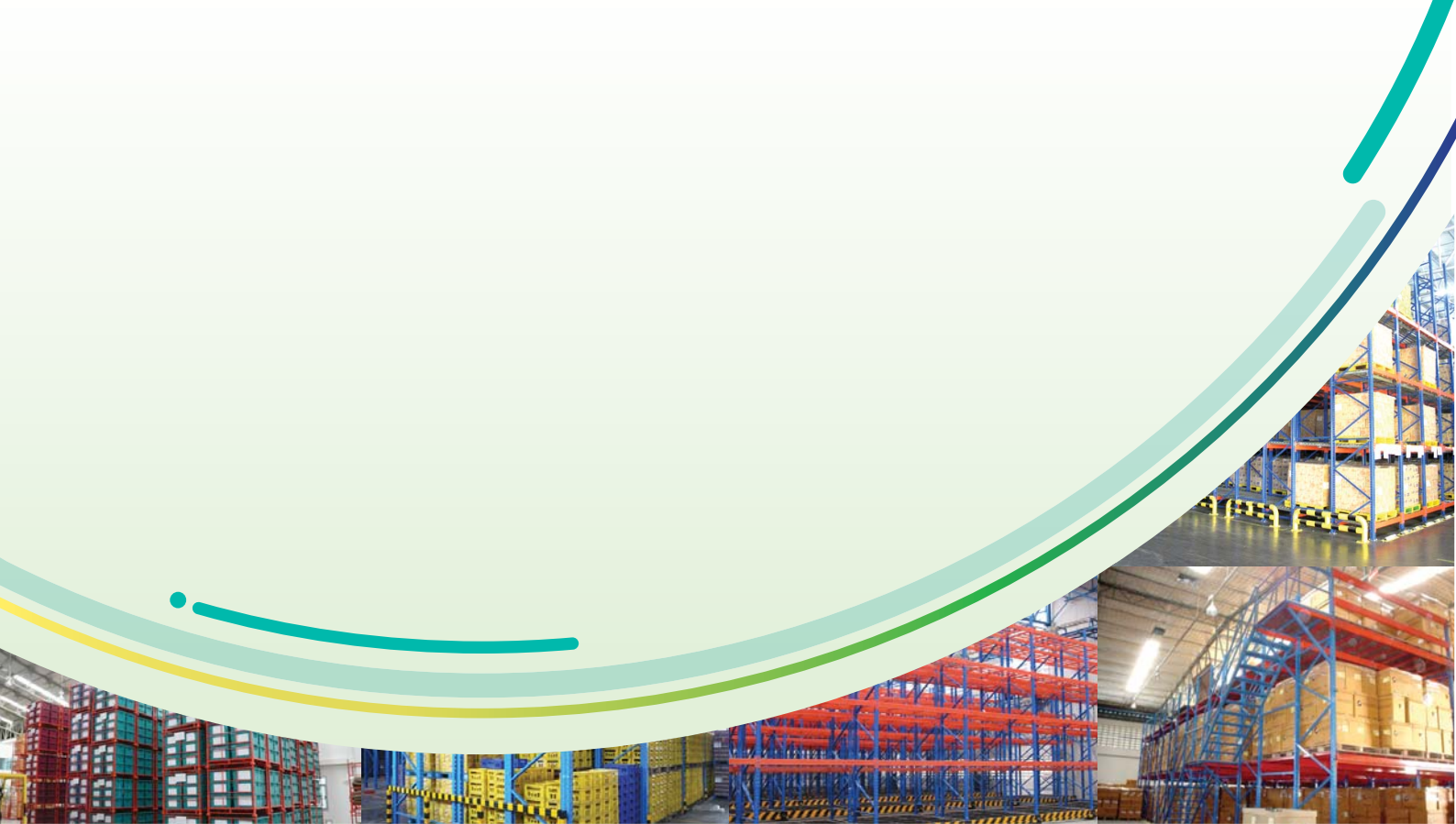
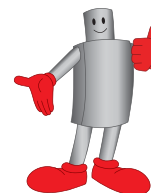


# Annual Registration Statement/ Annual Report 2023 (From 56-1 One Report)

We built our future on your satisfaction.  
We built our reputation on quality.  
Customer satisfaction is our first priority.  
Our services start before we sell.



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CITY STEEL PUBLIC COMPANY LIMITED

Annual Registration Statement / Annual Report 2023

(Form 56-1 One Report)

**CITY STEEL** PCL.  
*Metal* **TECHNOLOGY**™

# VISION

To be the leading company in metal fabrication industry  
which has consecutive profits  
and the good corporate governance in Thailand.

# MISSION

To fulfill our customers' satisfaction with our quality goods and services.

To provide stable career and satisfied reward to all of our employees.

To provide our shareholders with increasing share values.

To improve our corporate efficiency and effectiveness continuously.

# PART 1

## BUSINESS OPERATION AND OPERATING RESULTS

CITY STEEL PUBLIC COMPANY LIMITED  
Annual Registration Statement / Annual Report 2023  
(Form 56-1 One Report)

# 1. ORGANIZATIONAL STRUCTURE AND OPERATION OF THE GROUP OF COMPANIES

## 1.1. Policy and Business Overview

City Steel Public Company Limited was established on August 7, 1995 with registered capital of THB 1 million and had objective to manufacture and sell metal products. Presently, City Steel Public Company Limited has registered capital of THB 300 million and is listed in the Stock Exchange of Thailand in “Steel” sector. The Company has invested in 2 direct subsidiaries includes Siam ISO Pro Company Limited and Mark Worldwide Company Limited as well as 1 indirect subsidiary; CT Universal Company Limited that is registered in Republic of Seychelles.

The Group is in the business of manufacturing and processing of metal products with the corporate vision to be the leading company in metal fabrication industry which has consecutive profits and the good corporate governance in Thailand. Currently, the Group provides various kinds of products and services to serve different needs and demands of customers. The products are custom-made with high quality and by high technology and high precision machines to assure quality of the products. The Group also emphasizes on exceptional customer services and on time delivery. In addition, the Group concerns of all stakeholder’s benefits as mentioned in the corporate mission statement of “To fulfill our customers’ satisfaction with our quality goods and services. To provide stable career and satisfied rewards to all of our employees. To provide our shareholders with increasing share values. To continuously improve our corporate efficiency and effectiveness”.

In the year 2022/2023, the Group operates in only one operating segment that is manufacturing and sales of metal products with production capacity of 39,500 tons per year. The Group divides marketing and production teams into 2 operating units: (1) Manufacturing and sales of metal structures, storage systems and material handling equipment, and other metal products, and (2) Manufacturing and sales of metal materials, metal parts, and fabricated metal parts, as well as providing metal processing services. Additionally, to fulfill various customer needs, the Group also offers industrial materials and machinery for the customers as well.

### 1.1.1. Business Objectives

The business of manufacturing and sales of metal products, metal structures, storage system and material handling equipment, as well as providing one stop metal services and trading metal materials, requires knowledge, capabilities, skills, and experiences of the enterprises. Advanced machinery and technology in manufacturing processes are also important factors to create products differentiation from competitors and serve various demands of customers in order to gain reliability in the products and services. Therefore, the Group aims to become a leader in manufacturing and servicing of metal products by manufacture high quality and high standard products with high technology and high efficiency machines to maximize customers’ satisfaction and to achieve cost leadership. The Group intends to optimize production costs with efficient management and continuous improvement in research and development as well as emphasizes in on time delivery according to the Group’s Quality Policy of “**Providing good products with high quality to satisfy customer with on time delivery and continuous development.**”

In marketing perspective, the Group has target for overall sale growth of approximately 5% - 10% annually, by emphasizing on maintaining current customer base and expanding sales in both domestic and international markets. To increase sales, the Group is focusing on penetrating new customer base and expanding to other related businesses.

## 1.1.2. Background and Major Milestones

### Year 1995

- ◆ City Steel Company Limited established on August 7, 1995 with registered capital of THB 1 million.
- ◆ Started production of storage system, material handling equipment, and metal products.

### Year 2002

- ◆ Granted international standard ISO9002:1994 certification.
- ◆ Increased registered capital to THB 31 million.

### Year 2003

- ◆ Granted “Thailand’s Brand” from Department of Export Promotion.
- ◆ Increased registered capital to THB 59 million.

### Year 2004

- ◆ Granted international standard ISO9001:2000 certification.
- ◆ Start service of Steel Service Center (Branch 1).
- ◆ Started production of Siam ISO Pro Co., Ltd. (BOI Privilege).
- ◆ Increased registered capital to THB 200 million.
- ◆ Transformed into a Public Company on October 5, 2004.

### Year 2006

- ◆ Increased registered capital to THB 300 million.
- ◆ Approved as a registered company by the Stock Exchange of Thailand.
- ◆ Started trading in the stock market on February 23, 2006.

### Year 2007

- ◆ Started production of Mark Worldwide Co., Ltd. (BOI Privilege).

### Year 2009

- ◆ Established City Steel Products Co., Ltd. on September 7, 2009 with registered capital of THB 100 million.

### Year 2010

- ◆ Started production of City Steel Products Co., Ltd. (BOI Privilege).

### Year 2011

- ◆ City Steel Products Co., Ltd. increased registered capital to THB 270 million.

### Year 2012

- ◆ Earned “SET AWARDS” for The Company with Best Performance Awards in the category of listed companies with market capitals not exceeding THB 10 billion, Group 4.

### Year 2014

- ◆ Established CT Universal Co., Ltd. in Hong Kong SAR on January 15, 2014 with registered capital of USD 3 million, with objectives to facilitate the Group future expansion plan, merchandise industrial materials and consumer products, as well as investing in new businesses.

### Year 2017

- ◆ Established CT Universal Co., Ltd. in Republic of Seychelles on January 20, 2017 with registered and paid-up capital of USD 5 million, with objectives to facilitate future expansion, merchandise industrial materials and consumer products, and investing in new businesses.
- ◆ Dissolution of CT Universal Co., Ltd. (Hong Kong) on February 15, 2017.
- ◆ Siam ISO Pro Co., Ltd. increased registered capital to THB 370 million.

### Year 2021

- ◆ Merged 2 subsidiaries by making Entire Business Transfer from City Steel Products Co., Ltd. to Mark Worldwide Co., Ltd. in order to reduce redundancy in business operation, increase management efficiency, and reduce operating costs and expenses.
- ◆ Dissolution of City Steel Products Co., Ltd. on October 28, 2021.

### Year 2022

- ◆ CT Universal Co., Ltd. increased registered capital to USD 6 million or approximately THB 205 million.

