promote employment</li> <li>- Generate income for community stores</li> <li>- Distribute income from employees to the community</li> </ul>







Sustainable Development Goals (SDGs)	The Company's Sustainability Issues	Activities/ Projects that Support the Goal	Benefits to the Company	Benefits to Society and the Environment
2. Zero hunger 	<ul style="list-style-type: none"> <li>- Human Resources and Human Rights Management</li> <li>- Society/ Community Engagement and Development</li> </ul>	<ul style="list-style-type: none"> <li>- Meal allowances and free meals at the Company's cafeteria</li> </ul>	<ul style="list-style-type: none"> <li>- Motivate Employees</li> <li>- Build good relationships with the community</li> <li>- The community cooperated with the Company's activities</li> </ul>	<ul style="list-style-type: none"> <li>- Promote quality of living for people in the community to have access to adequate food by giving food boxes purchased from stores in the community for COVID-19 patients in Bangkok</li> </ul>
3. Good health and well-being 	<ul style="list-style-type: none"> <li>- Human Resource and Human Rights Management</li> <li>- Occupational health and safety</li> <li>- Innovation management and product quality development</li> </ul>	<ul style="list-style-type: none"> <li>- Provide annual health check-ups for employee</li> <li>- Organize health and work-related disease prevention projects such as "Quit Smoking and Live a New Life"</li> <li>- Apply semi-automatic systems and information technology systems, Install modern equipment and tools to be used in work processes and certain production processes in order to increase work safety</li> </ul>	<ul style="list-style-type: none"> <li>- Create bonds with employees</li> <li>- Reduce the sick leave rate for employees</li> <li>- Reduce accidents</li> </ul>	<ul style="list-style-type: none"> <li>- Employees are in good health and reduce illness</li> <li>- Prevent the spread of contagious diseases</li> </ul>
4. Quality education 	<ul style="list-style-type: none"> <li>- Employee potential Development</li> <li>- Society/ Community Engagement and Development</li> </ul>	<ul style="list-style-type: none"> <li>- Continue to organize employee training following the human resource development plan</li> <li>- Dual Vocational Training projects</li> <li>- From School to Steel Factory Project</li> <li>- Scholarship Project for the children of employees</li> </ul>	<ul style="list-style-type: none"> <li>- More employees have quality knowledge and skills</li> <li>- Increase employment opportunities for students/project-participating students</li> <li>- Build relationships with employees</li> </ul>	<ul style="list-style-type: none"> <li>- Support equal and inclusive education and promote lifelong learning for employees, employees' children, students and teachers</li> </ul>
5. Gender equality 	<ul style="list-style-type: none"> <li>- Human Resource and Human Rights Management</li> <li>- Employee potential development</li> </ul>	<ul style="list-style-type: none"> <li>- Human Rights Policy/ Equitable Treatment of Labor and evaluate all aspects of human rights risks</li> <li>- Recruit women to work in suitable positions</li> <li>- Have women work at the management level</li> </ul>	<ul style="list-style-type: none"> <li>- Have employees who are qualified for the job and position.</li> <li>- Employees fully utilize their potential at work</li> <li>- Build relationships with employees</li> <li>- Foster great relationships with the community</li> </ul>	<ul style="list-style-type: none"> <li>- Promote gender equality and mitigate human rights risks in the business value chain</li> <li>- Develop the role of women to be able to work and earn wages</li> <li>- No discrimination in employment</li> </ul>



Sustainable Development Goals (SDGs)	The Company's Sustainability Issues	Activities/ Projects that Support the Goal	Benefits to the Company	Benefits to Society and the Environment
6. Clean water and sanitation 	<ul style="list-style-type: none"> <li>- Energy and resources management</li> <li>- Human Resource and Human Rights Management</li> </ul>	<ul style="list-style-type: none"> <li>- Effectively manage water and wastewater as well as conserve water</li> <li>- Always create water-saving awareness among employees through internal communication channels and using faucets with sensors in the toilet at the Knowledge Center building</li> <li>- Install a water cooler and ice maker in the factory</li> <li>- Evaluate all aspects of human rights risks</li> </ul>	<ul style="list-style-type: none"> <li>- Encourage employee engagement</li> <li>- Foster great relationships with the community and place importance on the quality of wastewater</li> <li>- Cost efficiency</li> <li>- No complaint reports from outsiders and foster great relationships with the community</li> </ul>	<ul style="list-style-type: none"> <li>- Communities have clean and safe drinking water</li> <li>- Reduce costs for the community</li> </ul>
7. Affordable and clean energy 	<ul style="list-style-type: none"> <li>- Cost-effective energy and resources management</li> <li>- Greenhouse gas management</li> </ul>	<ul style="list-style-type: none"> <li>- Installed solar cell system to produce 6.3 megawatts of electricity</li> <li>- Improved the building to use more natural light</li> </ul>	<ul style="list-style-type: none"> <li>- Reduce the consumption of main energy and use more alternative energy</li> <li>- Electricity saving</li> <li>- Reduce costs for the Company in the long run</li> </ul>	<ul style="list-style-type: none"> <li>- Reduce greenhouse gas emissions</li> <li>- Increase awareness of alternative energy use</li> </ul>
8. Decent work and economic growth 	<ul style="list-style-type: none"> <li>- Human Resource and Human Rights Management</li> <li>- Employee potential development</li> </ul>	<ul style="list-style-type: none"> <li>- Employee promotion</li> <li>- Talent Management / Succession Plan</li> <li>- Compliance with human rights principles</li> <li>- Legal Employment</li> </ul>	<ul style="list-style-type: none"> <li>- Increase productivity in the production process</li> <li>- Create bonds with employees</li> <li>- Reduce turnover rate</li> </ul>	<ul style="list-style-type: none"> <li>- Promote effective employment and appropriate positions for women and men</li> <li>- Promote career advancement for employees</li> <li>- Employees and their families have a better quality of life from a stable job and income</li> </ul>
9. Industry, innovation, and infrastructure 	<ul style="list-style-type: none"> <li>- Innovation management and product quality development</li> </ul>	<ul style="list-style-type: none"> <li>- Utilize technology with manufacturing process/ semi-automatic or automatic systems</li> <li>- Develop a service business model on a Digital Platform via a subsidiary</li> <li>- Produce STAY FLAT steel sheet with a maximum thickness of 16 millimeters</li> <li>- Started the production of a large steel tube with a 10-inch diameter</li> <li>- Develop a variety of pre-processed steel</li> <li>- Promote development consistency as a corporate culture</li> </ul>	<ul style="list-style-type: none"> <li>- Reduce the occurrence of waste</li> <li>- Increase the quality of products and services</li> <li>- Increase productivity in work processes</li> <li>- Increase customer satisfaction</li> <li>- Create new business opportunities</li> </ul>	<ul style="list-style-type: none"> <li>- Investment in technology and innovation</li> <li>- High-quality steel sheet products</li> <li>- Environmentally friendly production and reduced energy consumption</li> </ul>



Sustainable Development Goals (SDGs)	The Company's Sustainability Issues	Activities/ Projects that Support the Goal	Benefits to the Company	Benefits to Society and the Environment
10. Reduce inequality 	<ul style="list-style-type: none"> <li>- Human Resource and Human Rights Management</li> <li>- Employee potential development</li> <li>- Society/ Community Engagement and Development</li> </ul>	<ul style="list-style-type: none"> <li>- Human rights policy / Equitable treatment of labor without discrimination</li> <li>- Evaluate all aspects of human rights risks</li> <li>- Employ people with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>- No prosecution for non-compliance with the law and no labor disputes</li> <li>- Build engagement with employees</li> </ul>	<ul style="list-style-type: none"> <li>- Promote equality in society</li> </ul>
11. Sustainable cities and communities 	<ul style="list-style-type: none"> <li>- Society/ Community Engagement and Development</li> </ul>	<ul style="list-style-type: none"> <li>- Sustainable Steel Project to support steel for public use</li> </ul>	<ul style="list-style-type: none"> <li>- Create value for TMT's steel products to be well-known in the community</li> <li>- Promote awareness that TMT's steel products have high quality and standards</li> </ul>	<ul style="list-style-type: none"> <li>- Encourage the community to have steel structure buildings that are strong, safe and suitable</li> <li>- Promote a better quality of life for people in the community</li> <li>- Use the correct type of steel in a safe manner</li> </ul>
12. Responsible consumption and production 	<ul style="list-style-type: none"> <li>- Innovation management and product quality development</li> <li>- Cost-effective energy and resources management</li> <li>- Greenhouse gas management</li> </ul>	<ul style="list-style-type: none"> <li>- Operate following the environmental impact reduction policy</li> <li>- Received ISO 14001:2015 environmental management system certification</li> <li>- Certified MiT or Made in Thailand</li> <li>- Received a license to make industrial TIS products.</li> <li>- Verified by Carbon footprint for the organization.</li> </ul>	<ul style="list-style-type: none"> <li>- Reduce energy consumption</li> <li>- Reduce the occurrence of waste in the production process</li> <li>- 100% of scrap steel can be sold and recycled</li> <li>- Create added value for the Company's products</li> </ul>	<ul style="list-style-type: none"> <li>- Use resources efficiently</li> <li>- Support the circular economy</li> <li>- Create consumer confidence domestically and internationally regarding the quality and standards of steel products manufactured in Thailand and increase future sustainable development of steel products</li> </ul>
13. Climate action 	<ul style="list-style-type: none"> <li>- Cost-effective energy and resources management</li> <li>- Greenhouse gas management</li> </ul>	<ul style="list-style-type: none"> <li>- Carbon Footprint Project to reduce carbon dioxide emissions</li> <li>- Join as a member of Climate Action Initiator</li> <li>- Carry out development projects to reduce carbon dioxide emissions</li> <li>- Produce 6.3 megawatts of solar energy</li> <li>- Water and Waste Management</li> <li>- Increased the green areas by initiating a reforestation project in the factory</li> </ul>	<ul style="list-style-type: none"> <li>- Reduce the consumption of main energy and use more alternative energy</li> <li>- Reduce costs for the Company in the long run</li> </ul>	<ul style="list-style-type: none"> <li>- Reduce greenhouse gas emissions that cause global warming</li> <li>- Increase awareness of alternative energy use</li> </ul>



Sustainable Development Goals (SDGs)	The Company's Sustainability Issues	Activities/ Projects that Support the Goal	Benefits to the Company	Benefits to Society and the Environment
15. Life on land 	<ul style="list-style-type: none"> <li>- Society/ Community Engagement and Development</li> <li>- Cost-effective energy and resources management</li> <li>- Greenhouse gas management</li> </ul>	<ul style="list-style-type: none"> <li>- Plant and register trees in the factory</li> <li>- Factory Reforestation Project, phase 1, on 20 rai from the total area of 85 rai</li> </ul>	<ul style="list-style-type: none"> <li>- Increase green area inside the factory</li> <li>- Engage with remote communities and increase the Company's knowledge regarding forest care and carbon credit information</li> <li>- Utilize empty spaces in the factory</li> </ul>	<ul style="list-style-type: none"> <li>- Increase green areas</li> <li>- Promote sustainable forest management and resolve deforestation</li> <li>- Support agricultural technology</li> </ul>
16. Peace and justice, strong institutions 	<ul style="list-style-type: none"> <li>- Corporate governance for sustainability</li> <li>- Risk Management</li> <li>- Human Resource and Human Rights Management</li> </ul>	<ul style="list-style-type: none"> <li>- Comply with the Thai Labor Standards (TLS) for human rights and evaluate all aspects of human rights risks</li> <li>- Privacy policy/ Personal Data Protection</li> <li>- Risk Management Policy</li> <li>- Corporate Anti-Corruption Policy</li> <li>- Participate in drug prevention and solution in the workplace project</li> <li>- Measures and best practices for the Code of Business Conduct</li> <li>- Code of Business Conduct for business partners</li> </ul>	<ul style="list-style-type: none"> <li>- no prosecution for non-compliance with the law and no labor disputes</li> <li>- Build credibility and transparency in the Company's business</li> <li>- Promote morality and ethics</li> </ul>	<ul style="list-style-type: none"> <li>- Reduce conflicts</li> <li>- Reduce social problems</li> <li>- Prevention and anti-corruption</li> <li>- Promote morality and ethics</li> </ul>
17. Partnership for the goal 	<ul style="list-style-type: none"> <li>- Innovation management and product quality development</li> <li>- Society/ Community Engagement and Development</li> <li>- Customer relationship management</li> <li>- Business partner's Relationship management</li> </ul>	<ul style="list-style-type: none"> <li>- Create new business opportunities by establishing Red Rocco Digital Company Limited, a subsidiary, to be an e-commerce service provider</li> <li>- Collaborate land development and factory reforestation project with Valaya Alongkorn Rajabhat University under royal patronage</li> <li>- Have a work plan with the client to offer products and services as desired</li> <li>- Create a new business opportunity by establishing Red Rocco Digital Company Limited, a subsidiary, to operate as an e-commerce service provider.</li> <li>- Collaborate land development and factory reforestation project with Valaya Alongkorn Rajabhat University under royal patronage</li> </ul>	<ul style="list-style-type: none"> <li>- Learn new technologies from foreign partners and specialists in the area of expertise</li> <li>- increase productivity in the production process</li> <li>- Increase the quality of products and services</li> <li>- Increase customer satisfaction</li> <li>- Increase product variety</li> <li>- Create added value for the Company's products</li> <li>- Develop business relationships with customers, business alliances, and trade partners</li> </ul>	<ul style="list-style-type: none"> <li>- Create product variety including large steel pipe products</li> <li>- Support client's business operations to be more effective and efficient</li> <li>- Reduce air pollution by increasing green space</li> </ul>



This report represents the information from January 1, 2023, to December 31, 2023.

For more information and suggestions, please contact:

**Governance and Sustainability Committee**

**TMT Steel Public Company Limited**

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


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## Performance Summary: SET ESG Metrics



SET ESG	GRI Standards	SDGs	ESG Indicators	Unit	2021	2022	2023
<b>Environmental Dimension (E)</b>							
<b>E1 Environmental Policy and Compliance Standards</b>							
E1.1C	GRI 103	-	Environmental management policy and guidelines	Yes/No	Yes	Yes	Yes
E1.2C			Number of cases or incidents of legal violations or negative environmental impacts, with the explanation of mitigation measures	No. of cases	No	No	No
<b>E2 Energy Management</b>							
E2.1C	GRI 302		Energy management plan	Yes/No	Yes	Yes	Yes
E2.2C			Energy consumption (electricity/fuel)	kWh	16,621,160.00	18,593,648.00	19,801,399.20
E2.3C			Renewable energy consumption	kWh	2,991,732.97	2,973,737.99	3,591,134.03
<b>E3 Water Management</b>							
E3.1C	GRI 303		Water management plan	Yes/No	Yes	Yes	Yes
E3.2C			Volume of water consumption	Cubic meters	71,222.00	76,350.00	72,077.00
E3.3R			Water use target	cubic meters / Weight of pipe produced (tons)	Decreased 5%	Decreased 5%	Decreased 5%
<b>E4 Waste Management</b>							
E4.1C	GRI 306	 	Waste management plan	Yes/No	Yes	Yes	Yes
E4.2C			Volume of waste generated				
			Volume of waste generated is not dangerous.	kilograms	4,802,970.00	4,942,340.00	5,841,416.00
			Volume of waste generated is dangerous.	kilograms	544,540.00	537,400.00	701,520.00
E4.3 R			Waste management target	Kilograms / Weight of pipe produced (tons)	Decreased 5%	Decreased 5%	Decreased 5%
E4.4 R			Volume of waste that is reused and/or recycled				
			Volume of waste is not dangerous that is reused and/or recycled	Kilograms	4,796,240.00	4,930,660.00	5,820,736.00
	Volume of waste is dangerous that is reused and/or recycled	Kilograms	358,230.00	535,370.00	699,120.00		
<b>E5 Greenhouse Gas Management</b>							
E5.1C	GRI 305		Greenhouse gas management plan	Yes/No	Yes	Yes	Yes
E5.2C			Scope 1 and 2 greenhouse gas emissions	tCO <sub>2</sub> e	10,217	11,253	11,972
E5.3C			External verification of greenhouse gas emissions data	Yes/No	Yes	Yes	Yes
E5.5R			Total greenhouse gas emissions (Scopes 1, 2 and 3)	tCO <sub>2</sub> e	1,379,581	1,046,140	1,210,594

SET ESG	GRI Standards	SDGs	ESG Indicators	Unit	2021	2022	2023			
<b>Social Dimension (S)</b>										
<b>S1 Human Rights</b>										
S1.1C	GRI 412		Human rights policy and guidelines	Yes/No	Yes	Yes	Yes			
<b>S2 Fair Labor Practices</b>										
<b>Employment</b>										
S2.1C	GRI 401		Total number of employees	People	Total		Total			
					1,311		1,386			
					Male	Female	Male	Female	Male	Female
					918	393	987	399	1,019	391
S2.2C	GRI 405		Number of employees with disabilities and/or elderly employees	People	1	1	7*			
<b>Employee Compensation</b>										
S2.3C	GRI 405		Total employee compensation	Baht	535,686,112.85	435,484,659.92	476,576,926.08			
S2.4C			 	Percentage of employees	%	52.09%	52.38%	50.21%		
<b>Employee Development</b>										
S2.6C	GRI 404		Employee development plans or activities	Yes/No	Yes	Yes	Yes			
S2.7C			Average hours of employee training	hours/person/year	13.86	20.25	30.33			
<b>Occupational Safety, Health and Environment</b>										
S2.12C	GRI 403		Occupational safety, health and environment improvement plans or activities	Yes/No	Yes	Yes	Yes			
S2.13C			Number of incidents or injuries leading to lost work time	No. of incidents/injuries	14.00	15.00	23.00			
<b>Promoting Employee Relations and Employee Engagement</b>										
S2.16C	GRI 402		Employee engagement and retention plan	Yes/No	Yes	Yes	Yes			
S2.17C			Percentage of voluntary employee turnover	%	17.94%	17.16%	15.97%			
S2.18C	GRI 407		Number of significant labor disputes, and remediation measures	No. of cases	No	No	No			
<b>S3 Responsibility to Customers/Consumers</b>										
<b>Consumer Rights</b>										
S3.1C	GRI 102-43		Consumer data protection policy and guidelines	Yes/No	Yes	Yes	Yes			
S3.2C			Number of incidents of consumer data breaches, and remediation measures	No. of incidents	No	No	No			
S3.3C			GRI 418	Number of incidents or complaints relating to consumer rights violations,	No. of incidents/complaints	No	No	No		

\*Hiring 7 people with disabilities for public benefit







SET ESG	GRI Standards	SDGs	ESG Indicators	Unit	2021	2022	2023
<b>S4 Responsibility to Communities/Societies</b>							
S4.1C	GRI 413	 	Policy on developing and engaging with communities/ societies affected by the business	Yes/No	Yes	Yes	Yes
S4.2C			Plans to support the development and engagement of communities/societies	Yes/No	Yes	Yes	Yes
S4.3C			Affected by the business	No. of cases	No	No	No


## Governance and Economic Dimension (G)

### G1 Policy, Structure and Governance System


#### Board Composition




G1.1C	GRI 102-18	 	Profiles of individual directors	Yes/No	Yes	Yes	Yes
G1.2C			Number of board members	People	7	7	7
G1.3C			Number of independent directors	People	3	3	3
			Percentage of male directors to female directors	%	86%	86%	86%
G1.4C			Number of non-executive directors	People	4	4	4
G1.5C			Number of female directors	People	1	1	1
			Percentage of female independent directors to all directors	%	14%	14%	14%
G1.6C			Independent chairman of the board	Yes/No	Yes	Yes	Yes
G1.7C			Separation of the roles of chairman and CEO	Yes/No	Yes	Yes	Yes
G1.8C			Independent directors in each sub-committee	Yes/No	Yes	Yes	Yes
G1.9C	Independent chairman of each sub-committee	Yes/No	Yes	Yes	Yes		
G1.10C	Number of years of tenure for individual directors	Yes/No	Yes	Yes	Yes		

#### Board Roles and Responsibilities

G1.11C	GRI 102-26		Number of board meetings	No. of meetings	7	7	7
G1.12C			Board performance	Yes/No	Yes	Yes	Yes
G1.13C			Number of audit committee meetings	No. of meetings	4	4	4
G1.14C			Audit committee performance	Yes/No	Yes	Yes	Yes
G1.15C			Number of sub-committee meetings	No. of meetings	2 - 4	2 - 4	2 - 4
G1.16C			Performance of each sub-committee	Yes/No	Yes	Yes	Yes

#### Director Recruitment

G1.18C	GRI 102-24		Policy and criteria for recruiting directors with qualifications that align with organizational strategy	Yes/No	Yes	Yes	Yes
G1.19C			Analysis of directors' skills and experience according to business needs (board skill matrix)	Yes/No	Yes	Yes	Yes
G1.20C			Profiles of newly appointed directors	Yes/No	No	No	No

SET ESG	GRI Standards	SDGs	ESG Indicators	Unit	2021	2022	2023
<b>Director and Senior Executive Remuneration</b>							
G1.21C	GRI 102-38		Policy and criteria for director remuneration	Yes/No	Yes	Yes	Yes
G1.23C			Other non-financial compensation for directors	Yes/No	No	No	No
G1.24C			Policy and criteria for senior executive remuneration	Yes/No	Yes	Yes	Yes
<b>Director Development</b>							
G1.27C	GRI 102-27		Director development policy	Yes/No	Yes	Yes	Yes
<b>Performance Evaluation of the Board of Directors and Senior Executives</b>							
G1.29C	GRI 102-28		Criteria for evaluating board performance	Yes/No	Yes	Yes	Yes
G1.30C			Board performance results by committee	Yes/No	Yes	Yes	Yes
G1.31C			Board performance results by each sub-committee	Yes/No	Yes	Yes	Yes
<b>Business Code of Conduct</b>							
G1.34C	GRI 102-17		Code of conduct	Yes/No	Yes	Yes	Yes
G1.35C			Anti-corruption policy and guidelines	Yes/No	Yes	Yes	Yes
G1.36C			Number of code of conduct violations or incidents of corruption, and remediation measures	No. of cases	No	No	No
G1.37C			Grievance and whistleblowing policy and guidelines	Yes/No	Yes	Yes	Yes
<b>G2 Sustainability Policy and Strategy</b>							
G2.1C	GRI 102-55		Sustainability policy and targets at the organization level	Yes/No	Yes	Yes	Yes
<b>G3 Sustainability Risk Management</b>							
G3.1C	GRI 102-15		Sustainability risk management policy and guidelines	Yes/No	Yes	Yes	Yes
G3.2C			ESG risks and opportunities	Yes/No	Yes	Yes	Yes
G3.3C			Emerging risks	Yes/No	In process	Yes	Yes
G3.4C			Business continuity plans (BCP)	Yes/No	Yes	Yes	Yes
<b>G4 Sustainable Supply Chain Management</b>							
G4.1C	GRI 308		Sustainable supply chain management policy and guidelines	Yes/No	Yes	Yes	Yes
G4.2C	GRI 414	 	Sustainable supply chain management plan	Yes/No	Yes	Yes	Yes
<b>G5 Innovation Development</b>							
G5.1C	-	 	Innovation development policy and guidelines at the organization level	Yes/No	Yes	Yes	Yes
G5.2C			Process to develop and promote an innovation culture	Yes/No	Yes	Yes	Yes
G5.4R			Benefits received from innovation development	Yes/No	Yes	Yes	Yes



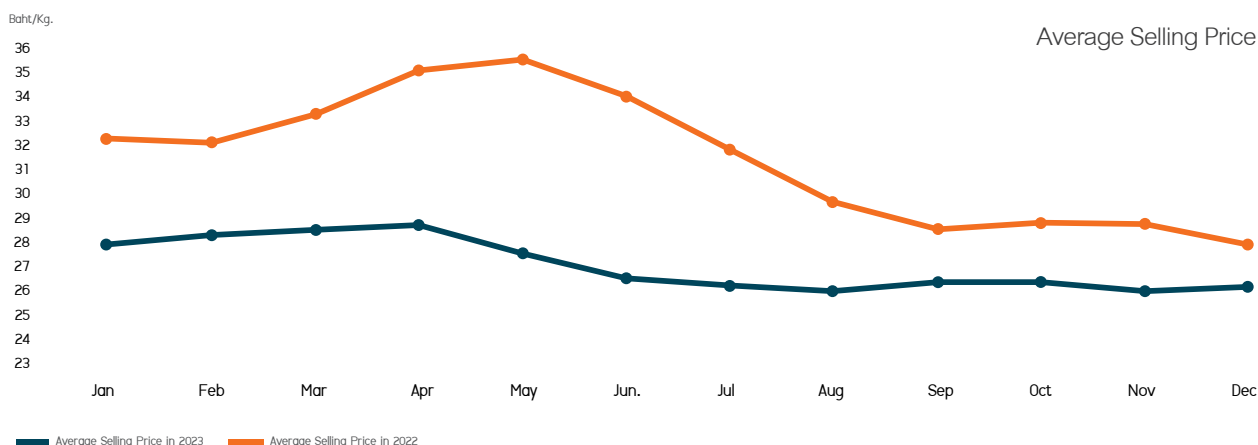
# Management Discussion and Analysis

## Performance

In 2023, the domestic and global steel markets experienced a deceleration in demand compared to the previous year due to the sluggish domestic and international economies. The overall cost of iron ore and steel products decreased in the first quarter because the inventory quantity surpassed the actual demand in anticipation of the reopening of China and other countries after the relaxation of COVID-19 measures. This led to a surplus of accumulated inventory. Furthermore, the implementation of China's economic stimulus policy continued to be delayed and lacked tangible results. Persisting inflation and geopolitical conflicts could potentially give rise to concerns regarding the deceleration of steel demand.

However, the fragility of the economies in China, Thailand, and other regions around the world, as well as the high level of inflation, combined with the direction of accelerating interest rates, caused the steel industry in the second quarter to lower production and inventory accumulation due to the amount of surplus products in the market that exceeded actual demand. The issue of production costs posed a challenge for domestic manufacturers, particularly regarding energy and raw material costs, which escalated from the previous year and persisted at a consistently higher level than the production costs. Domestic manufacturers attempted to align domestic selling prices with production costs, causing the domestic market price to be higher than the global price, resulting in an increase in imports. This strategy resulted in a negative outcome, compelling domestic manufacturers to narrow the price differential by adjusting their selling prices to align with the progressively declining cost of raw materials. This adjustment was necessary to remain competitive against the growing quantity of imported products available in the market. During the third and fourth quarters, steel prices continued to decline in both the domestic and international markets because of slowed steel demand in China, which was attributed to various production sectors and the real estate industry. This resulted in a rise in inventory levels, leading to a distribution of surplus products across the world although steel demand in several countries remained stagnant.

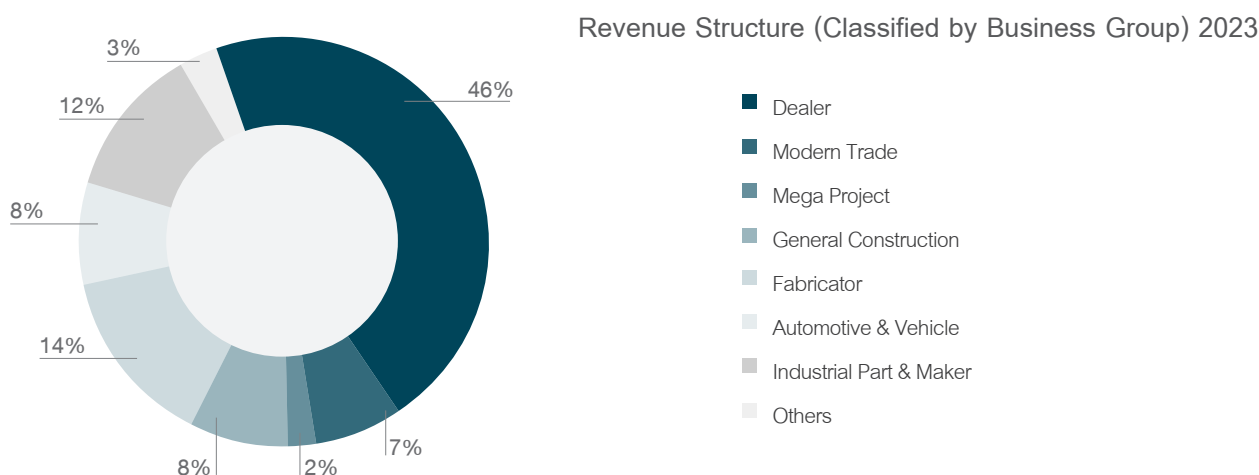
As for domestic factors, political concerns, including the unpredictability of the May 2023 election and the formation of the government, have slowed market demand. The distribution of the 2023 budget has been delayed as a result of the requirement for parliamentary deliberation after the election. This led to investments being slowed and postponed in both the public and private sectors. Additionally, the high level of household debt in the country impacted economic activities and decelerated steel demand. In 2023, the Company's net profit was 332.74 million Baht, an increase of 40.94% from 2022. The gross profit margin was 6.52%, a 4.48% increase due to efficient inventory management. This contributed to product costs being more aligned with market costs than the previous year. A broader selection of products available for sale and multiple solutions for inventory management that alleviated the burden of inventory for customers resulted in an increased gross profit margin.



In 2023, the total sales volume was 740,064 tons, an increase of 4.72% from 2022 due to efficient inventory management, a broader selection of products available for sale, and multiple solutions for inventory management that alleviated the burden of inventory for customers.

## Sales Revenue

The Company's sales revenue in 2023 was equal to 19,992 million Baht, a decrease of 9.9% compared to the previous year. This was a decrease in the average selling price of 13.91% with an increase in sales volume of 4.72%. The average selling price in 2023 was 27.13 Baht per kilogram. The sales revenue structure can be divided into business groups as follows:



In regard to the Company's sales proportion in 2023, the ratio of processed products to procured products was 83 : 17 compared to 81 : 19 in 2022. This was due to the continued capacity expansion of the Company since 2017.

## Operating Expenses

In 2023, the Company's selling expenses were equal to 221.91 million Baht, an increase of 13.0 million Baht or 6.24% from the previous year. This was an increase in transportation costs of approximately 11.6 million Baht due to an increased sales volume.

Administrative expenses were 575.25 million Baht, an increase of 132.62 million Baht or 30.0% from 2022, which was 133.5 million Baht. This was due to the increase in employee expenses. In 2022, the Company decreased its administrative expenses as a result of lower profits and sales volumes.

The Company's interest expenses in 2023 equaled 170.68 million Baht, an increase of 51.97 million Baht or 43.78% compared to the previous year. This was due to an increase in interest expenses on short-term loans from the rising interest rates and increased interest expenses on long-term loans for investment in machinery purchases and warehouse construction to support the business expansion of the Company.

