

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>Valuation of inventories</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"> • Understood the Company’s policy for net realisable value calculation, the procedure of data collection and accuracy review, and the consistency in the implementation of the Company’s accounting policies. • Tested internal controls over the procurement cycle from the purchase requisition, purchase order, goods received, production cost allocation and payment until recording to reflect the accuracy of inventory costs. • Inquired the management and assessed the appropriateness of the selling prices per unit used to estimate the allowance for net realisable value, by comparing quotations and selling price lists with year-end market prices. • Tested the calculation of net realisable value at year end for both raw materials and finished goods, including any reconciliations. <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>Measuring expected credit losses of trade receivables</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"> • 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. • 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. • Inquired the management and assessed the appropriateness of the expected credit loss by assessing the economic factors including examine supporting documents. • Tested reliability of aging report and receipt report by examine with invoices or/and receipt voucher. • Tested the calculation of expected credit losses at year, including any reconciliations. <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 Tanthawirat
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 statements	financial statements	
		2023	2023	2022
		Baht	Baht	Baht
Assets				
Current assets				
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
Total current assets		5,426,994,776	5,419,778,968	5,726,373,922
Non-current assets				
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
Total non-current assets		3,514,082,197	3,520,609,783	3,335,324,380
Total assets		8,941,076,973	8,940,388,751	9,061,698,302

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
Liabilities and equity				
Current liabilities				
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
Total current liabilities		4,329,799,542	4,330,818,058	3,999,682,684
Non-current liabilities				
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
Total non-current liabilities		1,285,322,904	1,285,322,904	1,812,073,621
Total liabilities		5,615,122,446	5,616,140,962	5,811,756,305
Equity				
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
Equity attributable to owners of the parent		3,322,595,358	3,324,247,789	3,249,941,997
Non-controlling interests		3,359,169	-	-
Total equity		3,325,954,527	3,324,247,789	3,249,941,997
Total liabilities and equity		8,941,076,973	8,940,388,751	9,061,698,302

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 statements	financial statements	
		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)
Gross profit		1,303,459,015	1,303,459,015	992,954,267
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)
Profit before income tax		413,472,542	416,265,809	300,261,110
Income tax	27	(80,732,607)	(80,732,607)	(57,806,911)
Profit for the year		332,739,935	335,533,202	242,454,199
Other comprehensive income:				
Item that will not be reclassified to profit or loss				
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)
Total comprehensive income for the year		332,739,935	335,533,202	236,079,180
Total comprehensive income attributable to:				
Owners of the parent		333,880,771	335,533,202	236,079,180
Non-controlling interests		(1,140,836)	-	-
		332,739,935	335,533,202	236,079,180
Earnings per share				
Basic earnings per share	28	0.38	0.39	0.27

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

Consolidated financial statements								
	Notes	Attributable to owners of the parent				Total owners of the parent	Non-controlling interests	Total equity
		Issued and paid-up share capital	Premium on share capital	Retained earnings				
		Baht	Baht	Appropriated - Legal reserve	Unappropriated	Baht	Baht	Baht
		Baht	Baht	Baht	Baht	Baht	Baht	Baht
As at 1 January 2023		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
Closing balances as at 31 December 2023		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

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

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	2023	2022
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
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	
Cash flows from investing activities					
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
Cash flows from financing activities				
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	#####	#####	#####
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)
Net (decrease) increase in cash and cash equivalents		(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
Cash and cash equivalents are made up as follows:				
- 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:

	2023	2022
	Thousand	Thousand
	Baht	Baht
Floating rate		
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
	6,386,742	6,442,504

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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.

	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Total Thousand Baht
As at 31 December 2023				
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
Total financial liabilities that is not derivatives	33,325	4,338,748	1,229,000	5,601,073
Derivative financial instruments				
Foreign currency forwards	-	7,341	-	7,341
Total derivatives	-	7,341	-	7,341
Total	33,325	4,346,089	1,229,000	5,608,414
	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Total Thousand Baht
As at 31 December 2022				
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
Total financial liabilities that is not derivatives	56,969	4,012,372	1,800,429	5,869,770
Derivative financial instruments				
Foreign currency forwards	-	4,439	-	4,439
Total derivatives	-	4,439	-	4,439
Total	56,969	4,016,811	1,800,429	5,874,209

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

	Consolidated financial statements	Separate financial statements	
	2023 Baht	2023 Baht	2022 Baht
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
Total	91,381,448	85,074,642	141,427,387

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

	Consolidated financial statements	Separate financial statements	
	2023 Baht	2023 Baht	2022 Baht
Trade accounts receivable	2,653,792,364	2,653,792,364	2,842,676,594
<u>Less</u> Loss allowance	<u>(60,808,220)</u>	<u>(60,808,220)</u>	<u>(93,024,718)</u>
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
Total	2,613,349,125	2,612,804,588	2,788,466,203

TMT Steel Public Company Limited
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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:

As of 31 December 2023	Not yet due Thousand Baht	Up to 1 months Thousand Baht	1 - 3 months Thousand Baht	3 - 6 months Thousand Baht	6 - 12 months Thousand Baht	More than 12 months Thousand Baht	Total Thousand Baht
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)
Total	1,860,004	545,104	131,159	35,990	15,650	5,077	2,592,984