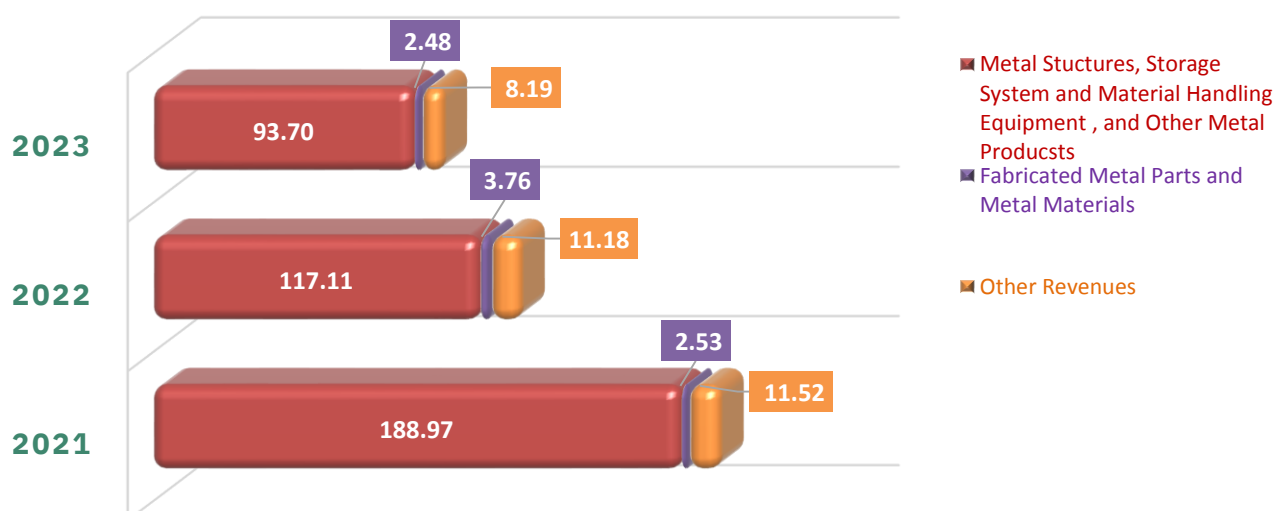
## 1.2. Nature of Business

### 1.2.1. Revenue Structure

The Group has only one main operating segment which is manufacturing and sales of metal products by dividing the marketing and production teams into 2 units, (1) Manufactures and sells of metal structures, storage systems and material handling equipment, and other metal products and (2) Manufactures and sells of metal and fabricated metal parts and provides one-stop steel services. The Group's total revenues majorly derives from domestic sales. Export revenues are relatively small with less than 20% of total revenues, causing the Group to have only the main operation in the single geographic area in Thailand.

#### The Group's Revenue Structure

Revenue Sources	Generated by	2020/2021 (Aug '20 – Jul '21)		2021/2022 (Aug '21 – Jul '22)		2022/2023 (Aug '22 – Jul '23)	
		THB Million	%	THB Million	%	THB Million	%
		<b>Domestic Revenues</b>					
Manufacturing and Sales of Metal Products							
◆ Manufacturing and sales of metal structures, storage systems and material handling equipment, and other metal products.	The Group	185.43	91.34	92.14	69.78	76.31	73.11
◆ Manufacturing and sales of fabricated metal and metal parts.	The Group	2.53	1.24	3.76	2.85	2.48	2.38
<b>Total Domestic Revenues</b>		<b>187.96</b>	<b>92.58</b>	<b>95.90</b>	<b>72.63</b>	<b>78.79</b>	<b>75.49</b>
<b>Overseas Revenues</b>							
Manufacturing and Sales of Metal Products							
◆ Manufacturing and sales of metal structures, storage systems and material handling equipment, and other metal products.	The Group	3.54	1.74	24.97	18.91	17.39	16.66
◆ Manufacturing and sales of fabricated metal and metal parts.	-	-	-	-	-	-	-
<b>Total Overseas Revenues</b>		<b>3.54</b>	<b>1.74</b>	<b>24.97</b>	<b>18.91</b>	<b>17.39</b>	<b>16.66</b>
Other Revenues	The Group	11.52	5.68	11.18	8.46	8.19	7.85
<b>Total Revenues</b>		<b>203.02</b>	<b>100.00</b>	<b>132.05</b>	<b>100.00</b>	<b>104.37</b>	<b>100.00</b>



## 1.2.2. Products and Services

The Group manufactures and sells metal structures, storage systems and material handling equipment, fabricated metal parts, other metal products, as well as provides metal processing services to both domestic and overseas customers under the brand "CITY STEEL". Although, the Group has the same executive management teams, it divides its operation into business units. Each unit has its own marketing and production teams but still keep up the same level of quality and standard for all products and services. The products are custom-made with specific shapes, sizes, and usage purposes as requested by customers and will be produced once received the orders from the customers (Made to Order). In the year 2022/2023, the Group separated the operation into 4 business units as follows:



1) **Manufacturing of Metal Products** This business unit produces and sells products in 3 categories as follows:

### (1) Metal Structures and Metal Fabrication

The products in this category are used as metal structures of buildings both inside and outside such as column structures, beam structures, roof structures, panel structures, staircase structures, and cement frames for construction. These products also include structures that used for storage purpose, which some models can be used as structures for the buildings or warehouses. The products will be used as storages in production plants, warehouses, or distribution centers, which models and sizes of the products will depend on requirements of the customers; including Racking System, Mezzanine Platform, and Shelving System. The products will be made to order by beginning with contacting the customers to present the products and giving recommendation on the products required by the customers. Most of the customers may provide a preliminary design and the engineering team will have to calculate the load and design the structure of the products according to the calculation. Once the customers decide to purchase the products, the Group will start the production processes from shearing, pressing, stamping, welding, coating and finishing, quality checking, delivering, and installing the products for the customers.

(2) Storage System and Material Handling Equipment can be classified into 2 categories as follows:

#### ➤ Storage System

In this category, the products are small-scale storage systems that specifically made in different types, sizes, and usage purposes depend on requests of customers such as mobile shelving systems, cabinet, and locker.

#### ➤ Material Handling Equipment

Material handling equipment are commonly used in transferring and handling processes in the production lines or assembly lines in the factories, and can be used in supermarket, seaports, airports, hotels, or other places that required a carrying of products from places to places. Models and sizes of the products entirely depend on usage purposes. Examples of material handling equipment are cart and dolly, pallet, conveyor system, and dock equipment.

### (3) Other Metal Products

Other metal products are produced for a wide variety of usage purposes for example furniture, signage, decorating items, and constructional products.





2) Manufacturing and Sales of Semi Product and Rendering of One Stop Steel Service. This business unit can be classified into 2 categories as follows:

(1) Manufacturing and Sales of Fabricated Metal Parts and Rendering One Stop Metal Processing Services.

In this category, the Group provides metal processing services according to requirement and usage purposes of the customers. The customers can either purchase the fabricated metal products or order processing services, which both are using high precision machines. The processing tasks include laser cutting, shearing, bending, stamping, punching, roll forming, welding, notching, forming, pipe cutting, and oil painting and powder coating.

(2) Metal Trade

This category is a trading of metal materials like steel, stainless steel, and aluminum. Normally, these materials are purchased from major local suppliers and resold to the end users. However, if the requested materials are not available in the country, the Group will import from international suppliers. The Group does not emphasize on the revenues from these products, rather they will be sold with the fabricated metal parts or metal processing services

- Racking System
- Shelving System
- Mobile Shelving System
- Mazzanine Platform
- Cabinet & Locker
- Pallet
- Cart & Dolly
- Construction Products
- Conveyor System
- Dock Equipment
- Other Metal Products



3) Supporting Business This unit is responsible for every supporting activity within the organization including accounting and finance department, human capital management function, administration, and corporate communication.



4) Investment This unit is accountable for investment in new business and oversee business expansion of the Group.

### 1.2.3. Marketing Policies and Characteristics of Major Products or Services

#### Competitive Strategy

- Emphasis of products quality

The Group has a policy to manufacture excellent quality products that need to be tidy and durable by employing quality control in every production process. The processes are starting from creating engineering designs to match the requirements of the customers, selecting high quality materials and processing through modern, efficient, and high-standard machines. Product installation must be safe and secure and carried out by trained and skilled personnel. The Group also focuses on research and development and continuously expand products varieties in order to earn trust and acceptance from the customers by accommodating the customer requirements and maximizing customers satisfaction.

- Efficient cost management

The Group efficiently manages production costs by minimizing wastes in all and every production process and maximizing benefits of raw materials uses. For example, the Group uses the remaining steel plates from manufacturing main products to make other products with appropriate sizes such as washing that used with bolts and nuts. By employing this policy, the Group can lower the production costs, which serves as another competitive advantage for the Group

- Competitive pricing policy that corresponded with market price

The Group set products prices comparable to the market prices by taking into account of products quality and manufacturing costs including raw material prices, labor costs, delivery and installation expenses. The Group has no policy to create price war against both local and international suppliers so the Group can maintain the gross profit margins. The proposed product prices are determined by production cost and certain percentage of gross profit margins. However, the gross profit margins for each product or project can be differed, which depend on several factors such as project size, products complexity, and particular situation.

- Exceptional before and after sales services as well as on-time delivery

The Group is committed to provide excellent services to the customers both before and after selling the products such as consulting on product designs to meet the customer requirements, providing installation services and inspecting the product usages after installation, as well as regularly surveying the customer satisfaction. The Group also emphasizes on the on-time delivery, which is one of the Group's competitive strengths that can create fine reputation, trustworthiness, and good relationship with the customers. Excellent services have earned the Group trust from the customers and resulted in gaining of new businesses from the referral of existing customers.

- Proactive marketing strategies

Marketing strategies are one of the areas that the Group focuses on. In order to create brand recognition and awareness, the Group has employed proactive marketing strategies to introduce the products and brands by using media advertising, direct selling, telemarketing, direct mailing, and attending the exhibitions.