## Financial Status

### Assets

In 2023, the Company's total assets were 8,941.08 million Baht, a decrease of 1.33% from the previous year. Total assets equaled 9,061.70 million Baht. The current assets decreased by 299.38 million Baht or 5.23%. Significant changes in current assets can be summarized as follows:

- Trade and other receivables decreased by 175 million Baht, which was a decrease in sales volume in the fourth quarter due to a decrease in product prices following the direction of product prices in the market. This resulted in a decrease in unpaid customers compared to the same period in the previous year.

- Inventories decreased by 147 million Baht. This was a decrease from the previous year due to a decline in finished steel and raw material prices following domestic and global market conditions in which the steel and raw material prices dropped. In 2023, the average sales period was 52 days, by the policy of maintaining adequate inventory for the average sales period of 30-60 days.
- The advance payments for product purchases increased by 90 million Baht to maintain an appropriate and adequate inventory level by the inventory management policy to mitigate risk from reliance on major manufacturers.

The proportion of current assets was 1.25 times higher than current liabilities. It was 1.43 times in 2022.

In 2023, the Company's non-current assets had an increase of 178.76 million Baht or an increase of 5.36% due to the following factors:

1. The acquisition of assets increased by 482.10 million Baht, most of which were investments in purchasing machinery, construction projects, and factory equipment to support future business expansion. Assets totaling 7.79 million Baht were sold with a total depreciation and amortization expense of 276.6 million Baht.
2. Assets that are rights of use, which is a property rental transaction shown to align with the Financial Reporting Standard No. 16 decreased by 11.44 million Baht with depreciation on right-of-use assets of 24.67 million Baht. Use rights had an increase of 13.23 million Baht.
3. Deferred tax assets decreased by 9.91 million Baht.
4. Other Current Asset increased by 2.43 million Baht.

## Liabilities

In 2023, the Company's total liabilities were 5,615.12 million Baht, a decrease of 196.63 million Baht or 3.38% from the previous year. Significant changes can be summarized as follows:

- Short-term loans from financial institutions had an increase of 556 million Baht in a replacement of the long-term loans from financial institutions that have matured. Trade and other payables decreased by 294 million Baht due to the decreased purchase orders following declining prices.
- Derivative liabilities increased by 3 million Baht from currency forward contracts to prevent exchange rate risk.
- Income tax payable increased by 21 million Baht according to the increased tax obligations from higher profits.
- Advance received from customers decreased by 24 million Baht in accordance with the customers' downpayment.
- The current portion of long-term debt increased by 67 million Baht in accordance with the repayment conditions due in 2023. The Company's operating cash flow is sufficient to pay off all debts in this portion.
- Long-term loans decreased by 521 million Baht, which were long-term loans from financial institutions with a 5-year maturity that was payable in installments.
- The current portion of long-term lease liabilities decreased by a total of 11 million Baht due to an adjustment that was in accordance with the Financial Reporting Standard 16. This became effective in 2020.
- Employee benefit obligations increased by 7 million Baht in accordance with the employee benefits reserve required by the law.

The Company's debt-to-equity ratio was 1.69 times, a decrease from the previous year at 1.79 times. The net interest-bearing debt-to-equity ratio was 1.54 times which was equal to the previous year at 1.54 times. The interest coverage ratio was 3.42 times, a decrease from 3.53 times in the previous year.

## Shareholder's Equity

In 2023, the Company's shareholders' equity equaled 3,325.95 million Baht, which increased 76.01 million Baht or 2.33% from the previous year, which was 3,249.94 million Baht. This was due to an increase in comprehensive income of 332.74 million Baht and a decrease in dividend payments of 261.23 million Baht. The Company has allocated the retained earnings as a legal reserve, which was required by law in 2021.

## Factors that May Affect the Financial Position or Business Operations

### 1. Product Prices and Demand in the Market

The emergence of deflation in multiple countries, persistent geopolitical conflicts, and the sluggish economies in China, Thailand, and other regions of the world (particularly in the real estate and manufacturing sectors in China) have raised concerns about the deceleration of steel demand, which may impact the prices of raw materials and products to experience downward fluctuations.

### 2. Economic Conditions

In 2023, the Thai and global economies have faced various challenges and risk factors since 2022. These include the Russian-Ukrainian war, the Israel-Hamas war, international trade disputes, and a decrease in demand from China construction, which is particularly concerning for countries that require inflation control measures. Although the rate of inflation has decelerated, it remains high. Therefore, numerous central banks around the world have implemented stringent monetary policies, leading to a deceleration in the domestic and international economies. These factors have significantly impacted the export of Thai goods, domestic consumption, tourism, and investment more than expected.

As for domestic factors, political concerns including the economic stimulus measure, the allocation of government expenditure and investment, as well as the delayed distribution of the 2023-2024 budget, have led to the deceleration and postponement of both public and private investment. The amount of domestic household debt remains at a high level, causing economic activity and demand for steel to slow down and decrease. The number of tourists entering the country was lower than projected. This has affected the volume of transportation, the management of public utilities, and the ongoing support of industries, as well as the effect on the deceleration of steel product consumption until the budget and investments are reinstated and the economy returns to its normal cycle.

To mitigate the risk of unequal market declines and recovery cycles, the Company develops a market base that encompasses a broad range of segments, actively engages in value promotions, strengthens business model development, and provides customer-centric solutions. This reduces business risks and facilitates convenience for customers. If the Company is unable to diversify its market base and maintain a wide market, its sustainable growth and operations may be impacted.

## Environmental, Social and Governance (ESG) Performance

The Company is committed to sustainable development principles by emphasizing value creation for stakeholders. This principle is fundamental to the Company's growth and development. The Company assesses and analyzes potential risks that could impact its business operations, particularly in Environmental, Social, and Corporate Governance (ESG) dimensions. In addition, the Company places a high value on operational procedures and takes measures to minimize risks and their potential effects on its business activities.

- Environmental management: Focus on reducing greenhouse gas emissions in accordance with the carbon neutrality framework, improving the work environment within the Company, and surrounding areas by increasing green areas, using renewable energy for electricity, and effectively managing garbage and waste, as well as recycling.
- Social and community aspects: Focus on creating value with supply chain stakeholders, promoting occupational safety and health to create a good working environment and community, engaging in activities that promote community and social engagement, and continuously promoting and developing the potential of employees at all levels. This includes the review of risk assessment and human rights due diligence (HRDD) to ensure that the Company's business activities do not violate the human rights of stakeholders in the economic value chain.





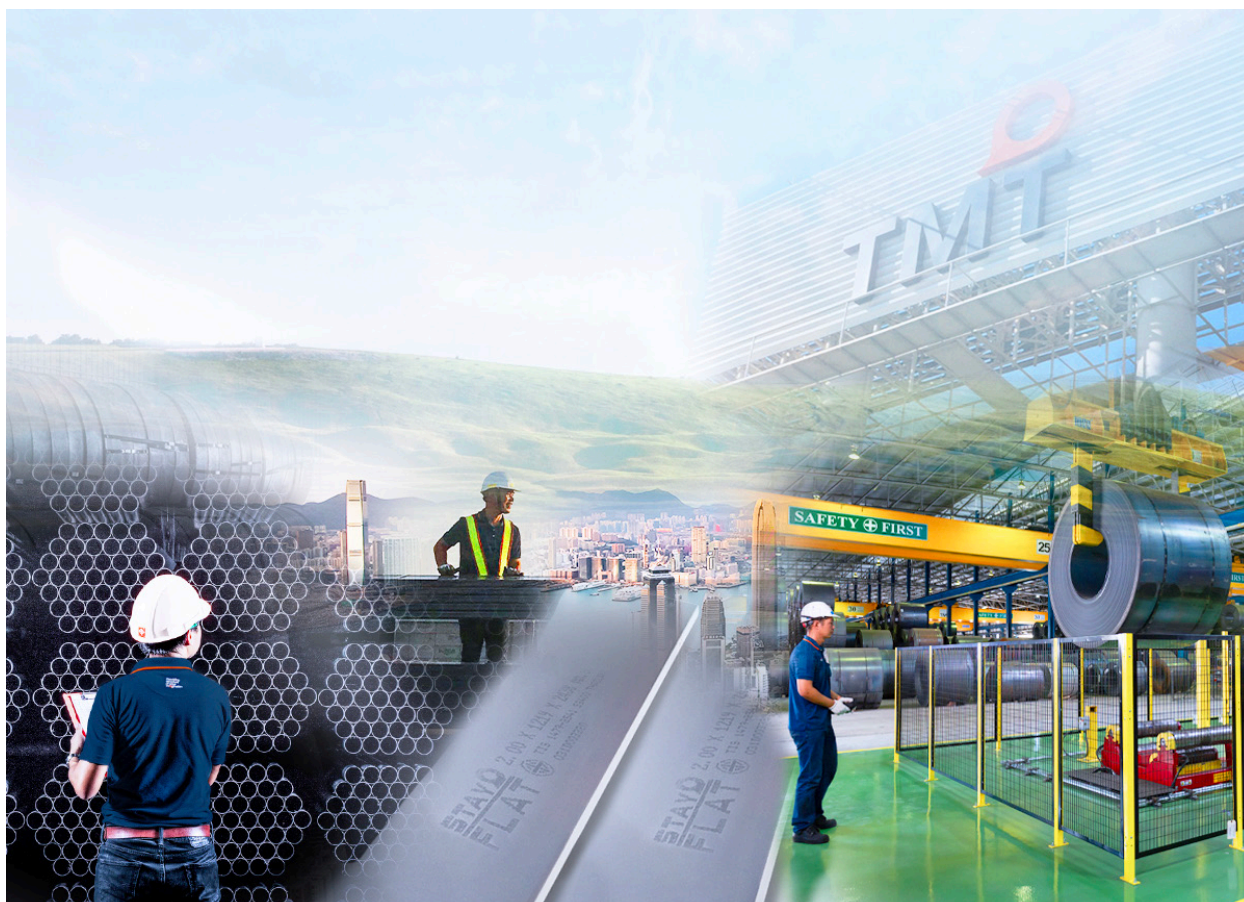
- Corporate governance: The Company adheres to and complies with good corporate governance principles for public companies and the code of business. The Company conducts business and supervises its subsidiary with corporate governance, transparency, and verifiability, as well as promoting the development of value innovation for all stakeholders while encouraging and providing a space for the exchange of opinions from all stakeholders to ensure that the Company can remain competitive and promptly respond to any future factors that may occur.

The significant performance of the Company is disclosed in Part 1, Business Operation and Performance, under the topic of Driving Business for Sustainability/Sustainability Report.

### The Future Direction of Operations

The Company remains committed to operating as an integrated steel service center for providing complete steel services that aim to meet customer needs comprehensively by developing the potential of employees and continuously investing to expand production capacity. One new production line of machinery was added in 2024 to create product diversity and stability. The Company supports investment in public and private infrastructure projects that are expected to occur in the future, brings new technology and innovation to improve production efficiency and work processes, focuses on using tools systematically to help speed up management, and creates a network of cooperation between business partners to help enhance efficiency in product management and transportation of goods. These are factors that will enable the Company to achieve its mission of expanding its market share and creating business value for customers at the same time.

Note: The data for the Management Discussion and Analysis in 2023 is derived from the Company's consolidated financial statements. The Company began investing in subsidiary on March 16, 2023. The consolidated financial statements began in the first quarter of 2023.





TMT Steel Public Company Limited  
Statement of Financial Position  
As at 31 December 2021-2023

(Baht: Thousand)

	2023	%	2022	%	2021	%
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	91,381.45	1.02%	141,427.39	1.56%	121,336.14	1.21%
Trade accounts receivable and other receivables	2,613,349.13	29.23%	2,788,466.20	30.77%	3,367,019.60	33.44%
Inventories, net	2,597,344.56	29.05%	2,744,523.02	30.29%	3,231,522.86	32.10%
Advance payments for purchases of inventories	95,570.33	1.07%	5,718.12	0.06%	144,039.90	1.43%
Derivative assets	-	0.00%				
Income tax refundable	22,191.15	0.25%	19,666.79	0.22%	-	0.00%
Other current assets	7,158.17	0.08%	26,572.41	0.29%	5,578.20	0.06%
<b>Total current assets</b>	<b>5,426,994.78</b>	<b>60.70%</b>	<b>5,726,373.92</b>	<b>63.19%</b>	<b>6,869,496.69</b>	<b>68.24%</b>
<b>Non-current assets</b>						
Investment in subsidiary						
Investment properties	55,729.00	0.62%	55,729.00	0.61%	55,729.00	0.55%
Property, plant and equipment, net	3,329,447.19	37.24%	3,138,509.66	34.63%	3,053,275.80	30.33%
Right-of-use assets, net	39,231.38	0.44%	50,672.12	0.56%	14,325.03	0.14%
Intangible assets, net	46,783.71	0.52%	40,039.38	0.44%	34,900.38	0.35%
Deferred income tax assets, net	35,143.88	0.39%	45,057.97	0.50%	34,685.88	0.34%
Other non-current assets	7,747.03	0.09%	5,316.25	0.06%	4,972.39	0.05%
<b>Total non-current assets</b>	<b>3,514,082.20</b>	<b>39.30%</b>	<b>3,335,324.38</b>	<b>36.81%</b>	<b>3,197,888.47</b>	<b>31.76%</b>
<b>Total assets</b>	<b>8,941,076.97</b>	<b>100.00%</b>	<b>9,061,698.30</b>	<b>100.00%</b>	<b>10,067,385.17</b>	<b>100.00%</b>
<b>Liabilities and equity</b>						
<b>Current liabilities</b>						
Short-term borrowings from financial institutions	3,318,258.27	37.11%	2,762,496.20	0.304854	3,485,596.98	34.62%
Trade accounts payable and other payables	218,940.13	2.45%	513,050.44	5.66%	399,198.54	3.97%
Derivative liabilities	7,341.45	0.08%	4,439.29	0.05%	-	0.00%
Income tax payable	20,803.31	0.23%	-	0.00%	122,715.47	1.22%
Advance received from customers for goods	33,325.06	0.37%	56,969.27	0.63%	42,475.35	0.42%
Current portion of long-term borrowing						
from a financial institution	706,115.40	7.90%	639,317.84	7.06%	539,269.30	5.36%
Current portion of lease liabilities	25,015.94	0.28%	23,409.63	0.26%	10,705.05	0.11%
Current portion of debentures	-	0.00%	-	0.00%	-	0.00%
<b>Total current liabilities</b>	<b>4,329,799.54</b>	<b>48.43%</b>	<b>3,999,682.68</b>	<b>44.14%</b>	<b>4,599,960.69</b>	<b>45.69%</b>

TMT Steel Public Company Limited  
Statement of Financial Position  
As at 31 December 2021-2023

(Baht: Thousand)

	2023	%	2022	%	2021	%
<b>Non-current liabilities</b>						
Long-term borrowings from financial institutions	1,160,028.12	12.97%	1,680,976.80	18.55%	1,627,618.61	16.17%
Lease liabilities	14,956.22	0.17%	27,867.97	0.31%	4,028.33	0.04%
Employee benefit obligations	110,338.56	1.23%	103,228.85	1.14%	81,770.40	0.81%
<b>Total non-current liabilities</b>	<b>1,285,322.90</b>	<b>14.38%</b>	<b>1,812,073.62</b>	<b>20.00%</b>	<b>1,713,417.33</b>	<b>17.02%</b>
<b>Total liabilities</b>	<b>5,615,122.45</b>	<b>62.80%</b>	<b>5,811,756.31</b>	<b>64.14%</b>	<b>6,313,378.02</b>	<b>62.71%</b>
<b>Equity</b>						
<b>Share capital</b>						
<b>Authorised share capital</b>						
870,758,034 ordinary shares of par Baht 1 each	870,758.03		870,758.03		870,758.03	
<b>Issued and paid-up share capital</b>						
870,758,034 ordinary shares of paid-up Baht 1	870,758.03	9.74%	870,758.03	9.61%	870,758.03	8.65%
Premium on share capital	427,323.20	4.78%	427,323.20	4.72%	427,323.20	4.24%
<b>Retained earnings</b>						
Appropriated - Legal reserve	87,075.80	0.97%	87,075.80	0.96%	87,075.80	0.86%
Unappropriated	1,937,438.32	21.67%	1,864,784.96	20.58%	2,368,850.11	23.53%
<b>Equity attributable to owners of the parent</b>	<b>3,322,595.36</b>	<b>37.16%</b>	<b>3,249,942.00</b>	<b>35.86%</b>	<b>3,754,007.15</b>	<b>37.29%</b>
Non-controlling interests	3,359.17	0.04%	-	0.00%	-	0.00%
<b>Total equity</b>	<b>3,325,954.53</b>	<b>37.20%</b>	<b>3,249,942.00</b>	<b>35.86%</b>	<b>3,754,007.15</b>	<b>37.29%</b>
<b>Total liabilities and equity</b>	<b>8,941,076.97</b>	<b>100.00%</b>	<b>9,061,698.30</b>	<b>100.00%</b>	<b>10,067,385.17</b>	<b>100.00%</b>

TMT Steel Public Company Limited  
Statement of Comprehensive Income  
As at 31 December 2021-2023

(Baht: Thousand)

	2023	2022	2021
Sales	19,991,724.36	22,187,858.68	21,559,340.19
Costs of sales	(18,688,265.34)	(21,194,904.41)	(18,897,845.93)
<b>Gross profit</b>	<b>1,303,459.02</b>	<b>992,954.27</b>	<b>2,661,494.26</b>
Other income	77,845.82	77,510.55	66,782.25
Selling expenses	(221,906.50)	(208,863.46)	(187,860.96)
Administrative expenses	(575,248.40)	(442,631.32)	(536,084.62)
Finance costs - interest expenses	(170,677.39)	(118,708.93)	(102,917.85)
<b>Profit before income tax</b>	<b>413,472.54</b>	<b>300,261.11</b>	<b>1,901,413.08</b>
Income tax	(80,732.61)	(57,806.91)	(371,352.67)
<b>Profit for the year</b>	<b>332,739.94</b>	<b>242,454.20</b>	<b>1,530,060.41</b>
<b>Other comprehensive income:</b>			
<b>Item that will not be reclassified to profit or loss</b>			
Remeasurements of post-employee benefit obligations	-	(7,968.77)	-
Income tax on items that will not be reclassified	-	1,593.76	-
Other comprehensive income for the year, net of tax	-	(6,375.02)	-
<b>Total comprehensive income for the year</b>	<b>332,739.94</b>	<b>236,079.18</b>	<b>1,530,060.41</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	333,880.77		
Non-controlling interests	(1,140.84)		
	<b>332,739.94</b>	<b>236,079.18</b>	<b>1,530,060.41</b>
<b>Earnings per share</b>			
Basic earnings per share	<b>0.38</b>	<b>0.27</b>	<b>1.76</b>

TMT Steel Public Company Limited  
Statement of Cash Flows  
As at 31 December 2021-2023

(Baht: Thousand)

	2023	2022	2021
<b>Cash flows from operating activities</b>			
Profit before income tax	413,472.54	300,261.11	1,901,413.08
Adjustments for :			
(Reversal) Loss allowance	(32,216.50)	4,309.70	33,195.42
(Reversal) Allowance for net realisable value	(25,188.48)	25,733.44	4,718.36
Depreciation and amortisation	301,298.45	292,541.52	270,404.00
Loss (Gain) on disposals of equipment	914.79	(50.30)	1,328.24
Loss (Gain) on derivatives	2,902.16	4,439.29	(626.30)
Employee benefit expenses	8,769.71	14,944.62	11,360.04
Interest expenses	170,677.39	118,708.93	102,917.85
Cash flows before changes in operating assets and liabilities	840,630.06	760,888.31	2,324,710.70
Changes in operating assets and liabilities:			
Trade accounts receivable and other receivables	207,333.58	574,243.70	(1,062,776.19)
Inventories	172,366.93	461,266.40	(1,304,612.01)
Advance payments for purchases of inventories	(89,852.21)	138,321.78	209,248.74
Other current assets	19,414.24	(20,994.21)	30,295.88
Other non-current assets	(2,430.78)	(343.86)	123.00
Trade accounts payable and other payables	(303,610.91)	129,774.36	101,964.59
Advance receipts from customers for goods	(23,644.22)	14,493.92	4,926.72
Employee benefit obligations paid	(1,660.00)	(1,454.93)	(1,220.00)
Cash generated from operating activities before interest and income tax paid	818,546.70	2,056,195.47	302,661.44
Interest paid	(164,701.04)	(119,403.98)	(103,761.93)
Income tax paid	(52,539.57)	(208,967.51)	(338,811.13)
Net cash generated from (used in) operating activities	601,306.08	1,727,823.98	(139,911.63)
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	(463,570.33)	(359,707.49)	(392,407.32)
Purchases of intangible assets	(14,317.97)	(15,823.46)	(15,790.04)
Proceeds from disposals of equipment and intangible assets	6,875.54	2,211.41	3,889.32
Net cash used in investing activities	(471,012.76)	(373,319.54)	(404,308.03)



TMT Steel Public Company Limited  
Statement of Cash Flows  
As at 31 December 2021-2023

(Baht: Thousand)

	2023	2022	2021
<b>Cash flows from financing activities</b>			
Proceeds from increasing of non-controlling interest	4,500.01		
Proceeds from short-term borrowings			
from financial institutions	21,117,983.06	25,245,577.07	21,235,843.13
Repayments to short-term borrowings			
from financial institutions	(20,562,221.00)	(25,968,677.84)	(20,886,800.72)
Repayments to debenture		-	(1,000,000.00)
Proceeds from long-term borrowings			
from financial institutions	198,589.37	743,245.00	1,443,629.00
Repayments to long-term borrowings			
from financial institutions	(653,330.00)	(590,000.00)	(275,000.00)
Payments for front-end fees of loan agreement	(100.01)	(635.01)	(1,405.01)
Payments for lease liabilities	(24,533.28)	(23,778.09)	(23,626.58)
Dividends paid	(261,227.41)	(740,144.33)	(957,755.84)
Net cash used in financing activities	(180,339.27)	(1,334,413.20)	(465,116.02)
<b>Net (decrease) increase in cash and cash equivalents</b>	(50,045.94)	20,091.24	(1,009,335.68)
Opening balance	141,427.39	121,336.14	1,130,671.82
Closing balance	91,381.45	141,427.39	121,336.14
<b>Cash and cash equivalents are made up as follows:</b>			
- Cash on hand	374.74	351.13	509.37
- Deposits at financial institutions	91,006.71	141,076.26	120,826.77
	91,381.45	141,427.39	121,336.14

**Non-cash transactions**

Significant non-cash transactions for the years ended 31 December 2023 and 2022 are as follows:

Other payables from purchases of property, plant and equipment	5,990.65	5,098.60	17,184.27
Other payables from purchases of intangible assets	3,576.71	255.00	2,600.00



TMT Steel Public Company Limited  
Financial Ratio  
For the year ended 31 December 2021-2023

	2023 <sup>(1)</sup>	2022	2021
<b>Liquidity ratio</b>			
Current Ratio (time)	1.25	1.43	1.49
Quick Ratio (time)	0.62	0.72	0.75
Operating Cash Flow to Current Liabilities (time)	0.14	0.40	(0.03)
Account Receivable Turnover (time)	7.48	7.28	7.61
Average Collection Period (day)	49	50	48
Inventory Turnover (time)	7.00	7.09	7.32
Average Inventory Period (day)	52	51	50
Account Payable Turnover (time)	180.72	188.69	180.58
Average Payment Period (day)	2	2	2
Cash Cycle (day)	99.00	99.00	96.00
<b>Profitability ratio</b>			
EBITDA margin	4.43	3.21	10.55
Gross Profit Margin (%)	6.52	4.48	12.34
Operating profit margin (%)	2.53	1.54	8.99
Other income to total income (%)	0.86	0.44	1.88
Cash from operation to operating profit (%)	118.94	506.00	(7.15)
Operating Cash Flow to Operating Profit (time)	1.19	5.06	(0.07)
Net Profit Margin (%)	1.66	1.09	7.10
Return on Equity (%)	10.00	7.46	40.76
Return on equity (ROE) (Average)	10.12	6.92	44.12
<b>Efficiency ratio</b>			
Return on Asset (%)	3.72	2.68	15.20
Return on Fixed Assets (%)	10.15	7.74	50.85
Total Assets Turnover (time)	2.22	2.32	2.28
Fixed asset turnover ratio (Time)	5.71	6.68	6.76
<b>Financial policy ratio</b>			
Debt to Equity Ratio (time)	1.69	1.79	1.68
Net Interest Bearing Debt to Equity Ratio* (time)	1.54	1.54	1.48
Interest Coverage Ratio (time)	3.42	3.53	19.48
EBITDA Coverage Ratio (Cash basis) (time)	0.65	1.37	(0.09)



TMT Steel Public Company Limited  
Financial Ratio  
For the year ended 31 December 2021-2023

	2023 <sup>(1)</sup>	2022	2021
<b>Per Share Information</b>			
Book Value Per Share: BVPS (Baht)	3.82	3.73	4.31
Earnings Per Share : EPS (Baht) (Par Value per share THB 1)	0.38	0.27	1.76

Note : <sup>(1)</sup> The data in 2023 is derived from the Company's consolidated financial statements. The Company began investing in subsidiaries on March 16, 2023. The consolidated financial statements began in the first quarter of 2023.

\* The company issued debentures in 2018, such debentures were redeemed in April 2021. The Company maintained the Net Interest Bearing Debt to Equity Ratio stood at not more than 2:1 (two to one) throughout the term of the debentures at each fiscal year-end, calculated from the information shown in the consolidated financial statements for the year 2019-2020.







# Corporate Governance



# Corporate Governance Policy

## Overview of Corporate Governance Policy and Practices

The Board of Directors recognizes the importance of good corporate governance for the Company and its subsidiaries by adhering to the code of business conduct as guidelines for conducting business and establishing various policies to carry out duties responsibly, carefully, and honestly. In addition to gaining the trust of shareholders, investors, stakeholders, and other involved parties, this will allow the Company to move forward with transparency and efficiency. Therefore, a policy has been established to ensure compliance with the principles of good corporate governance in five categories:

1. Rights of shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. The Board's responsibilities

The details of the Company's good corporate governance are disclosed on the website at [[www.tmtsteel.co.th/corporate-governance/corporate-governance-policy/corporate-governance-policy-2023](http://www.tmtsteel.co.th/corporate-governance/corporate-governance-policy/corporate-governance-policy-2023)].

## Policy and Practice for The Board of Directors

### (1) Board of Directors

The Board of Directors has established the board diversity policy, which the Board should be comprised of appropriate diversity of necessary skills, experience, and particular expertise without any discrimination of gender, race, religion, or age in order to combine and enhance the various capabilities for the best benefit of the Company and establish the sustainable development for the Company.

The Board of Directors has its quorum of 7 persons comprised of 3 independent directors, 3 executive directors, and 1 director who is not in management position. The Chairman of the Board is an independent director. In this regard, such proportion is well counterbalanced in the Board and complies with laws. Further Information about their scope of work, duties, and responsibilities is detailed in the Management Structure section.

The term of directorship complied with the regulation detailed in the Company's Articles of Association at the Annual General Meeting of Shareholders, one-third of the Board of Directors shall retire by rotation, and if the number of directors cannot be divided exactly into three parts, directors in a number close to one-third shall vacate office. The directors who remained in office for the longest time shall vacate office and such directors can be re-elected.

The directors who are positioned on the Board are forbidden to position in the Company that may have conflicts of interest in order to perform their duty efficiently unless the shareholders' meeting had been notified prior to appointment thereto. Further details of members of the Board's working experience are provided in the Board of Directors and Executives section.

The details of the work experience of each director are disclosed in the section "Details of Directors, Executives, Controlling Persons, and the Company Secretary".



## **(2) Subcommittees**

The Board of Directors appointed 4 subcommittees, the Audit Committee, the Nomination and Remuneration Committee, the Risk Management and Corporate Strategy Development Committee, and the Corporate Governance and Sustainability Committee. The qualifications, period of position holding, and the scope of duties and responsibilities were defined in accordance with each committee's charter. The name of the subcommittees, their responsibilities, number of meetings, the number of meetings attended, and their performance will be reported to the Board of Directors' Meeting for acknowledgment on a regular basis. The performance over the past year will be disclosed in the 56-1 One Report annually. The details are disclosed in the section, "Corporate Governance Structure".

## **(3) Leadership and Vision**

The Board of Directors shall possess leadership, vision, and independence in decision-making to set out the business development plan and targets and to consider the operating budget for the optimum benefits to shareholders and for the business growth of the Company. In 2022, the Board of Directors reviewed the vision, policies, and strategies that were implemented during the year and evaluated and followed up on the results to make sure that such execution is effective. In the meantime, the target for the year 2022 was delivered and also communicated to the management and staff for their acknowledgment in order to set their KPI together.

## **(4) Board of Directors' Meeting**

The Company scheduled meetings throughout the year in advance and proposed to the Board of Directors for acknowledgment at the end of the year in order to add the meeting to their schedules. Special meetings may be arranged when it is deemed necessary and appropriate. This will be agreed upon and the directors will be notified in advance. The Board of Directors will receive the meeting invitation letter at least seven days prior to the meeting and the Board of Directors established a policy regarding the quorum of the Board of Directors in the Board of Director Charter stating that at least two-thirds of the total number of directors must be present in order for the Board of Directors to vote during a meeting.

When a meeting is adjourned, the Company Secretary is responsible for preparing and submitting meeting minutes to the Board of Directors for approval at the following meeting. The chairman of the Board shall affix his signature to certify the accuracy. The certified meeting minutes and the supporting documents for each agenda will be systematically stored electronically in accordance with the level of confidential documents for convenient reference searching.

In addition, the Board of Directors scheduled meetings of non-executive directors to exchange views on management guidelines, the business operation, and the duty performance review of independent directors annually. The summary of meeting resolutions shall be proposed to the Board of Directors' acknowledgment. The details are disclosed in the section "Meeting of the Board of Directors and Sub-committees".

## **(5) The Nomination and Appointment of Directors and Senior Executives**

The Nomination and Remuneration Committee considered, recruited, and nominated qualified persons who met specified criteria and also considered other qualifications that were in line with the Company's business strategy. A succession plan was prepared to replace directors, senior executives, and the Chief Executive Officer who retired by rotation or vacant positions, or as required by the Board of Directors or the law. This must be proposed to the Board of Directors and/or the Shareholders' Meeting for approval. The details are disclosed in the section, "Recruitment, Development and Evaluation of Directors' Performance"

#### **(6) Directorship Positions of the Chief Executive Officer and Senior Executives in Other Companies**

The Board of Directors specified that the Chief Executive Officer and Senior Executives can hold directorship positions in other companies, however, holding that position must be under the condition that performing such duties does not affect the efficiency of the performance of the Company's duties. They can take the position of director in private companies or other listed companies, but it must not be in a business that has the same nature or is in competition with the business of the Company. Before anyone takes the position of director, it must be presented to the Board of Directors for approval to prevent conflicts of interest that may occur.

