

S.A.F. SPECIAL STEEL PUBLIC COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of
 S.A.F. Special Steel Public Company Limited

Opinion

I have audited the financial statements of S.A.F. Special Steel Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2024, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of S.A.F. Special Steel Public Company Limited as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

- Revenue recognition from sales

The Company had revenues from sales of goods for the year ended December 31, 2024 in the amount of Baht 156.15 million which is a significant accounting transaction of the Company since sales direct affect to the profit and loss for the year. In addition, the Company has numerous customers in various businesses and categories. I have therefore focused on auditing the revenue from sales recognition and in particular on the timing of revenue recognition. The Company has disclosed the accounting policy on revenue recognition from sales in Note 3.1 in the notes to the financial statements.

Regarding my audit method on such matter, I obtained an understanding of the internal control system of the revenue cycle and related accounting transactions, assessed and tested efficiency of internal controls by making enquiry of responsible executive, gaining an understanding of the controls and selecting representative samples to test the operation of the designed key controls. On a sampling basis, I examined supporting documents for sales transactions occurring during the year and sales transactions occurred near to the end of the accounting period. I also reviewed credit notes that the Company issued after period end and performed analytical procedures on sales account. Furthermore, I have considered the appropriateness and adequacy of the information disclosure in the financial statements and notes to the financial statements.

- Allowance for the decline in value of inventory

The Company had inventory in the statement of financial position as at December 31, 2024 in the amount of Baht 130.05 million or 32.44 percent of total assets of the company. The accounting policy for inventory and details for inventory are disclosed in Notes 3.5 and 8, respectively. Inventory is stated at cost or net realizable value, whichever is lower. The management has exercised considerable judgment in considering the estimating the net realizable value of inventory. In addition, major products of the Company are steel products for industrial which cost of raw material are fluctuated depends on market prices. Therefore, I have identified that the valuation of inventory is a significant risk that requires special attention in the audit.

I assessed the method and gained an understanding of the basis applied in determining the provision for the decline in value of inventory, reviewed the consistency of the application of that basis, performed a comparison of gross profit rate and compared proceeds from sales transactions occurring after the period end and trends in steel prices after the date of the financial statements with the cost of inventory and tested the calculation of the allowance for decline in value of inventory. Furthermore, I paid attention to the adequacy of the information disclosure of the accounting policy and the amount related to the recognition of the allowance for decline in value of inventory.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Miss Techinee Pornpenpob.

(Miss Techinee Pornpenpob)
Certified Public Accountant
Registration No. 10769

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 20, 2025

S.A.F. SPECIAL STEEL PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

| ASSETS | | | |
|--|--------|-----------------------|-----------------------|
| | | Baht | |
| | Notes | 2024 | 2023 |
| Current assets | | | |
| Cash and cash equivalents | 6 | 45,001,628.70 | 6,776,214.97 |
| Trade and other current receivables | 5.3, 7 | 32,952,449.27 | 42,914,463.80 |
| Inventories | 8 | 132,656,309.92 | 151,207,044.15 |
| Other current financial asset | 9 | 512,480.74 | 506,336.29 |
| Derivative assets | 27 | 204,370.83 | - |
| Other current assets | | 180,326.95 | 223,597.77 |
| Total current assets | | 211,507,566.41 | 201,627,656.98 |
| Non-current assets | | | |
| Restricted deposits with financial institution | 10 | 10,026,136.20 | 30,027,205.77 |
| Property, plant and equipment | 11 | 174,235,785.62 | 166,040,430.53 |
| Right-of-use assets | 12 | - | 1,052,025.28 |
| Intangible assets | 13 | 3,068,005.00 | 3,664,913.16 |
| Deferred tax assets | 14 | 2,202,752.39 | 1,662,477.59 |
| Other non-current assets | | 71,984.10 | 71,984.10 |
| Total non-current assets | | 189,604,663.31 | 202,519,036.43 |
| TOTAL ASSETS | | 401,112,229.72 | 404,146,693.41 |

S.A.F. SPECIAL STEEL PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2024

LIABILITIES AND SHAREHOLDERS' EQUITY

| | Notes | Baht | |
|--|-------|------------------------------|------------------------------|
| | | 2024 | 2023 |
| Current liabilities | | | |
| Bank overdrafts and short-term loans from financial institutions | 15 | 64,692,874.44 | 97,640,918.62 |
| Trade and other current payables | 16 | 15,885,710.22 | 3,316,705.44 |
| Current portion of long-terms loans from financial institutions | 17 | 11,153,333.23 | 7,333,333.32 |
| Current portion of lease liabilities | 18 | - | 92,260.65 |
| Derivative liabilities | 27 | 218,732.73 | 320,575.88 |
| Other current liabilities | | 474,211.03 | 166,426.79 |
| Total current liabilities | | <u>92,424,861.65</u> | <u>108,870,220.70</u> |
| Non-current liabilities | | | |
| Long-term loans from financial institutions | 17 | 28,071,111.32 | 9,944,444.55 |
| Provisions for employee benefit | 19 | 7,407,873.31 | 7,083,095.74 |
| Total non-current liabilities | | <u>35,478,984.63</u> | <u>17,027,540.29</u> |
| TOTAL LIABILITIES | | <u>127,903,846.28</u> | <u>125,897,760.99</u> |

S.A.F. SPECIAL STEEL PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2024

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

| | Notes | Baht | |
|---|-------|-----------------------|-----------------------|
| | | 2024 | 2023 |
| Shareholders' equity | | | |
| Share capital | | | |
| Authorized share capital | | | |
| 300,000,000 ordinary shares, Baht 0.50 each | | <u>150,000,000.00</u> | <u>150,000,000.00</u> |
| Issued and paid-up share capital | | | |
| 300,000,000 ordinary shares, Baht 0.50 each | | 150,000,000.00 | 150,000,000.00 |
| Share premium on ordinary shares | 20 | 113,113,152.00 | 113,113,152.00 |
| Retained earnings | | | |
| Appropriated | | | |
| Legal reserve | 21 | 4,443,500.00 | 4,443,500.00 |
| Unappropriated | | <u>5,651,731.44</u> | <u>10,692,280.42</u> |
| TOTAL SHAREHOLDERS' EQUITY | | <u>273,208,383.44</u> | <u>278,248,932.42</u> |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | <u>401,112,229.72</u> | <u>404,146,693.41</u> |

S.A.F. SPECIAL STEEL PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

| | Notes | Baht | |
|---|-------|-----------------------|-----------------------|
| | | 2024 | 2023 |
| Revenues | | | |
| Revenue from sales and services | 22 | 161,356,222.37 | 168,922,790.85 |
| Gain on exchange rates | | 736,700.25 | 509,298.89 |
| Other income | | 840,875.14 | 1,730,531.59 |
| Total revenues | | 162,933,797.76 | 171,162,621.33 |
| Expenses | | | |
| Cost of sales and services | | 129,592,170.87 | 130,669,493.95 |
| Distribution costs | | 6,065,185.92 | 6,394,432.21 |
| Administrative expenses | 5.3 | 25,232,786.98 | 27,781,564.45 |
| Total expenses | | 160,890,143.77 | 164,845,490.61 |
| Profit from operation activities | | 2,043,653.99 | 6,317,130.72 |
| Finance costs | | 5,070,662.94 | 4,847,157.07 |
| Profit (loss) before income tax expense | | (3,027,008.95) | 1,469,973.65 |
| Tax expense (income) | 25 | (629,507.83) | 202,071.66 |
| Profit (loss) for the year | | (2,397,501.12) | 1,267,901.99 |
| Other comprehensive income | | | |
| Components of other comprehensive income that will not be reclassified to profit or loss : | | | |
| Gains (losses) on re-measurements of defined benefit plans | 19 | 446,165.17 | (670,359.22) |
| Income tax relating to components of other comprehensive income that will not be reclassified | 25 | (89,233.03) | 134,071.84 |
| Other comprehensive income (expenses) for the year, net of tax | | 356,932.14 | (536,287.38) |
| Total comprehensive income (expenses) for the year | | (2,040,568.98) | 731,614.61 |
| Earnings (loss) per share (Baht) | | | |
| Basic earnings (loss) per share | 26 | (0.008) | 0.004 |

Notes to the financial statements form an integral part of these financial statements.

S.A.F. SPECIAL STEEL PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

| Notes | Baht | | | | |
|---|------------------------------|--|---------------------|---------------------|----------------------------------|
| | Issued and paid-up shares | Share premium on ordinary shares | Retained earnings | | Total shareholders' equity |
| | | | Appropriated | Unappropriated | |
| Beginning balance as at January 1, 2023 | 110,000,000.00 | - | 4,375,500.00 | 20,528,547.16 | 134,904,047.16 |
| Called up ordinary shares | 20 | 40,000,000.00 | 114,400,000.00 | - | 154,400,000.00 |
| Legal reserve | 21 | - | 68,000.00 | (68,000.00) | - |
| Dividend paid | 21 | - | - | (10,499,881.35) | (10,499,881.35) |
| Attributable expenses of public offering the initial, net of tax | 20 | - | (1,286,848.00) | - | (1,286,848.00) |
| Total comprehensive income (expenses) for the year | | | | | |
| Profit (loss) for the year | | - | - | - | 1,267,901.99 |
| Other comprehensive income (expenses) | | | | | |
| for the year, net of tax | | - | - | - | (536,287.38) |
| Ending balance as at December 31, 2023 | 150,000,000.00 | 113,113,152.00 | 4,443,500.00 | 10,692,280.42 | 278,248,932.42 |
| Dividend paid | 21 | - | - | - | (2,999,980.00) |
| Total comprehensive income (expenses) for the year | | | | | |
| Profit (loss) for the year | | - | - | - | (2,397,501.12) |
| Other comprehensive income (expenses) | | | | | |
| for the year, net of tax | | - | - | - | 356,932.14 |
| Ending balance as at December 31, 2024 | <u>150,000,000.00</u> | <u>113,113,152.00</u> | <u>4,443,500.00</u> | <u>5,651,731.44</u> | <u>273,208,383.44</u> |

Notes to the financial statements form an integral part of these financial statements.