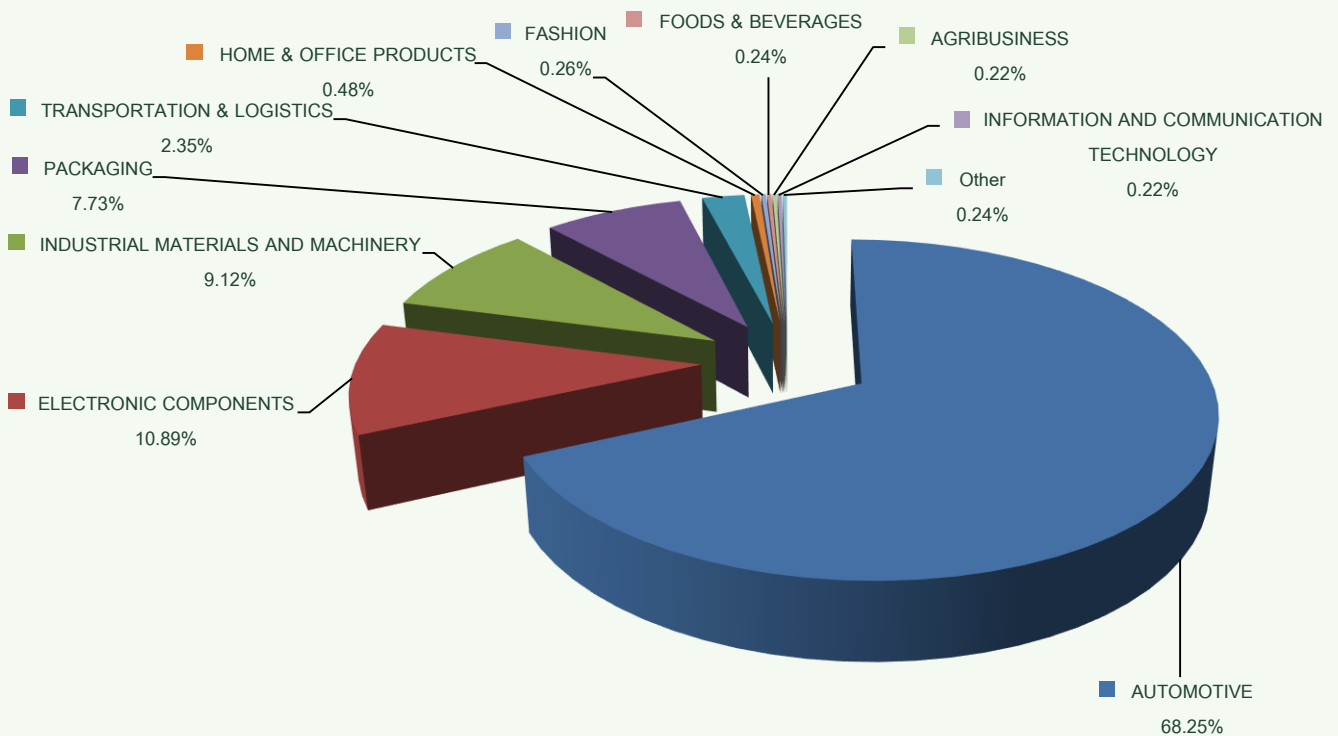
### 1.2.3.1. Customers and Prospects

Presently, the Group has both domestic and overseas customers, but most of the customers are domestic customers. Details of both domestic and overseas customers are as follows:

- Domestic Customers

Domestic customers are users who use and employ all metal related products and services. The majority of customers are industrial users with medium to large in corporate sizes, which reside in every region of Thailand. Although, customers are located around the country, the Group is able to deliver and install the products to every customer. The Group maintains good relationships with customers, which resulted in repeated orders from most of the customers. As at July 31, 2023, the Group's customer base is well diversified with more than 3,000 companies in 25 industrial sectors as follows:

- Agribusiness
- Automotive
- Mining
- Food & Beverages
- Industrial Materials & Machinery
- Commerce
- Fashion
- Paper & Printing Materials
- Healthcare Services
- Home & Office Products
- Petrochemicals & Chemicals
- Media & Publishing
- Personal Products & Pharmaceuticals
- Packaging
- Professional Services
- Banking
- Construction Materials
- Tourism & Leisure
- Finance & Securities
- Property Development
- Transportation & Logistics
- Insurance
- Energy & Utilities
- Electronic Components
- Information & Communication Technology



- Overseas Customers

The Group's overseas customers mainly are industrial users in automotive industry and other industries as well as distributors. Major exporting markets are Australia, New Zealand, Japan, Malaysia, South Korea, China, India, Vietnam, Taiwan, and countries in the European Union. The Group foresees the potential of foreign markets that have high purchasing power and attempts to expand to those markets.

#### Revenues from Domestic and Overseas Customers

Revenue Sources	2020/2021		2021/2022		2022/2023	
	(Aug '20 – Jul '21)		(Aug '21 – Jul '22)		(Aug '22 – Jul '23)	
	THB Million	%	THB Million	%	THB Million	%
Domestic Customers	187.95	98.15	95.90	79.34	78.79	81.91
Overseas Customers	3.54	1.85	24.97	20.66	17.39	18.09
<b>Total</b>	<b>191.49</b>	<b>100.00</b>	<b>120.87</b>	<b>100.00</b>	<b>96.18</b>	<b>100.00</b>

### 1.2.4. Competition and Competitiveness

#### 1.2.4.1. Competition

Manufacturing of metal products and rendering steel processing services is the industry that requires plenty of efforts, knowledge, competencies, skills, and experiences. Furthermore, to maximize customers' satisfaction and keep up with different needs and demands of customers, a modification of machines to create new products and an employing of new technology in production processes to enhance production efficiency, improve product quality, reduce material wastes, and trim down production costs are crucial criteria. Research and development of new products to meet customers' requirements, on time delivery, and pre-sales and post-sales customer services are also the significant factors that needed to emphasize in order to succeed in this industry.

Competitors in the industry can be classified into 3 categories as follows:

- Imported Competitors

This group of competitors import products from overseas and resell in the country. Most of the products are quite standardized and predesigned by the manufacturers, so they are quite difficult to be adapted to suit the requirement of the customers. These products have similar quality to those of major local manufacturers but have higher prices.

- Large-Scale Local Competitors

The large-scale local competitors are in the same categories as the Group. Their product prices are in the same range but they likely focus on competing in quality and services instead. However, the Group believes that our products and services have competitive edges in term of varieties and comprehensiveness. Currently none of the competitors can provide as diversified products and services as the Group does.

- Small-Scale Local Competitors

The competitors in this category are small and medium enterprises located in local communities. Their products such as dollies or pallets, are less complex compared to the Group's products, since they have limited

equipment and resources and did not conduct any research and development. The products qualities are quite inferior to those of large-scale producers, so they can sell the products at lower prices. However, the Group do not consider these manufacturers as direct competitors as the Group's customers give an emphasis to qualities of products and services.

#### 1.2.4.2. Competitiveness

With more than 20 years of experiences along with knowledge and skills in this industry, the Group is not only able to manufacture various types of products but also able to provide a variety of services. The pursue of excellent mindset in manufacturing products and providing services, plus on-time delivery, has contribute to customers' satisfaction and ultimately create trust and confidence among customers. The key success factors of the Group can be summarized follows:

- The Group continuously develops the products and manufacturing techniques to make better quality products and reduce production costs. Also, the Group is considered as a leader in developing and designing new products to create more alternatives and satisfy the needs of the customers.
- The Group's manufacturing processes are complied with the ISO 9001 quality standard.
- The Group received the "Thailand's Brand" from the Department of Export Promotion.
- The Group's customers are industrial users in wide range of industries, and not concentrated in particular industry. The Groups and the customers have good relationship and most of them are regular and active customers with long-term relationships.

#### 1.2.5. Procurement of Products or Services

##### 1.2.5.1. Production

As at July 31, 2023, the Group has operated in 5 business locations as follows:

Company	Property Types	Address	Ownership
City Steel Pcl.	<u>Office Building</u> Approximated area of 576 Sq. M.	88/3 Moo 4 Bypass Road, Nongmaidaeng, Muang, Chonburi	Rent
Siam ISO Pro Co., Ltd.	<u>Office Building</u> Approximated area of 96 Sq. M.	88/2 Moo 4 Bypass Road, Nongmaidaeng, Muang, Chonburi	Rent
Mark Worldwide Co., Ltd.	<u>Factory &amp; Office Buildings</u> Approximated area of 8 Rai and 69 Sq. Wah	41/58-61 Moo 1 Bypass Road, Bansuan, Muang, Chonburi	Proprietary right of Mark Worldwide
	<u>Factory &amp; Office Buildings</u> Approximated area of 23 Rai	88/20 Moo 10 Bypass Road, Napa, Muang, Chonburi	Proprietary right of Mark Worldwide
	<u>Factory Building</u> Approximated area of 8,208 Sq. M.	88/5 Moo 4 Bypass Road, Nongmaidaeng, Muang, Chonburi	Rent

### Significant Production Policy

The Group has adopted Made to Order as production policy since the requirements, usage purposes, and delivery time for each customer are totally different. The production processes have to be planned in every step from purchasing of raw materials to utilizing of machines and equipment so that the Group can lower production costs and deliver the products to the customers right on time. These production processes enable the Group to accommodate rush orders and well satisfy the customers.

### Total Production Capacity

During the year 2022/2023, the Group has total production capacity of 39,500 tons per year with details as follows:

#### The Group's Production Capacity

	2020/2021		2021/2022		2022/2023	
	Tons	%	Tons	%	Tons	%
Total Capacity	39,500	100.00	39,500	100.00	39,500	100.00
Utilized Capacity	10,090	25.54	6,420	16.25	5,980	15.14

#### 1.2.5.2. Sourcing of Raw Materials

Since product quality is the top priority of the Group, quality of raw materials is the major concerns when purchasing the raw materials, Material prices, supplier's reliability, and delivery time are also considered when sourcing for the materials. The Group's primary material is metal, consists of 3 materials which are (1) Steel including hot- rolled steel sheet, cold-rolled steel sheet, and various types profiled steels, (2) Stainless Steel, and (3) Aluminum. The purchase volumes of these materials were 73.03%, 52.59%, and 59.04% of total raw materials purchased in the year 2020/2021, 2021/2022, and 2022/2023, respectively. Apart from these major materials, other materials used in production include paint, wood, castors and wheels, and other factory supplies.

#### 1.2.5.3. Sourcing of Main Materials Used in Production

The Group purchases almost all of the materials from domestic suppliers. The international sourcing will occur when the customers request for specific items that are not available in the country or when the local materials are not sufficient. The amount and proportion of metal and other materials are as follows:

#### Value of Raw Materials Purchased

Materials	2020/2021		2021/2022		2022/2023	
	THB Million	%	THB Million	%	THB Million	%
Metal Materials (Domestic)	70.55	73.03	20.64	52.59	19.91	59.04
Other Materials (Domestic)	26.05	26.97	18.60	47.41	13.59	40.30
Other Materials (International)	-	-	-	-	0.22	0.66
Total Materials	96.60	100.00	39.24	100.00	33.72	100.00

During the year 2020/2021 - 2022/2023, the Group had purchased materials from more than 100 suppliers and had not purchased from any major suppliers more than 10% of total materials purchased.

The Group has never encountered materials shortage since metal materials are main materials for economic development. Additionally, the Group has strong relationship with the suppliers since the Group started doing business for more than 20 years and regularly contacts new suppliers in order to ensure that the Group will not encounter materials shortage problems.

#### 1.2.6. Assets Used in Business Operation

The Group engages in manufacturing and sales of metal products, so core assets used in business operation consist of land, production facilities, office buildings, machines and equipment, office equipment and decoration, and vehicles. Total assets used in business operation have net book value as at July 31, 2023 of approximately THB 169.87 million. Details of these assets are presented in Attachment 4.

#### 1.2.7. Investment in Subsidiary

The Company has invested in 3 direct subsidiaries which are Siam ISO Pro Co., Ltd., Mark Worldwide Co., Ltd., and City Steel Products Co., Ltd. in the proportion of 99.99%. The Company has also indirectly invested in CT Universal Co., Ltd., which registered in Republic of Seychelles through Siam ISO Pro Co., Ltd. that hold 100% of ownership in the company. Details of investment in subsidiaries are presented in Attachment 4.

As at July 31, 2023, amount of investment in subsidiaries at cost method was 44.23% of the Group's total assets.

#### 1.2.8. Work-in-process

As at July 31, 2023, the Group's did not have any work-in-process that had value more than 10% of consolidated total revenues of the year 2022/2023.