#### **(7) Directors and Executives Development**

The Board of Directors attaches importance to the attendance of training and seminars related to the Board Skill Matrix for the knowledge and capability development of directors to perform their duties even more efficiently. Additionally, the Company promotes and encourages senior executives to attend relevant courses. This included seminars organized by external organizations or specific internal training organized by the Company. The Company invited professional experts who are specialized in a particular field to organize training courses and be guest speakers to share and exchange their skills, knowledge, and experience for the continual development of the Company.

The details are disclosed in the section "Development and Training of Directors and Executives".

#### **(8) The Remuneration of directors and executives**

The remuneration of each committee was determined by the Nomination and Remuneration Committee, which can be decomposed into 3 types; director allowance, meeting allowance, and bonus according to the criteria that are fixed at an appropriate level and comparable with the same level in the industry and complied with the Company's operating results, experiences, duties, responsibilities, and performances of each director and executives to attract and maintain qualified directors. The policy that the Nomination and Remuneration Committee uses as a guideline to fix such remuneration is according to the policy prescribed by the Board of Directors. In this regard, such remuneration shall be taken into account in the Annual General Meeting of Shareholders for approval.

The details are disclosed in, "Remuneration for the Chief Executive Officer (CEO)".

#### **(9) Chief Executive Officer (CEO) Remuneration**

The Nomination and Remuneration Committee determined the Chief Executive Officer's remuneration based on the performance of the Chief Executive Officer which was assessed by the Board of Directors. The review of evaluation results, remuneration guidelines of other CEOs in the same industry, and success of the Company's business operations in relation to short-term goals and strategies for long-term business sustainability were also considered. This is done to motivate the Chief Executive Officer to perform duties as effectively and efficiently as possible and create value and sustainability for stakeholders. Remuneration is divided into two categories: short-term remuneration, which includes fixed remuneration, bonuses, and other benefits. The long-term remuneration includes monetary and non-monetary remuneration allocated to the Chief Executive Officer in accordance with the Company's long-term goals to create success and benefit the Company and all relevant stakeholders. The remuneration of the Chief Executive Officer is in accordance with the operating procedures of the Company's Human Resources Management Department.

The details are in the "Remuneration for the Executive Directors and Executives".

#### **(10) Performance Evaluation of the Board of Directors and Chief Executive Officer (CEO)**

The Board of Directors established the performance evaluation for the Board of Directors and individual directors, every subcommittee, and the Chief Executive Officer. The performance evaluation must be carried out at least once a year so that the Board of Directors can jointly consider their previous performance and continue to make improvements. The details are as follows:



## The Performance Evaluation Procedures of the Board of Directors and the Chief Executive Officer

1. The Board of Directors reviewed and approved the performance evaluation form for the Board of Directors and individuals as well as the performance evaluation form for the Chief Executive Officer to be appropriate and to be in line with the Company's business strategies. The evaluation forms are defined as follows:

The Board of Directors Performance Evaluation Form is divided into the following 3 sets:

- Set 1 :** The Board of Directors Self-Assessment Form is used to evaluate the overall performance of the Board of Directors.
- Set 2 :** The Subcommittee Self-Assessment Form is to assess the performance of the entire committee board assigned by the Board of Directors
- Set 3 :** The Individual Self-Assessment Form for the Board of Directors and Subcommittees is to assess the individual performance of directors.

There are 3 main topics in the 3 evaluation forms. They are as follows:

- Part 1: Structure and qualifications of the Board of Directors/Subcommittees.
- Part 2: Meetings of the Board of Directors/Subcommittees.
- Part 3: The roles, duties, and responsibilities of the Board of Directors/Subcommittees.

The Chief Executive Officer Performance Evaluation Form - the 3 main topics are evaluated as follows;

**Part 1: Corporate Goals**

- 1.1 The business results: consider the percentage of EBITDA, sales revenue, or sales volume as set by the target each year.
- 1.2 The economy, industry, and innovation: consider the production volume against the set target each year and the customer satisfaction percentage.
- 1.3 Social/Environmental: Consider the percentage of employee satisfaction. Zero complaints from the community/society. The amount of carbon dioxide emissions.
- 1.4 Good corporate governance: Consider the consistency of business operations and the good corporate governance principles along with the Company's Code of Business Conduct.

**Part 2: Operations:** Consider the performance of the Chief Executive Officer against the goals set in each aspect.

**Part 3: The Development of the Chief Executive Officer:** Consider the recommendations of the Board of Directors on the issues that the Chief Executive Officer should improve each year.

Criteria for a rating in the assessment form, are **divided into**;

- 0 = Strongly disagreed or no action is taken on that matter
- 1 = Disagreeing or having to do little about that matter
- 2 = Agree or proceed with the matter
- 3 = Quite a lot or Well done in that regard
- 4 = Strongly agree or Excellent action on that matter

2. The company secretary submits the assessment forms to the Board, all Sub-Committee, and the CEO within December of every year.
3. All directors and the CEO assess and return to the company secretary within January of every year.
4. The company secretary gathers the assessment data and summarizes the results proposed to the Board of Directors for acknowledgment within February of every year.
5. The Board of Directors considers, reviews, and approves the assessment within February of every year.

The details are disclosed in the section "Performance Evaluation of the Board of Directors and the Chief Executive Officer (CEO)".

### (11) System of Control and Internal Audit

The Company has segregated the authority and duties of the operator, supervisor, and assessor independently in order to check and balance their performance and control appropriately. Also, the Company has authorized the Audit Committee to review the compliance of operation control with the internal auditor; which was appointed by the committee, EY Corporate Services Limited; who is creditable and independent, to propose and conduct the annual internal audit plan, and to report and recommend according to the result of such audit. This will enhance the system of control and efficiency of work. The details are disclosed in “Details of Chief the Internal Audit”.

### (12) Report on the responsibilities of the Board of Directors towards the financial report

The Board of Directors is responsible for the financial statements and financial information presented in the 56-1 One Report. The financial statements have been prepared following Generally Accepted Accounting Standards in Thailand, based on the appropriate accounting policies and corresponding to its operation and practice regularly, as well as reasonableness in making projections and adequately disclosing significant information as indicated in the notes of financial statements. The Board of Directors, therefore, prepared a report on the responsibilities for said matters and presented it along with the auditor’s report in the 56-1 One Report. The details are disclosed in the section “Director Relating to Responsibilities for Financial Report”.

### (13) Supervision of Subsidiaries and Associated Companies

The Company considered appointing one director and one executive, for a total of two people, as directors of the Company’s subsidiary, Red Rocco Digital Company Limited, which was approved by the Board of Directors. When the appointed directors leave their position as directors of the subsidiary, the Board of Directors will consider appointing directors or executives to look after the interests on behalf of the Company. Moreover, the Company has established policies for significant transactions, such as the disclosure of insider information, interests, and conflicts of interest, as well as the prevention and combating of corruption. These matters are addressed in the code of business conduct, revised 2023, and the Anti-Corruption Policy, revised 2023, which applies to the activities of subsidiaries. In 2023, the Company and its subsidiary entered into 2 connected transactions, the size of which transaction was authorized and considered by the Board of Directors and the Audit Committee.

## Policies and Practice Guidelines Concerning Shareholders and Stakeholders

The Company established policies and practice guidelines concerning shareholders and stakeholders that cover shareholder care, the equitable treatment of shareholders, and the exercise of shareholders’ rights. The guidelines are as follows:

### Rights of Shareholders

#### 1. Rights to Appoint the Board of Directors

The appointment of the Company’s Board of Directors is according to the Company’s Articles of Association that shareholders’ meeting shall elect the directors in accordance with rules and procedures as follows;

- 1.1 Each shareholder shall be entitled to one vote for each shareholding;
- 1.2 Each shareholder shall be entitled to cast all the votes under 1.1 to elect one or several persons to be the Company’s director but cannot distribute their votes to any particular person or persons;
- 1.3 Persons who receive the highest votes arranged in order from highest to lowest in a number equal to that of the number of directors to be appointed are elected to be the Company’s directors. In the event of a tie at a lower place, which would make the number of directors greater than the required, the Chairman of the meeting shall cast the deciding vote.



Furthermore, prior to the meeting date, one single shareholder or several shareholders together hold the Company's shares of not less than 5 percent of its total issued and paid-up shares have the right to nominate candidates to be elected as the Company's directors in advance according to date, time, and criteria disclosed by the Company via SET's channel and the Company's website. This year 2023 no shareholder nominated a candidate as said.

In the 2023 Annual General Meeting of Shareholders, shareholders cast their vote to elect the director individually and directors who have a conflict of interest could not cast the vote.

## 2. Rights in shareholders' meeting

- 2.1 The Company sent the notice of the 2023 shareholder's meeting which indicated the date, time, place, agenda, opinion of the Board, and supporting documents to all shareholders at least 21 days prior to the meeting date, and also all relevant information will be posted on the Company's website at [[www.tmtsteel.co.th /Investor Relations/Shareholder Information/Shareholders' Meeting 2023](http://www.tmtsteel.co.th/Investor%20Relations/Shareholder%20Information/Shareholders%20Meeting%202023)] at least 30 days prior to the meeting date to support all shareholders, including institutional investors, to attend the meeting and shareholders will have adequate time to study on each agenda thoroughly. In this regard, the meeting agenda and supporting documents as said were provided based on transparent and sufficient information for shareholders to make their best decision.
- 2.2 The Company provided the opportunity to shareholders who are unable to attend the meeting to exercise their rights by appointing another person to attend the meeting and cast the vote on their behalf or appoint an independent director who is appointed by the Company as their proxy. The Company, therefore, facilitates all shareholders by attaching a proxy along with the notice of the meeting.
- 2.3 The Company also published such notice of the meeting in the public daily newspaper for 3 consecutive days and not less than 3 days prior to the meeting date in order to provide multi-channel for receiving information.
- 2.4 The Company arranged the area where the Company's head office is located to be the meeting venue to facilitate travel convenience for shareholders and strictly comply with the public health measures issued by the Ministry of Public Health and Bangkok to prevent the spread of COVID-19. In 2023, the Company held the Annual General Meeting of Shareholders on April 7, 2023, at 2 p.m. at the Crowne Room, 21st Floor, Crowne Plaza Hotel, Rama 4 Road, Suriyawong, Bang Rak, Bangkok. Equipment and amenities were arranged to facilitate convenience for shareholders during the meeting. For example, a barcode system was used for registration, there were adequate registration points, an extra set of meeting invitation letters for shareholders who did not bring their invitation letters, ballots, and staff to collect ballots, and the accessories to write and send the messages for inquiry instead of using a microphone for public health safety, social distancing and screening measures for meeting attendees. All meeting attendees were required to wear a mask at all times. A spare meeting room was also prepared in case the main meeting room was crowded. A screen was also used to support the presentation of the meeting agenda, etc.
- 2.5 At the beginning of the meeting, the Company explained how to execute the shareholder's voting rights on each agenda item, and announced the number of shareholders attending the meeting together with the total shares which are entitled to vote.
- 2.6 The Company invited an independent legal advisor to attend the meeting in order to observe and verify the voting procedure on each agenda.
- 2.7 The Board of Directors gave an opportunity for shareholders to raise any questions and suggestions on each agenda and took responsibility to clarify those questions.
- 2.8 The Company published the minutes and resolution of the shareholders' meeting via SET's channel and the Company's website within 14 days after the meeting so as to accurately provide the information for shareholders who attended or did not attend the meeting as well as other investors.
- 2.9 The Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, and the executive committee have recognized the importance of attending the meeting and deemed it an important duty and responsibility to proceed. Therefore, the 2023 Annual General Meeting of Shareholders all committees which included the Board of Directors and the aforesaid sub-committees together attended the meeting.



### 3. Rights to receive dividend payments

The Company established a policy of paying dividends on operating results of at least 50% of net profits after allocating such net profits as legal reserve. The dividends will be paid to shareholders whose names appeared on the record date specified in the Board of Directors' meeting resolution. However, such dividend payments must be approved by the annual general meeting of shareholders.

### 4. Rights to access the adequate Company's information

The Company has disclosed all significant information such as operating results or financial statements via SET's channel as well as published on the Company's website within the date and time stipulated by the law in order to provide multi-channel for stakeholders to receive information.

### 5. Rights to appoint the Company's auditor and fix the audit fee

In 2023, the Board of Directors proposed the Shareholders' Meeting to appoint the Company's auditor and fix the audit fee for the year 2023. The proposed audit company and auditor have no relationship or conflict of interest in the Company, directors, executives, and the Company's major shareholders or any related to those parties as said.

## Equitable Treatment of Shareholder

1. The Company provided an opportunity for shareholders to propose agendas for the shareholders' meeting in advance by fixing that one single shareholder or several shareholders together holding the Company's shares of not less than 5 percent of their issued and paid-up shares, can exercise as said. In 2023, the Company disclosed the aforementioned above via its website and SET's channel at least 30 days prior to the date of the shareholders' meeting, and no shareholders proposed any agenda items in advance.
2. The Company made the notice of the meeting, all supporting documents, and proxy in both Thai and English for the convenience of both local and foreign shareholders.
3. For the shareholders' meeting in 2023, the Company will not propose additional agendas without prior notice.
4. The Company authorized an independent director to safeguard the interest of its minor shareholders and be a candidate proxy for the Shareholder's Meeting by creating the email address: [ind\_dir@tmtsteel.co.th] for shareholders to express their opinions, suggestions, or complaints related to the Company's performance. The independent director will consider and proceed as deemed appropriate.
5. All directors and executives will promptly report the corporate secretary when any conflict of interest of their own or related person occurs according to the Securities and Exchange Acts so that the corporate secretary will gather and submit to the Audit Committee and the Board of Directors to consider such conflict of interest and to decide based on the Company's benefit. In this regard, the director and executive who have a conflict of interest with a transaction cannot be present in the meeting and have no voting rights.

## Insider Trading Protection

The Board of Directors is aware of the importance of protection against insider trading for personal gain. The Company established securities trading policies for directors, executives, and employees. The details of securities trading policies are disclosed on the website at [www.tmtsteel.co.th /Good corporate governance / Good corporate governance policy / Securities trading policy for directors, executives, and employees].



## Anti-Corruption

The Company pays attention to fighting against fraud and corruption, as well as encouraging personnel at all levels to have an awareness of anti-corruption to fight against all forms of corruption. The Board of Directors established an anti-corruption policy and an anti-bribery policy in the Anti-Corruption Policy and Procedures of TMT Steel Public Company Limited for executives and employees at all levels to comply with. Details of the revised anti-corruption policy for 2023 and the performance report for 2023 have been published on the website at [[www.tmtsteel.co.th/Good corporate governance/ Good corporate governance policy/Anti-Corruption Policy](http://www.tmtsteel.co.th/Good%20corporate%20governance/Good%20corporate%20governance%20policy/Anti-Corruption%20Policy)].

Details of the operating results are under the topic “Report on the Corporate Governance Guidelines”.

## Conflicts of Interest

The Board of Directors and the audit committee together took into account and monitored the issue that may cause a conflict of interest carefully so as to check the reasonability and necessity of entering into the transaction. The Board also arranges for the Company to disclose such conflicts to all related stakeholders and agencies after it is approved by the Board.

The details are disclosed in the section “Connected Transactions”.

## Treatment of stakeholders in accordance with good corporate governance guidelines

The code of business conduct was established as guidelines for directors, executives, and employees to perform their duties by taking into account all stakeholders, understanding the roles, and duties, and maintaining integrity, transparency, and good ethics without seeking personal gain or profit from duties. Have a sense of responsibility to communities, society, and the environment. In addition, the Company has set up a monitoring system and whistle-blowing process within the organization. This risk may cause damage to property, reputation, personnel, complaints, illegal acts, or clues of corruption.

The details are disclosed in the section “Whistleblowing and Reporting Complaints”.

## Code of Business Conduct

The Board of Directors realizes the importance of the code of business conduct. Therefore, the business code of conduct manual and the practice guidelines were prepared for the Management to conduct business with transparency, adhere to morality by taking into account stakeholders, and comply with the requirements of the law. This is considered an employee guideline to perform their duties with honesty in an appropriate manner.

In this regard, the code of business conduct revised 2023, measures and practices guidelines according to the code of business conduct, and the report on operating results for 2023 was published on the Company's website at [[www.tmtsteel.co.th/ Good corporate governance/Good corporate governance policy/code of business conduct](http://www.tmtsteel.co.th/Good%20corporate%20governance/Good%20corporate%20governance%20policy/code%20of%20business%20conduct)].

## Major Changes and Developments in Policies, Practice Guidelines, and Governance Systems in 2023

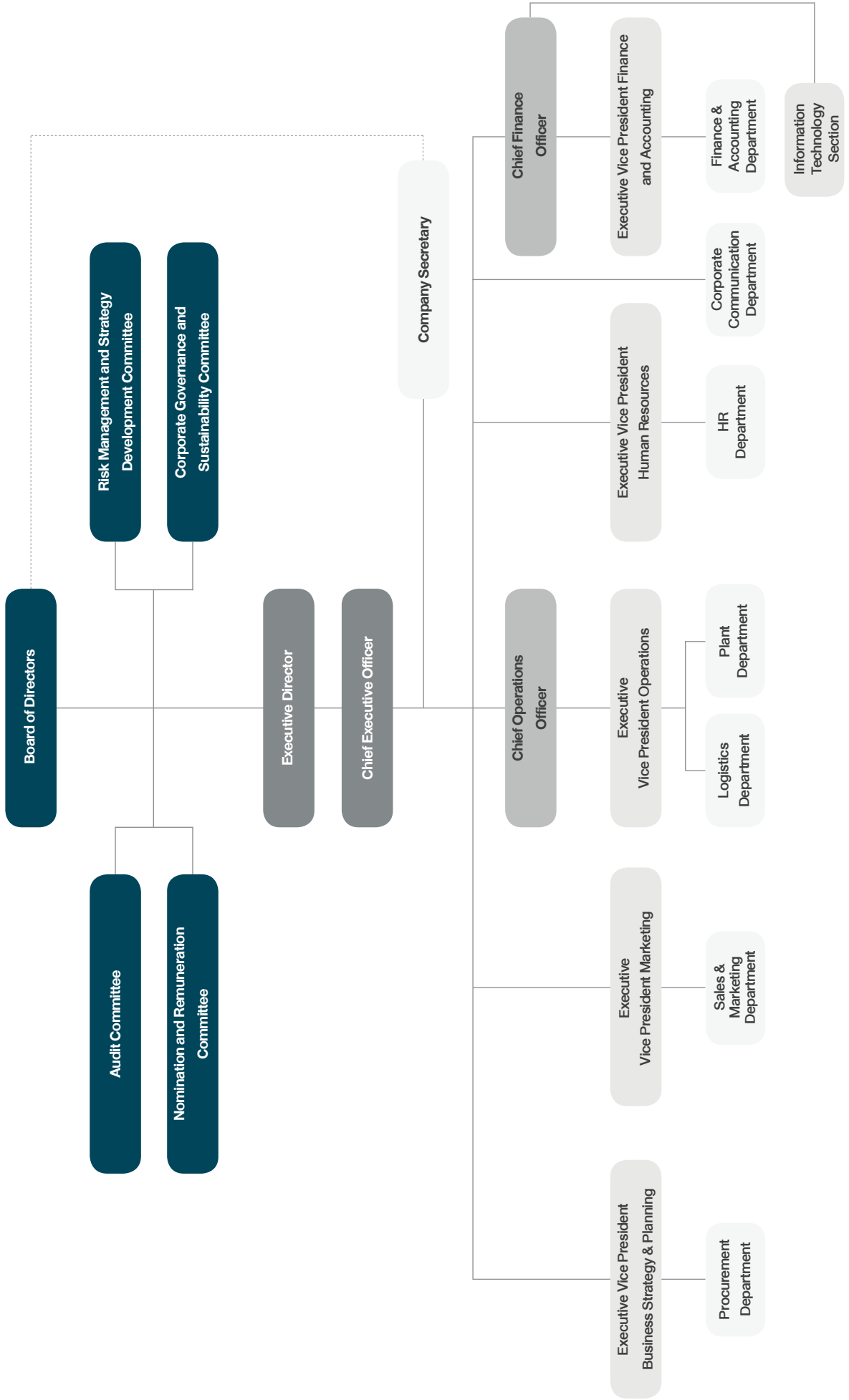
In 2023, The Board of Directors reviewed the appropriateness of applying the Good Corporate Governance Principles for Listed Companies 2017 (CG Code) set by the Securities and Exchange Commission with the business context of the Company at least once a year and assigned the Corporate Governance Committee to review the practice guidelines in accordance with the Good Corporate Governance for Listed Companies 2017 (CG Code) and report to the Board of Directors at the Meeting No. 7/2023 The Board of Directors was of the opinion that the Company applied all 8 areas of the principles with the business context and operated its business with efficiency, honesty, integrity, free from any corruption, transparent, and verifiable as well as building confidence among shareholders, investors, stakeholders, society and all related parties. The Company has continually improved and reviewed policies and guidelines, as well as promoted and approved actions related to good corporate governance as follows:

- Reviewed the Charter of Independent Committees, the Nomination and Remuneration Committee, the Risk Management and Corporate Strategy Development Committee, and the Corporate Governance and Sustainability Committee to be consistent with the good corporate governance policy. There were no revisions based on the review because it remained consistent with the Company's current objectives and operating strategies. Details of the charter were disseminated on the website at [[www.tmtsteel.co.th/Good Corporate Governance/Role and Duties of the Board/Charter](http://www.tmtsteel.co.th/Good Corporate Governance/Role and Duties of the Board/Charter)].
- Revised principles of good corporate governance, the code of business conduct, and anti-corruption policy to align with the company's business operations and extend to its subsidiary.
- Enhanced the use of information technology to expand business opportunities by establishing a subsidiary that provides electronic commerce system services while developing digital business models and sustainable businesses.
- Assessed information technology risks and reviewed the internal control system of Cybersecurity Phase 2, continuing from 2022.

The Board of Directors promotes and raises awareness of corporate governance policy and code of conduct compliance to directors, executives, and employees by communicating through various channels via internal information systems and the Company's website. This also includes public relations media, employee training, and engagement activities in order to raise awareness and instill a good corporate culture. In addition, the implementation of these guidelines is monitored through the report of the Corporate Governance and Sustainability Committee, which meets regularly with the Board of Directors and assigns responsible persons to report incidences of non-compliance with relevant policies and the code of conduct. The Board of Directors is immediately informed by the Company Secretary. Details of these policies were disseminated on the website at [[www.tmtsteel.co.th/Good corporate governance/Good corporate governance policy](http://www.tmtsteel.co.th/Good corporate governance/Good corporate governance policy)].

# Management Structure

Organization Chart as of December 31, 2023



## Details of the committee

### Board of Directors

As of December 31, 2023, the Board of Directors consisted of seven members as follows:

Name	Position
1. Mr. Chai Jroongtanapibarn	Chairman of the Board and Independent Director
2. Mr. Soon Tarasansombat	Director
3. Mr. Paisal Tarasansombat	Director
4. Mr. Komsan Tarasansombat	Director
5. Mr. Somjate Tretamthip	Director
6. Mrs. Ratanavalee Gorsanan	Independent Director
7. Mr. Anake Pinvanichkul	Independent Director

### Authorized Directors:

1. Mr. Paisal Tarasansombat
2. Mr. Komsan Tarasansombat
3. Mr. Somjate Tretamthip

Any above two of the three directors jointly sign along with the Company's seal affixed.

### Scope, Duties, and Responsibilities of the Board

The Board of Directors has its duties and responsibilities to perform in compliance with the laws, objectives, and the Company's Articles of Association as well as resolutions of the shareholders' meeting with honesty and due care of the Company's benefits, except the transactions that must be approved by shareholders' meeting before conducting such as transactions that required by laws to obtain the majority votes of shareholders' meeting, the connected transaction and the acquisition or disposal of assets in accordance with the regulations specified by SET or any issues defined by government agencies, etc. In this regard, the Board of Directors may assign any one director or other people to act on behalf of the Board of Directors. The Scope, Duties, and Responsibilities of the Board of Directors are as follows:

1. To hold the Company's annual general meeting of shareholders within no later than four months from the end of the Company's fiscal year;
2. To hold the Company's Board of directors' meeting at least once every three months;
3. To arrange the preparation of a financial statement at the end of the Company's fiscal year which is audited by the auditor, and then shall propose to the shareholder's meeting for their consideration and approval;
4. The Board of Directors may delegate their authority to anyone or several directors or other people to take any action on their behalf and under the supervision of the Board of Directors, or empower such person/persons to have power according to the Board of Directors deem appropriate and within the time limit as the Board of directors indicate. The Board of Directors may cancel, revoke, change, or amend such authorities whenever it deems appropriate. The Board of Directors may authorize the Executive Director to manage any operations, which was already described in the scope, duties, and responsibilities of the Executive Director, however, such authorization shall not include the consideration and approval of any transaction in respect of which his or any persons have interest or conflict of interests with the Company or its subsidiary, except where the transactions are in accordance with policies and measures as considered and approved by the Board of directors;



5. To set targets, guidelines, policies, business plans, and budget of the Company as well as to monitor the operation and management of the Executive Director to ensure that they perform in compliance with such policies, except the following matters which must be approved by the meeting of shareholders before conducting: the issue that required by laws to obtain the majority votes of shareholders' meeting such as capital increasing, capital reduction, debenture issuance, the sale or transfer of the business of the Company in whole or in essential part to other persons or the purchase or acceptance of transfer of the business of other companies, and the amendment of the Company's memorandum of association. Furthermore, the Board of Directors has its duty to conduct the Company to perform in compliance with the Securities and Exchange laws and rules issued by SET such as connected transactions and the acquisition or disposal of assets according to the regulations issued by SET, or relevant legislation with the Company's business;
6. To consider the management structure, and to appoint the Executive Director, Chief Executive Officer, and other Committees as deemed appropriate;
7. To supervise and monitor the operating results in order to meet the business plan and budget continuously;
8. The Director is forbidden to operate a business of the same nature as, and in competition with that of the Company, or to enter to be a partner in an ordinary partnership or a partner of limited partnership or a director of a private company or other Company which operates a business of the same nature as and in competition with that of the Company, whether for their own or other's benefit unless the meeting of shareholders has been notified prior to appointment thereto;
9. The Director shall file to the Company a report on his interest which may cause a conflict of interest directly or indirectly when the Company enters into a contract or has any changes in shares or debenture holding in the Company or its subsidiary.

### **An Independent Directors**

The Independent Directors of the Company have possessed the qualification according to the independent standard set forth in the notification of the Capital Market Supervisory Board no. TorChor 4 / 2552 Re: Application for and Approval of Offer for Sale of Newly Issued Shares (No.2), All those 3 independent directors are independent of the management and have expertise in accounting, and finance, experience in high management in other industries, and understanding of the Company's business. And The directors therefore can review the credibility of financial statements and audit work.

### **Scope, Duties, and Responsibilities of the Chairman of the Board**

1. The Chairman of the Board has scope, duties, and responsibilities as a Director
2. Encourage the Board of Directors to work with their utmost ability.
3. Supervise and follow up the work of the Board of Directors and other sub-committees to ensure that work objectives are reached.
4. Call the Board meeting and/or Shareholders' meeting.
5. Conduct as a Chairman in the Board of Directors meeting and/or the Shareholders' meeting.
6. Encourage all directors and/or shareholders to participate in the meeting. Provide the opportunity for participants to comment or express the idea independently and creatively and conduct the meeting to be done successfully as its objectives.
7. Cast a decisive vote in Board meetings and/or the Annual general meeting of the shareholders in case of equal votes of both sides.

### **Approval Authorization of the Board of Directors in compliance with the charter including the following matters.**

1. Approve the annual revenue and expenditure budget.
2. Approve the annual budget for any projects that exceed the approval limit of the Executive Director.
3. Approve the budget for short-term and long-term investments that exceed the approval limit of the Executive Director.
4. Approve the financing sources for short-term and long-term that exceed the approval limit of the Executive Director.
5. Approve the cancellation of all or part of the budget that exceeds the approval limit of the Executive Director.
6. Approve the connected transaction according to the size of the transaction which is required by law.
7. Approve meeting agenda items to be proposed to the shareholder's meeting for approval.



## The Audit Committee

As of December 31, 2023, the Audit Committee consisted of three knowledgeable members as follows:

Name	Position
1. Mr. Chai Jroongtanapibarn	Chairman of the Audit Committee (Independent Director)
2. Mrs. Ratanavalee Gorsanan	Audit Committee (Independent Director)
3. Mr. Anake Pinvanichkul	Audit Committee (Independent Director)

## Scope, Duties, and Responsibilities of the Audit Committee

The Audit Committee has its scope of authorities, duties, and responsibilities as authorized by the Board of Directors, including the report to the Board on the following matters:

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine the independence of the internal audit unit, as well as to approve the appointment, transfer, and dismissal of the head of the internal audit unit or any other unit in charge of internal audit;
3. To review compliance with the Securities and Exchange Act, regulation of the Stock Exchange of Thailand, and any other relevant regulations or laws related to the Company's business;
4. To consider, select, and nominate or terminate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with the auditor at least once a year;
5. To review the connected transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;
6. To prepare, and disclose in the Company's annual report, an Audit Committee's report which must be signed by the Chairman of the Audit Committee and consist of at least the following information
  - 6.1 an opinion on the accuracy, completeness, and reliability of the Company's financial report,
  - 6.2 an opinion on the adequacy of the Company's internal control system,
  - 6.3 an opinion on the compliance with the law on the Securities and Exchange, the Exchange's regulations, or the laws relating to the Company's business,
  - 6.4 an opinion on the suitability of an auditor,
  - 6.5 an opinion on the transactions that may lead to conflicts of interest,
  - 6.6 the number of Audit Committee meetings, and the attendance of such meetings by each committee member,
  - 6.7 an opinion or overview comment acknowledged by the Audit Committee from its performance of duties in accordance with the charter, and
  - 6.8 other transactions which, according to the audit committee's opinion, should be disclosed to the shareholders and investors, subject to the scope of duties and responsibilities assigned by the Board.
7. To report the Audit Committee's operation to the Board at least once every quarter;
8. To perform any duties as designated by the Board with the consent of the Audit Committee.