S.A.F. SPECIAL STEEL PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

| | Baht | |
|--|---------------------|---------------------|
| | 2024 | 2023 |
| Cash flows from operating activities | | |
| Profit (loss) for the year | (2,397,501.12) | 1,267,901.99 |
| Reconciliations of profit (loss) for the period to cash provided by (used in) operating activities: | | |
| Depreciation | 4,608,059.08 | 4,912,286.31 |
| Amortization | 981,403.16 | 770,921.00 |
| Expected credit losses (reversal) | (74,497.78) | (278,184.70) |
| Loss on declining in value of inventories | 103,805.80 | 198,298.23 |
| Gain on disposal of equipment | (278,716.08) | (1,421,701.57) |
| Loss on write-off of intangible assets | 5.00 | - |
| Unrealized (gain) loss on exchange rate | (427,035.94) | 238,483.31 |
| Employee benefit expense | 830,942.74 | 727,740.63 |
| Interest income | (154,413.39) | (159,658.72) |
| Write-off withholding tax at source | 179,512.68 | - |
| Interest expense | 5,070,662.94 | 4,847,157.07 |
| Tax expense (income) | <u>(629,507.83)</u> | <u>202,071.66</u> |
| Profit provided by operating activities before changes in operating assets and liabilities | 7,812,719.26 | 11,305,315.21 |
| (Increase) decrease in operating assets | | |
| Trade and other current receivables | 8,495,533.28 | 3,422,878.50 |
| Inventories | 18,446,928.43 | (17,741,355.02) |
| Other current assets | 11,939.28 | 48,673.81 |
| Increase (decrease) in operating liabilities | | |
| Trade and other current payables | 14,161,611.17 | (13,750,812.30) |
| Other current liabilities | 307,784.24 | (797,372.30) |
| Provisions for employee benefit | <u>(60,000.00)</u> | <u>(203,358.61)</u> |

S.A.F. SPECIAL STEEL PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2024

| | Baht | |
|--|------------------------|------------------------|
| | 2024 | 2023 |
| Cash received (paid) from operations | 49,176,515.66 | (17,716,030.71) |
| Income tax paid | (148,181.14) | (645,587.39) |
| Net cash provided by (used in) operating activities | <u>49,028,334.52</u> | <u>(18,361,618.10)</u> |
| Cash flows from investing activities | | |
| (Increase) decrease in restricted deposit with financial institution | 20,001,069.57 | (16,647.70) |
| Cash payments for purchase of other current financial asset | (6,144.45) | (2,618.07) |
| Cash payments for purchase of property, plant and equipment | (13,905,036.48) | (75,263,453.93) |
| Cash receipts from disposal of equipment | 2,770,226.08 | 1,567,469.16 |
| Cash payments for purchase of intangible asset | (722,994.50) | (2,745,355.50) |
| Interest income received | 248,612.14 | 85,483.35 |
| Net cash provided by (used in) investing activities | <u>8,385,732.36</u> | <u>(76,375,122.69)</u> |
| Cash flows from financing activities | | |
| Increase (decrease) in bank overdrafts and short-term loans | | |
| from financial institutions | (32,948,044.18) | (34,985,615.44) |
| Cash receipts from long-term loans from financial institution | 30,000,000.00 | 4,000,000.00 |
| Cash payments for repayment of long-term loans from | | |
| financial institution | (8,053,333.32) | (5,833,333.29) |
| Cash payments for repayment of lease liabilities | (92,260.65) | (712,625.23) |
| Cash receipts from share subscription | - | 154,400,000.00 |
| Cash payments on directly attributable expenses of | | |
| public offering the initial | - | (1,608,560.00) |
| Dividend paid | (2,999,363.42) | (10,498,252.80) |
| Interest expense paid | <u>(5,095,651.58)</u> | <u>(4,825,098.78)</u> |
| Net cash provided by (used in) financing activities | <u>(19,188,653.15)</u> | <u>99,936,514.46</u> |

S.A.F. SPECIAL STEEL PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2024

| | Baht | |
|---|-------------------------------|-------------------------------|
| | 2024 | 2023 |
| Net increase (decrease) in cash and cash equivalents | 38,225,413.73 | 5,199,773.67 |
| Cash and cash equivalents - beginning of the year | <u>6,776,214.97</u> | <u>1,576,441.30</u> |
| Cash and cash equivalents - ending of the year | <u><u>45,001,628.70</u></u> | <u><u>6,776,214.97</u></u> |
| Supplement disclosure for cash flows information: | | |
| 1. Reconciliation of interest income received from investing activities | | |
| Interest received during the year | 154,413.39 | 159,658.72 |
| (Acrease) decrease accrued interest income | <u>94,198.75</u> | <u>(74,175.37)</u> |
| Interest income received | <u><u>248,612.14</u></u> | <u><u>85,483.35</u></u> |
| 2. Reconciliation of interest expense paid from financing activities | | |
| Interest paid during the year | (5,070,662.94) | (4,847,157.07) |
| Increase (decrease) accrued interest expense | <u>(24,988.64)</u> | <u>22,058.29</u> |
| Interest expense paid | <u><u>(5,095,651.58)</u></u> | <u><u>(4,825,098.78)</u></u> |
| 3. Reconciliation of dividend paid | | |
| Dividend paid for the year | (2,999,980.00) | (10,499,881.35) |
| Increase in accrued dividend | <u>616.58</u> | <u>1,628.55</u> |
| Dividend paid | <u><u>(2,999,363.42)</u></u> | <u><u>(10,498,252.80)</u></u> |
| 4. Reconciliation of cash paid for acquisition of property, plant and equipment | | |
| Acquisition of property, plant and equipment for the year | (14,242,898.89) | (75,895,096.52) |
| (Acrease) decrease in advance payments for purchase of assets | <u>1,446,780.28</u> | <u>(446,780.28)</u> |
| Increase (decrease) in payable from acquisition of assets | <u>(1,108,917.87)</u> | <u>1,078,422.87</u> |
| Cash paid for acquisition of property, plant and equipment | <u><u>(13,905,036.48)</u></u> | <u><u>(75,263,453.93)</u></u> |

S.A.F. SPECIAL STEEL PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2024

| | Baht | |
|---|---------------------|-----------------------|
| | 2024 | 2023 |
| 5. Reconciliation of cash paid for acquisition of intangible assets | | |
| Acquisition of intangible assets for the year | (384,500.00) | (3,083,850.00) |
| Increase (decrease) in payable from acquisition of assets | (338,494.50) | 338,494.50 |
| Cash paid for acquisition of intangible assets | <u>(722,994.50)</u> | <u>(2,745,355.50)</u> |
| 6. Non-cash transaction | | |
| Transferred Right-of-use assets to equipment | <u>978,000.00</u> | <u>1,180,895.64</u> |

S.A.F. SPECIAL STEEL PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. GENERAL INFORMATION

1.1 Legal status and address of the Company

The Company had registered to be a limited company with the Ministry of Commerce on November 30, 1992 and according to the Extraordinary Shareholders' Meeting 2022 held on March 15, 2022, the shareholders had a resolution to change the Company's status to a public limited company. The change of Company's status to be the public company limited was registered with the Ministry of Commerce on March 23, 2022.

The addresses of its registered offices are as follows:

Head office is located at 110 Thientalay 24 Bangkhunthien-Chytalay rd., Ta-kam, Bangkhunthien, Bangkok 10150.

Branch office is located

(1) 112/2, 112/3 Thientalay 24 Bangkhunthien-Chytalay rd., Ta-kam, Bangkhunthien, Bangkok 10150.

(2) 45/13 Thientalay 24 Bangkhunthien-Chytalay rd., Ta-kam, Bangkhunthien, Bangkok 10150.

1.2 Nature of the Company's operations

The principal activities of the Company are import and distribution including steel products for industrial and distribution tooling, equipment parts and band saw machines and manufacture of molds & dies and vacuum hardening services.

1.3 Major shareholders

The Company's major shareholders are Mr. Pisit Ariyadejwanich, Ms. Leena Ariyadejwanich and Mr. Pisan Ariyadejwanich which owns the common shares at 61.20% of the total common shares of the Company.

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis for the preparation of financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E. 2543.

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

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

2.2 Revised financial reporting standards effective in the current year

The Company has adopted the revised financial reporting standards for accounting periods beginning on or after January 1, 2024. These adjustments are intended to make the financial reporting standards clearer and more appropriate. These adjustments do not have material impact on the financial statements in the current year.

2.3 Revised financial reporting standards that will be effective in the future

The Federation of Accounting Professions has announced the adoption of the revised financial reporting standards which will be effective for the financial statements for accounting periods beginning on or after January 1, 2025. These adjustments are based on International Financial Reporting Standards with most of the adjustments clarifying accounting practices and providing accounting guidance to users of the standards.

The management of the Company believes that the adjustments will not have material impact on the financial statements in the year in which these standards are initially applied.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Revenue and expenses recognition

Revenue from sale of goods and services is recognized at the point in time when control of the good or service (asset) is transferred to the customer, generally on delivery of the goods and service. Revenue from sale of goods and services is measured at the amount of the consideration received or receivable of goods supplied after deducting returns and discounts, excluding value added tax.

Interest income is recognized over the period of time in consideration of the effective rate.

Other income and expenses are recognized on the accrual basis.

3.2 Financial instruments

Classification and valuation of financial assets

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

Equity instruments can be classified and cannot be changed by two types of measurement which are measuring fair value through profit or loss or measuring fair value through other comprehensive income that without recycling to profit or loss.

The initial recognition of financial assets that are not measured at fair value through profit or loss with fair value plus or deduct transaction cost directly related to the acquisition or issuance. Financial assets that are measured at fair value through profit or loss, transaction costs are recognized as expense in profit or loss.

Subsequent measurement of debt instruments by 3 methods depends on the classification of debt instruments.

- Financial assets measured at amortized cost when financial assets are held to receive cash flow under the agreement and condition of the agreement of the financial assets that generate cash flow to pay the principal and interest from the principal balance on the specified date only. Such financial assets have to be calculated using the effective rate and are subject to impairment assessment. Profit or loss arising from derecognized, modified or impaired will be recognized in profit or loss.
- Financial assets measured at fair value through other comprehensive income when financial assets are held to receive cash flow under the agreement and to sell financial assets and the agreement condition of financial assets generating cash flow that only pays the principal and interest from the principal balance on the specified date. The change of value of financial assets is recognized through other comprehensive income except loss on impairment and interest income and gain and loss on exchange rate are recognized as profit or loss upon recognized of financial assets. Earning or deficit previously recognized in other comprehensive income has to be reclassified into profit or loss. Such financial asset has to be calculated using the effective interest rate same as financial assets measured at amortized cost.
- Financial assets measured at fair value through profit or loss when financial assets that do not meet the criteria for amortized cost or financial assets measured at fair value through other comprehensive income will be presented in the statement of financial position at fair value by recognizing the net change of fair value in profit or loss.