### 1.3. Shareholding Structure

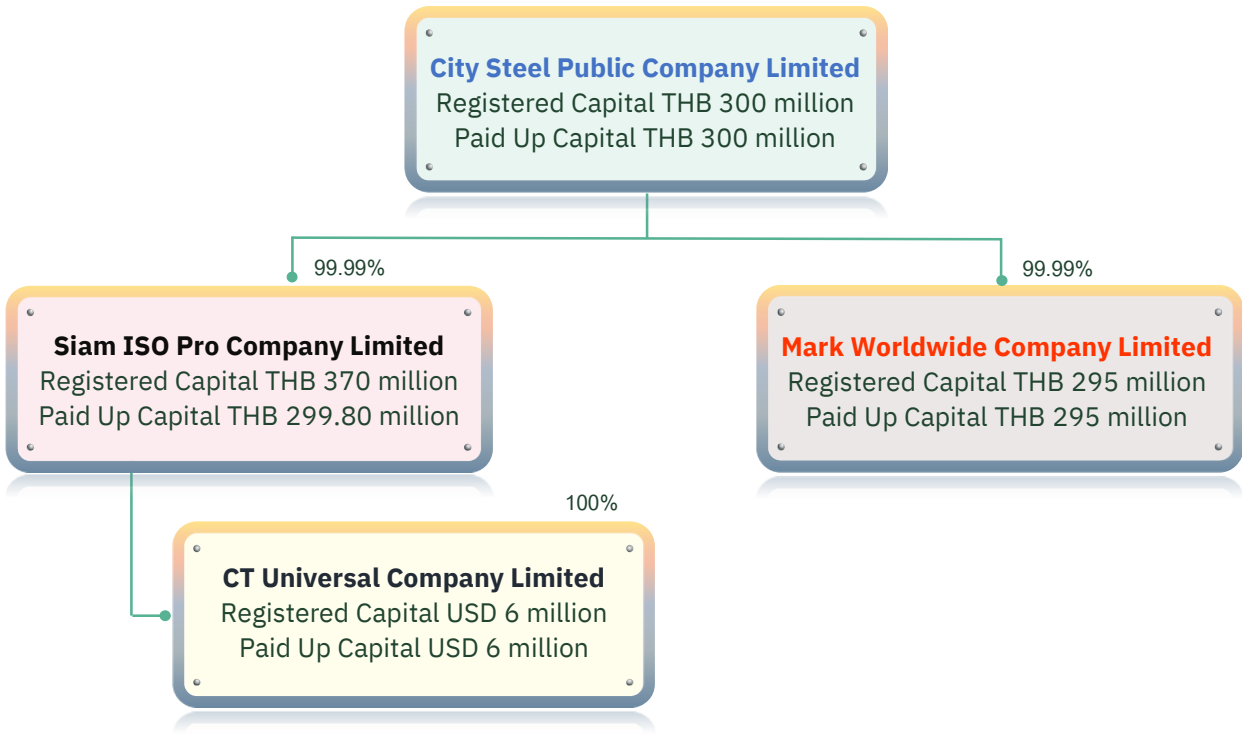
#### 1.3.1. Shareholding Structure of the Group

City Steel Public Company Limited ("CITY") operates in manufacturing and sales of metal products and investing in the companies that also operate in manufacturing and sales of metal products and merchandising industrial and consumer products. All of the companies are subsidiaries of CITY with total shareholding in all subsidiaries of 99.99%.

Shareholding Structure and Business Operation of the Group are as follows:

Company Name	Business Operation	Percentage of Shareholding
1. Manufacturing and sales of metal products		
◆ Mark Worldwide Co., Ltd.	Manufacturing and sales of metal products	The Company holds 99.99%
2. Merchandising industrial materials		
◆ Siam ISO Pro Co., Ltd.	Merchandising metal products, industrial materials and equipment, and overseeing new business expansion	The Company holds 99.99%
◆ CT Universal Co., Ltd.	Merchandising industrial materials and consumer products as well as investing in new businesses	The subsidiary, Siam ISO Pro Co., Ltd. holds 100% in CT Universal Co., Ltd.

The Group's shareholding structure as at July 31, 2023



Division of Business Operations of the Companies in the Group

As at July 31, 2023, the Group has divided the business operation into 2 main categories and classified products into 3 groups as follows:

Business Operation / Products	City Steel Pcl. <sup>/1</sup>	Siam ISO Pro Co.,Ltd.	Mark Worldwide Co.,Ltd.	CT Universal Co.,Ltd.
1. Manufacturing and sales of metal products				
◆ Manufacturing and sales of metal structures, storage systems and material handling equipment, and other metal products	✓	-	✓	-
◆ Manufacturing and sales of metal materials, metal parts, and fabricated metal parts	✓	-	✓	-
2. Merchandising industrial materials				
◆ Merchandising industrial materials and equipment	-	✓	-	✓

**Remark** <sup>/1</sup> City Steel Pcl. only operates in sales of metal products by purchasing and reselling to the customers and does not engage in manufacturing operation.



## 1.3.2. Shareholders

### 1.3.2.1. List of Major Shareholders

List of major shareholders as at October 16, 2023, the record date for the right to attend the Annual General Meeting of Shareholders are as follows:

Major shareholders	Number of shares (Shares)	Percentage of shareholding (%)
1. Phongratanadechachai Family Group <sup>1</sup>		
• WKP Asset Plus Co., Ltd. <sup>2</sup>	166,500,000	55.50
• Mr. Komgrich Phongratanadechachai	7,709,625	2.57
• Miss Suputra Phongratanadechachai	7,505,000	2.50
• Mr. Wibool Phongratanadechachai	7,500,000	2.50
• Mrs. Kheng Phongratanadechachai	7,500,000	2.50
• Mr. Satit Phongratanadechachai	7,500,000	2.50
• Mrs. Orawan Phongratanadechachai	7,500,000	2.50
• Mr. Bundit Phongratanadechachai	7,047,100	2.35
• Miss Theerissara Phongratanadechachai	1,198,000	0.40
Total	219,959,725	73.32
2. Mr. Songkiat Srisuwan	3,677,300	1.23
3. Miss Kanjana Lerdphongadisorn	3,494,700	1.16
4. Mrs. Aroonroj Kamolmongkolsuk	3,221,200	1.07
5. Miss Ornobol Chomdech	2,222,200	0.74
6. Mr. Pheeranut Sawetwijitr	2,114,600	0.70
7. Mr. Lakchai Sumanuschai	1,809,000	0.60
8. Mr. Yutthana Viphasawas	1,541,200	0.51
9. Mr. Thanawat Rujiraphoom	1,500,000	0.50
10. Mr. Theeranun Kiatsingnakorn	1,305,000	0.44
Total	240,844,925	80.27

Remark <sup>1</sup> WKP Asset Plus Co., Ltd, Mr. Komgrich Phongratanadechachai, Miss Suputra Phongratanadechachai, Mr. Wibool Phongratanadechachai, Mrs. Kheng Phongratanadechachai, Mr. Satit Phongratanadechachai, Mrs. Orawan Phongratanadechachai, and Mr. Bundit Phongratanadechachai are categorized under the same group of persons in accordance with the Notification of Capital Market Supervisory Board No. Tor Chor, 7/2552 Re: Acting in concert as a result of the nature of a relationship or behavior and requirements under Sections 246 and 247.

<sup>2</sup> WKP Asset Plus Co., Ltd. is 100% owned by Phongratanadechachai Family.

### 1.3.2.2. Investment in Subsidiaries

As at July 31, 2023, the Company has invested in 3 subsidiaries with details of shareholding as follows:

Subsidiary	Business Operation	Registered Capital (THB Million)	Paid-up Capital (THB Million)	Percentage of Shareholding (%)
1. Siam ISO Pro Co., Ltd.	Merchandising industrial materials and equipment	370.00	299.80	99.99
2. Mark Worldwide Co., Ltd.	Manufacturing and sales of metal products	295.00	295.00	99.99
3. CT Universal Co., Ltd.	Merchandising industrial materials and consumer products as well as investing in new business	204.92 <sup>/1</sup>	204.92 <sup>/1</sup>	The Subsidiary, Siam ISO Pro Co., Ltd. holds 100% in CT Universal Co., Ltd.

Remark <sup>/1</sup> Registered and paid-up capital of CT Universal Co., Ltd. is USD 6 million equals to THB 204.92 million.

### 1.3.2.3. Major Shareholders' Agreement

There is no agreement with the major shareholders that may affect the issuance of the securities or the managing of the Company, and such agreement has been co-signed by the Company.

## 1.4 Details of Securities

- **Registered and paid-up capacity as at July 31, 2023**

Registered Capital : THB 300,000,000 consists of 300,000,000 ordinary shares.  
Par value THB 1.00

Paid-up Capital : THB 300,000,000 consists of 300,000,000 ordinary shares.  
Par value THB 1.00

- **Other Securities**

- None –

## 1.5 Issuance of Other Securities

- None -

## 1.6 Dividend Policy

The Company has a policy to pay not more than 40% of its net profit after tax and legal reserve as dividends. However, the dividend payout maybe changed according to future investment plans and any other actions that deemed necessary and appropriate. The changes in dividend payments should be under the condition that those actions must be taken for the best interests of shareholders, such as the provision for loan repayment, the new investment in business expansion, or in the case of any adverse change that might affect the Company's cash flow. The Board of Directors is authorized to consider the dividend payment, however, the resolution of dividend payment must be proposed for the approval

of shareholders' meeting except for the case of interim dividend payment as the Board of Directors has the authority to approve before informing the interim payment to the subsequent shareholders' meeting.

For the Subsidiary Companies, the Board of Directors of the subsidiaries will consider their policies year by year. However, the resolution of dividend payment must be proposed for the approval of shareholders' meeting of the subsidiaries. The dividend maybe changed according to operating performance, financial position, and investment plan of the Company or the Group.

The Company did not pay any dividend for the year 2021/2022's operating results.

#### Details of previous dividend payment

Year	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Earnings (Loss) Per Share (THB)	0.10	0.03	(0.01)	(0.04)	(0.01)
Dividend Per Share (THB)	0.04	0.00	0.00	0.00	0.00
Dividend Payout Ratio (%)	39.84 %	0.00 %	0.00 %	0.00 %	0.00 %

## 2. RISK MANAGEMENT

### 2.1. Risk Management Policy and Business Planning

The Group realizes the importance of risk management as it is not only a good practice according to good corporate governance but also helps the Group to achieve business goals. Risk management also promotes efficiency and effectiveness in business operation, protects personnel and prevents damage to the Group's assets, as well as contributes in decision making processes. Therefore, the Group has set the risk management policies as follows:

- To determine effective risk management processes and measures that are suitable for the business and correspond with international standard.
- To promote risk management in all operational level and every operating process so that everyone in the organization awares of and understands the importance of risk management until the risk management is fully integrated with every process and is considered in the normal course of business activities.
- To define risk levels, preventive procedures, and risks responding guidelines in order to avoid or limit potential damage as well as to monitor the result of risk management.
- To establish guidelines for measuring the effectiveness of risk management from the impact toward the Group's objectives. Risk management data will be collected, verified, and reviewed for the purpose of developing more effective risk management.