In addition, The Board of Directors has fixed the terms for members of the Audit Committee as follows:

- Chairman of the Audit Committee 3 years
- Audit Committee 3 years

In this regard, when they complete their term, the Chairman of the Audit Committee or audit committee can be re-appointed to their position.





## The Nomination and Remuneration Committee

As of December 31, 2023, the Nomination and Remuneration Committee consisted of five members as follows:

Name	Position
1. Mr. Anake Pinvanichkul	Chairman of the Nomination and Remuneration Committee (Independent Director)
2. Mr. Soon Tarasansombat	Nomination and Remuneration Committee
3. Mr. Chai Jroongtanapibarn	Nomination and Remuneration Committee (Independent Director)
4. Mrs. Ratanavalee Gorsanan	Nomination and Remuneration Committee (Independent Director)
5. Mr. Somjate Tretamthip	Nomination and Remuneration Committee

### Scope, Duties, and Responsibilities of the Nomination and Remuneration Committee

1. To set the policy, criteria, and method of remuneration payment and nomination process for the Board of directors, Subcommittee and Chief Executive Officer;
2. To nominate, determine, and propose suitable directorial candidates as the set criteria, in order to replace the retired directors of the Board or Sub-Committee, or Chief Executive Officer, or when those positions are vacant as well as the new position set by the Board of directors or set by laws, and then propose to the Board and/or the shareholder's meeting to approve;
3. To draw up guidelines for remuneration criteria and fix the remuneration for the Board of Directors, Subcommittee, and Chief Executive Officer, either cash or noncash, and propose to the Board of Directors for approval. The remuneration for the Board of directors will be proposed to the shareholders' meeting for final approval;
4. To review the appropriateness of the current remuneration and nomination criteria;
5. To perform any duties as designated by the Board.

## The Risk Management and Strategy Development Committee

As of December 31, 2023, the Risk Management and Strategy Development Committee consisted of four members as follows:

Name	Position
1. Mr. Anake Pinvanichkul	Chairman of a Risk Management and Strategy Development Committee (Independent Director)
2. Mr. Somjate Tretamthip	Risk Management and Strategy Development Committee
3. Mr. Komsan Tarasansombat	Risk Management and Strategy Development Committee
4. Mr. Prawas Sontawakul	Risk Management and Strategy Development Committee

### Scope, Duties, and Responsibilities of the Risk Management and Strategy Development Committee

1. To review policy and guidelines of the Risk Management and Strategy Development to propose to the Board of Directors.
2. To supervise and raise suggestions to prevent and reduce the risk to an acceptable level and follow up, evaluate, and improve the business plan to reduce the risk to be well controlled and to encourage a sustainable business.
3. To promote and support the improvement and development of the risk management system by integrating with the guidelines to develop the operating system to create efficiency, stability, and business value.
4. To study and explore the possibilities to develop and improve business models to create business opportunities for sustainable growth.
5. To communicate and exchange information and coordinate corporate governance risks or internal controls with the Audit Committee and/or the Corporate Governance and Sustainability Committee at least once a year.



## The Corporate Governance and Sustainability Committee

As of December 31, 2023, the Corporate Governance and Sustainability Committee consisted of four members as follows:

Name	Position
1. Mrs. Ratanavalee Gorsanan	Chairman of the Corporate Governance and Sustainability Committee (Independent Director)
2. Mr. Paisal Tarasansombat	Corporate Governance and Sustainability Committee
3. Mr. Komsan Tarasansombat	Corporate Governance and Sustainability Committee
4. Mrs. Panlapa Tarasansombat	Corporate Governance and Sustainability Committee

### Scope, Duties, and Responsibilities of the Corporate Governance and Sustainability Committee

#### Corporate Governance

1. To set and consider the policy and guidelines of good corporate governance, anti-corruption, and business ethics to align with the requirements issued under SET, SEC, or other related institutions as well as the good corporate governance guidelines according to international standards and present to the Board of Directors.
2. To review the policy and guidelines of good corporate governance, anti-corruption, and business ethics to be updated at least once a year by comparing with the laws, the international and leading company practices including the suggestions from other institutions to propose to the Board of Directors.

#### Sustainability

1. To propose policy, guidelines, and operation plans to align with the sustainable business to stakeholders in economic, social, and environmental aspects.
2. To review policy and practice of sustainable operation to be updated at least once a year by comparing with the laws, the international and leading company practices including the suggestions from other institutions to propose to the Board of Directors.
3. To approve the sustainability report before publishing.
  - 1) To communicate and exchange information and coordinate on good corporate governance and sustainability with the Audit Committee and/or sub-committee at least once a year.
  - 2) To report the meeting result that is significant and beneficial to the Company to the Board of Directors.
  - 3) To perform other responsibilities as assigned by the Board of Directors.

#### The Director's meeting

NO.	The Board's Meeting	The Independent Committee's Meeting	The Audit Committee's Meeting	The Nomination and Remuneration Committee's Meeting	The Risk Management Committee's Meeting	The Corporate Governance and Sustainability Committee's Meeting
1.	Feb,24	Jul,21	Feb,24	Feb,24	May,12	Jul,21
2.	May,12		May,12	Apr,7	Sep,29	Dec,15
3.	Jul,21		Aug,11			
4.	Aug,11		Nov,10			
5.	Sep,29					
6.	Nov,10					
7.	Dec,15					



## Executive Director

As of December 31, 2023, the Executive Director consisted of four members as follows:

Name	Position
1. Mr. Paisal Tarasansombat	Chief of Executive Board
2. Mr. Prawas Sontawakul	Executive Director
3. Mr. Somjate Tretamthip	Executive Director
4. Mr. Komsan Tarasansombat	Executive Director

## Scope, Duties, and Responsibilities of the Executive Director

The Executive Director has its scope of authorities, duties, and responsibilities to manage the Company's normal business operation as well as to set a policy, business plan, budget, management structure, job authorization, and business protocol in relation to economic conditions to propose to the Board of Directors for approval and/or acceptance, including the verification and supervision of the operating results, compared with its policies. The Scope, Duties, and Responsibilities of the Executive Director are as follows:

1. To consider the annual budget allocation as proposed by the management team before submitting it to the Board of Directors' meeting for approval, including the consideration and approval of changes in interim expenses in case of an emergency item when there is no Board of Directors' meeting, and then report to the next Board of directors' meeting;
2. To approve buying or selling transactions that value not exceed 1,000 million Baht per transaction;
3. To approve the investment expense which is not in the approved annual budget, and not exceeding 50 million Baht.
4. To approve the expenses for investment as annual budget as approved by the Board of Directors or in accordance with the approved principle by the Board of Directors;
5. To provide consultancy to the management in respect of financial, investment, marketing, human resources management, and other operational matters;
6. To allocate pension funds approved by the Board of Directors to employees or any persons employed to work for the Company;
7. To control the operation and/or daily management of the Company.

However, the authorities of the Executive Director have not included the approval of any transactions in respect of the Executive Director who has a conflict or any matters in respect of which the Executive Director or related persons has interest or conflict of interest with the Company or its subsidiary (if any) pursuant to the rules of SET. The approval on such matters shall be proposed to the Board of Directors' meeting and/or the shareholder's meeting to consider and approve those matters according to the Articles of Association of the Company or any relevant laws, except for normal business transactions that are already prescribed by existing guidelines approved by the Board.

## Management Team

As of December 31, 2023, the management of the Company consisted of seven members as follows:

Name	Position
1. Mr. Paisal Tarasansombat	Chief Executive Officer
2. Mr. Prawas Sontawakul	Chief Operations Officer
3. Mr. Somjate Tretamthip	Chief Finance Officer
4. Mr. Komsan Tarasansombat	Executive Vice President - Operations
5. Ms. Petrung Measincee	Executive Vice President - Business Strategy & Planning
6. Mrs. Panlapa Tarasansombat	Executive Vice President - Human Resources
7. Mr. Somsak Tomorakul	Executive Vice President - Marketing

### Scope, Duties, and Responsibilities of Chief Executive Officer

The scope, duties, and responsibilities of the Chief Executive Officer for managing normal business and operation of the Company are as follows:

1. To control and supervise the operation and/or manage the day-to-day business of the Company;
2. To operate or carry out the business in respect of execution of policies, business plan, and budgets approved by the Board of Directors and/or the Executive Director;
3. To act as the attorney of the Company in management to comply with objectives, Articles of Association, policies, guidelines, regulations, orders, resolutions of shareholder's meetings, and/or resolutions of the Board of Directors or the Executive Director.

However, the authorities of the Chief Executive Officer do not include the approval of any transactions in respect of the Chief Executive Officer has a conflict or any matters in respect of which the Chief Executive Officer or related persons have interest or conflict of interest with the Company or its subsidiary (if any) according to the rules of SET. The approval on such matters shall be proposed to the Board of Directors' meeting and/or the shareholder's meeting to consider and approve those matters according to the Articles of Association of the Company or any relevant laws, except for normal business transactions that are already prescribed by existing guideline approved by the Board of directors.

### The Executive Director and Management Remuneration

In the year 2023, the Company paid out the remuneration for 4 Executive Directors and 7 Managements in terms of salary, bonus, and provident fund, totaling 40,474,000 Baht. The remuneration was considered by the Company's operating result and the performance evaluation.



## Employee

As of December 31, 2023, the Company had 1,410 employees, divided into 1,019 males and 391 females, detailed as follows;

Department	Number of employees
Executive	7
Corporate Communication Dept.	6
Procurement Dept.	11
Sales & Marketing Dept.	110
Logistics Dept.	529
Plant Dept.	621
Human Resources Dept.	79
Finance & Accounting Dept.	47
<b>Total</b>	<b>1,410</b>

- As of December 31, 2023, the subsidiary (Red Rocco Digital Company Limited) had a total of 4 employees.
- In 2023, the Company's employee remuneration (excluding executives) included salary, wages, overtime pay, bonuses, and provident fund contributions. This does not include other employee expenses. The total amount was 436,102,926 Baht. In addition, the subsidiary paid remuneration to employees in the same manner for a total amount of 1,320,750 Baht.

The proportion of employee members in Provident Fund compared to total employees, as of December 31, 2023, is as follows:

Company/Subsidiary	Provident Fund	Number of employee members with Provident Fund	The proportion of employee members with Provident Fund / Total employees (%)
TMT Steel Public Company Limited	Yes	708	50.21%
Red Rocco Digital Company Limited	None	None	None

## People Development Policy

TMT employee's potential is one of the most important keys in the Company's structure. Thus, we developed our people to be professional, knowledgeable, experienced, have the expertise, and be ready to give advice, through systematic knowledge management. The Company gives everyone opportunities to participate in presenting ideas that lead to action, work methods that are committed to success, supporting technology learning and innovations to support the demand for unlimited steel, and developing TMT employees ready to be a structure of the imagination. The Company set the people development policy following our vision (More details were stated in a part of the Sustainable Development / Sustainability Report 2023 / Human Resources Development)

## Labor disputes over the past 3 years

-None-



## Other Important Information

### Company Secretary

Responsible for organizing the meetings of the Board of Directors, committees, and shareholders, and preparing the minutes of the Board's meeting, the minutes of other Committees' meetings, the minutes of shareholders' meetings, and 56-1 One Report as well as filing documents as specified by laws. Support and supervise the Company to perform in compliance with the laws and regulations of the Stock Exchange of Thailand.

Name	Position
Mr. Somjate Tretarnthip	Company Secretary

More details were stated in the part of Details of Chief Financial Officer (CFO), Chief Accountant and Company Secretary

### Head of Internal Audit

The Board of Directors has appointed the Corporate Governance and Sustainability Committee to oversee and perform a good corporate governance practice. (More details were stated in the part of Scope, Duties, and Responsibilities and the Report of the Corporate Governance and Sustainability Committee)

Name	Position
Mr. Term Techararin	Internal Auditor

More details were stated in the part of Details of Internal Audit and Compliance and Corporate Governance.

### Head of Corporate Compliance

The Board of Directors has appointed the Corporate Governance and Sustainability Committee to oversee and perform a good corporate governance practice. (More details were stated in the part of Scope, Duties, and Responsibilities and the Report of the Corporate Governance and Sustainability Committee)

## Audit Fees

In 2023, the Company paid audit fees to the audit company as follows:

Audit Fee (Baht)	1,970,000 Baht
Other Service Fees* (Baht)	15,890 Baht
Total	1,985,890 Baht

\* Other service fees include travel costs, transportation costs, allowances, and miscellaneous expenses.

## Audit Fees of Subsidiary

In 2023, the subsidiary paid audit fees to the audit company as follows:

Audit Fee (Baht)	20,000 Baht
Other Service Fees (Baht)	-
Total	20,000 Baht

The audit company and the auditors of the Company and its subsidiary have no relationship and there are no conflicts of interest with the Company, its directors, executives, or major shareholders.



# Good Corporate Governance Report

## Summary of The Board of Directors' Performance

### Nomination of Directors, Chief Executive Officer and Senior executives

1. The Recruitment/Appointment of New Directors, Chief Executive Officer, and Senior executives (new directors) is based on the following elements:

- Having qualifications by the legal requirements, relevant regulations, and the Company's Articles of Association.
- Be an eminent person who is skilled, knowledgeable, experienced in various fields and has a specialized field of expertise in the Board Skill Matrix that is beneficial to the performance of duties.
- Considering the stakes or conflicts of interest of the Company.
- Having other qualifications that are necessary and align with the strategies and business operations of the Company.
- Having ethics and moral responsibilities.

In cases of recruiting independent directors, the following criteria will be considered:

- The number of independent directors for the composition of the Board of Directors must be in line with the requirements of the Securities and Exchange Commission (SEC). Having the qualifications of independent directors as defined by the Capital Market Supervisory Board Notification No. Tor Jor. 4/2552 regarding permission requests and the approval of selling newly issued shares (No. 2) or as required by law that will become effective in the future.

2. The Recruitment/Appointment of Directors, Chief Executive Officer, and Senior executives (existing directors-appoint for another term or promote a senior executive) is based on the following elements:

- Previous performance.
- Expressing opinions and providing useful suggestions to the Company.
- Dedicating time and abilities to develop the Company.
- Attending meetings and events of the Company.
- Having ethics and moral responsibilities.
- Be an eminent person who is skilled, knowledgeable, experienced in various fields and has a specialized field of expertise in the Board Skill Matrix that is beneficial to the performance of duties.

### The Recruitment and Appointment Procedures

1. The Nomination and Remuneration Committee considers, recruits, and nominates qualified persons who meet specified criteria as well as considered other qualifications that are in line with the Company's business strategy, prepares a succession plan to replace directors and senior executives who retire by rotation or vacant positions, or as required by the Board of Directors or the law.
2. Check the nomination list to see whether they have qualifications that are in accordance with the legal requirements and related regulations. Contact qualified persons who meet the criteria to ensure that such persons are willing to take the position if they are appointed by the Board of Directors and/or shareholders. Propose a list of people who are the most qualified for the position along with their personal information and supporting documents to the Board of Directors and/or the Shareholders' Meeting to consider the approval.



In 2023, the Company granted shareholders the right to nominate a candidate who is deemed qualified to serve as the company director from January 13, 2023, to February 15, 2023, and disseminated the announcement on the website at [www.tmtsteel.co.th/investor relations/shareholder information/shareholders meeting] However, no shareholders nominated a candidate to be elected as Director.

### Board Skill Matrix of the Board of Directors

The Company established a Board Skill Matrix as a guideline to develop knowledge, expertise, and specialized fields that are essential to the Company by considering suitable and diverse qualifications in terms of education, profession, skill, experience, and expertise as well as specialized fields that are essential to the Board of Directors. There were eleven topics included in the Board Skill Matrix as follows:

Board Skill Matrix

Directors' Name	Steel industry	Accounting and Finance	Economics	Organizational Management	Risk Management and Crisis Management	Business/Marketing Transportation and Distribution	Innovation and Technology	Information Technology & Cyber Security	Information Technology & Cyber Security	Research and Development	Society and the Environment
Mr. Chai Jroongtanapibam		☑	☑	☑	☑	+	+	+		☑	☑
Mr. Soon Tarasansombat	☑		+	☑	+	☑	+			+	☑
Mr. Paisal Tarasansombat	☑	☑	☑	☑	☑	☑	+	+			
Mr. Komsan Tarasansombat	☑	☑	☑	☑	☑	☑				+	
Mr. Somjate Tretamthip	☑	☑	☑	☑	☑	+	+	☑	+	☑	+
Mrs. Ratanavalee Gorsanan		☑	☑	☑	☑	☑	+			☑	☑
Mr. Anake Pinvanichkul		☑	☑	☑	☑	☑	☑	+			+

☑ Current Knowledge and Expertise

⊕ Further Development

In 2023, the Board of Directors reviewed the Board Skill Matrix, which outlines knowledge and expertise in 11 areas. Directors conducted self-assessments to identify areas for improvement. The Board Skill Matrix will serve as curriculum and development for 2024. Details on director development in 2023 can be found in the topic "Directors and Executives Training and Development".

### Director and Management Orientation

In case that new director is appointed, and has never been in the position of any committee or executive of the Company before, said director will be oriented by top management or the corporate secretary for his or her acknowledgment of related code and conduct, corporate profile, nature of business, good corporate governance policy, business ethics, and other important information of the Company.

### Development and Training of Directors and Executives

The Company encouraged and supported directors and senior executives to pursue training in related fields in order to develop their knowledge and abilities. The Company allocated a sufficient budget to use the acquired skills, knowledge, and experience for the continual development of the Company. In 2023, the Company's directors and executives received outsourced training from various institutes as well as in-house training as a result of a training survey as follows:



Name	Position	Course
Mr. Chai Jroongtanapibam	Chairman of the Board Chairman of the Audit Committee Nomination and Remuneration Committee Independent director	<ul style="list-style-type: none"> <li>Climate Change Pricewaterhouse Coopers ABAS Company Limited</li> <li>Securities trading policy for directors, executives, and employees (Review) TMT Steel Public Company Limited</li> <li>Anti-Corruption Policy (Review) TMT Steel Public Company Limited</li> </ul>
Mr. Soon Tarasansombat	Director Nomination and Remuneration Committee	<ul style="list-style-type: none"> <li>Climate Change PricewaterhouseCoopers ABAS Company Limited</li> <li>Securities trading policy for directors, executives, and employees (Review) TMT Steel Public Company Limited</li> <li>Anti-Corruption Policy (Review) TMT Steel Public Company Limited</li> </ul>
Mr. Paisal Tarasansombat	Director Corporate Governance and Sustainability Committee Chief of Executive Director Chief Executive Officer	<ul style="list-style-type: none"> <li>The Board's Role in Mergers and Acquisitions (BMA) Course Thai Institute of Directors Association</li> <li>Climate Change Pricewaterhouse Coopers ABAS Company Limited</li> <li>Business Plan TAS Consulting Partner Company Limited</li> <li>Securities trading policy for directors, executives, and employees (Review) TMT Steel Public Company Limited</li> <li>Anti-Corruption Policy (Review) TMT Steel Public Company Limited</li> </ul>
Mr. Komsan Tarasansombat	Director The Risk Management and Strategy Development Committee Corporate Governance and Sustainability Committee Executive Director Executive Vice President - Operation	<ul style="list-style-type: none"> <li>The Executive Program in Energy Literacy for a Sustainable Future, TEA) Thailand Energy Academy</li> <li>Hot issue for Director: Climate Governance Thai Institute of Directors Association</li> <li>Climate Change Pricewaterhouse Coopers ABAS Company Limited</li> <li>Business Plan TAS Consulting Partner Company Limited</li> <li>Securities trading policy for directors, executives, and employees (Review) TMT Steel Public Company Limited</li> <li>Anti-Corruption Policy (Review) TMT Steel Public Company Limited</li> </ul>

Name	Position	Course
Mr. Somjate Tretarnthip	Director The Risk Management and Strategy Development Committee Nomination and Remuneration Committee Executive Director and Chief Finance Officer Company Secretary	<ul style="list-style-type: none"> <li>• Board Nomination &amp; Compensation Program (BNCP) Thai Institute of Directors Association</li> <li>• Risk Management for CFOs</li> <li>• Thai Listed Companies Association</li> <li>• Green Assets Opportunities for Sustainable Development Thai Listed Companies Association</li> <li>• TLCA CFO Professional Development Program (RPA in Finance and Accounting) Thai Listed Companies Association</li> <li>• TLCA CFO Professional Development Program Thai Listed Companies Association</li> <li>• Fintech (Fintech) Financial Technology Thai Listed Companies Association</li> <li>• Governance System for Fraud Detection Thai Listed Companies Association</li> <li>• PromptBiz system, a tool for managing Trade Payment &amp; Supply Chain (Financial Management Live Seminar) Stock Exchange of Thailand</li> <li>• Climate Change Pricewaterhouse Coopers ABAS Company Limited</li> <li>• Business Plan TAS Consulting Partner Company Limited</li> <li>• Securities trading policy for directors, executives, and employees (Review) TMT Steel Public Company Limited</li> <li>• Anti-Corruption Policy (Review) TMT Steel Public Company Limited</li> </ul>
Mrs. Ratanavalee Gorsanan	Independent Director Chairman of the Corporate Governance and Sustainability Committee Audit Committee Nomination and Remuneration Committee	<ul style="list-style-type: none"> <li>• Seminar : Guide to Sustainable Development Goals for Listed Companies and SDG impact standards United Nations, Thailand, Securities and Exchange Commission and Thai Khu Fah</li> <li>• Climate Change Pricewaterhouse Coopers ABAS Company Limited</li> <li>• Securities trading policy for directors, executives, and employees (Review) TMT Steel Public Company Limited</li> <li>• Anti-Corruption Policy (Review) TMT Steel Public Company Limited</li> </ul>
Mr. Anake Pinvanichkul	Independent Director Chairman of the Nomination and Remuneration Committee Chairman of the Risk Management and Strategy Development Committee Audit Committee	<ul style="list-style-type: none"> <li>• Hot issue for Director: Climate Governance Thai Institute of Directors Association</li> <li>• Climate Change Pricewaterhouse Coopers ABAS Company Limited</li> <li>• Securities trading policy for directors, executives, and employees (Review) TMT Steel Public Company Limited</li> <li>• Anti-Corruption Policy (Review) TMT Steel Public Company Limited</li> </ul>

Name	Position	Course
Mr. Prawas Sontawakul	Corporate Governance and Sustainability Committee Executive Vice President - Human Resources	<ul style="list-style-type: none"> <li>• Corporate Governance for Executives CGE Thai Institute of Directors Association</li> <li>• Financial Statements for Directors Thai Institute of Directors Association</li> <li>• Business Plan - TAS Consulting Partner Company Limited</li> <li>• Securities trading policy for directors, executives, and employees (Review) TMT Steel Public Company Limited</li> <li>• Anti-Corruption Policy (Review) TMT Steel Public Company Limited</li> </ul>
Mrs. Panlapa Tarasansombat	Corporate Governance and Sustainability Committee Executive Vice President - Human Resources	<ul style="list-style-type: none"> <li>• Corporate Governance for Executives CGE Thai Institute of Directors Association</li> <li>• Financial Statements for Directors Thai Institute of Directors Association</li> <li>• Business Plan - TAS Consulting Partner Company Limited</li> <li>• Securities trading policy for directors, executives, and employees (Review) TMT Steel Public Company Limited</li> <li>• Anti-Corruption Policy (Review) TMT Steel Public Company Limited</li> </ul>
Ms. Petrung Measincee	Executive Vice President - Business Strategy & Planning	<ul style="list-style-type: none"> <li>• Business Plan TAS Consulting Partner Company Limited</li> <li>• Securities trading policy for directors, executives, and employees (Review) TMT Steel Public Company Limited</li> <li>• Anti-Corruption Policy (Review) TMT Steel Public Company Limited</li> </ul>
Mr. Somsak Tomorakul	Executive Vice President - Marketing	<ul style="list-style-type: none"> <li>• Business Plan - TAS Consulting Partner Company Limited</li> <li>• Securities trading policy for directors, executives, and employees (Review) TMT Steel Public Company Limited</li> <li>• Anti-Corruption Policy (Review) TMT Steel Public Company Limited</li> </ul>

### Performance Evaluation of the Board of Directors and Chief Executive Officer (CEO)

The Board of Directors reviewed and approved the performance evaluation form for the Board of Directors and individuals as well as the performance evaluation form for the Chief Executive Officer to be appropriate and to be in line with the Company's business strategies in order to achieve effectiveness in the Board of Directors' performance and maximize the benefits of corporate governance.

1. The Board of Directors and subcommittees evaluated their own performance. The assessment covers three main topics:
  1. the structure and qualifications of the Board of Directors and subcommittees
  2. Board and subcommittee meetings
  3. The roles, duties, and responsibilities of the Board of Directors and subcommittees. The evaluation results are as follows:
    - The Board of Directors had an average self-assessment score of **100.00%**, including both the entire board and individual directors. Seven directors conducted the self- assessment.
    - The Audit Committee had an average self-assessment score of **99.44%**, including the entire board and individual directors. Three committee members conducted the self-assessment.
    - The Nomination and Remuneration Committee had an average self-assessment score of **98.28%**, including both the entire board and individual directors. Five directors conducted the self-assessment.



- The Risk Management Committee had an average self-assessment score of **100.00%**, including the entire board and individual directors. Four committee members conducted the self-assessment.
  - The Corporate Governance and Sustainability Committee had an average self-assessment score of **98.00%**, including the entire board and individual directors. Four committee members conducted the self-assessment.
2. The Chief Executive Officer Performance Evaluation Form - the 3 main topics are evaluated as follows;
- Part 1: Corporate Goals
- 1.1 The business results: consider the percentage of EBITDA, sales revenue, or sales volume as set by the target each year.
  - 1.2 The economy, industry, and innovation: consider the production volume against the set target each year and the customer satisfaction percentage.
  - 1.3 Social/Environmental: Consider the percentage of employee satisfaction. Zero complaints from the community/society. The amount of carbon dioxide emissions.
  - 1.4 Good corporate governance: Consider the consistency of business operations and the good corporate governance principles along with the Company's Code of Business Conduct.
- Part 2: Operations: Consider the performance of the Chief Executive Officer against the goals set in each aspect.
- Part 3: The Development of the Chief Executive Officer: Consider the recommendations of the Board of Directors on the issues that the Chief Executive Officer should improve each year.
- In 2023, Directors and the Chief Executive (self-assessment), totaling 7 directors, conducted the performance evaluation of the CEO. The average assessment score of the CEO was **99.68%**.

#### Meeting Attendance of the Board of Directors and Subcommittees

Directors' Name	Meetings in 2023						2023 Annual General Meeting of Shareholders
	Board of Directors	Independent Director	Audit Committee	Nomination and Remuneration Committee	The Risk Management and Strategy Development Committee	Corporate Governance and Sustainability Committee	
	7 Times	1 Time	4Times	2 Times	2 Times	2 Times	
Mr. Chai Jroongtanapibam	7/7	1/1	4/4	2/2	-	-	1/1
Mr. Soon Tarasansombat	6/7	-	-	2/2	-	-	1/1
Mr. Paisal Tarasansombat	7/7	-	-	-	-	2/2	1/1
Mr. Komsan Tarasansombat	7/7	-	-	-	2/2	2/2	1/1
Mr. Somjate Tretamthip	7/7	-	-	2/2	2/2	-	1/1
Mrs. Ratanavalee Gorsanan	7/7	1/1	4/4	2/2	-	2/2	1/1
Mr. Anake Pinvanichkul	7/7	1/1	4/4	2/2	2/2	-	1/1
Mr. Prawas Sontawakul	-	-	-	-	2/2	-	1/1
Mrs. Panlapa Tarasansombat	-	-	-	-	-	2/2	1/1

## Remuneration of directors and management

The Nomination and Remuneration Committee is responsible for prescribing and considering the remuneration of directors and executive committee by comparing with the others in the same industry and conforming to the Company's operating results, including the accountabilities and responsibilities of those directors and executive committee. The allocation of remuneration is detailed below;

### The Board and Other Subcommittee Remuneration

The 2023 Annual General Meeting of Shareholders, held on April 7, 2023, resolved to approve the Board of Directors' remuneration of 7,000,000 Baht and bonuses from operating results in 2022 for the entire Board in the amount of 1,700,000 Baht (a decrease from the previous year of 11,400,000 Baht). The Nomination and Remuneration Committee allocated remuneration to the entire board, which consists of 7 directors. Remuneration was divided into 2 parts: 6,720,000 Baht of remuneration and 280,000 Baht in meeting allowances. The details of remuneration for company directors and subcommittees are as follows:

Name - Surname	Position	Compensation (Baht)	Meeting Allowance (Baht)	Gratuity from Operating Results in 2022 (Baht)	Total (baht)
Mr. Chai Jroongtanapibarn	Chairman of the Board Independent Director Chairman of Audit Committee Nomination and Remuneration Committee	1,360,000	40,000	290,000	1,690,000
Mr. Soon Tarasansombat	Director Chairman of Nomination and Remuneration Committee	1,000,000	40,000	230,000	1,270,000
Mr. Paisal Tarasansombat	Director Corporate Governance and Sustainability Committee	780,000	40,000	230,000	1,050,000
Mr. Komsan Tarasansombat	Director The Risk Management and Strategy Development Committee Corporate Governance and Sustainability Committee	780,000	40,000	230,000	1,050,000
Mr. Somjate Tretamthip	Director Nomination and Remuneration Committee The Risk Management and Strategy Development Committee	780,000	40,000	230,000	1,050,000
Mrs. Ratanavalee Gorsanan	Independent Director Chairman of Corporate Governance and Sustainability Committee Audit Committee Nomination and Remuneration Committee	1,000,000	40,000	240,000	1,280,000
Mr. Anake Pinvanichkul	Independent Director Chairman of The Risk Management and Strategy Development Committee Audit Committee Nomination and Remuneration Committee	1,020,000	40,000	250,000	1,310,000
<b>Total</b>		<b>6,720,000</b>	<b>280,000</b>	<b>1,700,000</b>	<b>8,700,000</b>

Note: Directors and subcommittees in these positions are not entitled to any other benefits besides the above remuneration.





## Monitoring the Compliance of Policies and Corporate Governance Guidelines

The Company placed an emphasis on good corporate governance by establishing relevant policies in the good corporate governance principles and the code of business conduct of the Company as well as promoting the actual practice in order to create confidence in all stakeholder groups.

In 2023, the Company took the following steps to ensure compliance with good corporate governance principles:

### Prevention of Conflicts of Interest

The Board of Directors, in collaboration with the Audit Committee, carefully supervised any transactions that may have had conflicts of interest in order to verify the reasonableness and necessity of the transactions. The Board of Directors ensured that the Company disclosed information related to transactions that may have conflicts of interest for stakeholders and related agencies after such transactions were approved.