Subsequent valuation of equity instruments must present equity instruments using the fair value and record profit/loss from change in fair value through profit or loss or other comprehensive income depending on equity instruments classification.

Classification and valuation of financial liabilities

The Company are recognized initially of financial liabilities at fair value net of transaction costs and classified as financial liabilities as financial liabilities subsequently measured at amortized cost using the effective rate. The amortized cost is calculated taking into account fees or costs that are an integral part of the effective rate. Amortization by the effective rate is presented as part of financial costs in profit or loss.

Derivative

Derivative is recognized at fair value and measured fair value at the end of the reporting period. Profit or loss from fair value remeasurement is recognized in profit or loss immediately unless that derivative is used for hedge.

Derecognition of financial instruments

Financial assets will be derecognized from the account when the right to receive cash flow of such asset has ended or when the right to receive cash flow of the assets is transferred including upon the transfer of all risk and consideration of that asset or transfer of internal control in that asset although there is no transfer or maintaining of nearly all risk and consideration of such asset.

Financial liabilities will be derecognized from the account when the obligation of such liabilities has been complied, the obligation is cancelled or the obligation has ended. In case existing financial liabilities are changed to new liabilities from one single lender with considerably different requirements or there is a significant amendment in the requirements of existing liabilities, these are considered as recognition old liabilities and recognizing new liabilities by recognizing the difference of such carrying value under profit or loss.

Impairment of financial assets

Expected credit loss for financial assets measured at amortized cost or debt instrument financial asset measured at fair value through other comprehensive income and assets arising from credit facility obligation and financial guarantee agreement are assessed without having to wait for the credit event to occur first. The Company use the general approach in considering the allowance for loss on impairment. For trade receivables, the Company apply a simplified approach in calculating ECLs. The Company recognize a loss based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

Offset of financial instruments

Financial assets and liabilities will be offset and presented at net balance in the statement of financial position in the case legally enforced in offsetting the recognized amount. The Company intend to pay the net balance or intends to receive assets and settle payment of liabilities at the same time.

3.3 Cash and cash equivalents

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

3.4 Trade and other current receivables

Trade and other current receivables are stated at their invoice value less allowance for expected credit losses unless they contain significant financing components, when they are recognized at present value.

The allowance for expected credit losses is disclosed in Note 4.1.

3.5 Inventories

Inventories are presented at the lower of cost or net realizable value, cost of inventories is calculated using the moving average method.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of conversion above include an appropriate share of production overheads based on normal production capacity.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete production and the estimated costs to complete the sale.

3.6 Property, plant and equipment and depreciation

Land is stated at cost and impairment loss (if any).

Plant and equipment are stated at cost less accumulated depreciation and impairment loss (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

Allowance for impairment loss of assets will be made when there is any event or circumstance indicating that the recoverable values of these assets are less than their carrying values.

Expenditure incurred in addition, renewal or betterment are recorded add in involve asset, if it is certainly probable the future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Repair and maintenance costs are recognized as an expense when incurred.

Depreciation is calculated by cost less residual value on the straight-line method over the estimated useful life of the assets as follows:

| Types of assets | Useful life | | | |
|-----------------------------|-------------|-------|--------|-------|
| | 2024 | | 2023 | |
| Buildings and constructions | 10 - 40 | years | 5 - 20 | years |
| Land improvements | 5 - 20 | years | 5 - 10 | years |
| Office equipment | 3 - 10 | years | 3 - 5 | years |
| Furniture and fixtures | 5 - 20 | years | 5 - 20 | years |
| Machines and tools | 5 - 15 | years | 5 - 10 | years |
| Vehicles | 5 | years | 5 | years |

The Company has reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and equipment under installation.

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

3.7 Borrowing costs

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalized as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.

3.8 Leases

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

The Company assesses the lease term for the non-cancellable period as stipulated in lease contract, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

Right-of-use assets-as a lessee

Right-of-use assets are recognized at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

Lease liabilities

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term.

3.9 Intangible assets and amortization

Intangible assets that are acquired by the Company have finite useful life are stated at cost less accumulated amortization and allowance on impairment (if any).

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortization is calculated by cost less residual value on the straight-line method over the estimated useful life of the assets as follows:

| Types of assets | Useful life | |
|-------------------|--------------|-------------|
| | 2024 | 2023 |
| Computer software | 5 - 10 years | 3 - 5 years |

The Company has reviewed the residual value and useful life of the assets every year.

No amortization is provided on computer software in progress.

3.10 Impairment of non-financial assets

As at the statement of financial position date, the Company assesses whether there is an indication of asset impairment. If any such indication exists, the Company will make an estimate of the asset's recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

In addition, impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization. The recoverable amount of the asset is the asset's value in use or fair value less costs to sell.

3.11 Employee benefits

Short-term employment benefits

The Company recognizes salary, wage, bonus and contributions to social security fund and provident fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

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

Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments that it must pay to the employees upon retirement under the Company's article and the labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees will be recognized immediately in other comprehensive income as a part of retain earning.

Other long-term employee benefits

The Company net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognize costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

3.12 Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3.13 Foreign currency transactions

Transactions in foreign currencies throughout the years are recorded in Baht at prevailing rates at the transaction dates. Outstanding monetary assets and liabilities denominated in foreign currencies at the statement of financial position dates are translated into Baht at the prevailing rates at those dates. Gain or loss arising from translation are credited or charged against current operations.

3.14 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

The Company records income tax expense (if any), based on the amount currently payable under the Revenue Code at the income tax rates (20%) of net profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that the Company expects to apply to the period when the deferred tax assets are realised or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

3.15 Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit or loss for the year attributable to equity holders of the Company by the weighted average number of ordinary shares which are issued during the year.

3.16 Related parties

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.

3.17 Derivatives financial instruments

Derivatives are initially recognized 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 accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument in hedge accounting, and if so, the nature of the item being hedged. The Company designate certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or unrecognized firm commitments (fair value hedges); or
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges).

Derivatives that is not applied hedge accounting is classified as an asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains (losses).

Forward exchange contracts

Forward exchange contracts are the hedging instrument in a hedge of variability in exchange rates of future foreign currency transactions. The difference between the contractual forward rate and the actual rate at maturity date of the contract is recognised in profit and loss when incurred.

3.18 Fair value measurement

The Company uses the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

Level 1 - Use of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Use of inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (e.g. prices) or indirectly (e.g. derived from prices).

Level 3 - Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

4.1 Allowance for expected credit losses

In determining an allowance for expected credit losses, the management needs to make judgement and estimates the expected credit loss based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables such as GDP, the unemployment rate and the consumer price index.

4.2 Allowance for declining in value of inventory

The determination of allowance for declining in the value of inventory, requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense.

4.3 Impairment of assets

The Company treats assets as impaired when they are determined that the recoverable amount is lower than the carrying amount or in assessing whether there is any indication that assets may be impaired. The determination of whether the recoverable amount lower than the carrying amount requires judgement of the management to use key assumptions underlying recoverable amounts.

4.4 Property, plant and equipment, Right-of-use assets and Intangible assets depreciation and amortization

In determining depreciation of plant and equipment and right-of-use assets and amortization of intangible assets, the management is required to make estimates of the useful life and residual values of the plant and equipment and to review the useful lives and residual values when there are any changes.

4.5 Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

4.6 Leases

In determining the lease term of contracts with renewal and termination options, the Company and determines the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

4.7 Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit of the lease. Therefore, the incremental borrowing rate of the Company are used to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay for necessary borrowing to acquire the assets, or assets with close value to right-of-use assets in similar economic environment, borrowing period and borrowing security.

4.8 Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

4.9 Fair valuation of financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company use judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

5. RELATED PARTIES

The Company has business transactions with related persons or companies. Such business transaction follows the trade terms and agreed upon criteria between the Company and related persons or companies in the ordinary course of business.

5.1 The nature of relationship with related parties were summarized as follows:

| Related parties | Relationship |
|--|---|
| <u>Related company</u> | |
| Thai Tool and Die Industry Association | Shareholders and director of the company are directors (Ended on May 16, 2024) |
| <u>Related persons</u> | |
| Director and key management personnel | Persons having authority and responsibility for management |

5.2 The Company has pricing policy for transactions with related parties as follows:

| Transactions | Pricing policies |
|---|---|
| Purchase of fixed assets | Agreed price |
| Other expenses | Market price |
| Compensation to director and management | According to approvals from the Board of Directors and shareholders |

5.3 Significant transactions with related parties for the year ended December 31, 2024 and 2023 were as follows:

| | Baht | |
|------------------------|----------|---------------|
| | 2024 | 2023 |
| <u>Related company</u> | | |
| Other service expenses | 3,000.00 | 3,000.00 |
| Total | 3,000.00 | 3,000.00 |
| <u>Related persons</u> | | |
| Purchases of asset | - | 27,570,000.00 |

According to the Annual General Shareholders' Meeting 2022 held on March 15, 2022, the shareholders had a resolution to purchase land from a Company's director (related persons) at Baht 27.50 million at the agreed upon price to use as a warehouse and factory. On April 4, 2022, the Company had prepared the land sale and purchase agreement which was co-signed by the director of the Company.