### 2.2. Risk Factors that Affect Business Operation

Risk factors that may have impact on the operations, financial status, and financial performance of the Group can be classified as follows:

#### Operating Risk

##### 2.2.1. Risk Associated with Economic Conditions

As majority of the Group's products are capital goods, demands for the products will arise only when there are new investments. Customers will order the products when they want to expand, restore, improve, or relocate their factories. If economy is on an upward trend, the factories or capacities expansion will increase, which will result in an increase in demands for the Group's products. On the other hand, if the economy is in recession, investment in production facilities or capacities expansion will decline and cause a decrease in demands for capital goods.

Once the economy gets weaken, purchasing power of customers will decline, results in a decrease in demands for the products and escalates intense competition in term of both price and products and services differentiation. Therefore, the Group has to offer variety of products and services to meet requirements of the customers and keep developing and introducing new products as well as improving production efficiency in order to retain customers and maintain good operating performances. The Group also has to find new customers in various industrial sectors to reduce risk associated with economic recession. If a particular industry incurs a contraction, the Group will be able to provide products and services to other growing industries. Currently, the Group has a customer base of over 3,000 customers diversified in 25 industries, which enable the Group to be able to minimize risk associated with economic conditions.

Beside the impact of economic conditions on the Group's operating results, the impact on financial status is as much significant. If the economy has slowed down at the same time in every sector and for a prolonged period of time, similar to the recent situation of the COVID-19 virus outbreak, enterprises with insufficient liquidity will be in troubles and may have to shut down their businesses. However, with adequate liquidity and stable financial status, the Group has been able to maintain the operation and has not faced as much difficulties. Therefore, the Group will continue to employ this prudent monetary policy in order to sustain the good financial status.

#### **2.2.2. Risk Associated with Dependence of Domestic Market**

Presently, the Group's major revenues mainly derive from domestic sales. The proportion of domestic sales in 2020/2021, 2021/2022, and 2022/2023 were 98.15%, 79.34%, and 81.91%, respectively. According to these figures, the proportion of domestic customers was very large. So, if the domestic economy declines, the Group's revenues and profits will be negatively affected. Moreover, as most of the Group's customers are multinational enterprises, if they move the production facilities to other countries, the demand for the Group's products and the Group's revenues will decrease accordingly. However, the Group has strived to expand to overseas markets by increasing overseas distribution channels through direct selling to end users, distributing through agents, contacting via subsidiaries or branches of multinational corporations located in Thailand, as well as participating in trade exhibitions. The Group will operate with caution and emphasize in the countries that the economies are still growing. The Group anticipates that an increase in oversea distribution channels will be able to expand its customer base in foreign markets, which can minimize the risk of relying on domestic market.

#### **2.2.3. Risk Associated with Revenue Uncertainty**

As the nature of the Group's business, the type of sales is a project sale, which occurs from time to time, without a long-term contract with a customer. Thus, the Group's revenues seem to be noncontinuous. The process starts when customer sends in a product or service inquiry. Then the Group will provide consulting services and all the information related to a customer's inquiry. Engineering team will calculate the strength of the steel structure and its loading capacity. The quotation will be prepared later on for customer to do the cost comparison. Then the production process will start only after receiving of customer's confirmed purchased order. According to this selling process, the Group has to deal with an uncertainty in revenue.

In addition, most of the Group's products, for example storage shelf, conveyor, pallet, display stand, and so on, are used as equipment for customer's operation, not as direct material used in the production process. Therefore, the product's useful life is quite long by nature. The customers will purchase the Group's products only when they have a new construction project or expansion. Each purchase is difficult to predict and comes from time to time, resulting in lack of continuing purchase.

The Group has minimized the effect of uncertainty of revenue by introducing a variety range of products and services, which can meet the demands from several industries. The Group continuously does research and development for both existing and new products to cope up with changes and different needs and requirements of each customer.

#### **2.2.4. Risk Associated with Entry of Potential Newcomers**

The Group manufactures and sales structural steel, material handling and storage system equipment, processed steel and providing full-range steel service in the eastern region of Thailand. The Group's customers are located throughout the country but located intensely around eastern region of Thailand, Bangkok and Bangkok metropolitan areas. Most of the

Group's competitors are small size companies spreading around the community. Some are large, but do not manufacture full product ranges or provide full-range steel services as the Group does. Hence, the Group is considered as the industry leader.

However, currently, initial investment in metal fabrication and metal processing services business is getting lower so there are a lot of small competitors enter into the market. Medium and large enterprises who used to be middle men in trading metal materials have started to add value to their products by providing processing services and sell the products directly to the end users. These situations have created intense competition in this market. To avoid the price competition, the Group has reduced portion of revenues from this product category and put emphasis on revenues from metal structures and storage system and material handling equipment instead, which the Group has a competitive edge.

Over the years, the Group has established a good relationship with customers by emphasizing on the product design and development that meet customers' needs, on-time delivery, and exceptional before and after sales services. This has created impression among the Group's customers and helped retain the customer base, as well as generated repeated purchases from the existing customers

### **Manufacturing Risk**

#### **2.2.5. Risk Associated with the Fluctuation of Raw Material Prices**

Major materials used to produce the Group's products are metal materials including hot-rolled steel plates, cold-rolled steel plates, profiled steel, as well as stainless steel and aluminum. These metal prices are directly related to demands of metal consumers and supplies of producers around the world and other related factors such as foreign exchange rate, import duty, and surcharge. In the year 2021/2022 the metal materials used in the Group's production accounted for 23.75% of cost of goods sold, whereas in the year 2022/2023 accounted for 24.78%. Therefore, changes in the metal prices will directly affect the Group's cost of goods sold, revenues, and operating profits.

However, the Group uses cost-plus pricing strategy to set up a selling price for each projects. Additionally, the Group closely monitors the changes in metal prices to assess situations and trends in order to manage inventory levels and determine order quantities. Due to cost-plus pricing strategy and proper inventory management system, the Group has been able to maintain the profit margin. Thus, the fluctuations of raw material prices do not have significant effects to the Group's operating results.

#### **2.2.6. Risk Associated with Labor Shortage**

Nowadays, Thailand has entered the aging society and working-age population has been on a decline, causing labor force difficult to find and the labors may not have skills that meet the Group's requirements. Since the Group's products are custom made to the customers' requirements, product designs or patterns and quantities vary significantly, making it is difficult to use automated machinery to replace workers. Thus, quality workforce is the vital factor in the Group's production processes. The Group tries to reduce the risk of labor shortage by regularly recruiting new employees and continually training and developing to improve and enhance skills of the employees as well as taking care and providing suitable compensation and benefits to retain value staffs with the organization in a long term.

### **Financial Risk**

#### **2.2.7. Risk Associated with Granting Lines of Credit to Customers**

As at July 31, 2023 the Group's accounts receivable was THB 10.31 million, which equaled to 10.72% of sales and service revenues, with the average collection period of 36.51 days. According to these figures, the Group has exposed to the

collection risk of the accounts receivable and may incur some collection expenses if the Group's customers have problems in operating their businesses, and consequently affect the Group's operating profits and financial status. Furthermore, several of the Group's customers who are large corporations have extended their credit terms from 30 days to 90 - 120 days, which may affect the Group's cash cycle as well.

Nevertheless, the Group regularly monitors quality of each account receivable and has a strict policy in granting the lines of credit to each customer. The management teams will consider credit terms for customers together and approve in written documents. In considering of granting credit terms, the management teams will consider several factors including customers' nature of businesses, financial positions, ordering amounts, and past payment histories, as well as having customers' company visits and speaking with executive management in order to gain confidence in approving the credit terms and minimize the risk associated with granting credit terms to customers.

#### **2.2.8. Risk Associated with Exchange Rate**

The Group has imported goods from and exported products to overseas in foreign currencies, which exposes the Group to foreign exchange risk. The Group has managed the foreign exchange risk by closely monitoring the exchange rates and using Foreign Currency Deposit (FCD) account or purchasing a forward contract as well as making an early payment based on a suitable level of cash flows. Although using the FCD account can reduce the foreign exchange risk as there is no need to convert the foreign currencies to Thai Baht right away, the translation of the amounts in the FCD account at the end of each reporting period may result in accounting gain or loss on the foreign exchange rates for the period. In the future, the Group still has to import some goods from overseas and export to overseas customers. Therefore, the mentioned foreign exchange risk management policy will be employed, which will depend on situation and appropriateness.

Besides the trading transactions, the Group also has an investment in subsidiary in foreign currency, which will create a foreign exchange rate risk when the subsidiary pays dividend or repatriates income back to the Company. In order to reduce the effect of exchange rate risk, the Group always keep lookout on the exchange rate and will be very cautious when making those transactions. The Company has to convert the subsidiary's financial statement in to Thai Baht at the end of the accounting period, which will generate an unrealized gain or loss from the conversion of the financial statement. The unrealized gain or loss will be presented in shareholders' equity in the statement of financial position and in other comprehensive incomes in the statement of comprehensive incomes according to the accounting standards.

#### **Investment Risk Imposed on the Securities Holders**

##### **2.2.9. Risk Associated with Major Shareholders Holding Shares More Than 50%**

As at October 16, 2023, Phongratanadechachai family held 73.32% of the Company's issued and paid-up capital, which will enable the Phongratanadechachai family to take control over most of the resolutions of shareholders' meeting. The resolutions include the appointment of directors and other agenda that required majority votes of shareholders, except for the matters that required by law or company's articles of association that required the votes of three-fourth of the shareholders' meeting. Therefore, other shareholders might not be able to collect sufficient votes to examine and counter balance in the agenda that the major shareholders would propose.