In 2023, the Company's directors, executives, and related parties were required to report their stakes to the Company through the Company Secretary by presenting a stakes report to the Audit Committee and the Board of Directors to consider the transactions that may have conflicts of interest. Directors and executives who have a conflict of interest were not permitted to attend the meeting and vote.

However, there were no actions that violated the conflict of interest policy. The details are disclosed in the section "Connected Transactions".

### Insider Trading Protection

The Board of Directors is aware of the importance of protection against insider trading for personal gain. The Company established securities trading policies for directors, executives, and employees. Directors, executives, and the Company's designated persons must comply with the prohibition of insider trading as defined by the Securities and Exchange Act. The Company's directors and executives are required to submit a securities holding report and a report of changes in securities holdings to the Securities and Exchange Commission ("SEC") as required by law. The Company requires directors, executives, and the Company's assigned persons (related parties who know or possess insider information) to sign acknowledgment and obligation to report the securities holding and changes in securities holdings of themselves, their spouses, and their minor children. This must be submitted to the Company Secretary within the timeframe specified from the date of purchase, sale, transfer, or acceptance of the transfer of securities or futures contracts.

In addition, the Company set a blackout period by prohibiting directors, executives, and the Company's designated persons from trading the Company's securities during the following periods:

1. 30 days prior to the disclosure of the quarterly and annual financial statements and 1 business day after the quarterly and annual financial statements have been disclosed to the Stock Exchange of Thailand.
2. 14 days prior to the disclosure of the Board of Directors' resolutions to approve important events that affect the price or value of securities and 1 business day after the resolutions have been disclosed to the Stock Exchange of Thailand.

In addition, the Company set a quiet period to not release the Company's internal information to any other person for 14 days prior to the disclosure of the quarterly and annual financial statements. This included the resolution of the Board of Directors to approve important events that affect the price or value of securities to the Stock Exchange of Thailand.

However, if directors, executives, and employees of the Company use any of the Company's internal information for personal gain and cause damage to the Company, the Company will execute disciplinary action, which may include dismissal or being charged with a criminal offense or civil offense under the Securities and Exchange Act B.E. 2535 and/or relevant notifications of government agencies. In 2023, the Company performed the following actions:

- Notified the blackout period via the Company's email to directors, executives, and individuals listed by the Company 30 days prior to the disclosure of the quarterly and annual financial statements and 1 business day after the disclosure.
- Reported the securities holdings of the Board of Directors, executives, and related persons who acknowledge or possess the internal information to the Company Secretary on a quarterly basis.

However, there were no directors, executives, or employees who had access to inside information that violated the securities trading policy of directors, executives, and employees of the Company.

In 2023, the changes of the Securities Holdings of Directors and Executives are as follows:

Name	Position	Share as of		Changes
		31/12/2565	31/12/2566	increase / (decrease)
Mr. Chai Jroongtanapibarn	Chairman of the Board Chairman of Audit Committee Nomination and Remuneration Committee Independent director	1,045,500	1,045,500	-no changes-
Mr. Soon Tarasansombat	Director Nomination and Remuneration Committee	196,100,000	196,300,000	200,000
Mr. Paisal Tarasansombat	Director/Corporate Governance and Sustainability Committee Chief of Executive Director Chief Executive Officer	106,767,700	106,767,700	-no changes-
Mr. Komsan Tarasansombat	Director Risk Management and Strategy Development Committee Corporate Governance and Sustainability Committee Executive Director Executive Vice President Operations	66,110,150	66,140,150	30,000
Mr. Somjate Tretamthip	Director Nomination and Remuneration Committee Risk Management and Strategy Development Committee Executive Director / Chief Finance Officer Company Secretary	4,000,000	4,000,000	-no changes-
Mrs. Ratanavalee Gorsanan	Independent Director Chairman of the Corporate Governance and Sustainability Committee Audit Committee Nomination and Remuneration Committee	634,000	634,000	-no changes-
Mr. Anake Pinvanichkul	Independent Director Chairman of Nomination and Remuneration Committee Chairman of a Risk Management and Strategy Development Committee Audit Committee	544,000	544,000	-no changes-
Mr. Prawas Sontawakul	Risk Management and Strategy Development Committee Executive Director/Chief Operations Officer	450,000	500,000	50,000



Name	Position	Share as of		Changes
		31/12/2565	31/12/2566	increase / (decrease)
Mrs. Panlapa Tarasansombat	Corporate Governance and Sustainability Committee			
	Executive Vice President - Human Resources	35,621,000	35,621,000	-no changes-
Ms. Petrung Measincee	Executive Vice President			
	- Business Strategy & Planning	3,377,100	3,398,100	21,000
Mr. Somsak Tomorakul	Executive Vice President - Marketing	2,298,362	2,298,362	-no changes-

## Disclosure and Transparency

The Board of Directors has monitored for disclosure the significant information related to the Company's financial information and non-financial information following the regulations of SEC and SET and other related notifications precisely, completely, on time, and transparently for the equity of investors and stakeholders through various channel and procedure such as SET's channel, the Annual Registration Statement, 56-1 One Report, and the Company's website. The Company also appointed the corporate secretary to take the duty and responsibility to provide and preserve such information as stated.

- The Company's financial statement is audited and reviewed by a certified public accountant from PricewaterhouseCoopers ABAS Company Limited who is independent, specialized, and skillful, and is certified by the Securities and Exchange Commission Thailand. The Audit Committee was reported by such an auditor that they were independent, had no difficulties, and had no disagreements with management while they were conducting a review or audit. The Company has disclosed the audit and other fees in the 56-1 One Report. Furthermore, the Audit Committee also appointed EY Corporate Services Limited to plan and audit the internal control to ensure that the Company has proper conduct and control as well as risk management in terms of adequacy and efficiency.
- The Board of Directors prepared a report on the responsibilities for financial statements which was presented along with the auditor's report in the 56-1 One Report of the Company.
- The Board of Directors has monitored the disclosure of directors' roles and duties, management remuneration, and the number of attending the meeting of the Board and other subcommittees as individuals in the Company's 56-1 One Report.
- The Company has set up a Corporate Communication Department to keep in touch with investors, analysts, and government and public sectors. Below are the contact channels;
 

Telephone No.	:	02 685 4000 ext. 4003
Facsimile No.	:	02 670 9093
E-mail	:	ir@tmtsteel.co.th
- The Company held quarterly analyst meetings and participated in the Opportunity Day activity organized by the Stock Exchange of Thailand to clarify the Company's operating results and financial position after disclosing its financial statements to the Stock Exchange of Thailand. In 2023, there were 4 analyst meetings and 1 Opportunity Day activity. The information was disseminated to shareholders and general investors via the website [[www.tmtsteel.co.th/investor-relations/shareholder-information/presentation-documents](http://www.tmtsteel.co.th/investor-relations/shareholder-information/presentation-documents)].

## Anti-Corruption

The Company pays attention to the fight against fraud and corruption and encourages personnel at all levels to be aware of anti-corruption to fight against all forms of corruption. The Board of Directors established an anti-corruption policy and an anti-bribery policy in the Anti-Corruption Policy and Procedures of TMT Steel Public Company Limited for executives and employees at all levels to comply.

This included an assessment of the corporate corruption risk in accordance with the prevention and anti-corruption policy. There was surveillance, prevention, and management to reduce the likelihood of any illegal activity, in addition to systematic monitoring, inspection, and control. At least once a year or its change, the Corporate Governance and Sustainability Committee reports the results to the Board of Directors.

The corporate corruption risk management manual was disseminated on the Company's website at [[www.tmtsteel.co.th/Good corporate governance / Good corporate governance policy / Anti-corruption / Corruption risk management manual](http://www.tmtsteel.co.th/Good%20corporate%20governance/Good%20corporate%20governance%20policy/Anti-corruption/Corruption%20risk%20management%20manual)]

In 2023, the Company demonstrated its commitment to anti-corruption and reported the performance of implementing anti-corruption measures to the Board of Directors through the Governance and Sustainability Committee at Meeting No. 7/2023. The details are as follows:

- Revised anti-corruption policy to be consistent with current business operations and extended to the subsidiary. The details of the policy were published on the website at [[www.tmtsteel.co.th/Good corporate governance/Good corporate governance policy/Anti-corruption policy](http://www.tmtsteel.co.th/Good%20corporate%20governance/Good%20corporate%20governance%20policy/Anti-corruption%20policy)].
- A code of business conduct has been communicated to business partners, contractors, subcontractors, and trade partners to acknowledge and sign their names. Invited business partners and trade partners to participate in the Thai Private Sector Collective Action Coalition Against Corruption (CAC). Currently, there is one business partner, Sahaviriya Steel Industries Public Company Limited, who has been certified as a Member of the Thai Private Sector Coalition Against Corruption (CAC) from December 31, 2023, to December 31, 2026.
- Communicated No Gift Policy for 2023, to suppliers, customers, trade partners, and those involved in business operations through internal and external communication channels. The details were disclosed on the website [[www.tmtsteel.co.th/good corporate governance/ corporate governance policy/anti-corruption/no gift policy](http://www.tmtsteel.co.th/good%20corporate%20governance/corporate%20governance%20policy/anti-corruption/no%20gift%20policy)].
- Communicated and published anti-corruption information, news, and knowledge through a variety of communication channels to employees of all groups and levels.
- Organized online and onsite training and meetings to educate the Company's directors, executives, employees, and subsidiaries on the code of business conduct and anti-corruption policies and practices. This included organizing a comprehension test with the appropriate employees and having them sign for acknowledgment.
- Received certification for renewal of membership of the Thai Private Sector Coalition Against Corruption (CAC) for the 2nd time in 2023. The renewal period is from December 30, 2023 - December 30, 2026. More details are available at [[www.thai-cac.com/who-we-are/our-members](http://www.thai-cac.com/who-we-are/our-members)].



## Whistleblowing and Reporting Complaints

The Company established a whistleblowing process to collect information concerning wrongdoing within the organization in order to prevent, monitor, and investigate any wrongdoing that could damage property, reputation, and individuals. This category included complaints, illegal acts, and signs of corruption.

As a result, the Company established whistleblowing channels for all stakeholders to report wrongdoing within the organization or complaints about the operations, as well as any violation of the Company's Articles of Association, code of business conduct, or anti-corruption policies. Whistleblowers or complainants may submit documents and evidence in support of their allegations via the following channels:

### Whistle Blowing Channels for anonymous or identified whistleblowers.

- Vice President of Human Resources Division  
email: panlapa@tmtsteel.co.th
- Communication and Whistleblowing Working Group  
email: sd@tmtsteel.co.th
- Audit Committee: Mrs. Ratanavalee Consultant  
email: ind\_dir@tmtsteel.co.th
- Company Secretary: Mr. Somjate Tretarnthip  
email: somjate@tmtsteel.co.th

The Company is fair and protects its employees or any whistleblowers who provide clues or evidence of wrongdoing by implementing measures to protect complainants or those who cooperate with fraud reporting. The procedures, measures to protect whistleblowers or complainants, and channels for filing complaints are disclosed on the Company's website at [[www.tmtsteel.co.th/Good corporate governance/Whistleblowing](http://www.tmtsteel.co.th/Good%20corporate%20governance/Whistleblowing)]

In 2023, no reports or complaints were made regarding business operations, regulatory violations, codes of business conduct, or corruption. There were no offenders regarding the issues.

# Internal Control

The Board of Directors emphasizes the adequacy and efficiency of internal control and risk management by designating the Audit Committee to review and assess the 5 components of COSO frameworks which are the control environment, risk assessment, control activities, IT and communication system and monitoring activities consistently. The Board of Directors expresses its opinion that the internal control is in good and proper conduct. The Management also effectively provides and utilizes sufficient resources and people to operate its best control practices to ensure both the Company's assets are safeguarded, and any fraud or corrupt transactions will not occur. The related transactions with any conflict of interest parties will be verified and compiled in accordance with related regulations and laws strictly.

The Board of Directors provides its opinion that the internal control system and risk management are good and efficient to ensure rationally that the business operations and practices are well performed with good governance conduct and sound risk management as well as compliance with related regulations and laws and generally accepted with Thai accounting principles and standards.

In 2023, The Audit Committee appointed EY Corporate Services Limited to be responsible for internal audit planning and review according to the approved audit plan by the Audit Committee. The reputation and qualification of this internal auditor both its firm and people are well experienced and verified in relevant business and industry and can be confident that the auditing process will be conducted fairly and independently.

The Company appointed Ms. Parima Nutasarin, the assistant to the secretary of the Audit Committee to coordinate with the internal auditors of EY Corporate Services Company Limited.

# Connected Transactions

As of December 31, 2023, the Company's connected transactions are as follows:

## Combine Asset Company Limited

### Nature of Relationship :

Mr. Komsan Tarasansombat is an authorized signatory of Combine Asset Company Limited and TMT Steel Public Company Limited as well as a major shareholder of Combine Asset Company Limited, holding 99.96% of the total issued shares. Mr. Komsan is also one of the top 10 shareholders of TMT Steel Public Company Limited, holding 7.60% of the shares.<sup>(1)</sup> Mr. Komsan is the son of the Company's director, Mr. Soon Tarasansombat, and the younger brother of Mr. Paisal Tarasansombat.

### Characteristics of the Transaction :

The 6 plots of rental agreement according to the title deed no. 5254-5259 (the Land Office has changed the title deed numbers, which were no. 1390, 17976, 17977, 17978, 17979, and 1454), a total area of 5 rai, 2 ngan, and 91 square wa at the address no. 129 Rama 3 Road, Bang Kho Laem Subdistrict, Bang Kho Laem District, Bangkok. This is the current location of the Company's Rama 3 factory and distribution center. The rental period is 3 years from October 10, 2023, to October 9, 2026. The monthly rental rate is 350,000 Baht (increased by 50,000 Baht from the previous rental rate of 300,000 Baht since 2020). Payment is due by the bank's last business day of the month. (Based on the original payment deadline of the bank's last business day in December of each year).

The total transaction value is 12,600,000 Baht (for a period of 3 years).

### Opinion of the Board of Directors and the Audit Committee/Necessity and Reasonableness of the Transaction:

This is a reasonable transaction, and the rental period and rate are clearly stated. This rental rate is lower than the current market price, which the Agency for Real Estate Affairs Company Limited (SEC-approved appraiser) estimated as of July 21, 2023, at a monthly rental rate of 861,112 Baht or 31,000,000 Baht (over the duration of 3 years). Therefore, this transaction yields the maximum benefit for the Company. The Board of Directors approved the transaction, which was proposed by the Audit Committee. Directors with conflicts of interest did not attend the meeting and were not eligible to vote on this agenda item.

## Connect Business Online Company Limited

### Nature of Relationship :

Mr. Paisal Tarasansombat is an authorized signatory and Chief Executive Officer. Mr. Somjate Tretarnthip is an authorized signatory and Chief of Finance Officer. Mr. Paisal and Mr. Somjate are both directors and hold 4% of the total issued shares of Connect Business Online Company Limited. Mr. Komsan Tarasansombat, authorized signatory and Executive Vice President of Operation, is the older brother of Mr. Chamnan Tarasansombat who is an authorized director and major shareholder of Connect Business Online Company Limited and he is the younger brother of Mr. Paisal Tarasansombat. Mr. Chamnan is also one of the top 10 shareholders in the Company, holding 7.82% of the total issued shares.<sup>(1)</sup>

#### Characteristic of the Transaction :

1. Warehouse Management System (WMS) maintenance service contract for the period from January - December 2023.
2. TMT system maintenance service contract for scale work for the period from January - December 2023.
3. CC Online system maintenance contract for the period from January - December 2023.
4. IT Services system programming contract for the period from January - December 2023.
5. Sales Platform Enhance II contract for the period from February -December 2023.
6. Sales Platform Enhance III contract for the period from June - December 2023.
7. Sales Platform Enhance III Extra contract for the period from October - December 2023.
8. Sales Platform Enhance IV contract for the period from October - December 2023.
9. Certificate System development contract for the period from December 2023 - April 2024.

The total transaction value is 5,333,460.24 Baht.

#### Opinion of the Board of Directors and the Audit Committee/Necessity and Reasonableness of the Transaction:

It is a normal business transaction. If the Company did not engage in this transaction, the Company would enter into the transaction with other parties. The service rate does not exceed the market price that the Company can obtain from other parties. The Connected Business Only Company Limited has an extensive knowledge of the Company's business operations. Therefore, the Company received the maximum benefit from this transaction.

#### Remarks

1. <sup>(1)</sup>The list of shareholders and shareholding percentage is the latest information as of August 25, 2023 (the record date for shareholders eligible to receive interim dividends).
2. Connected transactions over the past 3 years are available to shareholders and/or investors in the Annual Report on the Company's website at [[www.tmtsteel.co.th/Investor Relations/Publications and Downloads/Annual Report](http://www.tmtsteel.co.th/Investor%20Relations/Publications%20and%20Downloads/Annual%20Report)].





# Financial Report



# Report of Directors Relating to Responsibility for Financial Statements

The Board of Directors is responsible for the financial statements of TMT Steel Public Company Limited (the “Company”) and the consolidated financial statements of the Company and its subsidiary. This includes the financial information that appears in Annual Report 56-1 One Report. The aforementioned consolidated financial statements were prepared following generally accepted accounting standards by selecting appropriate accounting policies and applying them on a regular basis, as well as exercising careful discretion in preparation which included adequate disclosure of important information in the notes to the financial statements to benefit shareholders and investors transparently.

The Board of Directors has set up and maintains an effective internal control system designed to provide management with reasonable assurance that transactions are recorded properly, the assets are safeguarded, and that material frauds and malpractices are precluded.

The Board of Directors also appointed the Audit Committee to review accounting policies, accuracy, and sufficiency of the Company’s financial reports to ensure adequacy and efficiency of the internal control systems in compliance with good conduct and best practice as well as IT audit and risk management system review. The Audit Committee appointed EY Corporate Services Limited to be the internal control auditor to plan and conduct the internal audit as approved by the committee. The opinion of the Audit Committee is shown in the Audit Committee’s Report published in this 56-1 One Report.

The financial statements and consolidated financial statements of the Company and its subsidiaries are also audited by an independent certified public accountant from PricewaterhouseCoopers ABAS Company Limited. The Board of Directors also supports the management in preparing and providing documents and information so that the auditor can perform its audit independently following generally accepted auditing standards and express his independent opinion on the truth and fairness of the financial positions and the results of the Company’s operations as stated in the financial statements. There is no disagreement or different opinion among the auditor, management, and the Audit Committee. The Auditor’s Report is also shown in this 56-1 One Report.

The Board of Directors raised the opinion that the Company’s internal control system and risk management are adequate, effective, and capable of instilling reasonable confidence that the Company’s various systems align with corporate governance principles. The Company managed risks appropriately and prepared reliable financial statements and consolidated financial statements for the fiscal year ending December 31, 2023, following generally accepted accounting standards and applicable laws and regulations.

**Mr. Chai Jroongtanapibarn**  
Chairman of the Board

**Mr. Somjate Tretarnthip**  
Director

**TMT STEEL PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

## Independent Auditor's Report

To the shareholders and the Board of Directors of TMT Steel Public Company Limited

### My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of TMT Steel Public Company Limited (the Company) and its subsidiaries (the Group) and separate financial position of the Company as at 31 December 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

### What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

### Basis for opinion

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

### Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p><b>Valuation of inventories</b></p> <p>Refer to Note 8 ‘Critical accounting estimates and judgment’ and Note 13 ‘Inventories’ in the financial statements:</p> <p>As at 31 December 2023, the Company had raw materials totalling Baht 1,185.23 million and finished goods totalling Baht 1,419.68 million before deducting the allowance for net realisable value, which represents 29 percent of the total assets.</p> <p>The Company measured the inventory value at the lower of cost or net realisable value. The management estimated the net realisable value from an estimate of selling prices in the ordinary course of business, deducted by the expenses necessary to make the products ready for sale. This included selling expenses such as marketing and transportation expenses.</p> <p>Management prepared a net realisable value calculation report and evaluated the adequacy of the allowance for net realisable value at year end and period end.</p> <p>I focused on this area because the valuation of the inventory is significant for the financial statements and the estimation of the allowance for net realisable value is based on domestic market prices. This might be affected by the fluctuation of raw material prices in global markets, competitive marketing and the situation in the industry.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Understood the Company’s policy for net realisable value calculation, the procedure of data collection and accuracy review, and the consistency in the implementation of the Company’s accounting policies.</li> <li>• Tested internal controls over the procurement cycle from the purchase requisition, purchase order, goods received, production cost allocation and payment until recording to reflect the accuracy of inventory costs.</li> <li>• Inquired the management and assessed the appropriateness of the selling prices per unit used to estimate the allowance for net realisable value, by comparing quotations and selling price lists with year-end market prices.</li> <li>• Tested the calculation of net realisable value at year end for both raw materials and finished goods, including any reconciliations.</li> </ul> <p>From performing the above procedures, I viewed that the allowance for net realisable value was reasonable and consistent with the available evidence.</p>

Key audit matter	How my audit addressed the key audit matter
<p><b>Measuring expected credit losses of trade receivables</b></p> <p>Refer to Note 8 ‘Critical accounting estimates and judgment’ and Note 11 ‘Trade accounts receivable and other receivables’ in the financial statements:</p> <p>As at 31 December 2023, the Company had Trade accounts receivable totalling Baht 2,653.79 million before deducting the loss allowance, which represents 30 percent of the total assets.</p> <p>The Group applies the TFRS 9 simplified approach in measuring the impairment of trade receivables and other receivable. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.</p> <p>Management prepared expected credit losses calculation report and evaluated the adequacy of the amount at year end and period end.</p> <p>I focused on this area because the valuation of the trade accounts receivable is significant for the financial statements and the estimation of the expected credit losses of trade receivables is based on historical data including the assessment of the increase in credit of the client and forward-looking information.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Understood the Company’s policy for expected credit loss calculation, the procedure of data collection and accuracy review, and the consistency in the implementation of the Company’s accounting policies.</li> <li>• Tested internal controls over the revenue cycle from the receiving order from customer, goods delivered, issued invoice, and receipt recording to reflect the accuracy of trade receivables.</li> <li>• Inquired the management and assessed the appropriateness of the expected credit loss by assessing the economic factors including examine supporting documents.</li> <li>• Tested reliability of aging report and receipt report by examine with invoices or/and receipt voucher.</li> <li>• Tested the calculation of expected credit losses at year, including any reconciliations.</li> </ul> <p>From performing the above procedures, I viewed that the expected credit losses was reasonable and consistent with the available evidence.</p>

### Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

## **Responsibilities of the directors for the consolidated and separate financial statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated and separate financial statements**

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

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

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

PricewaterhouseCoopers ABAS Ltd.

**Kan Tanhawirat**

Certified Public Accountant (Thailand) No. 10456

Bangkok

21 February 2024



**TMT Steel Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2023**

	Notes	Consolidated		Separate	
		financial		financial statements	
		statements	2023	2023	2022
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	10	91,381,448	85,074,642	141,427,387	
Trade accounts receivable and other receivables	11	2,613,349,125	2,612,804,588	2,788,466,203	
Inventories, net	13	2,597,344,563	2,597,344,563	2,744,523,017	
Advance payments for purchases of inventories		95,570,326	95,570,326	5,718,116	
Income tax refundable		22,191,145	22,191,145	19,666,787	
Other current assets		7,158,169	6,793,704	26,572,412	
<b>Total current assets</b>		<b>5,426,994,776</b>	<b>5,419,778,968</b>	<b>5,726,373,922</b>	
<b>Non-current assets</b>					
Investment in subsidiary	14	-	10,499,995	-	
Investment properties	15	55,729,000	55,729,000	55,729,000	
Property, plant and equipment, net	16	3,329,447,194	3,329,429,388	3,138,509,659	
Right-of-use assets, net	17	39,231,378	39,231,378	50,672,121	
Intangible assets, net	18	46,783,712	42,829,109	40,039,380	
Deferred income tax assets, net	19	35,143,884	35,143,884	45,057,971	
Other non-current assets		7,747,029	7,747,029	5,316,249	
<b>Total non-current assets</b>		<b>3,514,082,197</b>	<b>3,520,609,783</b>	<b>3,335,324,380</b>	
<b>Total assets</b>		<b>8,941,076,973</b>	<b>8,940,388,751</b>	<b>9,061,698,302</b>	

Director \_\_\_\_\_

Director \_\_\_\_\_

The accompanying notes are an integral part of these consolidated and separate financial statements.



**TMT Steel Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2023**

	Notes	Consolidated	Separate	
		financial statements	financial statements	
		2023	2023	2022
		Baht	Baht	Baht
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Short-term borrowings from financial institutions	20	3,318,258,266	3,318,258,266	2,762,496,204
Trade accounts payable and other payables	21	218,940,126	219,958,642	513,050,439
Derivative liabilities		7,341,449	7,341,449	4,439,294
Income tax payable		20,803,306	20,803,306	-
Advance received from customers for goods		33,325,056	33,325,056	56,969,272
Current portion of long-term borrowings				
from financial institutions	20	706,115,400	706,115,400	639,317,843
Current portion of lease liabilities	20	25,015,939	25,015,939	23,409,632
<b>Total current liabilities</b>		<b>4,329,799,542</b>	<b>4,330,818,058</b>	<b>3,999,682,684</b>
<b>Non-current liabilities</b>				
Long-term borrowings from financial institutions	20	1,160,028,117	1,160,028,117	1,680,976,801
Lease liabilities	20	14,956,224	14,956,224	27,867,968
Employee benefit obligations	22	110,338,563	110,338,563	103,228,852
<b>Total non-current liabilities</b>		<b>1,285,322,904</b>	<b>1,285,322,904</b>	<b>1,812,073,621</b>
<b>Total liabilities</b>		<b>5,615,122,446</b>	<b>5,616,140,962</b>	<b>5,811,756,305</b>
<b>Equity</b>				
Share capital				
Authorised share capital				
870,758,034 ordinary shares				
of par Baht 1 each				
		870,758,034	870,758,034	870,758,034
Issued and paid-up share capital				
870,758,034 ordinary shares				
of paid-up Baht 1 each				
		870,758,034	870,758,034	870,758,034
Premium on share capital		427,323,198	427,323,198	427,323,198
Retained earnings				
Appropriated - Legal reserve	24	87,075,803	87,075,803	87,075,803
Unappropriated		1,937,438,323	1,939,090,754	1,864,784,962
<b>Equity attributable to owners of the parent</b>		<b>3,322,595,358</b>	<b>3,324,247,789</b>	<b>3,249,941,997</b>
Non-controlling interests		3,359,169	-	-
<b>Total equity</b>		<b>3,325,954,527</b>	<b>3,324,247,789</b>	<b>3,249,941,997</b>
<b>Total liabilities and equity</b>		<b>8,941,076,973</b>	<b>8,940,388,751</b>	<b>9,061,698,302</b>

The accompanying notes are an integral part of these consolidated and separate financial statements.

**TMT Steel Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2023**

	Notes	Consolidated	Separate	
		financial	financial statements	
		statements	2023	2022
		2023	2023	2022
		Baht	Baht	Baht
Sales		19,991,724,355	19,991,724,355	22,187,858,680
Costs of sales		(18,688,265,340)	(18,688,265,340)	(21,194,904,413)
<b>Gross profit</b>		<b>1,303,459,015</b>	<b>1,303,459,015</b>	<b>992,954,267</b>
Other income	25	77,845,818	77,835,476	77,510,548
Selling expenses		(221,906,497)	(221,901,257)	(208,863,455)
Administrative expenses		(575,248,402)	(572,450,033)	(442,631,320)
Finance costs - interest expenses		(170,677,392)	(170,677,392)	(118,708,930)
<b>Profit before income tax</b>		<b>413,472,542</b>	<b>416,265,809</b>	<b>300,261,110</b>
Income tax	27	(80,732,607)	(80,732,607)	(57,806,911)
<b>Profit for the year</b>		<b>332,739,935</b>	<b>335,533,202</b>	<b>242,454,199</b>
<b>Other comprehensive income:</b>				
<b>Item that will not be reclassified to profit or loss</b>				
Remeasurements of post-employee benefit obligations		-	-	(7,968,774)
Income tax on items that will not be reclassified		-	-	1,593,755
Other comprehensive expenses for the year, net of tax		-	-	(6,375,019)
<b>Total comprehensive income for the year</b>		<b>332,739,935</b>	<b>335,533,202</b>	<b>236,079,180</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent		333,880,771	335,533,202	236,079,180
Non-controlling interests		(1,140,836)	-	-
		<b>332,739,935</b>	<b>335,533,202</b>	<b>236,079,180</b>
<b>Earnings per share</b>				
Basic earnings per share	28	0.38	0.39	0.27

**TMT Steel Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2023**

<b>Consolidated financial statements</b>									
	<b>Notes</b>	<b>Attributable to owners of the parent</b>				<b>Total</b>			
		<b>Issued and paid-up share capital</b>	<b>Premium on share capital</b>	<b>Retained earnings</b>		<b>owners of the parent</b>	<b>Non-controlling interests</b>	<b>Total equity</b>	
				<b>Appropriated - Legal reserve</b>	<b>Unappropriated</b>				<b>Baht</b>
		<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>As at 1 January 2023</b>		870,758,034	427,323,198	87,075,803	1,864,784,962	3,249,941,997	-	3,249,941,997	
Establishment of a subsidiary	2	-	-	-	-	-	4,500,005	4,500,005	
Dividends paid	23	-	-	-	(261,227,410)	(261,227,410)	-	(261,227,410)	
Total comprehensive income for the year		-	-	-	333,880,771	333,880,771	(1,140,836)	332,739,935	
<b>Closing balances as at 31 December 2023</b>		870,758,034	427,323,198	87,075,803	1,937,438,323	3,322,595,358	3,359,169	3,325,954,527	

The accompanying notes are an integral part of these consolidated and separate financial statements.

**TMT Steel Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2023**

	Notes	Separate financial statements						Total equity
		Issued and paid-up share capital	Premium on share capital	Retained earnings		Unappropriated	Total equity	
				Legal reserve	Appropriated -			
		Baht	Baht	Baht	Baht	Baht	Baht	
<b>Opening balances as at 1 January 2022</b>		870,758,034	427,323,198	87,075,803	2,368,850,111		3,754,007,146	
Dividends paid	23	-	-	-	(740,144,329)		(740,144,329)	
Total comprehensive income for the year		-	-	-	236,079,180		236,079,180	
<b>Closing balances as at 31 December 2022</b>		870,758,034	427,323,198	87,075,803	1,864,784,962		3,249,941,997	
<b>Opening balances as at 1 January 2023</b>		870,758,034	427,323,198	87,075,803	1,864,784,962		3,249,941,997	
Dividends paid	23	-	-	-	(261,227,410)		(261,227,410)	
Total comprehensive income for the year		-	-	-	335,533,202		335,533,202	
<b>Closing balances as at 31 December 2023</b>		870,758,034	427,323,198	87,075,803	1,939,090,754		3,324,247,789	

The accompanying notes are an integral part of these consolidated and separate financial statements.