Later, on April 21, 2023 the Company received the Permit for building construction, modification or demolition (Form Aor.1) and the ownership transfer was registered with the Land Department on May 11, 2023.

| | Baht | |
|---|----------------------|---------------------|
| | 2024 | 2023 |
| Key management personnel* | | |
| Compensation to director and key management personnel | | |
| Short-term benefit | 9,636,180.00 | 9,467,030.00 |
| Post-employment benefits | 388,401.24 | 361,380.34 |
| | <u>10,024,581.24</u> | <u>9,828,410.34</u> |

* Key management personnel

Management compensation represents the benefits paid to the Company's management and directors such as salaries, related benefit and directors' remuneration, including the benefit paid by other means. The Company management is the persons who are defined under the Securities and Exchange Act. The management is comprised managing director or the managements who have the top position at the management level from the four lists following by the manager level.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of:

| | Baht | |
|--|----------------------|---------------------|
| | 2024 | 2023 |
| Cash on hand | 29,781.00 | 27,036.00 |
| Deposits at banks - current accounts | 20,387,630.06 | 6,461,737.92 |
| Deposits at banks - savings accounts | 24,138,412.46 | 7,559.37 |
| Cheques that are due but have not been deposited | 445,805.18 | 279,881.68 |
| Total | <u>45,001,628.70</u> | <u>6,776,214.97</u> |

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables consisted of:

| | Baht | |
|--------------------------------------|----------------------|----------------------|
| | 2024 | 2023 |
| Trade receivables (Note 7.1) | 32,309,748.91 | 37,730,804.82 |
| Other current receivables (Note 7.2) | 642,700.36 | 5,183,658.98 |
| Total | 32,952,449.27 | 42,914,463.80 |

7.1 Trade receivables consisted of:

| | Baht | |
|--|----------------------|----------------------|
| | 2024 | 2023 |
| Trade receivables | 31,919,808.45 | 37,176,535.17 |
| Post date cheque | 471,560.72 | 710,387.69 |
| Total | 32,391,369.17 | 37,886,922.86 |
| <u>Less</u> Allowance for expected credit losses | <u>(81,620.26)</u> | <u>(156,118.04)</u> |
| Net | 32,309,748.91 | 37,730,804.82 |

Classified by ages of accounts consisted of:

| | Baht | |
|--------------------|----------------------|----------------------|
| | 2024 | 2023 |
| Not yet due | 24,555,294.35 | 29,454,011.03 |
| Overdue: | | |
| Less than 1 months | 7,432,163.34 | 7,905,244.51 |
| 1 - 2 months | 403,911.48 | 414,072.91 |
| 2 - 3 months | - | 113,594.41 |
| Over 3 months | - | - |
| Total | 32,391,369.17 | 37,886,922.86 |

Movements of the allowance for expected credit losses for the years ended December 31, 2024 and 2023 were as follows:

| | Baht | |
|--|------------------|-------------------|
| | 2024 | 2023 |
| Beginning balance as at January 1 | 156,118.04 | 434,302.74 |
| Additional (deduction) during the year | (74,497.78) | (278,184.70) |
| Ending balance as at December 31 | <u>81,620.26</u> | <u>156,118.04</u> |

The allowance for expected credit losses for trade receivables was as follows:

| | Baht | | | | |
|-------------------------|---------------|-----------------------|-----------------|-----------------|---------------|
| | Not yet due | Overdue | | | Total |
| | | Less than 1 months | 1 - 2 months | 2 - 3 months | |
| As at December 31, 2024 | | | | | |
| Trade receivables | 24,555,294.35 | 7,432,163.34 | 403,911.48 | - | 32,391,369.17 |
| Expected credit losses | 30,073.11 | 34,245.75 | 17,301.40 | - | 81,620.26 |
| As at December 31, 2023 | | | | | |
| Trade receivables | 29,454,011.03 | 7,905,244.51 | 414,072.91 | 113,594.41 | 37,886,922.86 |
| Expected credit losses | 27,308.40 | 25,525.87 | 31,667.28 | 71,616.49 | 156,118.04 |

7.2 Other current receivables consisted of:

| | Baht | |
|-------------------------------|--------------------------|----------------------------|
| | 2024 | 2023 |
| Prepaid expense | 638,646.13 | 756,826.77 |
| Advance payments | - | 1,446,780.28 |
| Revenue department receivable | - | 2,881,798.95 |
| Accrued interest income | <u>4,054.23</u> | <u>98,252.98</u> |
| Total | <u>642,700.36</u> | <u>5,183,658.98</u> |

8. INVENTORIES

Inventories consisted of:

| | Baht | |
|---|-----------------------|-----------------------|
| | 2024 | 2023 |
| Finished goods | 1,180,283.10 | 1,233,882.92 |
| Work in process | 18,619.05 | 40,913.69 |
| Raw materials | 128,852,074.50 | 150,032,645.24 |
| Goods in transit | 2,921,207.67 | - |
| Supplies | 173,543.05 | 285,213.95 |
| Total | 133,145,727.37 | 151,592,655.80 |
| Less Allowance for declining in value of inventories | (489,417.45) | (385,611.65) |
| Net | 132,656,309.92 | 151,207,044.15 |

Movements of the allowance for declining in value of inventories were as follows:

| | Baht | |
|--|-------------------|-------------------|
| | 2024 | 2023 |
| Beginning balance of the year | 385,611.65 | 187,313.42 |
| Additional (deduction) during the year | 103,805.80 | 198,298.23 |
| Ending balance of the year | 489,417.45 | 385,611.65 |

| | Baht | |
|---|------------|------------|
| | 2024 | 2023 |
| Decline (reversal) in value of inventory recognized as cost of goods sold for the year | 103,805.80 | 198,298.23 |

9. OTHER CURRENT FINANCIAL ASSET

Other current financial asset consisted of:

| | Baht | |
|---|-------------------|-------------------|
| | 2024 | 2023 |
| Fixed deposits measured at amortized cost | 512,480.74 | 506,336.29 |
| Total | 512,480.74 | 506,336.29 |

As at December 31, 2024 and 2023, the Company has 12-month fixed deposits with a commercial bank with interest rates of 1.225 percent per annum, and due in October 2025 and 2024, respectively.

10. RESTRICTED DEPOSIT WITH FINANCIAL INSTITUTION

Restricted deposit with financial institution consisted of:

| | 2024 | | 2023 | |
|--------------------------------|---------------------------------------|----------------------|---------------------------------------|----------------------|
| | Interest at the rate (% per annum) | Amount (Baht) | Interest at the rate (% per annum) | Amount (Baht) |
| | 0.40 | 10,026,136.20 | 0.60 | 10,027,205.77 |
| Deposit at bank-saving account | | | | |
| Fixed deposits | | - | 0.50 - 0.85 | 20,000,000.00 |
| Total | | <u>10,026,136.20</u> | | <u>30,027,205.77</u> |

As at December 31, 2023, the Company had restricted deposits with two financial institutions in the amount of Baht 30.00 million which were guaranteed against overdraft facilities, trust receipt/letter of credit agreement, forward foreign exchange contracts and letter of guarantee. Later, on June 5, 2024, the Company requested to cancel the overdraft facilities with a financial institution along with redeeming fixed deposits in the amount of Baht 20.00 million which was guaranteed against the such credit line. The Company received a letter of consent to cancel the registration of the business collateral contract from a financial institution on June 10, 2024. As a result, as at December 31, 2024, the Company had outstanding restricted deposit with a financial institution in the amount of Baht 10.00 million which was guaranteed against overdraft facility (Note 15).

11. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of:

| | Baht | | | |
|--|----------------------------|--------------------------|----------------|-------------------------|
| | As at December 31, 2023 | Movement during the year | | |
| | | Additions | Deduction | Transferred in (out) |
| <u>At cost</u> | | | | |
| Land | 87,070,000.00 | - | - | - |
| Buildings and constructions | 33,652,664.51 | - | - | 40,200,345.55 |
| Land improvement | 2,790,865.30 | - | - | - |
| Office equipment | 4,181,992.21 | - | (313,036.45) | 719,500.00 |
| Furniture and fixture | 5,425,561.24 | - | - | - |
| Machinery and tools | 32,295,505.18 | - | (29,423.55) | 9,238,258.87 |
| Vehicles | 13,388,411.21 | - | (8,305,000.00) | 3,260,000.00 |
| Assets under construction and installation | 47,595,513.16 | 14,242,898.89 | - | (50,158,104.42) |
| Total | 226,400,512.81 | 14,242,898.89 | (8,647,460.00) | 3,260,000.00 |
| | | | | 235,255,951.70 |
| <u>Accumulated depreciation</u> | | | | |
| Buildings and constructions | (13,611,336.78) | (1,765,942.54) | - | - |
| Land improvement | (2,173,216.98) | (40,641.01) | - | - |
| Office equipment | (3,832,137.21) | (234,617.00) | 313,031.45 | - |
| Furniture and fixture | (4,900,275.24) | (164,801.00) | - | (5,065,076.24) |
| Machinery and tools | (26,052,854.39) | (2,107,170.24) | 29,418.55 | - |
| Vehicles | (9,790,261.68) | (220,862.01) | 5,813,500.00 | (2,282,000.00) |
| Total | (60,360,082.28) | (4,534,033.80) | 6,155,950.00 | (2,282,000.00) |
| Property, plant and equipment, net | <u>166,040,430.53</u> | | | <u>174,235,785.62</u> |

| | Baht | | | | As at December 31, 2023 | |
|--|----------------------------|--------------------------|-----------------------|-------------------------|----------------------------|--|
| | As at December 31, 2022 | Movement during the year | | | | |
| | | Additions | Deduction | Transferred in (out) | | |
| At cost | | | | | | |
| Land | 59,500,000.00 | 27,570,000.00 | - | - | 87,070,000.00 | |
| Buildings and constructions | 33,652,664.51 | - | - | - | 33,652,664.51 | |
| Land improvement | 2,790,865.30 | - | - | - | 2,790,865.30 | |
| Office equipment | 3,959,825.86 | 268,400.00 | (46,233.65) | - | 4,181,992.21 | |
| Furniture and fixture | 5,410,437.88 | 15,123.36 | - | - | 5,425,561.24 | |
| Machinery and tools | 31,850,845.18 | 446,060.00 | (1,400.00) | - | 32,295,505.18 | |
| Vehicles | 15,411,411.21 | - | (4,417,000.00) | 2,394,000.00 | 13,388,411.21 | |
| Assets under construction and installation | - | 47,595,513.16 | - | - | 47,595,513.16 | |
| Total | 152,576,049.94 | 75,895,096.52 | (4,464,633.65) | 2,394,000.00 | 226,400,512.81 | |
| Accumulated depreciation | | | | | | |
| Buildings and constructions | (11,928,702.78) | (1,682,634.00) | - | - | (13,611,336.78) | |
| Land improvement | (2,132,572.98) | (40,644.00) | - | - | (2,173,216.98) | |
| Office equipment | (3,599,578.86) | (278,790.00) | 46,231.65 | - | (3,832,137.21) | |
| Furniture and fixture | (4,536,005.96) | (364,269.28) | - | - | (4,900,275.24) | |
| Machinery and tools | (24,299,497.37) | (1,754,756.02) | 1,399.00 | - | (26,052,854.39) | |
| Vehicles | (12,623,813.14) | (224,579.59) | 4,271,235.41 | (1,213,104.36) | (9,790,261.68) | |
| Total | (59,120,171.09) | (4,345,672.89) | 4,318,866.06 | (1,213,104.36) | (60,360,082.28) | |
| Property, plant and equipment, net | 93,455,878.85 | | | | 166,040,430.53 | |

| | Baht | | As at December 31, 2023 |
|-------------------------------|---------------------|---------------------|----------------------------|
| | 2024 | 2023 | |
| | | | |
| Depreciation for the year | | | |
| - Cost of sales and services | 3,214,220.85 | 2,780,376.02 | |
| - Administrative expenses | 1,319,812.95 | 1,565,296.87 | |
| Total | 4,534,033.80 | 4,345,672.89 | |
| Gain on disposal of equipment | 278,716.08 | 1,421,701.57 | |

As at December 31, 2024 and 2023, the Company had fully depreciated assets but still in use with a total cost of Baht 35.24 million and Baht 36.43 million, respectively.