### 3. BUSINESS SUSTAINABILITY DEVELOPMENT

#### 3.1. Sustainability Management Policy and Objective

The Group realizes the important of Corporate Social Responsibility (CSR), so the Group has set corporate directions and goals toward good CSR practices by committing to operate the businesses under good Corporate Governance Principles, with transparency, and abide by laws and regulations. Additionally, the Group devotes to establish good and long-term relationships with customers, avoids violation of human rights, workers' rights, and intellectual property rights, as well as promotes anti-corruption values. The Group strongly believes that maintaining good relationships with all stakeholders is a significant foundation toward a sustainable growth. In order to implement the CSR campaign effectively, the Group has defined CSR policies and activities as follows:

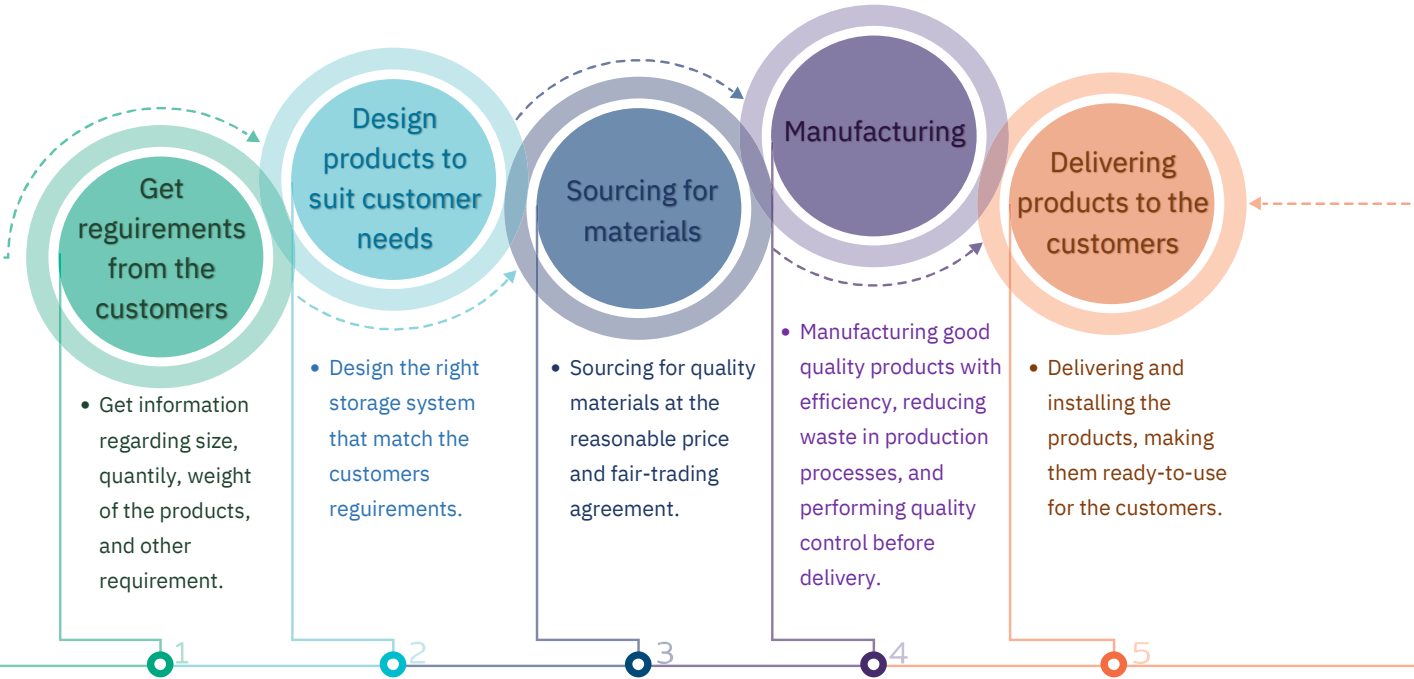
- 1. Fair Business Practices** : The Group encourages fair business practices by avoiding or not supporting intellectual property infringement as well as respecting and following laws and regulations.
- 2. Anti-Corruption** : The Group determines to operate businesses with integrity and transparency as well as supports all kind of anti-corruption policies and actions.
- 3. Respect of Human Rights** : The Group respect human rights and promotes equality by not discriminating in recruitment, not enforcing labor, and operating according to labor laws.
- 4. Fair Employee Treatment** : The Group is committed to fair treatment of employees regarding the determination of compensation and benefits, safety and working environment, along with development opportunity and career advancement.
- 5. Responsibility Towards Customers** : The Group determines to manufacture good quality products that meet customers' requirements at reasonable prices and to provide advices and recommendations by emphasizing on providing greatest customer satisfaction.
- 6. Environmental Care and Protection** : The Group creates core value of environmental protection and cultivates employees to be aware of environmental preservation, energy conservation, and sustainable uses of resources.
- 7. Community Involvement and Development** : The Group is well aware of duties and responsibilities to society and communities by not causing any troubles to nearby communities and providing supports and assistance to surrounded communities.
- 8. Innovation and Sharing of Innovation** : The Group constantly improves and develops the products to fulfill the requirements from the customers by setting up a team who is responsible for analyzing and developing new and innovative products that can satisfy the demands of the customers.



### 3.2. Management of Impacts on Stakeholders in the Business Value Chain

#### 3.2.1. Business Value Chain

“Our services start before we sell” is the Group’s distinctive strength in doing business. The Group will have a meeting with the customers to get the requirements of the products, then will develop and design the products to suit the customers needs. Once the customers satisfy and place the order, the Group then will proceed to manufacture and deliver the products to the customers. The Group’s business activities can be summarized as follows:



#### 3.2.2. Analysis of Stakeholders in the Business Value Chain

In operating business, the Group has to interact with various groups of both internal and external stakeholders. Therefore, the Group has summarized the key stakeholders, their expectations on the business operation, and the Group’s responses to those expectations as follows:

Stakeholders	Stakeholders' expectations	Responses on the expectations
Internal Stakeholders		
Shareholders	<ul style="list-style-type: none"> <li>» Operating performance, return on investment, and business growth.</li> <li>» Operating with good corporate governance.</li> <li>» Equality of shareholders' rights.</li> </ul>	<ul style="list-style-type: none"> <li>» Operating business with best abilities and prudence for the best interests of the shareholders.</li> <li>» Fair and equal treatment of all shareholders.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>» Fair treatment.</li> <li>» Suitable compensations, proper benefits, and job security.</li> <li>» Safety and good working environment.</li> </ul>	<ul style="list-style-type: none"> <li>» Respect human rights and equally treat all employees with fairness.</li> <li>» Provide appropriate compensations and benefits as well as keep personnel with the Group in the long run.</li> <li>» Maintain safe working environment.</li> </ul>

Stakeholders	Stakeholders' expectations	Responses on the expectations
External Stakeholders		
Customers	<ul style="list-style-type: none"> <li>» Quality products, on-time delivery, and excellent services at rational prices.</li> <li>» Varieties of products to satisfy various needs of the customers.</li> <li>» Keeping of business confidential.</li> </ul>	<ul style="list-style-type: none"> <li>» Manufacture high quality products, provide excellent before and after sales services, and continue developing new products,</li> <li>» Keep customers' information including drawings and products as confidential and will not disclose the information without the customers' permissions or consents.</li> </ul>
Suppliers / Creditors	<ul style="list-style-type: none"> <li>» Transparent and equitable procurement procedures.</li> <li>» Fair and proper trading agreement.</li> </ul>	<ul style="list-style-type: none"> <li>» Specify precise and fair procurement policies.</li> <li>» Treat suppliers and creditors based on fair collaboration and abide by mutual trade agreements.</li> </ul>
Community, Society, and Environment	<ul style="list-style-type: none"> <li>» Causing none of negative impact toward community.</li> <li>» Collaboration and support on community matters.</li> <li>» Environmental protection and energy preservation.</li> </ul>	<ul style="list-style-type: none"> <li>» Improve production processes to be more environmentally friendly and reduce energy consumption.</li> <li>» Not create any troubles and help supporting nearby communities.</li> </ul>

### 3.3. Management of Environmental Sustainability

The Group places emphasis on environmental sustainability and realizes the responsibility on the environment and possible impacts on the surrounding that may cause harm or inconvenience to nearby communities. The Group has cooperated with government agencies to reduce environmental impacts and rigorously following the rules and regulations. Since the past, the Group has never had any disputes on the environmental issues.

The Group's business operation is quite environmentally friendly, since they produce no harmful waste and do not use any chemicals in the production processes. Therefore, the Group can assure that the operating processes will not negatively affect the surrounded environment.

The Group adopts the philosophy of "Maximize Benefits with Highest Efficiency" to motivate and cultivate the employees to conserve energy and use resources wisely and efficiently and arranges a course to educate the employees about the environment and effects on the environment. The Group also promotes energy- and resource-saving activities including using both sides of papers, turning off and unplugging electric appliances after use, turning off air conditions at least 10 minutes before lunch break and before leaving the office in the evening, as well as tightly closing water faucets and water valves on long holidays. Furthermore, the philosophy of "Maximize Benefits with Highest Efficiency" has also been used as a criterion in evaluating the executives and employees' performances.

The Group has joined the "Care the Bear" project organized by the Stock Exchange of Thailand and has made efforts to reduce greenhouse gas emission. The Group begins to use less paper and file documents in electronic format, changes electric equipment to energy-saving alternatives, replaces some ICE vehicles with BEV vehicles, reduces the use of plastics, reuses remaining materials, and repurposes some materials to make them more useful.

### 3.4. Management of Social Sustainability

The Group is well aware that achieving sustainable growth and development requires management of not only economic and environmental aspects but also social dimension as well, which including respect human rights, provide safety environment, and involve in community supports. The Group's social sustainable policies and operation are as follows:

#### ➤ Human Rights and Human Resources Development

Personnel is crucial factors for corporate's success. Therefore, the Group emphasizes to develop employee's skills and respect their human rights by implementing the following activities.

##### ■ Fair Treatment of Employees

The Group has arranged appropriate compensations for the employees. Apart from basic salary that the employees will receive from their operations, the Group has also arranged other welfare and benefits as additional incentives for the employees. Moreover, the Group manages to increase the employees' compensations every year by using criteria based on monthly performance evaluation. The amounts of increased compensations are determined every year according to the Group's policy, which has to be corresponded with situations and economic conditions.

The Group respects human rights and rights of all employees, as well as treats every employee with fairness and equality. There is no discrimination against employees with differences in race, religion, gender, or physical appearances. Over the years, the Group has employed a few employees with disability and arranged them to work in suitable positions.

In the year 2022/2023, the Group's employment are as follows:

Employees	Male (persons)	Female (persons)
Full-time employees	102	83
Disabled employees	2	-
<b>Total</b>	<b>104</b>	<b>83</b>

##### ■ Safety and Work Environment

- The Group concerns about safety standard for both the Group's personnel and outside contractors who have to work in the company. The Group has adjusted working environment in order to reduce accidents, also set a safety policy and created a goal to reduce accidents and injuries, which must not exceed 10 accidents per year and announced this policy and objective to all employees and contractors.
- The Group arranges safety training for new employees and assigns supervisors or group leaders to evaluate risks associated with their duties in order to determine solutions to correct these risks and safety issues. In addition, the Group also provides adequate personal safety equipment for every employee that suitable to their duties.

In the year 2022/2023, accidents and work-related absent statistics are as follows:

	2022/2023 (times / year)
Accident statistic	
Accident caused by unsafe actions	2
Accident caused by unsafe conditions	0
Work-related absent statistic	
Less than 3 days absence	2
More than 3 days absence	0
Work-related mortality statistic	0

From the aboved statistic, during the year 2022/2023, there were 2 accidents caused by unsafe actions, which corresponded to the Group's objective of less than 10 accidents per year. The Group determines to follow the safety policy and procedures and continues the safety training in order to reduce the accident to be zero in the future.

■ Employee Development

The Group's employee development policy aims to improve knowledge and abilities of employees in both technical and professional skills. Employee development will not only enhance employees' abilities but also help the Group to retain talented personnel to work for the Group for the long run as well as provide career advancement for the employees. In the past years, the Group has conducted training programs as follows:

1. Arrange in house training, which is the training designed for the newcomers, who will be trained by experienced personnel in each particular department.
2. Arrange outside training on a regular basis, which focuses on specific knowledge and technical skills that suit the tasks in each department such as computer training, production technology training, etc.