As of 31 December 2022	Not yet due Thousand Baht	Up to 1 months Thousand Baht	1 - 3 months Thousand Baht	3 - 6 months Thousand Baht	6 - 12 months Thousand Baht	More than 12 months Thousand Baht	Total Thousand Baht
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)
Total	2,108,786	505,413	103,789	15,870	15,794	-	2,749,652

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

	Trade receivables	
	2023 Baht	2022 Baht
As at 1 January	(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
As of 31 December	(60,808,220)	(93,024,718)

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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:

	Consolidated financial statements	Separate financial statements	
	2023 Baht	2023 Baht	2022 Baht
Financial assets			
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
Financial liabilities			
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

	Consolidated and separate financial statements	Separate financial statements
	2023 Baht	2022 Baht
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)
Total	2,597,344,563	2,744,523,017

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 Baht	Land 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	Total Baht
At 1 January 2023									
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
At 31 December 2023									
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
<u>Less</u> 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 Baht	Land improvements Baht	Buildings and building improvements Baht	Machinery and equipment Baht	Furniture and fixtures Baht	Trucks and motor vehicles Baht	Construction in progress Baht	Machinery under installation Baht	Total Baht
At 1 January 2022									
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
For the year ended 31 December 2022									
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
At 31 December 2022									
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 Baht	Land 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	
For the year ended 31 December 2023									
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
At 31 December 2023									
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
<u>Less</u> 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:

	Consolidated and separate financial statements	Separate financial statements
	2023 Baht	2022 Baht
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
Total	39,231,378	50,672,121

For the year ended 31 December, amounts charged to profit or loss and cash flows relating to leases are as follows:

	Consolidated and separate financial statements	Separate financial statements
	2023 Baht	2022 Baht
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
Total (Note 26)	24,668,589	23,975,226
Addition to the right-of-use assets during the year	13,227,847	60,322,315
Total cash outflow for leases	24,533,284	23,778,094
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
At 1 January 2023			
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
At 31 December 2023			
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
At 1 January 2022			
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
For the year ended 31 December 2022			
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
At 31 December 2022			
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
For the year ended 31 December 2023			
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
At 31 December 2023			
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

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19 Deferred income taxes, net

The analysis of deferred income tax assets and deferred tax liabilities is as follows:

	Consolidated and separate financial statements	Separate financial statements
	2023 Baht	2022 Baht
Deferred tax assets:	35,891,573	45,923,565
Deferred tax liabilities:	(747,689)	(865,594)
Deferred income taxes, net	35,143,884	45,057,971

The movement in deferred tax assets and liabilities during the year is as follows:

	Net impairment losses Baht	Allowance for net realisable value Baht	Lease liabilities Baht	Employee benefits obligations Baht	Total Baht
Deferred tax assets:					
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

	Temporary difference for depreciation Baht	Temporary difference for front- end fees Baht	Total Baht
Deferred tax liabilities:			
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

	Consolidated and separate financial statements	Separate financial statements
	2023 Baht	2022 Baht
Current		
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
Non-current		
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
Total borrowings	5,224,373,946	5,134,068,448

20.1 Short-term borrowings

The movement in short-term borrowings from financial institutions during the year is as follows:

	Consolidated and separate financial statements	Separate financial statements
	2023 Baht	2022 Baht
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:

	Consolidated and separate financial statements	Separate financial statements
	2023 Baht	2022 Baht
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:

Loan Amount (Baht million)	Due on	Interest rate (Per annum)	
		2023	2022
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

	Consolidated financial statements	Separate financial statements	
	2023 Baht	2023 Baht	2022 Baht
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
Total	218,940,126	219,958,642	513,050,439

22 Employee benefit obligations

	Consolidated and separate financial statements	Separate financial statements
	2023 Baht	2022 Baht
Statement of financial position:		
- Retirement benefits	110,338,563	103,228,852

The movement in the obligations for retirement benefit are as follows:

	Consolidated and separate financial statements	Separate financial statements
	2023 Baht	2022 Baht
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)
At 31 December	110,338,563	103,228,852

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The significant actuarial assumptions used were as follows:

	Consolidated and separate financial statements	Separate financial statements
	2023	2022
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

	Impact on defined benefit obligations as at 31 December 2023		
	Change in assumption %	Increase in obligations Baht	Decrease in obligations Baht
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

	Impact on defined benefit obligations as at 31 December 2023		
	Change in assumption %	Increase in obligations Baht	Decrease in obligations Baht
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).

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Expected maturity analysis of undiscounted retirement benefits is as follows:

	Less than a year Baht	Between 1-5 years Baht	Over 5 years Baht	Total Baht
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
Total	-	56,839,166	52,437,043	109,276,209

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.

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A summary of significant transactions with related parties are as follows:

(a) **Transactions with related parties**

	Consolidated financial statements	Separate financial statements	
	2023 Baht	2023 Baht	2022 Baht
Subsidiary			
Revenue from services			
Rental service fee	-	47,500	-
Purchases of services			
Digital Platform service fee	-	1,057,015	-
Related company			
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
Total	10,952,414	10,952,414	13,925,044

(b) **Outstanding balances arising from purchase and operating expenses**

	Consolidated financial statements	Separate financial statements	
	2023 Baht	2023 Baht	2022 Baht
Subsidiary			
Accrued income	-	47,500	-
Accrued expenses	-	1,057,015	-
Related company			
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.

For the years ended 31 December	2023 Baht	2022 Baht
Short-term benefits	49,174,000	47,236,000
Post-employee benefits	2,415,745	2,338,731
	51,589,745	49,574,731

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.