As at December 31, 2024 and 2023, land and buildings at a total cost of Baht 158.35 million and Baht 95.94 million, respectively, had been used by the Company as collaterals for short-term and long-term borrowings from financial institutions (Note 15 and 17).

As at December 31, 2024 and 2023, the Company had insurance against property risks for buildings and structures and machinery by ceding most of the benefits to financial institutions as collaterals for borrowing.

12. RIGHT-OF-USE ASSETS

Right-of-use assets consisted of:

| | Baht | | | | As at December 31, 2024 | |
|---|----------------------------|--------------------------|---|----------------------|----------------------------|--|
| | As at December 31, 2023 | Movement during the year | | | | |
| | | Additions | Change in conditions/ written-off | Transfer-in (out) | | |
| <u>At cost</u> | | | | | | |
| Vehicles | 3,260,000.00 | - | - | (3,260,000.00) | - | |
| Total | 3,260,000.00 | - | - | (3,260,000.00) | - | |
| <u>Accumulated depreciation</u> | | | | | | |
| Vehicles | (2,207,974.72) | (74,025.28) | - | 2,282,000.00 | - | |
| Total | (2,207,974.72) | (74,025.28) | - | 2,282,000.00 | - | |
| Right-of-use assets, net | <u>1,052,025.28</u> | | | | <u>-</u> | |
| Baht | | | | | | |
| | As at December 31, 2022 | Movement during the year | | | As at December 31, 2023 | |
| | | Additions | Change in conditions/ written-off | Transfer-in (out) | | |
| | | | | | | |
| <u>At cost</u> | | | | | | |
| Vehicles | 5,654,000.00 | - | - | (2,394,000.00) | 3,260,000.00 | |
| Total | 5,654,000.00 | - | - | (2,394,000.00) | 3,260,000.00 | |
| <u>Accumulated depreciation</u> | | | | | | |
| Vehicles | (2,854,465.66) | (566,613.42) | - | 1,213,104.36 | (2,207,974.72) | |
| Total | (2,854,465.66) | (566,613.42) | - | 1,213,104.36 | (2,207,974.72) | |
| Right-of-use assets, net | <u>2,799,534.34</u> | | | | <u>1,052,025.28</u> | |
| Baht | | | | | | |
| | | 2024 | | 2023 | | |
| Depreciation for the year - Administrative expenses | | 74,025.28 | | 566,613.42 | | |

13. INTANGIBLE ASSETS

Intangible assets consisted of:

| | Baht | | | | |
|--|----------------------------|--------------------------|--------------|-------------------------|----------------------------|
| | As at December 31, 2023 | Movement during the year | | | As at December 31, 2024 |
| | | Additions | Deduction | Transferred in (out) | |
| <u>At cost</u> | | | | | |
| Computer software | 7,496,471.00 | 384,500.00 | (646,800.00) | - | 7,234,171.00 |
| Total | 7,496,471.00 | 384,500.00 | (646,800.00) | - | 7,234,171.00 |
| <u>Accumulated amortization</u> | | | | | |
| Computer software | (3,831,557.84) | (981,403.16) | 646,795.00 | - | (4,166,166.00) |
| Total | (3,831,557.84) | (981,403.16) | 646,795.00 | - | (4,166,166.00) |
| Intangible asset, net | <u>3,664,913.16</u> | | | | <u>3,068,005.00</u> |

| | Baht | | | | |
|--|----------------------------|--------------------------|-----------|-------------------------|----------------------------|
| | As at December 31, 2022 | Movement during the year | | | As at December 31, 2023 |
| | | Additions | Deduction | Transferred in (out) | |
| <u>At cost</u> | | | | | |
| Computer software | 4,382,621.00 | 3,083,850.00 | - | 30,000.00 | 7,496,471.00 |
| Computer software in progress | 30,000.00 | - | - | (30,000.00) | - |
| Total | 4,412,621.00 | 3,083,850.00 | - | - | 7,496,471.00 |
| <u>Accumulated amortization</u> | | | | | |
| Computer software | (3,060,636.84) | (770,921.00) | - | - | (3,831,557.84) |
| Total | (3,060,636.84) | (770,921.00) | - | - | (3,831,557.84) |
| Intangible asset, net | <u>1,351,984.16</u> | | | | <u>3,664,913.16</u> |

| | Baht | |
|---|------------|------------|
| | 2024 | 2023 |
| Amortization for the year - Administrative expenses | 981,403.16 | 770,921.00 |
| Loss on write-off of intangible assets | 5.00 | - |

As at December 31, 2024 and 2023, the Company had intangible assets which were fully amortized but still in use with gross carrying amount of Baht 2.86 million and Baht 0.79 million, respectively.

14. DEFERRED TAX ASSETS

Movements in deferred tax assets for the year ended December 31, 2024 and 2023 were summarized as follows:

| | Baht | | | | |
|---|----------------------------|-----------------------------------|-------------------------------------|---|----------------------------|
| | As at December 31, 2023 | Income (expenses) during the year | | Transfer to share premium on ordinary | As at December 31, 2024 |
| | | In profit or loss | In other comprehensive income | | |
| Deferred tax assets: | | | | | |
| Allowance for expected credit losses | 31,223.61 | (14,899.56) | - | - | 16,324.05 |
| Allowance for declining in value of inventories | 77,122.33 | 20,761.16 | - | - | 97,883.49 |
| Forward foreign exchange contracts | 64,115.18 | (61,242.80) | - | - | 2,872.38 |
| Provision for employee benefit | 1,416,619.14 | 154,188.55 | (89,233.03) | - | 1,481,574.66 |
| Tax loss carried forward | 73,397.33 | 530,700.48 | - | - | 604,097.81 |
| Total | 1,662,477.59 | 629,507.83 | (89,233.03) | - | 2,202,752.39 |

| | Baht | | | | |
|---|----------------------------|-----------------------------------|-------------------------------------|---|----------------------------|
| | As at December 31, 2022 | Income (expenses) during the year | | Transfer to share premium on ordinary | As at December 31, 2023 |
| | | In profit or loss | In other comprehensive income | | |
| Deferred tax assets: | | | | | |
| Allowance for expected credit losses | 86,860.55 | (55,636.94) | - | - | 31,223.61 |
| Allowance for declining in value of inventories | 37,462.68 | 39,659.65 | - | - | 77,122.33 |
| Forward foreign exchange contracts | 106,771.27 | (42,656.09) | - | - | 64,115.18 |
| Provision for employee benefit | 1,177,670.91 | 104,876.39 | 134,071.84 | - | 1,416,619.14 |
| Tax loss carried forward | - | (248,314.67) | - | 321,712.00 | 73,397.33 |
| Total | 1,408,765.41 | (202,071.66) | 134,071.84 | 321,712.00 | 1,662,477.59 |

15. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions consisted of:

| | Baht | |
|------------------|----------------------|----------------------|
| | 2024 | 2023 |
| Bank overdrafts | - | 9,551,116.42 |
| Trust receipts | 32,637,146.69 | 57,221,799.83 |
| Promissory notes | 32,055,727.75 | 30,868,002.37 |
| Total | 64,692,874.44 | 97,640,918.62 |

The Company had credit facilities with three local financial institutions as follows:

| Types of credit limit | Interest rate (% per annum) | Million Baht | |
|---|--------------------------------|---------------|---------------|
| | | 2024 | 2023 |
| (1) Bank overdrafts | F/D Rate + 1.50 | 40.00 | 60.00 |
| (2) Letter of credit/trust receipt and forward foreign exchange contracts | 3.035 - 5.350 | 240.00 | 240.00 |
| (3) Promissory notes | MLR- 1.50, 1.75, 2.00 | 50.00 | 50.00 |
| (4) Long-term loan (Note 17) | 2.00 - 5.00, MLR -1.25 | 58.00 | 28.00 |
| (5) Letter of Guarantee | - | 0.78 | 0.78 |
| Total | | 388.78 | 378.78 |

As at December 31, 2024 and 2023, such credit line was guaranteed by bank deposits with local financial institutions (Note 10) and guaranteed by the mortgage of land and buildings owned by the Company (Note 11) and guaranteed by Thai Credit Guarantee Corporation (TCG) in the loan amount of Baht 28.00 million.

On June 10, 2024, the Company entered into a memorandum of understanding attached to the credit limit agreement with the financial institution. A financial institution requested to reduce the total credit limit by Baht 20.00 million by reducing the overdraft facilities and redeeming fixed deposit which is an asset used as collateral to guarantee against such credit line (Note 10).

16. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables consisted of:

| | Baht | |
|------------------------|----------------------|---------------------|
| | 2024 | 2023 |
| Trade account payables | 15,404,435.60 | 1,379,624.24 |
| Other current payables | 481,274.62 | 1,937,081.20 |
| Total | 15,885,710.22 | 3,316,705.44 |

Other current payables consisted of:

| | Baht | |
|------------------------------------|-------------------|---------------------|
| | 2024 | 2023 |
| Accrued expenses | 451,458.35 | 435,480.50 |
| Accrued dividend | 2,245.13 | 1,628.55 |
| Interest accrued expenses | 27,571.14 | 52,559.78 |
| Payable from acquisition of assets | - | 1,447,412.37 |
| Total | 481,274.62 | 1,937,081.20 |

17. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Movements of the long-term loans from financial institutions for the years ended December 31, 2024 and 2023 were as follows:

| | Baht | |
|--|------------------------|-----------------------|
| | 2024 | 2023 |
| Balance at beginning of the year | 17,277,777.87 | 19,111,111.16 |
| Additional loans during the year | 30,000,000.00 | 4,000,000.00 |
| Repayment during the year | <u>(8,053,333.32)</u> | <u>(5,833,333.29)</u> |
| Balance at ending of the year | 39,224,444.55 | 17,277,777.87 |
| <u>Less</u> current portion | <u>(11,153,333.23)</u> | <u>(7,333,333.32)</u> |
| Long-term loans from financial institutions, net | <u>28,071,111.32</u> | <u>9,944,444.55</u> |

| Credit limit | Year | Credit limit | | Withdrawn | | Interest rate | Monthly repayment schedule of principal and interest | Outstanding principal (Baht) | |
|--------------|------|--------------|--------------|--------------|--------------|---------------|---|------------------------------|----------------------|
| | | 2024 | 2023 | 2024 | 2023 | | | 2024 | 2023 |
| 1 | 2021 | 24.00 | 24.00 | 24.00 | 24.00 | Year 1-2=2 | Monthly rate Baht 444,444.44 within 60 months | | |
| | | | | | | Year 3-5=5 | by paying the first installment principal with interest on month 7 after the first loan drawdown | 8,444,444.60 | 13,777,777.88 |
| 2 | 2023 | 4.00 | 4.00 | 4.00 | 4.00 | Year 1-2=2 | Monthly rate Baht 166,666.67 within 24 months | | |
| | | | | | | | by paying the first installment principal upon 1-month due date and starts paying interest on month 7 after the first loan drawdown | 1,499,999.95 | 3,499,999.99 |
| 3 | 2024 | 30.00 | - | 30.00 | - | Year 1-2=3.5 | Monthly rate Baht 360,000.00 within 84 months | | |
| | | | | | | Year 3-7= | by paying the first installment principal with interest on month 1 after the first loan drawdown | 29,280,000.00 | - |
| | | | | | | MLR-1.25 | | <u>39,224,444.55</u> | <u>17,277,777.87</u> |
| Total | | <u>58.00</u> | <u>28.00</u> | <u>58.00</u> | <u>28.00</u> | | | | |

As at December 31, 2024 and 2023, the Company had long-term credit facilities with a financial institution. Under the terms of the long-term credit facility agreements, the Company had guarantees and must comply with the important conditions and restrictions set forth in the contract as follows:

- 1st - 2nd credit limit

Guaranteed by Thai Credit Guarantee Corporation (TCG) in the loan amount of Baht 28.00 million, whose guarantee fee was as specified in the contract. In addition, the Company must comply with important conditions by requiring Mr. Pisit Ariyadejwanich, Ms. Leena Ariyadejwanich and Mr. Pisan Ariyadejwanich must maintain shareholding in the Company altogether not less than 51% of the total registered capital of the Company.

- 3rd credit limit

Guaranteed by the mortgage of the Company's own land and buildings (Note 11). In addition, the Company must comply with the following important conditions:

- (1) In the event that the borrower is unable to repay the debt under the loan agreement to the bank (Cash Deficiency), Mr. Posit Ariyadejwanich, Mr. Pisan Ariyadejwanich and Ms. Leena Ariyadejwanich agree to provide financial support to the Company in order to resolve the cash deficiency that has occurred.
- (2) The Company must maintain a Debt to Equity Ratio of not more than 2 times.
- (3) Loans from affiliated companies and/or related persons (if any) shall be considered subordinated to the bank's loans and the borrower agrees not to repay such debt unless receiving prior written consent from the bank.

18. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the year ended are presented below:

| | Baht | |
|---|--------------------|---------------------|
| | 2024 | 2023 |
| Beginning balance as at January 1 | 92,260.65 | 804,885.88 |
| Accretion of interest | 1,049.35 | 38,638.77 |
| Payments | <u>(93,310.00)</u> | <u>(751,264.00)</u> |
| Ending balance as at December 31 | - | 92,260.65 |
| <u>Less: current portion</u> | <u>-</u> | <u>(92,260.65)</u> |
| Lease liabilities, net of current portion | <u>-</u> | <u>-</u> |

The following are the amounts recognized in profit or loss:

| | Baht | |
|---------------------------------------|-------------------|-------------------|
| | 2024 | 2023 |
| Depreciation of right-of-use assets | 74,025.28 | 566,613.42 |
| Interest expense on lease liabilities | 1,049.35 | 38,638.77 |
| Leases of low - value assets | <u>59,540.00</u> | <u>62,040.00</u> |
| | <u>134,614.63</u> | <u>667,292.19</u> |

For the years ended December 31, 2024 and 2023 The Company had total cash outflows for leases of Baht 0.15 million and Baht 0.81 million, respectively.

19. PROVISIONS FOR EMPLOYEE BENEFIT

Movements of the provisions for employee benefit were summarized are as follows:

| | Baht | |
|---|---------------------|---------------------|
| | 2024 | 2023 |
| Beginning balance of provisions for employee benefit | 7,083,095.74 | 5,888,354.50 |
| Benefits paid by the plan | (60,000.00) | (203,358.61) |
| Current service costs and interest during the year | 815,212.67 | 717,042.60 |
| Actuarial (gains) losses recognised in profit or loss | 15,730.07 | 10,698.03 |
| Actuarial (gains) losses recognised in other comprehensive income | (446,165.17) | 670,359.22 |
| Ending balance of provisions for employee benefit | <u>7,407,873.31</u> | <u>7,083,095.74</u> |

Expense recognised in profit or loss:

| | Baht | |
|--|-------------------|-------------------|
| | 2024 | 2023 |
| Current service costs | 589,253.77 | 500,752.89 |
| Interest on obligation | 225,958.90 | 216,289.71 |
| Actuarial losses for other long-term employee benefits | 15,730.07 | 10,698.03 |
| Total | <u>830,942.74</u> | <u>727,740.63</u> |

The expense is recognised in the following line items in the statement of income

| | Baht | |
|----------------------------|-------------------|-------------------|
| | 2024 | 2023 |
| Cost of sales and services | 212,417.83 | 166,572.08 |
| Distribution costs | 85,960.56 | 68,025.48 |
| Administrative expenses | 532,564.35 | 493,143.07 |
| Total | <u>830,942.74</u> | <u>727,740.63</u> |

(Gains) losses on re-measurement of defined employee benefit plans

| | Baht | |
|---------------------------------------|---------------------|-------------------|
| | 2024 | 2023 |
| Actuarial (gains) losses arising from | | |
| Changes in demographic assumptions | - | - |
| Changes in financial assumptions | (579,211.22) | 601,271.09 |
| Experience adjustments | 148,776.12 | 79,786.16 |
| Total | (430,435.10) | 681,057.25 |

Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2024 and 2023 were summarized below:

| | Baht | |
|------------------------|--------------|--------------|
| | 2024 | 2023 |
| Discount rate | | |
| 1% increase | (987,718.57) | (984,275.62) |
| 1% decrease | 1,176,130.76 | 1,178,320.21 |
| Salary increases rate | | |
| 1% increase | 1,125,546.45 | 1,122,404.60 |
| 1% decrease | (966,359.30) | (959,323.50) |
| Employee turnover rate | | |
| 20% increase | (654,395.57) | (672,110.71) |
| 20% decrease | 755,624.38 | 781,303.02 |

Principal actuarial assumptions at the reporting date

| | Percentage | |
|---|---------------|---------------|
| | 2024 | 2023 |
| Discount rate | 2.30 - 2.77 | 2.65 - 3.22 |
| Salary increases rate | 5.00 | 6.00 |
| Long-term inflation rate | 3.00 | 3.00 |
| Employee turnover rate | | |
| Below 30 years | 17.19 - 22.92 | 17.19 - 22.92 |
| 30 - 40 years | 7.64 - 11.46 | 7.64 - 11.46 |
| 40 - 50 years | 3.82 - 5.73 | 3.82 - 5.73 |
| Above 50 years | 1.91 | 1.91 |
| Mortality rate (of Thai mortality table 2017) | 105 | 105 |

20. SHARE CAPITAL

Year 2023

During January 9 - 11, 2023, the Company had made the initial public offering for 80 million shares to the subscribers at Baht 1.93 per share. On January 12, 2023, the Company had received the shares payment at the amount of Baht 154.40 million and had registered the increased paid-up capital with the Ministry of Commerce on January 13, 2023. The Stock Exchange of Thailand has received the Company's ordinary shares as listed securities in the Market for Alternative Investment (mai). The commencing trading is on January 19, 2023. The Company has the direct expenses related to the Initial Public Offering in the amount of Baht 1.29 million (net of income tax), shown as a deduction from the premium on ordinary share received from shareholders. As a result, the Company has the premium on ordinary shares amounting to Baht 113.11 million shown as a separate item under "shareholders' equity" in the statement of financial position. This share premium cannot be paid as dividend.

As at December 31, 2023, the Company has 300 million registered ordinary shares at the par value of Baht 0.50 per share, representing to Baht 150.00 million of registered capital, The 300 million ordinary shares at the par value of Baht 0.50 per share were fully paid, representing to the issued and paid-up share capital of Baht 150.00 million.

The details of share capital were as follows:

| | Registered capital | | Issued and paid up capital | |
|---------------------------|--------------------|----------------|----------------------------|----------------|
| | share | Baht | share | Baht |
| As at January 1, 2023 | 300,000,000 | 150,000,000.00 | 220,000,000 | 110,000,000.00 |
| Called up ordinary shares | - | - | 80,000,000 | 40,000,000.00 |
| As at December 31, 2023 | 300,000,000 | 150,000,000.00 | 300,000,000 | 150,000,000.00 |

21. APPROPRIATION OF RETAINED EARNING

Legal reserve

Under the provisions of the Limited Public Company Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net profit after deduction of the deficit brought forward (if any) as legal reserve until the reserve equal to 10% of authorized share capital. The reserve is not available for dividend distribution.

Dividend and legal reserve

Year 2024

According to the Annual General Meeting of shareholders of the year 2024, held on April 25, 2024, the shareholders had resolution to approve the payment of dividends from retained earnings and net profit from the operations for the year 2023 at the rate of Baht 0.01 per share to the Company's shareholders in the amount of Baht 2,999,980.00 by paying dividends in cash to shareholders whose names appear in the shareholder registration book as at March 8, 2024, to be entitled to receive dividend. The Company had paid dividends to shareholders on May 24, 2024 and approved the appropriation of profit as a legal reserve in the amount of Baht 68,000.00 (which was appropriated as legal reserve in 2023).