The Group has set up a knowledge exchange project called "Learning and Teaching Organization Program". In this project, the experienced employees in each function will act as teachers to communicate their experiences and knowledge to students who are the employees from other functions. This project will facilitate the employees to understand the operation of other departments, and also help in developing additional skills, as well as promote good working relationship and enhance effectiveness of internal communication.

In the year 2022/2023, the Group has organized employee development programs as follows:

Training programs	Training hours
Errors management techniques for work efficiency enhancement	6
Team work and collaboration skills development	6
Continuous development toward work improvement and cost reduction	6
Creating a quality mindset at work	6
Improvement of skills and potentials in leadership roles	6
<b>Total</b> <b>5 programs</b>	<b>30 hours</b>

The Group recognizes the importance of personnel development. Therefore, the Group has a policy to constantly train and develop the staffs at all levels in order to prepare them to work efficiently, to be entrusted by the customers, and to be able to keep up with changes in the future.

➤ Responsibility Towards Customers

The Group has established good and long-term relationships with every group of customers by providing exceptional services based on the Group's principle of "Our Services Start Before We Sell". The Group approaches the customers to give advices and receive products requirements, then collaboratively develop the products that truly meet the requirements of the customers.

➤ Fair Business Practices

The Group has a policy to respect intellectual property and copyrights by avoiding and not supporting any actions that appear to violate the copyrights and intellectual property rights of other entities, which reflects the Group's intention of fair business practices. The Group respects and obeys the intellectual property laws and regulations by using only legal information technology and software.

➤ Collaboration in developing community and society

The Group is aware of the necessity of community and social development, together with the operations of the Group. During the past year, the Group has organized community and society development activities as follows:

1. Award annual scholarship to children in the community, who have good educational performances and good behaviors.
2. Support the Cooperative Education Programs of several universities. For the Cooperative Education Program, the students have to apply for practical training with the Group, and to complete the training, the students have to submit work related projects to the universities. The Group has supported the projects by arranging area, allocating resources and equipment, providing guidance and advices, and funding the projects to help the students to accomplish their tasks.
3. Restore public roads in the community where the Group located for the convenience and safety of the community.
4. Dredge waterway in the community prior to rainy season to help drain excess water and prevent flood.

## 4. MANAGEMENT DISCUSSION AND ANALYSIS

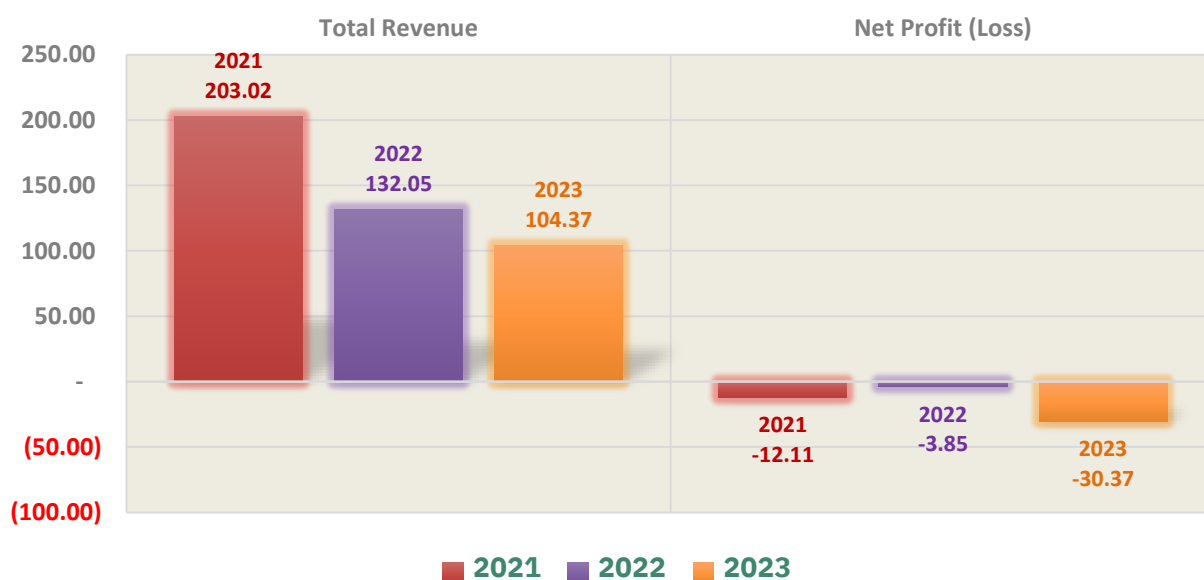
### 4.1 Operating Results and Financial Position Analysis

#### Operating Results

##### Operating Results Overviews

The Group's revenues primarily derived from the manufacturing and sales of metal products and can be classified by characteristics and usages of the products into 2 categories: 1) Metal Structures, Storage Systems and Material Handling Equipment, and Other Metal Products 2) Metal Parts and Fabricated Metal Products as well as One-Stop Steel Processing Services.

In the past 3 years, the Group's total revenues were THB 203.02 million, THB 132.05 million, and THB 104.37 million in the year 2020/2021, 2021/2022, and 2022/2023, respectively. Total revenues decreased by THB 70.97 million or 34.96% in 2021/2022 and decreased by THB 27.68 million or 20.96% in 2022/2023. During the past 3 years, the Group's total revenues constantly declined as the economy had yet fully recovered from the severe contraction during the Corona Virus (COVID-19) outbreak. The automotive sector and related industries were affected by a significant drop in consumer demands. Many of the Group's customers from these sectors had to delay their purchases, extend delivery dates, cancel orders, and close down businesses. As demands for the products decreased, the competition within the market became more intense, hence the Group was unable to raise the profit margin. Additionally, China's real estate problem, the global energy crisis, the shortage of semiconductors that had just recovered in 2023, the prolonged Russia-Ukraine war, and the global inflation surge, were also vital factors that contributed to the increases in operating expenses which caused the Group to incur consecutive operating losses over the past 3 years.



The Group's expenses consisted of the followings:

» Cost of sales and services were THB 163.95 million, THB 86.89 million, and THB 80.34 million in 2020/2021, 2021/2022, and 2022/2023, attributable to 80.76%, 65.80%, and 76.98% of total revenues, respectively.

» Distribution costs were THB 3.61 million in 2020/2021, THB 6.18 million in 2021/2022, and THB 5.49 million in 2022/2023, equaled to 1.78%, 4.68%, and 5.26% of total revenues, respectively.

» Administrative expenses were THB 46.20 million, THB 39.80 million, and THB 45.68 million which equaled to 22.76%, 30.14%, and 43.77% of total revenues in 2020/2021, 2021/2022, and 2022/2023.

» Director and management remuneration were THB 2.17 million, THB 2.17 million, and THB 2.26 million in 2020/2021, 2021/2022, and 2022/2023 which equaled to 1.07%, 1.65%, and 2.16% of total revenues, respectively.

The Group incurred net losses in the year 2020/2021, 2021/2022, and 2022/2023 of THB 12.11 million, THB 3.85 million, and THB 30.36 million which equaled to (5.98%), (2.92%), and (29.09%) of total revenues, respectively.

### Revenues

The Group's total revenues for the last 3 years, classified by product characteristics and usages were as follows:

» Revenues from manufacturing and sales of Metal Structures, Storage Systems and Material Handling Equipment, and Other Metal Products made up the highest portion of total revenues compared to revenues from other categories, which equaled to 93.08%, 88.69%, and 89.77% of total revenues in 2020/2021, 2021/2022, and 2022/2023. The revenues from this category are the Group's major revenues as they had higher value added and lesser price competition compared to the fabricated metal products. However, it was a tradeoff for more complicated production processes.

» Revenues from manufacturing and sales of Metal Parts and Fabricated Metal Products accounted for 1.24%, 2.85%, and 2.38% of total revenues in 2020/2021, 2021/2022, and 2022/2023, respectively. During the past 3 years, the proportion of revenues from this category were relatively low, mainly due to the intense price competition as there were a large number of players in the market ranging from small, medium, to large businesses. The barriers to entry and initial investment needed to start the business had dropped significantly from the past, allowing many small manufacturers to enter the market. While medium and large corporation who used to be just wholesalers, had added the production processes, fabricated into metal parts, and sold directly to the end users. In addition, the main group of customers who purchased this product were small and medium-sized companies, who were recently affected by economic slowdown. As the Group had tightened the trade credit policy, the proportion of sales to these customers had reduced.

The majority of the Group's revenues derived from domestic sales. The export revenues were originated from sales of Metal Structures, Storage Systems and Material Handling Equipment, and Other Metal Products and were relatively low compared to revenues from products sold domestically. Export revenues were THB 3.54 million, THB 24.97 million, and THB 17.39 million, equaled to 1.85%, 20.66%, and 18.09% of sales and services revenues in 2020/2021, 2021/2022, and 2022/2023. In the year 2021/2022, there had been a substantial increase in export revenues compared to the year 2020/2021 as the Group tried to export more of the products to offset the decline in domestic revenues. However, in the year 2022/2023, the export revenues had dropped considerably due to the fall in product demands from abroad.

In the year 2021/2022, although the COVID-19 situation had improved and the country was opened to accept more tourists, the investment in industrial sector was yet to be improved. The shortages of semiconductors, war between Russia and Ukraine, conflicts between China and U.S., as well as hike in energy prices and global inflation, had caused the industrial

sectors to delay their investments, resulting in a substantial decrease in demands for capital goods and the Group's products. Consequently, the Group's revenues have declined from the previous year.

For the year 2022/2023, the issuing of various economy stimulus packages from the government, along with the anticipation towards Thailand's domestic elections, had led many to predict that the economy would take a positive turn and recover. However, these measures only left positive impacts on certain sectors such as service sector and domestic consumption, while the industrial sector had yet to grow or expand due to the lack of confidence of entrepreneurs to make additional investments. This resulted from both internal factors concerning the delay of the government formation, and external factors regarding inflation and the economic conditions in trading partner countries. The export sector had been directly affected. The export volumes dropped consecutively due to the decrease in demand from the Chinese market where its economy grew less than expected, as well as the European and the U.S. market where inflation crises still persisted. For these reasons, the Group's total revenues, which were majorly accounted by the sales from customers in the industrial and export sectors, had continued to decline since the year 2019/2020.

#### Cost of Sales and Services and Gross Profits

The Group's cost of sales and services comprised of cost of raw materials and factory supplies, cost of merchandised products, labor cost, and overheads that included depreciation of plants, machines, tools, and equipment used in production. For the year 2022/2023, the Group's cost of sales and services were THB 80.34 million decreased by THB 6.55 million or 7.54% from THB 86.89 million in 2021/2022, owing to the drop in sales revenues. Nevertheless, the proportion of cost of sales and services to sales and services revenues had increased substantially from 65.80% in the year 2021/2022 to 76.98% in the year 2022/2023. This was due to the drastic fall in revenues, the burden of fixed costs, the higher electricity and energy prices, as well as the mandatory increase in minimum wage, causing direct labor that were part of cost of sales and services to increase. For these reasons, the gross profits reduced by THB 18.14 million or approximately 53.38%, from THB 33.98 million in the year 2021/2022 to THB 15.84 million in the year 2022/2023. Likewise, the gross profits margin also decreased from 28.11% in the year 2021/2022 to 16.47% in the year 2022/2023.