**TMT Steel Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2023**

	Notes	Consolidated	Separate	
		financial	financial statements	
		statements	2023	2022
		2023	2022	
		Baht	Baht	Baht
<b>Cash flows from operating activities</b>				
Profit before income tax		413,472,542	416,265,809	300,261,110
Adjustments for :				
(Reversal) Loss allowance	11	(32,216,498)	(32,216,498)	4,309,699
(Reversal) Allowance for net realisable value	13	(25,188,475)	(25,188,475)	25,733,443
Depreciation and amortisation	16, 17, 18	301,298,446	301,150,855	292,541,522
Loss (Gain) on disposals of equipment		914,791	914,791	(50,301)
Loss on derivatives		2,902,155	2,902,155	4,439,294
Employee benefit expenses	22	8,769,711	8,769,711	14,944,615
Interest expenses		170,677,392	170,677,392	118,708,930
Cash flows before changes in operating assets and liabilities		840,630,064	843,275,740	760,888,312
Changes in operating assets and liabilities:				
Trade accounts receivable and other receivables		207,333,576	207,878,113	574,243,696
Inventories		172,366,929	172,366,929	461,266,396
Advance payments for purchases of inventories		(89,852,210)	(89,852,210)	138,321,780
Other current assets		19,414,243	19,778,708	(20,994,212)
Other non-current assets		(2,430,780)	(2,430,780)	(343,860)
Trade accounts payable and other payables		(303,610,910)	(302,592,394)	129,774,362
Advance received from customers for goods		(23,644,216)	(23,644,216)	14,493,924
Employee benefit obligations paid	22	(1,660,000)	(1,660,000)	(1,454,933)
Cash flows generated from operations before interest and income tax paid		818,546,696	823,119,890	2,056,195,465
Interest paid		(164,701,044)	(164,701,044)	(119,403,979)
Income tax paid		(52,539,571)	(52,539,571)	(208,967,505)
Net cash generated from operating activities		601,306,081	605,879,275	1,727,823,981
<b>Cash flows from investing activities</b>				
Payment for a subsidiary	14	-	(10,499,995)	-
Purchases of property, plant and equipment		(463,570,332)	(463,550,332)	(359,707,487)
Purchases of intangible assets		(14,317,966)	(10,217,966)	(15,823,462)
Proceeds from disposals of equipment and intangible assets		6,875,543	6,875,543	2,211,413
Net cash used in investing activities		(471,012,755)	(477,392,750)	(373,319,536)

The accompanying notes are an integral part of these consolidated and separate financial statements.

**TMT Steel Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2023**

	Notes	Consolidated	Separate	
		financial statements	financial statements	
		2023	2023	2022
		Baht	Baht	Baht
<b>Cash flows from financing activities</b>				
Proceeds from increasing of non-controlling interest		4,500,005	-	-
Proceeds from short-term borrowings				
from financial institutions	20	21,117,983,060	21,117,983,060	25,245,577,072
Repayments to short-term borrowings				
from financial institutions	20	(20,562,220,998)	(20,562,220,998)	(25,968,677,844)
Proceeds from long-term borrowings				
from financial institutions	20	198,589,367	198,589,367	743,245,000
Repayments to long-term borrowings				
from financial institutions	20	(653,330,000)	(653,330,000)	(590,000,000)
Payments for front-end fees of loan agreement	20	(100,005)	(100,005)	(635,005)
Payments for lease liabilities	17	(24,533,284)	(24,533,284)	(23,778,094)
Dividends paid	23	(261,227,410)	(261,227,410)	(740,144,329)
Net cash used in financing activities		(180,339,265)	(184,839,270)	(1,334,413,200)
<b>Net (decrease) increase in cash and cash equivalents</b>		(50,045,939)	(56,352,745)	20,091,245
Opening balance		141,427,387	141,427,387	121,336,142
Closing balance		91,381,448	85,074,642	141,427,387
<b>Cash and cash equivalents are made up as follows:</b>				
- Cash on hand		374,739	374,739	351,132
- Deposits at financial institutions		91,006,709	84,699,903	141,076,255
		91,381,448	85,074,642	141,427,387

**Non-cash transactions**

Significant non-cash transactions for the years ended 31 December 2023 and 2022 are as follows:

Other payables from purchases of property, plant and equipment	5,990,647	5,990,647	5,098,595
Other payables from purchases of intangible assets	3,576,708	3,576,708	255,000

The accompanying notes are an integral part of these consolidated and separate financial statements.



## 1 General information

TMT Steel Public Company Limited (“the Company”) is a public limited company which is listed on the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The address of the Company’s registered office is 179 Bangkok City Tower, 22nd floor, South Sathorn Road, Thung Maha Mek, Sathorn, Bangkok 10120.

In addition, the Company has two plants at the following locations:

- 131 Rama 3 Road, Bang Kho Laem, Bangkok 10120; and
- 332-333 Moo 5, Phaholyothin Road, Lamsai, Wangnoi, Ayutthaya 13170.

The principal business operations of the Company and its subsidiaries (together “the Group”) are fabricating and selling structural steel plates and sheets. The Company mostly purchases products from local suppliers but some products are imported. The Company sells most of its products in the domestic market including provide electronic commerce services.

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 21 February 2024.

## 2 Significant events during the current year

Establishment of a subsidiary and first-time preparation of consolidated financial information

On 16 March 2023, the Group established a new subsidiary, Red Rocco Company Limited. The Company acquired 4,199,998 ordinary shares at a par value of Baht 2.50 each, totaling Baht 10.50 million, with 70.00% ownership interests. The consolidated financial information has been prepared for the first time so comparative figures have not been presented.

## 3 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except derivative instruments.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 7.

An English version of the financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.



#### **4 New and amended financial reporting standards**

**4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2023, the management had assessed that they do not have significant impact to the Group.**

**4.2 Amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024 and have significant impacts on the Group.**

The following amended TFRSs were not mandatory for the current reporting period and the Group has not early adopted them.

**a) Amendment to TAS 1 - Presentation of financial statements** revised the disclosure from 'significant accounting policies' to 'material accounting policies'. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

**b) Amendment to TAS 8 - Accounting policies, changes in accounting estimates and errors** revised to the definition of 'accounting estimates' to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.

**c) Amendments to TAS 12 - Income taxes**

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

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

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

The cumulative effect of recognising these adjustments is recognised at the beginning of retained earnings or any other component of equity, as appropriate

Certain amended TFRSs have been issued that are not mandatory for the current reporting period and have not been early adopted by the Group and the Company. The management is assessing the impact to the Group.

## **5 Accounting policies**

### **5.1 Principles of consolidation**

#### **a) Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method. Historical cost also includes direct attributable costs of investment.

#### **b) Intercompany transactions on consolidation**

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

### **5.2 Foreign currency translation**

#### **a) Functional and presentation currency**

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

#### **b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

### **5.3 Cash and cash equivalents**

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

### **5.4 Trade accounts receivable**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement between 30 to 60 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables are disclosed in Note 5.6(e).

## **5.5 Inventories**

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

Cost of inventories is determined by the moving average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, the latter being allocated based on normal operating capacity. It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

## **5.6 Financial asset**

### **a) Classification**

The Company classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Company has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

### **b) Recognition and derecognition**

Regular way of purchases, acquisitions and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

### **c) Measurement**

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

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

**d) Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **FVOCI:** Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

**e) Impairment**

The Company applies the TFRS 9 simplified approach in measuring the impairment of trade receivables and other receivable.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

For other financial assets carried at amortised cost and FVOCI, the Company applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Company assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Company and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Company reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

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

### **5.7 Investment properties**

Lands that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Company, is classified as investment property.

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

Subsequent expenditure is capitalised to the asset's 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 part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

### **5.8 Property, plant and equipment**

All property, plant and equipment are initially recorded at cost. Plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Company. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land improvements	20 years
Buildings and building improvements	3, 20, 25 years
Machinery and equipment	5, 10, 20 years
Furniture and fixtures	3, 5 years
Trucks and motor vehicles	5, 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised other gains or losses, net.

### **5.9 Intangible asset - Computer software**

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line method over their estimated useful lives in five years.

Cost associated with maintaining computer software are recognised as an expense as incurred.

### **5.10 Impairment of assets**

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

### **5.11 Leases**

#### **Leases - where the Company is the lessee**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture.

## **5.12 Financial liabilities**

### **a) Classification**

Financial instruments issued by the Company are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Company has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Company's own equity instruments.
- Where the Company has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

### **b) Measurement**

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

### **c) Derecognition and modification**

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Company assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

## **5.13 Current and deferred income taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

### **Current tax**

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.



### *Deferred income tax*

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## **5.14 Employee benefits**

### *Short-term employee benefits*

Liabilities for short-term employee benefits such as wages, salaries, and bonuses that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

### *Defined benefit plans - retirement benefits*

The Company has obligations in respect of the Legal Severance Payment Plan prescribed under Chapter 11 in Section 118 of Thai Labor Protection Act 1998, and other long-service award for employees who are due in accordance with the conditions.

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.



#### *Defined contribution plans - provident fund*

The Company operates a provident fund, being a defined contribution plan. The assets are held in a separate fund which is managed by the external fund manager. The provident fund is funded by payments from employees and by the Company. The Company's contributions to the provident fund are charged to the profit or loss in the years to which they relate.

#### **5.15 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### **5.16 Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares (net of tax) are shown as a deduction in equity.

#### **5.17 Dividend distribution**

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

#### **5.18 Derivatives**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The Company recognised the change in fair value of derivatives in administrative expenses or other income.

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

#### **5.19 Revenue recognition**

Revenue includes all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Company's ordinary activities are also presented as revenue.

Revenue are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into individual distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfilment of the obligation to the customer.

### *Sale of goods*

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts. Sales are recognised when control of the products has transferred, being when the products are delivered.

The goods are often sold with retrospective volume discounts based on aggregate sales over a 12 month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed present as the sales are made with a credit term between 30 days to 60 days, which is consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

### *Services*

Revenue from rendering services is based on the stage of completion.

### *Interest income and other income*

Interest income is recognised on an accrual basis, using the effective interest method.

Other income is recognised on an accrual basis.

### *Payments to customers*

Payments to customers or on behalf of customers to other parties, including credited or subsequent discounts, are recognised as a reduction in revenue unless the payment constitutes consideration of a distinct goods or service from the customer.

## **6 Financial risk management**

### **6.1 Financial risk**

The Company exposes to a variety of financial risk: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain exposures.

Financial risk management is carried out by the Company's management. The Company's policy includes areas such as foreign exchange risk, interest rate risk, credit risk and liquidity risk. The framework parameters are approved by the Board of Directors and uses as the key communication and control tools for financial risks.

#### **6.1.1 Market risk**

##### **Foreign exchange risk**

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

The Company does not apply hedge accounting. The foreign currency forwards recognised as derivatives assets or liabilities measured at fair value through profit or loss.

### **Cash flow and fair value interest rate risk**

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company is exposed to interest rate risk relates primarily to its deposits at financial institutions, short-term borrowings and long-term borrowings. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities. Usually, the loan tenors was longer than aging of the Company's accounts receivables.

#### **6.1.2 Credit risk**

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL), derivative financial instruments as well as credit exposures to customers, including outstanding receivables.

##### **a) Risk management**

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on tips assessments in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

There are no significant concentrations of credit risk, whether through exposure to individual customers or specific industry sectors.

For some trade receivables, the Company may obtain credit insurance, advance received from customers, security in the form of guarantees or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

##### **b) Impairment of financial assets**

The Company has trade and other receivables as financial assets that are subject to the expected credit loss model:

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

##### *Trade receivables*

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

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Including the consideration of liquidity for certain customers specifically according to the conservatism.

The Company write-off trade receivables when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments even if the Company already contacted.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

### 6.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group and the Company held deposits at call of Baht 91.01 million and Baht 84.70 million, respectively (2022: Baht 141.08 million) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Company Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors i) rolling forecasts of the Company's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans.

#### a) Financing arrangements

The Group has access to the following undrawn credit facilities as at 31 December as follows:

	<b>2023</b>	<b>2022</b>
	<b>Thousand</b>	<b>Thousand</b>
	<b>Baht</b>	<b>Baht</b>
<b>Floating rate</b>		
Expiring within one year		
- Long-term borrowings from a financial institution	81,411	-
Expiring beyond one year		
- Bank overdraft	65,000	65,000
- Short-term borrowings from financial institutions	6,321,742	6,377,504
	<b>6,386,742</b>	<b>6,442,504</b>

**b) Maturity of financial liabilities**

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	<b>On demand Thousand Baht</b>	<b>Within 1 year Thousand Baht</b>	<b>1 - 5 years Thousand Baht</b>	<b>Total Thousand Baht</b>
<b>As at 31 December 2023</b>				
Short-term loans from financial institutions	-	3,318,258	-	3,318,258
Trade accounts payable and other payables	-	219,959	-	219,959
Advance received from customers for goods	33,325	-	-	33,325
Long-term loans from a financial institution	-	774,562	1,213,686	1,988,248
Lease liabilities	-	25,969	15,314	41,283
<b>Total financial liabilities that is not derivatives</b>	<b>33,325</b>	<b>4,338,748</b>	<b>1,229,000</b>	<b>5,601,073</b>
<b>Derivative financial instruments</b>				
Foreign currency forwards	-	7,341	-	7,341
<b>Total derivatives</b>	<b>-</b>	<b>7,341</b>	<b>-</b>	<b>7,341</b>
<b>Total</b>	<b>33,325</b>	<b>4,346,089</b>	<b>1,229,000</b>	<b>5,608,414</b>
	<b>On demand Thousand Baht</b>	<b>Within 1 year Thousand Baht</b>	<b>1 - 5 years Thousand Baht</b>	<b>Total Thousand Baht</b>
<b>As at 31 December 2022</b>				
Short-term loans from financial institutions	-	2,762,496	-	2,762,496
Trade accounts payable and other payables	-	513,050	-	513,050
Advance received from customers for goods	56,969	-	-	56,969
Long-term loans from a financial institution	-	712,220	1,771,975	2,484,195
Lease liabilities	-	24,606	28,454	53,060
<b>Total financial liabilities that is not derivatives</b>	<b>56,969</b>	<b>4,012,372</b>	<b>1,800,429</b>	<b>5,869,770</b>
<b>Derivative financial instruments</b>				
Foreign currency forwards	-	4,439	-	4,439
<b>Total derivatives</b>	<b>-</b>	<b>4,439</b>	<b>-</b>	<b>4,439</b>
<b>Total</b>	<b>56,969</b>	<b>4,016,811</b>	<b>1,800,429</b>	<b>5,874,209</b>

## **6.2 Capital management**

### **Risk management**

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital based on gearing ratio which is determined by dividing net debt with equity.

### **Loan covenants**

Under the terms of the major borrowing facilities, the Company is required to comply with the following financial covenants:

- the interest bearing debt to equity ratio must not more than 2 times, and

The Company has performed a covenant compliance review on a quarterly basis and has complied with these covenants throughout the reporting period.

## **7 Fair value**

The Company has financial liabilities that are measured at fair value which are Foreign currency forwards. Financial derivatives are measured at fair value through profit or loss based on fair value level 2.

The Company presents non-financial assets that are measured at fair value which are Investment property. The assets were used fair value level 3 in disclosure.

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of financial instruments is based on the quoted price (unadjusted) in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.

Level 3: The fair value of financial instruments is not based on observable market data.

The fair values of financial assets and liabilities is in accordance with accounting policies disclosed in Note 5.6 and 5.12.

## **8 Critical accounting estimates and judgement**

Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstance.

### **a) Defined retirement benefit obligations**

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in note 22.

### **b) Determination of lease terms**

Critical judgement in determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Company considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Company.

### **c) Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

### **d) Reduction of inventory cost to net realisable value**

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

### **e) Property, plant and equipment**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimated useful lives 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 judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

## 9 Segment information

The Group's business operations are trading and transforming the structural steel, plates and sheets which are fallen within the same product group and its products are mainly sold in domestic market including provide electronic commerce services. The chief operating decision maker assesses the performance of the reportable segment based on a measure of revenue, cost of goods sold, gross margin and earnings before interest income and expense, tax, depreciation and amortization which are the same information as these financial information.

## 10 Cash and cash equivalents

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>	
	<b>2023 Baht</b>	<b>2023 Baht</b>	<b>2022 Baht</b>
Cash on hand	374,739	374,739	351,132
Current accounts	27,239,173	21,475,480	23,229,384
Saving accounts	63,767,536	63,224,423	117,846,871
<b>Total</b>	<b>91,381,448</b>	<b>85,074,642</b>	<b>141,427,387</b>

As at 31 December 2023, the interest rates of saving accounts were 0.01% to 1.05% per annum (2022: 0.01% to 0.40% per annum).

## 11 Trade accounts receivable and other receivables

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>	
	<b>2023 Baht</b>	<b>2023 Baht</b>	<b>2022 Baht</b>
Trade accounts receivable	2,653,792,364	2,653,792,364	2,842,676,594
<u>Less</u> Loss allowance	(60,808,220)	(60,808,220)	(93,024,718)
Trade accounts receivable - net	2,592,984,144	2,592,984,144	2,749,651,876
Other receivables - third party	1,067,279	1,067,279	14,098,880
Deposits	1,226,482	674,682	4,836,641
Prepayments	14,764,802	14,724,565	14,815,211
Rebate receivable	3,306,418	3,353,918	5,063,595
<b>Total</b>	<b>2,613,349,125</b>	<b>2,612,804,588</b>	<b>2,788,466,203</b>



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**Fair values of trade receivables**

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

**Impairments of trade receivables**

The loss allowance for trade receivables was determined as follows:

<b>As of</b>	<b>Not yet due</b>	<b>Up to 1 months</b>	<b>1 - 3 months</b>	<b>3 - 6 months</b>	<b>6 - 12 months</b>	<b>More than 12 months</b>	<b>Total</b>
<b>31 December 2023</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Gross carrying amount - trade receivables	1,874,006	556,717	132,836	38,698	23,768	27,767	2,653,792
Loss allowance	(14,002)	(11,613)	(1,677)	(2,708)	(8,118)	(22,690)	(60,808)
<b>Total</b>	<b>1,860,004</b>	<b>545,104</b>	<b>131,159</b>	<b>35,990</b>	<b>15,650</b>	<b>5,077</b>	<b>2,592,984</b>
<b>As of</b>	<b>Not yet due</b>	<b>Up to 1 months</b>	<b>1 - 3 months</b>	<b>3 - 6 months</b>	<b>6 - 12 months</b>	<b>More than 12 months</b>	<b>Total</b>
<b>31 December 2022</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Gross carrying amount - trade receivables	2,117,775	511,662	113,231	18,210	25,171	56,628	2,842,677
Loss allowance	(8,989)	(6,249)	(9,442)	(2,340)	(9,377)	(56,628)	(93,025)
<b>Total</b>	<b>2,108,786</b>	<b>505,413</b>	<b>103,789</b>	<b>15,870</b>	<b>15,794</b>	<b>-</b>	<b>2,749,652</b>

The reconciliations of loss allowance for trade receivables for the year ended 31 December are as follow:

	<b>Trade receivables</b>	
	<b>2023 Baht</b>	<b>2022 Baht</b>
<b>As at 1 January</b>	(93,024,718)	(88,715,019)
Decrease (Increase) in loss allowance recognised in profit or loss during the year	28,756,660	(5,451,079)
Receivable written off during the year as uncollectible	3,459,838	1,141,380
<b>As of 31 December</b>	<b>(60,808,220)</b>	<b>(93,024,718)</b>

## 12 Financial assets and financial liabilities

As at 31 December, classification of the Group's financial assets and financial liabilities in accordance with accounting policies disclosed in Note 5.6 and 5.12 are as follows:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>	
	<b>2023 Baht</b>	<b>2023 Baht</b>	<b>2022 Baht</b>
<b>Financial assets</b>			
Financial assets at amortised cost			
- Cash and cash equivalents	91,381	85,075	141,427
- Trade and other receivables	2,596,341	2,596,389	2,754,715
- Other current assets	364	-	17,749
- Other non-current assets	7,747	7,747	5,316
<b>Financial liabilities</b>			
Liabilities at amortised cost			
- Short-term borrowings from financial institutions	3,318,258	3,318,258	2,762,496
- Trade accounts payable and other payables	218,940	219,959	513,050
- Long-term borrowings from financial institutions	1,866,144	1,866,144	2,320,295
- Lease liabilities	39,972	39,972	51,278
Financial liabilities at fair value through profit or loss (FVPL)			
- Derivative liabilities - other	7,341	7,341	4,439

## 13 Inventories, net

	<b>Consolidated and separate financial statements</b>	<b>Separate financial statements</b>
	<b>2023 Baht</b>	<b>2022 Baht</b>
Raw materials	1,185,234,165	977,459,981
Finished goods	1,419,680,698	1,799,821,811
Total inventories	2,604,914,863	2,777,281,792
<u>Less</u> Allowance for net realisable value		
- for raw materials	(2,762,759)	(3,385,482)
- for finished goods	(4,807,541)	(29,373,293)
<b>Total</b>	<b>2,597,344,563</b>	<b>2,744,523,017</b>

In 2023, the Group has reversed allowance for net realisable value amounting to Baht 25.19 million (2022: Baht 25.73 million) as expected selling price increased from the prior year. The amount has been included in cost of sales in the statement of comprehensive income.

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## 14 Investment in subsidiary

As at 31 December 2023, the subsidiaries included in consolidated financial statement are listed below.

Company	Country of Incorporation or registration	Nature of business	% of ownership interest		Ownership interests held by non-controlling interests		Investment in cost method	
			31 December 2023 (%)	31 December 2022 (%)	31 December 2023 (%)	31 December 2022 (%)	31 December 2023 Baht	31 December 2022 Baht
Red Rocco Co., Ltd.	Thailand	Electronic Commerce Service Provider	70.00	-	30.00	-	10,499,995	-

Movements of investments in subsidiaries for the years ended 31 December 2023 and 2022 are as follows:

	Separate financial statements	
	2023 Baht	2022 Baht
Opening book amount	-	-
Additions in investment in subsidiaries - Red Rocco Co., Ltd.	10,499,995	-
Closing book amount	10,499,995	-

### Establishment of subsidiary

On 16 March 2023, Red Rocco Co., Ltd. was incorporated in Thailand with registered capital ordinary shares of 6,000,000 shares at par value of Baht 5, totalling Baht 30 Million. The Company owns 70% shareholding interests. Red Rocco Co., Ltd. called up for the first share payment of Baht 10.50 million and already paid on 31 December 2023. Its principal business operation is to provide electronic commerce services.

## 15 Investment properties

At 31 December	Consolidated and separate financial statements	
	Land	
	2023 Baht	2022 Baht
<u>Cost</u>		
Opening net book value	55,729,000	55,729,000
Closing net book value	55,729,000	55,729,000
Fair value	168,270,000	162,158,000

The Company's investment properties are three vacant plots of land located in Bangkok, Chachoengsao and Chanthaburi provinces.

The Company engaged an independent appraiser to assess the fair value of the land. The valuation used the market approach which is based on the sales price of comparable nearby land, with adjustments for differences in key attributes such as size and shape, location and condition of the land. Such information is used to determine the fair value of the properties. As the valuation technique used significant unobservable inputs, the Company classified the fair value measurement in level 3 of the fair value hierarchy.



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**16 Property, plant and equipment, net**

	Consolidated financial statements									
	Land improvements	Land	Buildings and building improvements	Machinery and equipment	Furniture and fixtures	Trucks and motor vehicles	Construction in progress	Machineries under installation	Total	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>At 1 January 2023</b>										
Opening net book amount	644,942,000	139,978,013	912,234,546	1,214,002,992	22,916,494	75,763,428	2,314,990	126,357,196	3,138,509,659	
Additions	-	717,640	1,930,567	17,196,083	4,948,450	29,627,356	156,500,991	253,541,297	464,462,384	
Transfers in (out)	-	774,400	9,341,898	132,885,107	101,060	-	(3,314,919)	(139,787,546)	-	
Disposals, net	-	-	-	(68,297)	(17,847)	(7,704,190)	-	-	(7,790,334)	
Depreciation charge (Note 26)	-	(10,828,640)	(85,438,239)	(150,703,768)	(10,163,697)	(8,600,171)	-	-	(265,734,515)	
Closing net book amount	644,942,000	130,641,413	838,068,772	1,213,312,117	17,784,460	89,086,423	155,501,062	240,110,947	3,329,447,194	
<b>At 31 December 2023</b>										
Cost	644,942,000	234,055,045	1,753,897,347	2,614,814,048	149,999,973	164,277,388	155,501,062	240,110,947	5,957,597,810	
Less Accumulated depreciation	-	(103,413,632)	(915,828,575)	(1,401,501,931)	(132,215,513)	(75,190,965)	-	-	(2,628,150,616)	
Net book amount	644,942,000	130,641,413	838,068,772	1,213,312,117	17,784,460	89,086,423	155,501,062	240,110,947	3,329,447,194	

Depreciation expenses of Baht 234,453,638 and Baht 31,280,877 (2022: None) were charged in costs of sales and administrative expenses, respectively.

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		Separate financial statements															
		Land improvements		Buildings		Machinery and equipment		Furniture and fixtures		Trucks and motor vehicles		Construction in progress		Machinery under installation		Total	
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>At 1 January 2022</b>																	
Cost	644,942,000	232,563,005	1,703,569,705	2,211,597,749	138,948,900	148,523,189	17,137,348	102,934,001	5,200,215,897								
Less Accumulated depreciation	-	(81,784,642)	(742,991,562)	(1,133,105,901)	(116,913,832)	(72,144,161)	-	-	(2,146,940,098)								
Net book amount	644,942,000	150,778,363	960,578,143	1,078,491,848	22,035,068	76,379,028	17,137,348	102,934,001	3,053,275,799								
<b>For the year ended 31 December 2022</b>																	
Opening net book amount	644,942,000	150,778,363	960,578,143	1,078,491,848	22,035,068	76,379,028	17,137,348	102,934,001	3,053,275,799								
Additions	-	-	296,649	11,821,629	9,661,340	10,714,400	11,989,551	303,138,242	347,621,811								
Transfers in (out)	-	-	38,758,528	266,752,268	1,016,160	-	(26,811,909)	(279,715,047)	-								
Disposals, net	-	-	-	(371,230)	(7,082)	(1,782,800)	-	-	(2,161,112)								
Depreciation charge (Note 26)	-	(10,800,350)	(87,398,774)	(142,691,523)	(9,788,992)	(9,547,200)	-	-	(260,226,839)								
Closing net book amount	644,942,000	139,978,013	912,234,546	1,214,002,992	22,916,494	75,763,428	2,314,990	126,357,196	3,138,509,659								
<b>At 31 December 2022</b>																	
Cost	644,942,000	232,563,005	1,742,624,882	2,486,825,221	147,753,590	154,780,589	2,314,990	126,357,196	5,538,161,472								
Less Accumulated depreciation	-	(92,584,992)	(830,390,336)	(1,272,822,229)	(124,837,096)	(79,017,161)	-	-	(2,399,651,813)								
Net book amount	644,942,000	139,978,013	912,234,546	1,214,002,992	22,916,494	75,763,428	2,314,990	126,357,196	3,138,509,659								



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	Separate financial statements										Total Baht	
	Land improvements Baht	Land and building improvements Baht	Buildings and building improvements Baht	Machinery and equipment Baht	Furniture and fixtures Baht	Trucks and motor vehicles Baht	Construction in progress Baht	Machineries under installation Baht				
<b>For the year ended</b>												
<b>31 December 2023</b>												
Opening net book amount	644,942,000	139,978,013	912,234,546	1,214,002,992	22,916,494	75,763,428	2,314,990	126,357,196	3,138,509,659			
Additions	-	717,640	1,930,567	17,196,083	4,928,450	29,627,356	156,500,991	253,541,297	464,442,384			
Transfers in (out)	-	774,400	9,341,898	132,885,107	101,060	-	(3,314,919)	(139,787,546)	-			
Disposals, net	-	-	-	(68,297)	(17,847)	(7,704,190)	-	-	(7,790,334)			
Depreciation charge (Note 26)	-	(10,828,640)	(85,438,239)	(150,703,768)	(10,161,503)	(8,600,171)	-	-	(265,732,321)			
Closing net book amount	644,942,000	130,641,413	838,068,772	1,213,312,117	17,766,654	89,086,423	155,501,062	240,110,947	3,329,429,388			
<b>At 31 December 2023</b>												
Cost	644,942,000	234,055,045	1,753,897,347	2,614,814,048	149,979,973	164,277,388	155,501,062	240,110,947	5,957,577,810			
Less Accumulated depreciation	-	(103,413,632)	(915,828,575)	(1,401,501,931)	(132,213,319)	(75,190,965)	-	-	(2,628,148,422)			
Net book amount	644,942,000	130,641,413	838,068,772	1,213,312,117	17,766,654	89,086,423	155,501,062	240,110,947	3,329,429,388			

Depreciation expenses of Baht 234,453,638 and Baht 31,278,683 (2022: Baht 224,765,710 and Baht 35,461,129) were charged in costs of sales and administrative expenses, respectively.