Year 2023

According to the Annual General Meeting of shareholders of the year 2023, held on April 24, 2023, the shareholders had resolution to approve the payment of dividends from retained earnings and net profit from the operations for the year 2022 at the rate of Baht 0.035 per share to the Company's shareholders in the amount of Baht 10,499,881.35 by paying dividends in cash to shareholders whose names appear in the shareholder registration book as at March 9, 2023, to be entitled to receive dividend. The Company had paid dividends to shareholders on May 23, 2023 and approved the appropriation of profit as a legal reserve in the amount of Baht 500,500.00 (which was appropriated as legal reserve in 2022).

For the year ended December 31, 2023, the Company appropriated the legal reserve at the rate of 5% of net profit for the year 2023 amounted to Baht 68,000.00.

22. OPERATING SEGMENTS AND INCOME CLASSIFICATION

The Company operates in a single line of business, namely the steel distribution and the products related steel and vacuum hardening services, which are related to the main product therefore, the management considers that the Company operates in one major business segment.

The operating segment's performance is regularly reviewed by the head of operation which is the Chief Executive Officer, in order to make decisions about the allocation of resources to the segment and assess its performance. The Company assesses the performance of the operating segment by using the operating profit or loss as the same basis to assess operating profit or loss in the financial statements.

The details of the Company's revenue separated by types and timing of revenue from sales and services for the year ended December 31, 2024 and 2023, were summarized as follows:

| | Baht | |
|---|-----------------------|-----------------------|
| | 2024 | 2023 |
| Types of revenue from sales and services | | |
| Revenue from sales | 156,151,865.11 | 162,914,192.08 |
| Revenue from services | 5,204,357.26 | 6,008,598.77 |
| Total | 161,356,222.37 | 168,922,790.85 |
| Timing for revenue recognition | | |
| Point in time | 161,356,222.37 | 168,922,790.85 |
| Point over time | - | - |
| Total | 161,356,222.37 | 168,922,790.85 |

Information related to geographical area

The Company operates in a single geographic area in Thailand. Therefore, the income and assets shown in the financial statements were considered geographically reported.

Information related to major customer

The Company had revenue from sales of goods and services to any customer equal to 10 percent or more of total revenue from sales and services for the years ended December 31, 2024 and 2023, were summarized as follows:

| Major customer | Number of customers | | Baht | |
|-------------------|---------------------|------|---------------|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| Domestic customer | 1 | 2 | 23,519,448.71 | 36,388,743.58 |

23. EXPENSES BY NATURE

Expense by nature consisted of:

| | Baht | |
|--|----------------|----------------|
| | 2024 | 2023 |
| Changes in finished goods and work in process | 75,894.46 | (181,937.31) |
| Raw materials and consumables used | 107,448,090.11 | 109,057,789.42 |
| Salaries and wages and other employee benefits | 26,676,291.82 | 26,637,061.21 |
| Depreciation and amortization expenses | 5,589,462.24 | 5,683,207.31 |
| Service expenses | 8,155,204.51 | 9,053,981.43 |
| Expenses for listing share on the stock exchange | - | 1,183,662.50 |
| Utilities and facilities expenses | 1,826,416.31 | 2,401,824.93 |
| Traveling expenses | 912,695.41 | 1,144,958.47 |
| Maintenance expenses | 412,999.71 | 1,056,048.76 |
| Transportation expenses | 1,627,490.00 | 1,923,828.00 |

24. PROVIDENT FUND

The Company established a contributory registered provident fund covering all permanent employees in accordance with the Provident Fund Act B.E. 2530.

Under the provident fund plan, employees' and Company's contributions are equivalent to certain percentages of employees' basic salaries. The employees are entitled to the Company's contributions in accordance with the rules and regulations of the fund and on the length of service with the Company. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Provident Fund Act B.E. 2530.

The Company's contributions for the years ended December 31, 2024 and 2023 were amounted to Baht 0.33 and 0.32 million, respectively.

25. TAX EXPENSE (INCOME)

25.1 Major components of tax expense (income) for the years ended December 31, 2024 and 2023 consisted of:

| | Baht | |
|--|---------------------|---------------------|
| | 2024 | 2023 |
| Tax expense (income) shown in profit or loss: | | |
| Current tax expense: | | |
| Income tax expense for the year | - | - |
| Deferred tax expense (income): | | |
| Changes in temporary differences relating | | |
| to the original recognition and reversal | (629,507.83) | 202,071.66 |
| Total | <u>(629,507.83)</u> | <u>202,071.66</u> |
| Income tax relating to components of comprehensive income: | | |
| Deferred tax relating to | | |
| Gains (losses) on re-measurements of defined benefit plans | 89,233.03 | (134,071.84) |
| Total | <u>89,233.03</u> | <u>(134,071.84)</u> |

25.2 A numerical reconciliation between tax expense (income) and the product of accounting profit (loss) multiplied by the applicable tax rate for the years ended December 31, 2024 and 2023 which were summarized as follows:

| | Baht | |
|---|-----------------------|---------------------|
| | 2024 | 2023 |
| Accounting profit (loss) for the year | <u>(3,027,008.95)</u> | <u>1,469,973.65</u> |
| The applicable tax rate (%) | 20% | 20% |
| Tax expense (income) at the applicable tax rate | <u>(605,401.79)</u> | <u>293,994.73</u> |
| Reconciliation items: | | |
| Tax effect of expenses that are not deductible in | | |
| determining tax profit | 40,994.85 | - |
| Tax effect of income that are not required in | | |
| determining taxable profit and expenses allowed | | |
| as additional in determining tax profit | (6,400.00) | (33,222.18) |
| Investment expenditures for tax benefits | <u>(58,700.89)</u> | <u>(58,700.89)</u> |
| Total reconciliation items | <u>(24,106.04)</u> | <u>(91,923.07)</u> |
| Total tax expense (income) | <u>(629,507.83)</u> | <u>202,071.66</u> |

25.3 A numerical reconciliation between tax average effective tax rate and the application tax rate for the years ended December 31, 2024 and 2023 were summarized as follows:

| | 2024 | | 2023 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | Tax amount (Baht) | Tax rate (%) | Tax amount (Baht) | Tax rate (%) |
| Accounting profit (loss) before tax expense for the year | (3,027,008.95) | | 1,469,973.65 | |
| Tax expense (income) at the applicable tax rate | (605,401.79) | 20.00 | 293,994.73 | 20.00 |
| Reconciliation items | (24,106.04) | 0.80 | (91,923.07) | (6.25) |
| Tax expense (income) at the average effective tax rate | <u>(629,507.83)</u> | <u>20.80</u> | <u>202,071.66</u> | <u>13.75</u> |

26. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share was calculated by dividing the profit (loss) for the year by the weighted average number of ordinary shares issued and paid-up during the year.

For the year ended December 31, 2024 and 2023

| | | 2024 | 2023 |
|--|------------------|----------------|--------------|
| Profit (loss) for the year | (Baht) | (2,397,501.12) | 1,267,901.99 |
| Weighted average number of ordinary shares | (Shares) | 300,000,000 | 297,369,863 |
| Basic earnings (loss) per share | (Baht per share) | (0.008) | 0.004 |

27. FINANCIAL INSTRUMENTS

27.1 Risk management

The Company manages their financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Company does not hold or issue derivative financial instruments for speculative or trading purposes.

27.2 Classification and measurement of financial assets and financial liabilities

On December 31, 2024 and 2023, the classification and measurement of financial assets and financial liabilities in accordance with business models applied to the financial assets and liabilities were as follows:

| | Baht | | |
|--|--------------------------|----------------------|----------------------|
| | 2024 | | |
| | Fair value - Derivatives | Amortized cost | Total |
| <u>Financial assets</u> | | | |
| Cash and cash equivalents | - | 45,001,628.70 | 45,001,628.70 |
| Trade and other current receivables | - | 32,952,449.27 | 32,952,449.27 |
| Other current financial asset | - | 512,480.74 | 512,480.74 |
| Derivative assets | 204,370.83 | - | 204,370.83 |
| Restricted deposits with financial institution | - | 10,026,136.20 | 10,026,136.20 |
| | <u>204,370.83</u> | <u>88,492,694.91</u> | <u>88,697,065.74</u> |

| | Baht | | |
|--|--------------------------|-----------------------|-----------------------|
| | 2024 | | |
| | Fair value - Derivatives | Amortized cost | Total |
| <u>Financial liabilities</u> | | | |
| Bank overdrafts and short-term loans from financial institutions | - | 64,692,874.44 | 64,692,874.44 |
| Trade and other current payables | - | 15,885,710.22 | 15,885,710.22 |
| Derivative liabilities | 218,732.73 | - | 218,732.73 |
| Long-term loans from financial institutions | - | 39,224,444.55 | 39,224,444.55 |
| | 218,732.73 | 119,803,029.21 | 120,021,761.94 |
| <u>Financial assets</u> | | | |
| Cash and cash equivalents | - | 6,776,214.97 | 6,776,214.97 |
| Trade and other current receivables | - | 42,914,463.80 | 42,914,463.80 |
| Other current financial asset | - | 506,336.29 | 506,336.29 |
| Restricted deposits with financial institution | - | 30,027,205.77 | 30,027,205.77 |
| | - | 80,224,220.83 | 80,224,220.83 |
| <u>Financial liabilities</u> | | | |
| Bank overdrafts and short-term loans from financial institutions | - | 97,640,918.62 | 97,640,918.62 |
| Trade and other current payables | - | 3,316,705.44 | 3,316,705.44 |
| Derivative liabilities | 320,575.88 | - | 320,575.88 |
| Long-term loans from financial institutions | - | 17,277,777.87 | 17,277,777.87 |
| Lease liabilities | - | 92,260.65 | 92,260.65 |
| | 320,575.88 | 118,327,662.58 | 118,648,238.46 |

27.3 Interest rate risk

The Company is exposed to interest rate risk relates primarily to its cash at banks, bank overdrafts, short-term loans, long-term loans and lease liabilities. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market. However, the management believed that the future fluctuation on market interest rate would not provide significant effect to their operations and cash flows, therefore; no financial derivative was adopted to manage such risks.