## 17 Right-of-use assets, net

As at 31 December, right-of-use asset balance are as follows:

	<b>Consolidated and separate financial statements</b>	<b>Separate financial statements</b>
	<b>2023 Baht</b>	<b>2022 Baht</b>
Land and office buildings	37,315,408	49,284,496
Furniture and fixtures - office equipment	1,503,338	665,519
Trucks and motor vehicles	412,632	722,106
<b>Total</b>	<b>39,231,378</b>	<b>50,672,121</b>

For the year ended 31 December, amounts charged to profit or loss and cash flows relating to leases are as follows:

	<b>Consolidated and separate financial statements</b>	<b>Separate financial statements</b>
	<b>2023 Baht</b>	<b>2022 Baht</b>
Depreciation charge of right-of-use assets:		
Land and office buildings	23,809,579	23,163,853
Furniture and fixtures - office equipment	549,537	501,899
Trucks and motor vehicles	309,473	309,474
<b>Total (Note 26)</b>	<b>24,668,589</b>	<b>23,975,226</b>
Addition to the right-of-use assets during the year	13,227,847	60,322,315
<b>Total cash outflow for leases</b>	<b>24,533,284</b>	<b>23,778,094</b>
Expense relating to short-term leases	28,300	37,900
Expense relating to leases of low-value assets	161,500	140,200

18 Intangible assets, net

	Consolidated financial statements		
	Computer software Baht	Computer software during installation Baht	Total Baht
<b>At 1 January 2023</b>			
Opening net book amount	24,174,780	15,864,600	40,039,380
Additions	4,811,326	12,828,348	17,639,674
Transfers in (out)	13,959,518	(13,959,518)	-
Amortisation charge (Note 26)	(10,895,342)	-	(10,895,342)
Closing net book amount	32,050,282	14,733,430	46,783,712
<b>At 31 December 2023</b>			
Cost	123,196,831	14,733,430	137,930,261
<u>Less</u> Accumulated amortisation	(91,146,549)	-	(91,146,549)
Net book amount	32,050,282	14,733,430	46,783,712
	Separate financial statements		
	Computer software Baht	Computer software during installation Baht	Total Baht
<b>At 1 January 2022</b>			
Cost	91,194,425	15,617,700	106,812,125
<u>Less</u> Accumulated amortisation	(71,911,750)	-	(71,911,750)
Net book amount	19,282,675	15,617,700	34,900,375
<b>For the year ended 31 December 2022</b>			
Opening net book amount	19,282,675	15,617,700	34,900,375
Additions	919,800	12,558,662	13,478,462
Transfers in (out)	12,311,762	(12,311,762)	-
Amortisation charge (Note 26)	(8,339,457)	-	(8,339,457)
Closing net book amount	24,174,780	15,864,600	40,039,380
<b>At 31 December 2022</b>			
Cost	104,425,987	15,864,600	120,290,587
<u>Less</u> Accumulated amortisation	(80,251,207)	-	(80,251,207)
Net book amount	24,174,780	15,864,600	40,039,380
<b>For the year ended 31 December 2023</b>			
Opening net book amount	24,174,780	15,864,600	40,039,380
Additions	711,326	12,828,348	13,539,674
Transfers in (out)	13,959,518	(13,959,518)	-
Amortisation charge (Note 26)	(10,749,945)	-	(10,749,945)
Closing net book amount	28,095,679	14,733,430	42,829,109
<b>At 31 December 2023</b>			
Cost	119,096,831	14,733,430	133,830,260
<u>Less</u> Accumulated amortisation	(91,001,152)	-	(91,001,151)
Net book amount	28,095,679	14,733,430	42,829,109



## 19 Deferred income taxes, net

The analysis of deferred income tax assets and deferred tax liabilities is as follows:

	<b>Consolidated and separate financial statements</b>	<b>Separate financial statements</b>
	<b>2023 Baht</b>	<b>2022 Baht</b>
Deferred tax assets:	35,891,573	45,923,565
Deferred tax liabilities:	(747,689)	(865,594)
<b>Deferred income taxes, net</b>	<b>35,143,884</b>	<b>45,057,971</b>

The movement in deferred tax assets and liabilities during the year is as follows:

	<b>Net impairment losses Baht</b>	<b>Allowance for net realisable value Baht</b>	<b>Lease liabilities Baht</b>	<b>Employee benefits obligations Baht</b>	<b>Total Baht</b>
<b>Deferred tax assets:</b>					
At 1 January 2022	17,743,004	1,405,066	81,669	16,354,079	35,583,818
Charged to profit and loss	861,940	5,146,689	39,426	2,697,937	8,745,992
Charged to other comprehensive income	-	-	-	1,593,755	1,593,755
At 31 December 2022	18,604,944	6,551,755	121,095	20,645,771	45,923,565
Charged to profit and loss	(6,443,300)	(5,037,695)	27,061	1,421,942	(10,031,992)
At 31 December 2023	12,161,644	1,514,060	148,156	22,067,713	35,891,573

	<b>Temporary difference for depreciation Baht</b>	<b>Temporary difference for front- end fees Baht</b>	<b>Total Baht</b>
<b>Deferred tax liabilities:</b>			
At 1 January 2022	(549,723)	(348,218)	(897,941)
Charged to profit and loss	-	32,347	32,347
At 31 December 2022	(549,723)	(315,871)	(865,594)
Credited to profit and loss	-	117,905	117,905
At 31 December 2023	(549,723)	(197,966)	(747,689)

## 20 Borrowings

	<b>Consolidated and separate financial statements</b>	<b>Separate financial statements</b>
	<b>2023 Baht</b>	<b>2022 Baht</b>
<b>Current</b>		
Short-term borrowings from financial institutions	3,318,258,266	2,762,496,204
Current portion of long-term borrowings		
Long-term borrowing from financial institutions	706,115,400	639,317,843
Lease liabilities	25,015,939	23,409,632
Total current borrowings	4,049,389,605	3,425,223,679
<b>Non-current</b>		
Long-term borrowings from financial institutions	1,160,028,117	1,680,976,801
Lease liabilities	14,956,224	27,867,968
Total non-current borrowings	1,174,984,341	1,708,844,769
<b>Total borrowings</b>	<b>5,224,373,946</b>	<b>5,134,068,448</b>

### 20.1 Short-term borrowings

The movement in short-term borrowings from financial institutions during the year is as follows:

	<b>Consolidated and separate financial statements</b>	<b>Separate financial statements</b>
	<b>2023 Baht</b>	<b>2022 Baht</b>
At 1 January	2,762,496,204	3,485,596,976
Additions	21,117,983,060	25,245,577,072
Repayments	(20,562,220,998)	(25,968,677,844)
At 31 December	3,318,258,266	2,762,496,204

The short-term borrowings from financial institutions denominated in Thai Baht bear interest rates during the year at 1.83% - 3.15% per annum.

As at 31 December 2023, the short-term borrowings from financial institutions, promissory notes, were unsecured and due within January to March 2024 (2022: January to March 2023) which normally, can be renewed. The Company has provided the Negative Pledge to the financial institutions.

## 20.2 Long-term borrowings from financial institutions

The movement in long-term borrowings from financial institutions during the year is as follows:

	<b>Consolidated and separate financial statements</b>	<b>Separate financial statements</b>
	<b>2023 Baht</b>	<b>2022 Baht</b>
At 1 January	2,320,294,644	2,166,887,908
Addition	198,589,367	743,245,000
Repayment	(653,330,000)	(590,000,000)
Deferred front-end fees	(100,005)	(635,005)
Amortisation of deferred front-end fees	689,511	796,741
At 31 December	1,866,143,517	2,320,294,644

The long-term borrowings from financial institutions denominated in Thai Baht and was unsecured. The borrowing bear interest rates and will be due on date as follows:

<b>Loan Amount (Baht million)</b>	<b>Due on</b>	<b>Interest rate (Per annum)</b>	
		<b>2023</b>	<b>2022</b>
1,000	30 December 2025	Fixed	Fixed
500	30 March 2026	BIBOR (3 months) plus incremental borrowing rate	BIBOR (3 months) plus incremental borrowing rate
700	31 August 2026	BIBOR (6 months) plus incremental borrowing rate	BIBOR (6 months) plus incremental borrowing rate
80	10 October 2026	Fixed	-
486.9	31 March 2027	Fixed	Fixed
500	27 June 2027	BIBOR (6 months) plus incremental borrowing rate	BIBOR (6 months) plus incremental borrowing rate
200	31 October 2028	THOR (1 month) plus fixed rate	-

The fair value of current borrowings equivalent to their carrying amount, as the impact of discounting is not significant. The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate from 3.02% to 5.14% are within level 2 of the fair value hierarchy.

## 21 Trade accounts payable and other payables

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>	
	<b>2023 Baht</b>	<b>2023 Baht</b>	<b>2022 Baht</b>
Trade accounts payable	58,627,179	58,627,179	148,198,460
Accrued expenses and other payables	122,972,953	124,019,468	350,105,373
Payable from construction in progress	9,567,355	9,567,355	5,353,595
Retention from construction	4,671,523	4,671,523	-
Withholding tax payable	10,781,045	10,753,046	2,359,776
Accrued interest expenses	14,882,318	12,320,071	7,033,235
<b>Total</b>	<b>218,940,126</b>	<b>219,958,642</b>	<b>513,050,439</b>

## 22 Employee benefit obligations

	<b>Consolidated and separate financial statements</b>	<b>Separate financial statements</b>
	<b>2023 Baht</b>	<b>2022 Baht</b>
Statement of financial position:		
- Retirement benefits	110,338,563	103,228,852

The movement in the obligations for retirement benefit are as follows:

	<b>Consolidated and separate financial statements</b>	<b>Separate financial statements</b>
	<b>2023 Baht</b>	<b>2022 Baht</b>
At 1 January	103,228,852	81,770,396
Current service cost	6,754,329	6,725,819
Past service cost	-	6,332,835
Interest cost	2,015,382	1,885,961
Remeasurement	-	7,968,774
Benefit payment	(1,660,000)	(1,454,933)
<b>At 31 December</b>	<b>110,338,563</b>	<b>103,228,852</b>

**TMT Steel Public Company Limited**  
**Notes to consolidated and separate financial statements**  
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The significant actuarial assumptions used were as follows:

	<b>Consolidated and separate financial statements</b>	<b>Separate financial statements</b>
	<b>2023</b>	<b>2022</b>
Discount rate	1.94% and 2.29% per annum	1.94% and 2.29% per annum
Future salary increase rate	5% per annum	5% per annum
Employee turnover rate	1.79% - 38.20% per annum	1.79% - 38.20% per annum

The Company has addition long service award for employees who retire and have due in accordance with the specified condition. The addition obligation recognised in past service cost amounting to Baht 6.33 million as an expense in the statement of comprehensive income during 2022.

Sensitivity analysis for each significant assumption used is as follows:

Legal Severance Pay

	<b>Impact on defined benefit obligations as at 31 December 2023</b>		
	<b>Change in assumption %</b>	<b>Increase in obligations Baht</b>	<b>Decrease in obligations Baht</b>
Discount rate	+1%	-	(4,802,519)
	-1%	5,408,783	-
Future salary increase rate	+1%	7,101,323	-
	-1%	-	(6,439,722)
Employee turnover rate	+20% from base assumption	-	(7,463,478)
	-20% from base assumption	9,696,697	-

Other Long Service Award

	<b>Impact on defined benefit obligations as at 31 December 2023</b>		
	<b>Change in assumption %</b>	<b>Increase in obligations Baht</b>	<b>Decrease in obligations Baht</b>
Discount rate	+1%	-	(528,807)
	-1%	603,564	-
Long-term Inflation rate	+1%	753,807	-
	-1%	-	(667,399)
Employee turnover rate	+20% from base assumption	-	(883,129)
	-20% from base assumption	1,208,718	-

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation is 21.30 years (2022: 22.30 years).

**TMT Steel Public Company Limited**  
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Expected maturity analysis of undiscounted retirement benefits is as follows:

	<b>Less than a year Baht</b>	<b>Between 1-5 years Baht</b>	<b>Over 5 years Baht</b>	<b>Total Baht</b>
At 31 December 2023				
Retirement benefits				
- Legal Severance Pay	-	54,718,131	46,937,672	101,655,803
- Other Long Service Award	-	2,121,035	5,499,371	7,620,406
<b>Total</b>	<b>-</b>	<b>56,839,166</b>	<b>52,437,043</b>	<b>109,276,209</b>

## 23 Dividends

At the Board of Director's Meeting on 11 August 2023, the shareholders approved the interim dividend payment of Baht 0.15 per share for 870,758,034 shares, in respect of the 2023 operating results and retained earnings, totalling Baht 130.61 million. The interim dividends had been paid to the shareholders on 8 September 2023.

At the Annual General Shareholder's Meeting on 7 April 2023, the shareholders approved the dividend payment of Baht 0.30 per share for 870,758,034 shares, in respect of the 2022 operating results, totalling Baht 261.23 million. The Company paid interim dividend for the year 2022 of Baht 0.15 per share amounting to a total of Baht 130.61 million on 9 September 2022. The remaining dividends of Baht 0.15 per share amounting to a total of Baht 130.61 million had been paid to the shareholders on 3 May 2023.

At the Board of Director's Meeting on 11 August 2022, the shareholders approved the interim dividend payment of Baht 0.15 per share for 870,758,034 shares, in respect of the 2022 operating results and retained earnings, totalling Baht 130.61 million. The interim dividends had been paid to the shareholders on 9 September 2022.

At the Annual General Shareholder's Meeting on 7 April 2022, the shareholders approved the dividend payment of Baht 1.30 per share for 870,758,034 shares, in respect of the 2021 operating results, totalling Baht 1,131.99 million. The Company paid interim dividend for the year 2021 of Baht 0.70 per share amounting to a total of Baht 609.53 million on 10 September 2021. The remaining dividends of Baht 0.60 per share amounting to a total of Baht 522.45 million had been paid to the shareholders on 6 May 2022.

## 24 Legal reserve

Under the Public Company Act, B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the authorised share capital. The legal reserve is non distributable. Currently, the Company has set aside legal reserved at 10% of authorised share capital.

## 25 Other income

	Consolidated financial statements	Separate financial statements	
	2023 Baht	2023 Baht	2022 Baht
Steel cutting service income	50,792,155	50,792,155	51,314,427
Transportation service income	20,866,663	20,866,663	16,809,797
Interest income	5,243,634	5,185,793	4,963,257
Others	943,366	990,865	4,423,067
	77,845,818	77,835,476	77,510,548

## 26 Expenses by nature

The following expenditures, classified by nature, have been charged in arriving at profit before finance costs and income tax:

	Consolidated financial statements	Separate financial statements	
	2023 Baht	2023 Baht	2022 Baht
Staff costs	567,786,709	565,559,441	523,471,118
Depreciation on property, plant and equipment (Note 16)	265,734,515	265,732,321	260,226,839
Amortisation on right-of-use assets (Note 17)	24,668,589	24,668,589	23,975,226
Amortisation of intangible assets (Note 18)	10,895,342	10,749,945	8,339,457
Selling and marketing expenses	221,906,497	221,901,257	208,863,455
Professional and consultant fees	26,341,196	25,229,146	19,493,463

## 27 Income tax expense

	Consolidated and separate financial statements	Separate financial statements
	2023 Baht	2022 Baht
Current tax	70,818,520	66,585,250
Deferred tax	9,914,087	(8,778,339)
Total income tax expense	80,732,607	57,806,911

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The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

	Consolidated financial statements	Separate financial statements	
	2023 Baht	2023 Baht	2022 Baht
Profit before income tax	413,472,542	416,265,809	300,261,110
Tax calculated at a tax rate of 20% (2022: 20%)	82,694,508	83,253,162	60,052,222
Tax effect of:			
Expenses not deductible for tax purpose	1,569,112	1,010,458	3,497,821
Expenses deductible at a greater amount	(3,531,013)	(3,531,013)	(5,743,132)
Tax charge	80,732,607	80,732,607	57,806,911

The weighted average applicable tax rate for the Group was 20% (2022: None). The weighted average applicable tax rate for the Company was 19% (2022: 19%).

## 28 Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements	Separate financial statements	
	2023 Baht	2023 Baht	2022 Baht
Profit attributable to shareholders (Baht)	333,880,771	335,533,202	236,079,180
Weighted average number of ordinary shares in issue during the year (Shares)	870,758,034	870,758,034	870,758,034
Basic earnings per share (Baht)	0.38	0.39	0.27

There are no potential dilutive ordinary shares in issue during the years ended 31 December 2023 and 2022.

## 29 Contingent liabilities

### Letters of guarantee

As at 31 December 2023, the Company had outstanding letters of guarantee amounting to Baht 34 million (2022: Baht 31.27 million) issued by a bank for electricity usage and purchases of goods. No liabilities are anticipated to be arisen.

### Letters of credits

As at 31 December 2023, the Company had outstanding letters of credits amounting to US Dollar 12.54 million (2022: US Dollar 21.23 million).



## 30 Commitments

### Purchase commitments

As at 31 December 2023, the Company had outstanding commitments relating to the purchases of goods with fixed buying prices of US Dollar 8.88 million. (2022: US Dollar 12.13 million).

### Capital commitments

As at 31 December 2023, the Company had capital expenditure contracted from the purchase of machineries and the construction of the factory building but not yet recognised in this financial statements of Baht 17.83 million, US Dollar 2.76 million and Yen 393.22 million. (2022: Baht 6.16 million and US Dollar 0.1 million).

## 31 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Major shareholders of the Company are members of Tarasarnsombat family.

The transactions with a related company, Connex Business Online Co., Ltd., arose from purchasing of software programme and using computer system service. Certain shareholders of the Company have significant holding in the shares of Connex Business Online Co., Ltd.

The transaction with a subsidiary company, Redrocco Co., Ltd., arose from service fees agreement.

The Company has entered into operating lease agreements of a land and building on Rama III road with Combine Asset Co., Ltd. Certain shareholders of the Company have significant holding in the shares of Combine Asset Co., Ltd. The lease agreements are for a period of 3 years. The first agreement is from April 2022 to March 2025, at an agreed price of Baht 2.40 million per year. The second agreement is from October 2020 to October 2023, at an agreed price of Baht 3.60 million per year.

On 29 September 2023, the Company has renewed the second agreement, the period is from October 2023 to October 2026, at an agreed price of Baht 4.20 million per year.

On 8 December 2023, the Company has signed the memorandum of understand with Redrocco Co., Ltd, at an agreed price on digital platform service fees agreement.

**TMT Steel Public Company Limited**  
**Notes to consolidated and separate financial statements**  
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A summary of significant transactions with related parties are as follows:

(a) **Transactions with related parties**

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>	
	<b>2023 Baht</b>	<b>2023 Baht</b>	<b>2022 Baht</b>
<b>Subsidiary</b>			
Revenue from services			
Rental service fee	-	47,500	-
Purchases of services			
Digital Platform service fee	-	1,057,015	-
<b>Related company</b>			
Other transactions			
Computer system purchase and service expenses	4,502,414	4,502,414	7,925,044
Payment on lease liabilities	6,158,952	6,158,952	5,680,728
Interest expense from leases liabilities	291,048	291,048	319,272
<b>Total</b>	<b>10,952,414</b>	<b>10,952,414</b>	<b>13,925,044</b>

(b) **Outstanding balances arising from purchase and operating expenses**

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>	
	<b>2023 Baht</b>	<b>2023 Baht</b>	<b>2022 Baht</b>
<b>Subsidiary</b>			
Accrued income	-	47,500	-
Accrued expenses	-	1,057,015	-
<b>Related company</b>			
Other transactions			
Lease liabilities	13,850,303	13,850,303	8,168,764

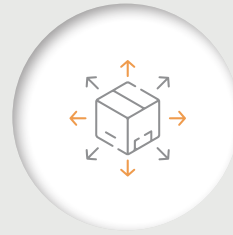
(c) **Directors and managements' remuneration**

Directors and managements' remuneration comprises salaries, other benefits, other remuneration and meeting fees.

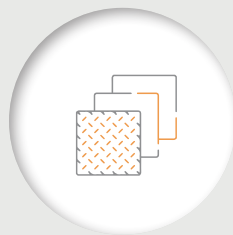
<b>For the years ended 31 December</b>	<b>2023 Baht</b>	<b>2022 Baht</b>
Short-term benefits	49,174,000	47,236,000
Post-employee benefits	2,415,745	2,338,731
	<b>51,589,745</b>	<b>49,574,731</b>

### 32 Event after the financial statement date

At the Board of Directors' Meeting on 21 February 2024, it passed a resolution of submission to shareholders for approval the dividends payment in respect of results of operations for the year 2023 of Baht 0.30 per share for 870,758,034 shares, totalling Baht 261.23 million. The Company paid interim dividend for the year 2023 of Baht 0.15 per share amounting to a total of Baht 130.61 million on 8 September 2023. However, it will be further proposed for the shareholders' approval in the Annual General Meeting of the Shareholders for fiscal year 2023 in April 2024.



# Appendix



# Board of Directors and Executives

## Mr. Chai Jroongtanapibarn

Chairman of the Board / Chairman of the Audit Committee  
 Nomination and Remuneration Committee / Independent director  
 Age : 69 years



### Education :

Bachelor of Accounting, Chulalongkorn University  
 Master of Accounting, Thammasat University

### Training for Director Course of IOD :

Director Certification Program (DCP) : Class 29/2003  
 Audit Committee Program (ACP) : Year 2005  
 What Directors need to know about Digital Assets Class 3/2022

### Family Relationship between Directors and Management :

- None -

### Number of Shares (include related person as section 258) :

1,045,500 shares or 0.12%

### Experience (5 years past)

#### Listed Company :

Period	Position Company	Organization	Type of Business
May 15 - Present	Chairman of the Board Chairman of the Audit Committee Nomination and Remuneration Committee and Independent Director	TMT Steel Plc.	Steel Service Center
Nov 18 - Present	Chairman of the Board Nomination and Remuneration Committee and Independent Director	Veranda Resort Plc.	Hotel business
2002 - Present	Chairman of the Audit Committee Nomination and Remuneration Committee and Independent Director	Major Cineplex Group Plc.	Cinema and Bowling
2000 - Present	Chairman of the Audit Committee Nomination and Remuneration Committee Risk Management Committee and Independent Director	Team Precision Plc.	Electronics Board
2003 - Aug, 2021	Independent Director	Siam Future Development	Shopping Center
2007 - Aug, 2023	Audit Committee Sustainability and Risk Management Committee and Independent Director	Siam Food Products Plc.	Food processing for export
2006 - Nov, 2023	Audit Committee Sustainability and Risk Management Committee and Independent Director	Siam Food Products Plc.	Food processing for export

Non-Listed Company : - None -

Date of First Appointment as a Director : Sep 1, 2004

Illegal Record in The Past 10 years : -None -



## Mr. Soon Tarasansombat

Director

Nomination and Remuneration Committee

Age : 82 years



### Education :

Highschool (Mattayom 6)

### Training for Director Course of IOD :

Director Accreditation Program (DAP) : Class 19/2004

### Family Relationship between Directors and Management :

Father of Mr. Paisal Tarasansombat and Mr. Komsan Tarasansombat

### Number of Shares (include related person as section 258) :

260,100,000 shares or 29.89<sup>(1)</sup>

### Experience (5 years past)

#### Listed Company :

Period	Position Company	Organization	Type of Business
Dec 17, 21 - Present	Director Nomination and Remuneration Committee	TMT Steel Plc.	Steel Service Center
May 15 - Dec 17, 21	Director Chairman of the Nomination and Remuneration Committee	TMT Steel Plc.	Steel Service Center

#### Non-Listed Company :

Period	Position Company	Organization	Type of Business
Jan 19 - Present	Director	S.G.T. Property Company Limited	Real Estate Development
1986 - Dec 19	Director	Soon Huat Steel Co.,Ltd	Property Lessor

Date of First Appointment as a Director : Sep 1, 2004

Illegal Record in The Past 10 years : - None -



## Mr. Paisal Tarasansombat

Director / Corporate Governance and Sustainability Committee

Chief of Executive Director / Chief Executive Officer

Age : 58 years



### Education :

Diploma, Assumption Commercial College

Diploma in Business Study, Eastbourne College of Art & Technology, United Kingdom

Mini IE, Chulalongkorn University

Top Executive Program: Class 10/2010, Capital Market Academy

The Executive Program in Energy Literacy for a Sustainable Future, TEA: Class 13, Thailand Energy Academy

Business reform and innovation networking: BRAIN Class 2, The Federation of Thai Industries

The Rule of Law for Democracy: Class 8, The College of Constitutional Court

### Training for Director Course of IOD :

Director Accreditation Program (DAP) : Class 21/2004

Director Certification Program (DCP) : Class 197/2014

Subsidiary Governance Program (SGP) : Class 1/2022

The Board's Role in Mergers and Acquisitions (BMA) : 1/2023

### Family Relationship between Directors and Management :

Son of Mr. Soon Tarasansombat, brother of Mr. Komsan Tarasansombat and spouse of Mrs. Panlapa Tarasansombat

### Number of Shares (include related person as section 258) :

144,388,700 shares or 16.58<sup>(2)</sup>

### Experience (5 years past)

#### Listed Company :

Period	Position Company	Organization	Type of Business
Feb 20 - Present	Director / Corporate Governance and Sustainability Development Committee / Chief of Executive Board and Chief Executive Officer	TMT Steel Plc.	Steel Service Center
Feb 20 - Present	Independent Director / Nomination and Remuneration Committee	BTS Group Holdings Public Company Limited	Transportation & Logistics
Mar 11 - Nov 19	Director / Chief of Executive Board and Chief Executive Officer	TMT Steel Plc.	Steel Service Center
Jun 18 - Dec 19	Director / Audit Committee / Remuneration Committee	U City Plc.	Investment and Property Development
Jun 14 - Jan 20	Chairman of the Audit Committee / Independent Director	Master Ad Plc.	Outdoor Advertising

#### Non-Listed Company :

Period	Position Company	Organization	Type of Business
Apr 23 - Present	Director	Thai Listed Companies Association	Independent nonprofit organization
Apr 21 - Present	Advisory of Association President	Thai Listed Companies Association	Independent nonprofit organization
2004 - Present	Director	CONNEX Business Online Co., Ltd.	Software Solution
Jul 22 - Present	Director / Audit Committee Remuneration and Corporate Governance Committee	TKK Corporation., Ltd.	Wholesale of machinery and components for industrial applications
Apr 15 - Apr 21	Director	Thai Listed Companies Association	Independent nonprofit organization
1986 - Dec 19	Director	Soon Huat Steel Co., Ltd.	Property Lessor

Date of First Appointment as a Director : Sep 1, 2004

Illegal Record in The Past 10 years : - None -



## Mr. Komsan Tarasansombat

Director / Risk Management and Strategy Development Committee /  
Corporate Governance and Sustainability Committee / Executive Director /  
Executive Vice President - Operations  
Age : 55 years



### Education :

Bachelor of Industrial Engineering, Khon Kaen University  
M.B.A. (Finance), Middle Tennessee State University, USA.  
The Executive Program in Energy Literacy for a Sustainable Future, TEA: Class18/2023, Thailand Energy Academy

### Training for Director Course of IOD :

Director Accreditation Program (DAP) : Class 19/2004

### Training for Director Course of TLCA :

Executive Development Program (EDP) : Class 14/2014

### Family Relationship between Directors and Management :

Son of Mr. Soon Tarasansombat and Brother of Mr. Paisal Tarasansombat

### Number of Shares (include related person as section 258) :

69,140,150 shares or 7.94<sup>(3)</sup>

### Experience (5 years past)

#### Listed Company :

Period	Position Company	Organization	Type of Business
Feb 20 - Present	Director / Risk Management and Strategy Development Committee / Corporate Governance and Sustainability Committee / Executive Director and Executive Vice President – Operations	TMT Steel Plc.	Steel Service Center
Mar 11 - Nov 19	Director / Executive Director / Executive Vice President Operations	TMT Steel Plc.	Steel Service Center

#### Non-Listed Company :

Period	Position Company	Organization	Type of Business
Oct 17 - Present	Director	Combine Asset Co., Ltd.	Property Lessor

Date of First Appointment as a Director : Sep 1, 2004

Illegal Record in The Past 10 years : - None -





## Mr. Somjate Tretarnthip

Director / Nomination and Remuneration Committee /  
Risk Management and Strategy Development Committee /  
Executive Director / Chief Finance Officer / Company Secretary  
Age : 59 years



### Education :

Bachelor of Business Administration, Ramkhamhaeng University  
Mini M.B.A., Kasetsart University

### Training for Director Course of IOD :

Director Accreditation Program (DAP) : Class 19/2004  
Company Secretary Program (CSP) : Class 133/2022  
Board Nomination & Compensation Program (BNCP) : Class 17/2023

### Family Relationship between Directors and Management :

- None -

### Number of Shares (include related person as section 258) :

4,000,000 shares or 0.46%

### Experience (5 years past)

#### Listed Company :

Period	Position Company	Organization	Type of Business
Feb 20 - Present	Director / Nomination and Remuneration Committee/ Risk Management and Strategy Development Committee/ Executive Director / Chief Finance Officer / Company Secretary	TMT Steel Plc.	Steel Service Center
Mar 11 - Nov 19	Director / Nomination and Remuneration Committee / Executive Director / Chief Finance Officer / Company Secretary	TMT Steel Plc.	Steel Service Center

#### Non-Listed Company :

Period	Position Company	Organization	Type of Business
2004 - Present	Director	CONNEX Business Online Co., Ltd.	Software Solution
Mar 23 - Present	Director	Red Rocco Digital Company Limited	Electronic Commerce Service Provider

Date of First Appointment as a Director : Sep 1, 2004

Illegal Record in The Past 10 years : - None -



## Mrs. Ratanavalee Gorsanan

Independent Director /

Chairman of the Corporate Governance and Sustainability Committee /

Audit Committee/ Nomination and Remuneration Committee

Age : 59 years



### Education :

Bachelor of Accounting, Thammasat University

Master of Accounting, Thammasat University

### Training for Director Course of IOD :

Director Accreditation Program (DAP) : Class 21/2004

### Family Relationship between Directors and Management :

- None -

### Number of Shares (include related person as section 258) :

634,000 shares or 0.07 %

### Experience (5 years past)

#### Listed Company :

Period	Position Company	Organization	Type of Business
Feb 20 - Present	Independent Director / Chairman of Corporate Governance and Sustainability Committee / Audit Committee / Nomination and Remuneration Committee	TMT Steel Plc.	Steel Service Center
Aug 10 - Nov 19	Independent Director / Audit Committee / Nomination and Remuneration Committee	TMT Steel Plc.	Steel Service Center

#### Non-Listed Company :

Period	Position Company	Organization	Type of Business
Aug 19 - Present	Finance and Compliance Director	Central Watson Co., Ltd.	Retailer of health and beauty products
Apr 17 - Aug 19	Finance, Compliance and IT Director	Central Watson Co., Ltd.	Retailer of health and beauty products
Feb 12 - Mar 17	Finance Director	Central Watson Co., Ltd.	Retailer of health and beauty products

Date of First Appointment as a Director : Sep 1, 2004

Illegal Record in The Past 10 years: - None -



## Mr. Anake Pinvanichkul

Independent Director / Chairman of the Nomination and Remuneration Committee /  
Chairman of the Risk Management and Strategy Development Committee /  
Audit Committee  
Age : 59 years



### Education :

Bachelor of Science, Kasetsart University  
MBA, New York University

### Training for Director Course of IOD :

Director Accreditation Program (DAP) : Class 23/2004

### Family Relationship between Directors and Management :

- None -

### Number of Shares (include related person as section 258) :

544,000 shares or 0.06%

### Experience (5 years past)

#### Listed Company :

Period	Position Company	Organization	Type of Business
Dec 17,21 - Presen	Chairman of the Nomination and Remuneration Committee / Chairman of the Risk Management and Strategy Development Committee / Audit Committee and Independent Director	TMT Steel Plc.	Steel Service Center
Feb20 - Dec 16,21	Chairman of the Risk Management and Strategy Development Committee and Independent Director Audit Committee / Nomination and Remuneration Committee	TMT Steel Plc.	Steel Service Center
Aug 10 - Nov 19	Audit Committee / Nomination and Remuneration Committee and Independent Director	TMT Steel Plc.	Steel Service Center
Jan 20 - Jun 20	Chairman of the Board (Acting) / Chief of Executive Board and Chief Executive Officer	Nex Point Plc.	Electronic components manufacturer

#### Non - Listed Company :

Period	Position Company	Organization	Type of Business
Mar 13 - Present	Director	Nadmon Business and Consultant Co., Ltd.	Restaurant business
Sep 22 - Present	Director	Butterfly Organic Co., Ltd.,	Fresh Milk Manufacturer
	Director	Wamar Solution Co., Ltd.,	Organization of trade shows
	Director	Amarit APG Co., Ltd.,	Restaurants Activities
Sep15 - Aug 23	Director	Viewpoint Technology Co., Ltd.,	Electric power generation and transmission

Date of First Appointment as a Director : Sep 1, 2004

Illegal Record in The Past 10 years : - None -



## Mr. Prawas Sontawakul

Risk Management and Strategy Development Committee /

Executive Director / Chief Operations Officer

Age : 65 years



### Education :

Bachelor of Engineering (Mechanical Engineering), King Mongkut's University of Technology North Bangkok

### Training for Director Course of IOD :

Director Accreditation Program (DAP) : Class 12/2004

### Family Relationship between Directors and Management :

- None -

### Number of Shares (include related person as section 258) :

500,000 shares or 0.06%

### Experience (5 years past)

#### Listed Company :

Period	Position Company	Organization	Type of Business
Feb 20 - Present	Risk Management and Strategy Development Committee / Executive Director and Chief Operations Officer	TMT Steel Plc.	Steel Service Center
Feb 19 - Nov 19	Committee Executive Director / Chief Operations Officer	TMT Steel Plc.	Steel Service Center
Mar 11 - Jan 19	Chief Operations Officer	Thai Metal Trade Plc.	Steel Service Center

Non - Listed Company : - None -

Illegal Record in The Past 10 years : - None -



## Mrs. Panlapa Tarasansombat

Corporate Governance and Sustainability Committee /

Executive Vice President - Human Resources

Age : 55 years



### Education :

BBA, Majoring in Accounting, Assumption University

Mini IE, Chulalongkorn University

Graduate Diploma in Human Resource Management,

Sasin Graduate Institute of Business Administration of Chulalongkorn University

### Training for Director Course of IOD :

- None -

### Family Relationship between Directors and Management :

Spouse of Mr. Paisal Tarasansombat

### Number of Shares (include related person as section 258) :

144,388,700 shares or 16.58<sup>(4)</sup>

### Experience (5 years past)

#### Listed Company :

Period	Position Company	Organization	Type of Business
Feb 20 - Present	Corporate Governance and Sustainability Committee	TMT Steel Plc.	Steel Service Center
Aug 9 - Nov 19	Executive Vice President-Human Resources	TMT Steel Plc.	Steel Service Center

Non - Listed Company: - None -

Illegal Record in The Past 10 years : - None -

## Ms. Petrung Maesincee

Executive Vice President - Business Strategy & Planning

Age : 58 years



### Education :

Bachelor of Art (Economics), Thammasat University

Master of Art (Economics), Thammasat University

### Training for Director Course of IOD :

- None -

### Family Relationship between Directors and Management :

- None -

### Number of Shares (include related person as section 258) :

3,398,100 shares or 0.39%

### Experience (5 years past)

#### Listed Company :

Period	Position Company	Organization	Type of Business
Feb 17 - Present	Executive Vice President - Business Strategy & Planning	TMT Steel Plc.	Steel Service Center
Aug 09 - Jan 17	Executive Vice President - Marketing	Thai Metal Trade Plc.	Steel Service Center

Non Listed Company : - None -

Illegal Record in The Past 10 years : - None -



## Mr. Somsak Tomorakul

Executive Vice President - Marketing

Age : 52 years



### Education :

Bachelor of Business Chinese, Assumption University

Master of Computer Engineering Management, Assumption University

### Training for Director Course of IOD :

- None -

### Family Relationship between Directors and Management :

- None -

### Number of Shares (include related person as section 258) :

2,298,362 shares or 0.26%

### Experience (5 years past)

#### Listed Company :

Period	Position Company	Organization	Type of Business
Jan 19 - Present	Executive Vice President - Marketing	TMT Steel Plc	Steel Service Center
Feb 17 - Dec 18	Senior Vice President - Marketing	Thai Metal Trade Plc.	Steel Service Center
Feb 16 - Jan 17	Vice President - Sales & Marketing	Thai Metal Trade Plc.	Steel Service Center
May 06 - Jan 16	Vice President - Sales	Thai Metal Trade Plc.	Steel Service Center

#### Non Listed Company : - None -

#### Illegal Record in The Past 10 years : - None -

#### Remarks:

- <sup>(1)</sup> Mr. Soon Tarasansombat holds the Company's share of total 196,100,000 shares, which equivalent to 22.52 percent of its total issued and paid up shares, and Mrs. Pornjit Tarasansombat, his spouse, hold of total 64,000,000 shares, which equivalent to 7.35 percent of its total issued and paid up shares.
- <sup>(2)</sup> Mr. Paisal Tarasansombat holds the Company's share of total 106,767,700 shares, which equivalent to 12.26 percent of its total issued and paid up shares, and Mrs. Panlapa Tarasansombat, his spouse, holds of total 35,621,000 shares, which equivalent to 4.09 percent of its total issued and paid up shares, and Mr. Patis Tarasansombat, the child is underage, holds of total 2,000,000 shares, which equivalent to 0.23 percent of its total issued and paid up shares.
- <sup>(3)</sup> Mr. Komsan Tarasansombat holds the Company's share of total 66,110,150 shares, which equivalent to 7.59 percent of its total issued and paid up shares, Mrs. Wimol Tarasansombat, his spouse, hold of total 3,000,000 shares, which equivalent to 0.34 percent of its total issued and paid up shares.
- <sup>(4)</sup> Mrs. Panlapa Tarasansombat holds the Company's share of total 35,621,000 shares, which equivalent to 4.09 percent of its total issued and paid up shares, Mr. Paisal Tarasansombat, her spouse, holds of total 106,767,700 shares, which equivalent to 12.26 percent of its total issued and paid up shares, and Mr. Patis Tarasansombat, the child is underage, holds of total 2,000,000 shares, which equivalent to 0.23 percent of its total issued and paid up shares.

In this regard, the number of shares and percentage of shareholding of all directors and executives are as of Dec 31, 2023.



**Details of Chief Financial Officer (CFO),  
Chief Accountant and Company Secretary**

**Mr. Somjate Tretarnthip**

Chief Financial Officer (CFO) and Company Secretary

Age : 59 years

**Date of First Appointment :** Mar 1, 2011

**Education :**

Bachelor of Business Administration, Ramkamhaeng University

Mini M.B.A., Kasetsart University

**Number of Shares (include related person as section 258) :**

4,000,000 shares or 0.46%

**Training for Director Course of IOD :**

Director Accreditation Program (DAP) : Class 19/2004

Company Secretary Program (CSP) : Class 133/ 2022

Board Nomination & Compensation Program (BNCP) : Class17/2023

**Training for Accounting Course :**

TLCA CFO Professional Development Program (RPA in Finance and Accounting) / 2 Hours.

Thai Listed Company Association

TLCA CFO Professional Development Program (What is the Future of the CFO role) / 2 Hours.

Thai Listed Company Association

Risk Management for CFOs / 2 Hours. / Thai Listed Company Association

FINTECH / 2 Hours. / Thai Listed Company Association

**Family Relationship between Directors and Management :**

- None -

**Experience (5 years past)**

**Listed Company :**

Period	Position Company	Organization	Type of Business
Dec 19 - Present	Director / Nomination and Remuneration Committee / Risk Management and Strategy Development Committee / Executive Director / Chief Finance Officer and Company Secretary	TMT Steel Plc.	Steel Service Center
2004 - Present	Director	CONNEX Business Online Co.,Ltd.	Software Solution
Mar 23 - Present	Director	Red Rocco Digital Company Limited	Electronic Commerce Service Provider
Mar 11 - Nov 19	Director / Nomination and Remuneration Committee / Executive Director / Chief Finance Officer and Company Secretary	TMT Steel Plc.	Steel Service Center

**Illegal Record in The Past 10 years :** - None -





## Ms. Supaporn Chalermjirarat

Details of Chief Accountant

Age : 43 years

**Date of First Appointment :** Nov 13, 2017

### Education :

Bachelor of Accountancy, Bangkok University

### Number of Shares (include related person as section 258) :

76,000 shares or 0.01%

### Training for Accounting Course :

Comprehensive Cost Accounting / 6.5 Hours./Federation of Accounting Profession

Strategic Management Accounting / 6.5 Hours /Federation of Accounting Profession Corporate Reporting Forum 2023 / 6 Hours / PricewaterhouseCoopers ABAS LTD.

### Family Relationship between Directors and Management :

- None -

### Experience (5 years past)

#### Listed Company :

Period	Position Company	Organization	Type of Business
July 20 - Present	Senior Accounting Manager	TMT Steel Plc.	Steel Service Center
Nov 17 - Aug 20	Accounting Manager	TMT Steel Plc.	Steel Service Center
July 13 - Oct 17	Accounting and Tax Senior Manager	Italthai Industrial Co. Ltd.	Heavy Equipment Distributor

**Illegal Record in The Past 10 years :** - None -

## Information of directors and management of TMT, subsidiary, and related companies

As of Dec 31, 2023

Name	TMT Steel Plc.	Subsidiary	Related companies		
		Red Rocco Digital Co., Ltd.	CONNEX Business Online Co., Ltd.	Combine Asset Co., Ltd.	Metal Commerz Pte. Ltd.
1. Mr. Chai Jroongtanapibarn	X				
2. Mr. Soon Tarasansombat	/				
3. Mr. Paisal Tarasansombat	/, //, O		/		/
4. Mr. Komsan Tarasansombat	/, ///, E			/	
5. Mr. Somjate Tretarnthip	/, ///, C	/	/		
6. Mrs. Ratanavalee Gorsanan	/				
7. Mr. Anake Pinvanichkul	/				
8. Mr. Prawas Sontawakul	///, C				
9. Ms. Petrung Measincee	E				
10. Mrs. Panlapa Tarasansombat	E				
11. Mr. Somsak Tomorakul	E				

X = Chairman of the Board , O = Chief Executive Officer, / = Director, // = Chief of Executive Board, /// = Executive Director, C = Chief, E = Executive



# Details of Internal Audit / Compliance and Corporate Governance

## Internal Audit

The Audit Committee has appointed EY Corporate Services Limited to perform and audit the internal control and conduct system for Cyber Security (Phase 2) in the year 2023. The results were directly reported to the Audit Committee, the person who was responsible for being an internal auditor.

### Mr. Term Techasarin

Business Advisory's partner Thailand

### Qualification

- Internal Auditor certified by The Institute of International Auditors (CIA)
- Certificate in Risk Management Assurance (CRMA)
- Certificate in Thai Institute of Directors (DCP 127)
- Business Continuity Management BSI25999
- BSI Certificate – Implementation ISO 22301:2012
- Master of Business Administration (Finance) Southwest Missouri State University, USA
- Bachelor of Business Administration (Accountancy) Assumption University

### Work Experience

Period	Position	Company Name
2017 - Present	Partner	Advisory Services at EY Corporate Services Limited
2008 - 2016	Partner	KPMG Phoomchai Business Advisory Co., Ltd
2004 - 2008	Executive Director	KPMG Phoomchai Business Advisory Co., Ltd
1998 - 2003	Senior Manager	Inthanon Business Advisory Co., Ltd (Former name: Arthur Andersen Business Consulting Co., Ltd)
1994 - 1997	Senior advisor	S.G.V.-Na Thalang Co.,Ltd

### Compliance and Corporate Governance

The Board of Directors has appointed the Corporate Governance and Sustainability Committee to oversee and perform a good corporate governance practice. (More details were stated in the part of Scope, Duties, and Responsibilities and the Report of the Corporate Governance and Sustainability Committee)

# Assets Used in Business Operations

Main assets as of December 31, 2023. The Company's main assets used in business operations are as follows:

Unit: million Baht

Asset	Capital Value	Accumulated Depreciation	Net Book Value	Type of Ownership	Obligation
<b>Property and land improvements</b>					
Rama 3 Center Property					
- Land size 5 rai 2 ngan 91 square wa.	-	-	-	Tenant <sup>1/</sup>	No obligation
Wang Noi Center Property					
- Land size 44 rai 3 ngan 80 square wa.	51.94	-	51.94	owner	No obligation
- Land size 67 rai 3 ngan 67 square wa.	81.50	-	81.50	owner	No obligation
- Land size 22 rai 2 ngan 16 square wa.	50.00	-	50.00	owner	No obligation
- Land size 46 rai 2 ngan 1 square wa.	237.00	-	237.00	owner	No obligation
- Land size 153 rai 1 ngan 49 square wa.	224.50	-	224.50	owner	No obligation
Land improvements	234.05	103.41	130.64		
<b>Buildings and structures</b>					
Office building and warehouse - Rama 3 Center <sup>2/</sup>	-	-	-	tenant <sup>1/</sup>	No obligation
Office building - Rama 3 Center (Improvement) <sup>2/</sup>	5.82	5.55	0.27		No obligation
Building improvements - Bangkok City Tower <sup>3/</sup>	30.39	30.39	0.00		
Wang Noi Center <sup>4/</sup>	1,536.26	767.50	768.76	owner	No obligation
Knowledge Center <sup>5/</sup>	181.43	112.39	69.04	owner	No obligation
<b>Machinery and Equipment</b>					
Rama 3 Center	19.08	16.62	2.46	owner	No obligation
Wang Noi Center <sup>4/</sup>	2,595.73	1,384.88	1,210.85	owner	No obligation
Furnishings, Fixtures, and Office Equipment	149.98	132.21	17.77	owner	No obligation
Intangible assets <sup>6/</sup>	119.10	91.00	28.10	owner	No obligation
Intangible assets				Subsidiary Company	
	4.10	0.15	3.95	Owned	No obligation
Vehicles <sup>7/</sup>	164.28	75.19	89.09	owner	No obligation
<b>Land, buildings, factories, equipment - net</b>	<b>5,685.16</b>	<b>2,719.29</b>	<b>2,965.87</b>		

Remarks:

1/ Rent from Combine Asset Company Limited.

2/ The Company has an insurance policy for buildings and structures for a coverage of 15 million Baht.

3/ The Company has an insurance policy for the office of Bangkok City Tower for a total coverage of 75 million Baht.

4/ The Company has an insurance policy for Property Plant and Equipment for a total of 2,550 million Baht.

5/ The Company has an insurance policy for the Knowledge Center building for a coverage of 180 million Baht.

6/ The intangible assets include copyrights and computer programs for the Company's operating system.

7/ The Company has car insurance for cars, pickup trucks, dump trucks, trailers, and tow trucks for a total of 104 policies.



## Important Contract Details

Contract	Counterparty	Period	Details
1. Land and building rental agreement for the current Rama 3 factory and distribution center	<u>Lessor :</u> Combine Asset Company Limited	3 years from October 10, 2020 to October 9, 2023	<u>Rental property</u> A total of 6 plots of land. The title deed numbers are. 1390, 17976, 17977, 17978, 17979, Bang Khlo Subdistrict (Ban Thawai), Yannawa District (Bang Rak), Bangkok and title deed no. 1454, Bang Kho Laem Subdistrict, Yannawa District, Bangkok, with a total area of 5 rai, 2 ngan, 91 square. wa <u>Rental rate</u> The rental rate is 300,000 Baht per month. The due date is December of every year.
		3 years from October 10, 2023 to October 9, 2026	<u>Rental property</u> A total of 6 plots of land. The land office changed the title deed numbers from the original title deed numbers 1390, 17976, 17977, 17978, 17979, and 1454 No. 129 Rama 3 Road, Bang Kho Laem Subdistrict, Bang Kho Laem District, Bangkok to the title deed numbers 5254 -5259. The total area is 5 rai 2 ngan 91 square wa. <u>Rental rate</u> The rental rate is 350,000 Baht per month. Payment is due by the bank's last business day of the month. (Based on the original payment deadline of the bank's last business day in December of each year).
2. Office building rental agreement for Rama 3 factory and Distribution Center	<u>Lessor :</u> Combine Asset Company Limited	3 years from April 1, 2022 to March 31, 2025	<u>Rental Property</u> Building No. 131 Rama 3 Road Bang Kho Laem Subdistrict, Bang Kho Laem District, Bangkok <u>Rental rate</u> The rental rate is 200,000 Baht per month, The due date is the 5th day of every month

Contract	Counterparty	Period	Details
3. Building rental agreements for offices and establishments	<u>Lessor:</u> Government Pension Fund	3 years from May 1, 2022 to April 30, 2025	<u>Rental Property</u> 1. A 912 square meter area on the 22 <sup>nd</sup> floor of Bangkok City Tower, No. 179 South Sathom Road, Thungmahamek, Sathom, Bangkok 2. A 500 square meter area on the 20 <sup>th</sup> floor of Bangkok City Tower, No. 179 South Sathom Road, Thungmahamek Subdistrict, Sathom District, Bangkok 3. A 480 square meter area on the 23 <sup>rd</sup> floor of Bangkok City Tower, No. 179. South Sathom Road, Thungmahamek, Sathom, Bangkok
		3 years from May 1, 2022 to April 30, 2025	<u>Rental rate</u> 1. The rental rate is a fixed rate charged on a monthly basis. Payment is due on the 5 <sup>th</sup> of every month. This includes a certain amount of rental insurance. 2. The tenant is responsible for paying the building and land tax.
4. Document storage service contract	<u>Service provider:</u> Bangkok Warehouse Company Limited	3 years from September 1, 2023 to August 31, 2026	<u>Document storage location</u> Bang Pakong Depot 11/1 Village No. 1. Phimpha-Saenphudat Road, Saenphudat Subdistrict, Ban Pho District Chachoengsao Province 24140 <u>Rental rate</u> The service rate is charged according to the number of boxes stipulated in the contract.

# The Audit Committee Report

The Audit Committee of TMT Steel Public Company Limited is composed of 3 Independent Directors. The Company's Chief Finance Officer serves as committee secretary. The Audit Committee is empowered by the Board of Directors to examine all matters related to the financial status of the Company and its internal and external audits. The Committee pursues and promotes good corporate governance by actively creating awareness and providing advice to management regarding sound risk management and internal control practices.

For the year 2023, the Audit Committee held 4 meetings to review the Company's financial statements which were certified by the external auditor and discussed the Company's other related activities in compliance with the rules and regulations of the Stock Exchange of Thailand as well as good internal control practices.

In such meetings, the Audit Committee met independently with the management and the internal and external auditors of the Company and conducted reviews and evaluations of accounting policies, and procedures relative to the accounting policies, the internal control assessment, and the audit plan. This included the independent meeting with auditors without the Management being in attendance. The Audit Committee also verified and accepted every quarterly financial statement and provided assessments and recommendations to the Board of Directors. Where weaknesses were identified in internal controls, corrective action plans were established to eliminate or reduce the associated risks.

The Audit Committee approved the appointment of Mr. Term Techasarin from EY Corporate Services Company Limited as the Company's internal auditor for Cyber Security. The internal auditor is responsible for conducting a cyber security assessment, preparing a report, and recommending cyber security improvements that are effective and adhere to internal audit standards and best practices. The internal auditor evaluated the business operations of the Company's information technology, then prepared a report and recommendation for internal control regarding cyber security for relevant executives to determine a corrective action plan to ensure that the issues discovered are effectively and timely solved.

The Board of Directors along with the Audit Committee approved the policy and reports for related party transactions in 2023.

According to the mentioned mission, The Audit Committee provided its opinions as the following:

1. The financial statements and consolidated financial statements of the Company and its subsidiary for the fiscal year ending December 31, 2023, were accurate, complete, and reliable.
2. The Company's assets are safeguarded, proper accounting records are maintained, and resources are utilized effectively and efficiently.
3. The Company complied with the securities laws, the Exchange's regulations, and other laws relating to the Company's business.
4. Mr. Kan Tanthawirat of PricewaterhouseCoopers ABAS, the Company's auditor, is suitable and provided appropriate services.
5. The related transactions arising in 2023 were rational and made for the optimal benefits of the Company.

6. In 2023, the number of the audit committee meetings and the attendance of such meetings by each committee member were as follows:

Mr. Chai Jroongtanapibarn	Chairman of the Audit Committee	4/4
Mrs. Ratana alee Gorsanan	Member of the Audit Committee	4/4
Mr. Anake Pinvanichkul	Member of the Audit Committee	4/4

7. The Audit Committee performed its duties in accordance with its charter, approved by the Board of Directors.

The Audit Committee proposed to the Board of Directors to appoint Mr. Kan Tanthawirat, Certified Public Accountant No. 10456 and Mr. Paiboon Tunkoon, Certified Public Accountant No. 4298, and Ms. Nopanuch Apichatsatien, Certified Public Accountant No. 5266 from PricewaterhouseCoopers ABAS Company Limited to be the Company's auditors in order to audit and express an opinion on the Company's financial statements. If none of them are able to carry out their duties, PricewaterhouseCoopers ABAS Company Limited will provide a replacement auditor for the fiscal year ending December 31, 2024. The appointment of an auditor and the audit fee will be subject to shareholder approval at the Company's Annual General Meeting, held on April 2, 2024.

**Mr. Chai Jroongtanapibarn**  
Chairman of the Audit Committee



# The Nomination and Remuneration Committee Report

The Nomination and Remuneration Committee was appointed by the Board of Directors. The term of office is 3 years. The Nomination and Remuneration Committee consists of 3 Independent Directors and 2 Directors. The Independent Director is the Chairman. The Board of Directors assigned the Nomination and Remuneration Committee to be responsible for considering policies, criteria, and methods for the recruitment, appointment, assignment, allocation, nomination, and monetary or non-monetary remuneration for the Board of Directors, subcommittees, and the Chief Executive Officer. This included a review of the qualification requirements and the performance evaluation criteria as well as surveying the needs for skill and knowledge development of the Company directors, subcommittees, and the Chief Executive Officer.

1. Considered the proposal of the directors' remuneration to the Board of Directors to be proposed to the Shareholders' Meeting for approval. Proposed the allocation of remuneration methods to the Board of Directors regarding the operating results, responsibilities, achievement of goals, overall economic conditions, and comparing it with other companies in the same industry.
2. Considered the selection of suitable personnel for the Board of Directors to be proposed to the Shareholders' Meeting for the replacement of directors who retire by rotation by considering the qualifications, experience, knowledge, and ability to achieve the Company's guidelines and goals.
3. Considered the nomination of committee members who are scheduled to retire by rotation to the Board of Directors. This included the Audit Committee, Corporate Governance and Sustainability Committee, Risk Management and Strategic Development Committee.
4. Considered the performance evaluation guidelines for the Board of Directors and individual directors. Proposed the performance evaluation and the remuneration of the Chief Executive Officer to the Board of Directors.
5. Considered and reviewed the qualifications, the Board Skill Matrix and surveyed the needs for knowledge and skill development of Company directors to enhance their potential to lead and develop the Company to sustainable growth.
6. Followed up and considered the progress of a succession plan for the Chief Executive Officer and Senior Executives.
7. Considered and proposed the policy regarding the Chief Executive Officer and Senior Executives holding directorships in other public companies to the Board of Directors.

All 5 members of the Nomination and Remuneration Committee attended the 3 meetings. The results of the meetings and the performance were reported to the Board of Directors for acknowledgment

**Mr. Anake Pinvanichkul**

Chairman of the Nomination and Remuneration Committee



# The Risk Management and Strategy Development Committee Report

The committee consists of 1 Independent Director, 3 Executive Directors, and 1 Vice President who is the secretary of the committee. The term of the office is 3 years. The chairman of the committee is an independent director. The committee members are responsible for supervising, monitoring, reviewing, evaluating, and supporting the Company to have effective risk management and an effective management system in order to appropriately control risk and contribute to corporate strategy development to support business operations that create value and benefits for stakeholders toward sustainable growth.

In 2023, the committee held 2 meetings. The performance of duties can be summarized as follows:

## 1. Supervise Risk Management

The Risk Management and Strategy Development Committee considered approving the revision of the Enterprise Risk Management Manual for 2023, to be consistent with current operations and used as an operational guideline for communicating and developing efficient work processes under appropriately controlled risks. This includes principles, strategies, risk management framework, structures, roles, duties, and responsibilities for those involved in risk management. This also includes the process for risk management in accordance with the Committee of Sponsoring Organizations of the Tread Way Commission (COSO) (2017 Enterprise Risk Management – Integrated Framework). The Company has categorized enterprise risks into 6 categories:

1. Strategic Risk
2. Operational Risk
3. Financial Risk
4. Compliance Risk
5. ESG Risk and
6. Emerging Risk.

## 2. Consider and Monitor Enterprise Risk Management in 2023

The committee monitored the performance of business risk factors in all 6 areas from the management and the risk management working group who assessed risk factors that may have affected the business operations, the financial status, and the operating results of the Company. In addition, work guidelines were developed to achieve efficiency under appropriately managed risks. This was reported in the topic of Risk Management and Risk Factors as well as the Driving Business for Sustainability / Sustainability Report under the topic of Risk Management. This includes providing suggestions and opinions for improvement, as well as evaluating and reviewing the risk management plans to ensure they are consistent with the volatile, uncertain, and increasingly complex business environment.

## 3. Promote and Support a Risk Management Culture and Corporate Strategy Development

The committee emphasizes the tone at the top to promote and instill corporate values that create a work culture that recognizes risk management. The Risk Management Team was established to be responsible for enterprise risk management in accordance with the risk management policy and corporate strategy development. This included the Risk Owner and the Risk Champion to represent the department in order to identify, evaluate, and review corporate risks. This also included

collecting risk information, risk management measures, and risk assessment results along with developing and creating effective operational methods for systematic risk management. This included building a risk management network or developing strategies with stakeholders by establishing communication principles to create an understanding of risk factors, requiring risk management and corporate strategy development as a part of the performance assessment, supporting communication channels, and networking to exchange knowledge and cooperating risk management. This also included communicating and reporting to the Board of Directors and subcommittees, to acknowledge the guidelines and the performance in risk management and corporate strategy development.

#### 4. Consider and Monitor the Corporate Strategy Development Plan

The committee monitored the plan implementation of the corporate goals and corporate strategy development guidelines to ensure that the Company's business direction was in accordance with the goals, whether short-term goals or goals for sustainable growth. The committee acknowledged and monitored the progress of the corporate development plan in 3 significant areas:

1. Developing a working style to be an Agile Organization
2. Developing to become a Data-Driven and Digital Transformation Company
3. Continuously creating added value for products and services

#### 5. Performance of Charter of Duties Approved by the Board of Directors

In 2023, the committee performed the primary duties specified in the Charter as follows:

- Approved the revision of the Enterprise Risk Management Manual for 2023, being attentive and giving recommendations to promote risk management approaches and ensure its sufficiency and appropriateness for sustainable growth.
- Promoted and encouraged the Company to study and layout business model development guidelines to create sustainable growth.
- Communicated with the Board of Directors and other subcommittees. Reported the performance to the Board of Directors for acknowledgment.
- Reviewed information regarding risk management and risk factors to be disclosed on Form 56-1 One Report for 2023.
- All 4 directors attended the 2 meetings.

**Mr. Anake Pinvanichkul**

Chairman of the Risk Management and  
Strategy Development Committee



# The Corporate Governance and Sustainability Committee Report

The Corporate Governance and Sustainability Committee consists of 1 independent director, 2 executive directors, 1 senior executive, and 1 vice president who serves as the secretary to the Board of Directors. The independent director is the Chairman of the Board. The term of office is 3 years. The Board of Directors is responsible for supervising, supporting, monitoring, and evaluating the Company's operations in accordance with the good corporate governance principles for listed companies 2017 by the Office of the Securities and Exchange Commission (SEC). This includes business operations and sustainable development for stakeholders in economic, social, and environmental dimensions according to the United Nations Sustainable Development Goals (SDGs). The Company reviewed and communicated policies and practice guidelines through the subcommittees and the sustainable development working groups of the Company in all 7 aspects: 1) Corporate Governance 2) Economic and Risk Management 3) Social and Community Development 4) Environment and Safety 5) Labor and Human Rights 6) Innovation and Technology Development 7) Communication and Whistleblowing. This was done to ensure that the Company operates its business with responsibility, transparency, and fairness, as well as to build confidence among all stakeholders and promote sustainable growth.

The Corporate Governance and Sustainability Committee held two meetings in 2023. All directors were present and reported their performance to the Board of Directors for acknowledgment, as well as communicating with other subcommittees. The significance of the performance can be summarized as follows:

## Corporate Governance

1. Revised the good corporate governance principles to be current and consistent with the guidelines of the SEC. Reviewed and applied the CG Code to align with the business context. Proposed the revision of the good corporate governance principles, code of business conduct, and anti-corruption policy for 2023, and to reinforce operational guidelines for the Company's subsidiary, Red Rocco Digital Company Limited, to the Board of Directors for consideration and approval.
2. Considered and monitored the compliance with code of business conduct, anti-corruption policy, and the no-gift policy. The Company received a renewal of certification as a member of the Thai Private Sector Coalition Against Corruption (CAC) for the second time for the year 2023-2026 from the Thai Institute of Directors Association.
3. Considered acknowledging the assessment results of the corporate governance. The Company received an "excellent" or 5-star rating from the 2023 Corporate Governance Report (CGR) by IOD for the third consecutive year.

## Sustainable Development

4. Considered acknowledging the results of sustainability operations according to SET ESG Metrics. There were 71 ESG Indicators covering the environmental, social, governance, and economic dimensions. The operational plan is continuously followed up in each dimension.
5. Approved the sustainability reporting framework for 2023, consisting of significant topics to be disclosed and reported from 56-1 One Report/ Sustainability Report. This includes sustainability policy, business value chain, engagement with stakeholders, materiality matrix, sustainable development goals (SDGs), and SET ESG Metrics.



6. Considered acknowledging the sustainability evaluation. The Company was rated at level AA in the SET ESG Ratings for 2023. This was the fourth consecutive year that the Company was selected to be Thailand's sustainability investment by the Stock Exchange of Thailand. The Company was honored with the Sustainability Disclosure Recognition for the fourth consecutive year from the Thaipat Institute.

**Mrs. Ratanavalee Gorsanan**


Chairman of the Corporate Governance and  
Sustainability Committee



Providing  
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