As at December 31, 2024 and 2023, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

| | Baht | | | | |
|---|---------------------------|------------------------|--------------------|---------------|--------------------------------|
| | 2024 | | | | |
| | Floating interest rate | Fixed interest rate | Interest - free | Total | Interest rate (% per annum) |
| <u>Financial assets</u> | | | | | |
| Cash and cash equivalents | 24,138,412.46 | - | 20,863,216.24 | 45,001,628.70 | 0.40 |
| Trade and other current receivables | - | - | 32,952,449.27 | 32,952,449.27 | - |
| Other current financial asset | - | 512,480.74 | - | 512,480.74 | 1.225 |
| Restricted deposits with financial institution | - | 10,026,136.20 | - | 10,026,136.20 | 0.40 |
| <u>Financial liabilities</u> | | | | | |
| Bank overdrafts and short-term loans | | | | | |
| from financial institutions | 64,692,874.44 | - | - | 64,692,874.44 | 1.90 - 5.35 |
| Trade and other current payables | - | 12,501,811.88 | 3,383,898.34 | 15,885,710.22 | 7.00 |
| Long-term loans from financial institutions | - | 39,224,444.55 | - | 39,224,444.55 | 2.00 - 5.00, MLR-1.25 |

| | Baht | | | | |
|---|---------------------------|------------------------|--------------------|---------------|--------------------------------|
| | 2023 | | | | |
| | Floating interest rate | Fixed interest rate | Interest - free | Total | Interest rate (% per annum) |
| <u>Financial assets</u> | | | | | |
| Cash and cash equivalents | 7,559.37 | - | 6,768,655.60 | 6,776,214.97 | 0.55 - 0.60 |
| Trade and other current receivables | - | - | 42,914,463.80 | 42,914,463.80 | - |
| Other current financial asset | - | 506,336.29 | - | 506,336.29 | 1.225 |
| Restricted deposits with financial institution | - | 30,027,205.77 | - | 30,027,205.77 | 0.50 - 0.85 |
| <u>Financial liabilities</u> | | | | | |
| Bank overdrafts and short-term loans | | | | | |
| from financial institutions | 97,640,918.62 | - | - | 97,640,918.62 | 1.95 - 5.35 |
| Trade and other current payables | - | - | 3,316,705.44 | 3,316,705.44 | - |
| Long-term loans from financial institutions | - | 17,277,777.87 | - | 17,277,777.87 | 2.00 - 5.00 |
| Lease liabilities | - | 92,260.65 | - | 92,260.65 | 9.09 |

27.4 Credit risk

The Company is exposed to credit risk primarily relating to trade accounts receivable. The management of the Company manages this risk by establishing appropriate credit control policies and procedures. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for expected credit losses.

27.5 Foreign currency risk

The Company incurred risk foreign currencies exchange due to the Company had transaction of sales which were denominated in foreign currencies. The Company had hedged, as deemed appropriate the foreign currencies risk using forward contract against risk on exchange rates. As at December 31, 2024 and 2023, the Company had outstanding foreign exchange contracts and constitutes foreign currencies assets (liabilities) which mainly due within one year as follows:

- Assets and Liabilities denominated in foreign currencies

| | 2024 | | 2023 | | Average exchange rate | |
|---------------------------|------------------|---------------|------------------|------------|-----------------------|---------|
| | Foreign currency | Baht | Foreign currency | Baht | 2024 | 2023 |
| Assets | | | | | | |
| <u>Foreign currencies</u> | | | | | | |
| Euro | 1,624.73 | 58,135.93 | 712.81 | 27,371.05 | 35.7819 | 38.3988 |
| Liabilities | | | | | | |
| <u>Foreign currencies</u> | | | | | | |
| US Dollars | 412,557.67 | 14,087,235.46 | 23,162.90 | 796,516.54 | 34.1461 | 34.3876 |

- Forward foreign exchange contracts

| | Foreign currency | | Baht | |
|---|------------------|------------|--------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Forward foreign exchange contracts | | | | |
| Derivative assets | | | | |
| - US Dollars | 161,787.49 | - | 5,468,935.69 | - |
| Derivative liabilities | | | | |
| - US Dollars | 250,770.18 | 123,259.50 | 8,483,006.13 | 4,183,326.21 |

Derivatives

Derivatives are forward foreign exchange contracts used for economic hedging purposes and not as speculative investments. However, derivatives do not meet the hedge accounting criteria, therefore they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be realized within 12 months after the end of the reporting period.

As at December 31, 2024 and 2023, the Company had losses from changes in fair value of derivatives in the amount of Baht 0.01 million and Baht 0.32 million, respectively.

Net foreign exchange gains (losses)

For the years ended December 31, 2024 and 2023, the aggregate net foreign exchange gains (losses) recognized in profit or loss were as follow:

| | Baht | |
|---|-------------------|-------------------|
| | 2024 | 2023 |
| Unrealized gain (loss) on exchange rates, net | 427,035.94 | (238,483.31) |
| Realized gain (loss) on exchange rates, net | 309,664.31 | 747,782.20 |
| Total net gain (loss) on exchange rate recognized | | |
| in profit before tax expense | <u>736,700.25</u> | <u>509,298.89</u> |

27.6 Liquidity risk

The Company manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

27.7 Fair value

As at December 31, 2024 and 2023, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

| | Carrying amount | 2024 | | | |
|------------------------------------|--------------------|-------------------|------------|---------|------------|
| | | Fair Value (Baht) | | | |
| | | Level 1 | Level 2 | Level 3 | Total |
| Asset | | | | | |
| Forward foreign exchange contracts | - | - | 204,370.83 | - | 204,370.83 |
| Liability | | | | | |
| Forward foreign exchange contracts | - | - | 218,732.73 | - | 218,732.73 |
| | | | | | |
| | | | | | |
| 2023 | | | | | |
| | | | | | |
| | | | | | |
| Carrying amount | | | | | |
| | | | | | |
| Liability | | | | | |
| Forward foreign exchange contracts | - | - | 320,575.88 | - | 320,575.88 |

During the year, there were no change in the classification of financial assets.

28. CAPITAL MANAGEMENT

The primary objective of capital management of the Company is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern. According to the statement of financial position as at December 31, 2024, the Company's debt-to-equity ratio was 0.47 : 1 (as at December 31, 2023 was 0.45 : 1).

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2024 and 2023 are as follows:

| | Baht | | | |
|---|---------------------------------------|---------------------------------------|----------------------------------|---------------------------------------|
| | 2024 | | | |
| | Balance as at December 31, 2023 | Cash flows Increase (decrease)* | Non-cash transaction Increase | Balance as at December 31, 2024 |
| Bank overdrafts and short-term loans from financial institutions | 97,640,918.62 | (32,948,044.18) | - | 64,692,874.44 |
| Long-term loan from financial institutions | 17,277,777.87 | 21,946,666.68 | - | 39,224,444.55 |
| Lease liabilities | 92,260.65 | (92,260.65) | - | - |
| Total | 115,010,957.14 | (11,093,638.15) | - | 103,917,318.99 |

| | Baht | | | |
|---|---------------------------------------|---------------------------------------|----------------------------------|---------------------------------------|
| | 2023 | | | |
| | Balance as at December 31, 2022 | Cash flows Increase (decrease)* | Non-cash transaction Increase | Balance as at December 31, 2023 |
| Bank overdrafts and short-term loans from financial institutions | 132,626,534.06 | (34,985,615.44) | - | 97,640,918.62 |
| Long-term loan from financial institutions | 19,111,111.16 | (1,833,333.29) | - | 17,277,777.87 |
| Lease liabilities | 804,885.88 | (712,625.23) | - | 92,260.65 |
| Total | 152,542,531.10 | (37,531,573.96) | - | 115,010,957.14 |

* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flow.

30. COMMITMENTS AND CONTINGENT LIABILITIES

30.1 Commitments relating to service agreements commitments

As at December 31, 2024 and 2023, the Company had commitments regarding the lease agreements, leases of low-value assets and service agreements with the future minimum payments as follows.

| Payable within: | Baht | |
|---|-------------------|-------------------|
| | 2024 | 2023 |
| Not later than one year | 125,640.00 | 121,417.57 |
| Later than one year and not later than five years | 136,140.00 | 98,880.00 |
| Total | 261,780.00 | 220,297.57 |

30.2 Commitments relating to forward foreign exchange contracts

As at December 31, 2024 the Company had forward exchange contracts with financial institutions totaling U.S. Dollars 412,557.67 (equal to Baht 13.95 million) with maturity dates in June 2025.

As at December 31, 2023 the Company had forward exchange contracts with financial institutions totaling U.S. Dollars 123,259.50 (equal to Baht 4.18 million) with maturity dates in April 2024.

30.3 Commitments relating to outstanding letters of credit

As at December 31, 2024 and 2023 the Company had commitments for the outstanding letters of credit amounting equivalent to U.S. Dollars 2,961.07 (equal to Baht 0.10 million) and U.S. Dollars 40,480.00 (equal to Baht 1.39 million), respectively.

30.4 Commitment relating to purchase of raw material agreements

As at December 31, 2024 and 2023, the Company entered into memorandum and agreements to purchase raw materials from several unrelated companies, at prices and conditions as stipulated in the memorandum and agreements. The terms of the memorandum and agreements are between 1 and 8 months. The Company has an outstanding commitment under the agreements amounted U.S. Dollars 0.79 million (equal to Baht 27.12 million) and U.S. Dollars 1.34 million (equal to Baht 46.12 million), respectively.

30.5 Commitment on capital expenditure

30.5.1 As at December 31, 2023, the Company has commitment to pay under machine contract totaling Baht 12.90 million. The Company has an outstanding commitment under the agreement amounted Baht 4.24 million.

30.5.2 As at December 31, 2023, the Company has commitment to pay under contract for the construction of a new factory totaling Baht 34.83 million. The Company has an outstanding commitment under the agreement amounted Baht 7.82 million.

30.6 Contingent liabilities

As at December 31, 2024 and 2023, the Company had contingent liabilities in respect of electricity usage agreements with the Provincial Electricity Authority in the amount of Baht 526,400.00 and guarantee for fleet card in the amount of Baht 250,000.00.

31. LITIGATION

In December 2024, the Company was sued by a disputant company for alleged non-compliance, despite having fully delivered the goods in May 2021. The disputant company is claiming damages of Baht 1.24 million. As of January 24, 2025, the Company submitted its testimony, asserting that it did not breach the agreement. The case is currently under consideration by the Thonburi Civil Court.

The Company's lawyer is of the opinion that the Company had not breached the above agreement, and the Company's management concurs, expecting to win. Consequently, the Company has not established a loss reserve in its accounts.

32. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's board of directors on February 20, 2025.