#### Distribution Costs, Administrative Expenses, and Finance Cost

In the year 2022/2023, the Group's distribution costs were THB 5.49 million, decreased by THB 0.69 million or 11.17% from THB 6.18 million in the year 2021/2022 as a result of the decline in exports and the reduction in freight and shipping surcharges. Since the situation had been back to normal after the COVID-19 virus outbreak, the international freight and shipping costs that were parts of distribution costs had declined accordingly. The proportion of distribution costs to total revenues increased from 4.68% in the year 2021/2022 to 5.26% in the year 2022/2023 as a consequence of the significant drop in the Group's total revenues, while the distribution costs decreased slightly due to the rising fuel and energy prices.

For the administrative expenses, the Group spent THB 45.68 million in the year 2022/2023 increased by THB 5.88 million or 14.77% from THB 39.80 million in the year 2021/2022. Correspondingly, the proportion of administrative expenses to total revenues also increased from 30.14% to 43.77%, attributable to the significant decline in total revenues, the increase in employee compensations which affected by the rise in minimum wage, and the unchanged in other fixed and depreciation expenses that did not relatively decrease corresponding to the decrease in total revenues. Despite the adjustments in some



working processes and the efforts to minimize expenses to cope with the current economic slowdown, the Group could not further cut down the expenses due to a number of inevitable fixed expenses.

The director and management remuneration for the year 2022/2023 was THB 2.26 million, increased by THB 0.09 million or 4.15% from THB 2.17 million in the year 2021/2022 as a consequence of the whole organization adjustments in employee-related expenses, following the change in minimum wage rate.

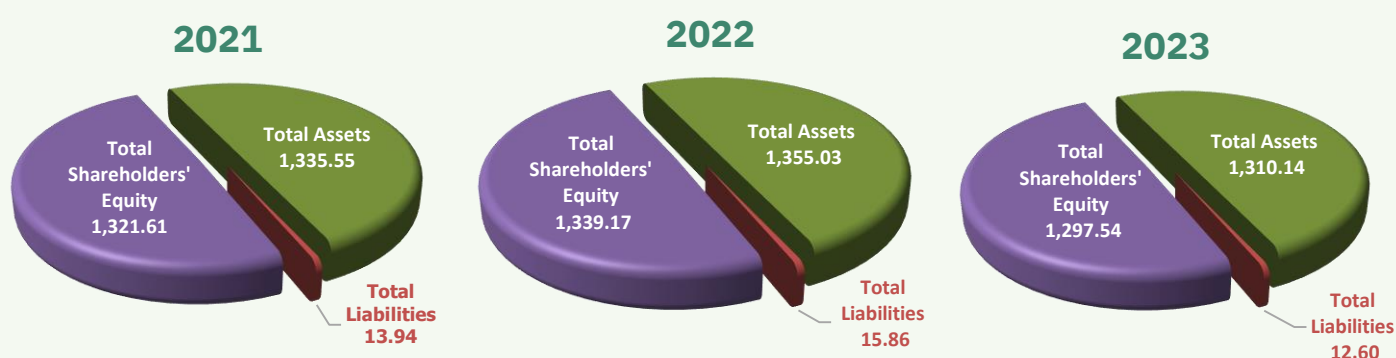
In the year 2022/2023, the Group incurred a finance cost of THB 0.27 million consisted of the discounted interests on the obligations of employee benefits according to Thai Accounting Standard 19 (TAS 19), and interests on lease liabilities according to Thai Financial Reporting Standard 16 (TFRS 16). Finance costs increased by THB 0.09 from THB 0.18 in the year 2021/2022 due to the change in actuarial assumption regarding the discount rate used in the calculation of the obligations of employee benefits, which was adjusted to be conformed with the rise in interest rate during the past year.

Since the Group utilized funds from shareholder's equity and retained earnings from operation to use as working capital and invest in expansion of production capacities, the Group did not have short-term or long-term loans from financial institutions and other sources of funds. Therefore, the Group did not incur any other interest expenses.

#### Net Profits (Loss)

Due to the persistent economic slowdown over the past several years, the demand for the Group's products that are capital goods continually declined, causing revenues from sales and services to drop substantially to be insufficient to cover fixed costs and expenses. As a result, the Group had incurred net losses of THB 12.11 million, THB 3.85 million, and THB 30.36 million in the year 2020/2021, 2021/2022, and 2022/2023, respectively. The appreciation of THB currency in the year 2022/2023 compared to those in the year 2021/2022, caused the Group to incur foreign exchange losses, was also another factor that contributed to the considerable amount of net loss in the recent year.

#### Financial Position



#### Assets

As at July 31, 2023 the Group's total assets were THB 1,310.14 million, primarily consisted of properties, plants, and equipment accounted for THB 169.87 million or 12.97% of total assets. Major parts of properties, plants, and equipment were investment in factories, office buildings, and machines of subsidiaries. Additionally, there were cash and cash equivalents amounted to THB 658.67 million accounted for 50.27% of total assets, and other current financial assets amounted to THB 349.77 million accounted for 26.70% of total assets. The portion of these assets were relatively high as the Group

needed to maintain these assets as working capital. As sales increase, the Group will need more cash flows to operate the business, which including purchasing more goods and materials and incurring more accounts receivable. These assets will also be used to maintain liquidity during economic recession and reserved for the Group's future investment.

In the year 2022/2023, the Group's total assets decreased by THB 44.89 million or 3.31% compared to the year 2021/2022 which at July 31, 2022 had a value of THB 1,355.03 million. The decrease in total assets was mainly due to a reduction in property, plant and equipment from the deduction of depreciation expenses, and a decrease in cash and cash equivalents from a decline in value of foreign currency deposits as THB currency appreciated during the recent year.

#### Quality of Assets

##### » Trade Accounts Receivable - Net

The Group uses several criteria when granting trade credit to customers, including past business transactions, customers' financial positions, project quantities, repetition of orders, and current economic situation. For new customers the Group may request deposits of 30% to 40% of the project amounts. Normally, the Group grants credit term of 30 days for general customers and credit term of 30 - 120 days for major customers who have long-term relationship with the Group.

As at July 31, 2022 the Group's outstanding trade accounts receivables were THB 9.20 million, and as at July 31, 2023 were THB 10.31 million, increased by THB 1.11 million or equal to 12.07%. Most of the outstanding balances of trade accounts receivables were not yet due and less than 3 months overdue. The trade account receivables aging schedules as at July 31, 2022 and July 31, 2023 were presented as follows:

(Unit : THB Thousand)

Trade Accounts Receivable	As at July 31, 2022	As at July 31, 2023
Current receivables	8,829	10,198
Past due less than 3 months	366	113
Deduct: Expected Credit Loss	-	-
<b>Trade accounts receivable - net</b>	<b>9,195</b>	<b>10,311</b>

For the year 2021/2022 and the year 2022/2023, all the trade accounts receivable was not yet due and less than 3 months overdue. The overdue accounts receivable was resulted from the customers' billing and payment policies that set the payment dates after the actual due dates. The Group does not set a provision for allowance for credit loss since over the past several years, the Group has been able to collect all receivables. Because of a prudent credit policy and most of the customers are large corporations with strong financial positions, the Group does not incur any collection problems.

##### » Inventory

All the Group's inventory was raw materials since finished products would be deliver right away after finished. The Group did not have a policy to speculate the material prices so the raw materials will be kept for the average of 8 - 10 weeks depend on orders from customers and the trend of market prices of raw materials.

As at July 31, 2023, the Group's inventory balance was THB 2.15 million, decreased from the balance as at July 31, 2022 of THB 3.48 million by THB 1.33 million or 38.22%. The inventory level was relatively low since materials prices were fairly stable and orders from the customers had declined. Therefore, the Group would only purchase raw materials at the

quantities needed for the production processes in order to manage or control costs of raw materials and reduce warehousing costs. The Group's inventory balances by category as at July 31, 2022 and July 31, 2023 were as follows:

(Unit : THB Thousand)

Inventory	As at July 31, 2022	As at July 31, 2023
Raw materials and supplies	2,070	2,154
Goods in transit	1,410	-
<b>Total Inventory</b>	<b>3,480</b>	<b>2,154</b>

The Group did not set provision for allowance from declining in value of inventory since all of the products were custom-made products that would be delivered to the customers once the products finished. Also, raw materials and supplies were made of metal that rarely decline in economic value, so it was considered that there was no decline in value of inventory.

» Unused Assets

The Group's unused assets are investment property, consist of land and right-of-use asset of an apartment in England of the subsidiaries with total book value of THB 112.43 million. The purposes of these investments are to resell when the values increase in the future and to rent out at good opportunities and at rational prices. The fair value of land, appraised with the market comparable approach by an independent appraiser during July, 2021, was THB 118.78 million.

Liquidity

In the year 2020/2021 and 2021/2022, the Group had cash flows from operating activities of THB 15.32 million and THB 37.38 million. While in the year 2022/2023, the Group had cash outflows used in operating activities of THB 20.21 million, which mainly derived from a significant operating loss and the payment of account payables and other current liabilities.

The Group's current ratios equaled to 170.34 times, 163.87 times, and 305.25 times while the quick ratios equaled to 169.10 times, 163.12 times, and 304.07 times in the year 2020/2021, 2021/2022, and 2022/2023, respectively. The increases in current ratios in the year 2022/2023 were the results from the reductions in account payables and other current liabilities. According to these ratios, the Group's liquidity was financially sound. The Group had a strong financial position and did not have any problems related to liquidity.

Since the Group had high liquidity, the Group purchased most of raw materials and supplies in cash in order to get cash discounts. By adopting this policy, the Group's average payment periods were relatively low, equaled to 10.83 days and 10.71 days in the year 2021/2022 and the year 2022/2023. Average sale period for the year 2022/2023 was 12.62 days, decreased from 17.96 days in 2021/2022 as the inventory turnover ratio slightly increased. The Group's average collection period was 36.51 days in 2022/2023, reduced from 49.73 days in 2021/2022, and aligned with the average credit terms granted to the customers of around 30 - 90 days, with the exception for some major customers who requested to extend their credit terms from around 30 - 60 days to 90 - 120 days.

In the year 2022/2023, the Group used cash flows in investing activities of THB 143.32 million, which largely used to invest in other current financial assets in order to get higher return on investment.

Cash flows used in financing activities during the year 2022/2023 was THB 0.53 million, which was used to pay for lease liabilities for long-term lease contracts of factories and offices of the Company and the subsidiaries.

### Suitability of Capital Structures

As at July 31, 2023, shareholders' equity of the Group was THB 1,297.54 million, decreased from July 31, 2022 that had the shareholders' equity amount of THB 1,339.17 million by THB 41.63 million or 3.11%, attributable to the decreases in both the unappropriated retained earning, which derived from the Group's relatively big operating loss in the year 2022/2023, and the exchange differences on translating financial statement, which decreased due to the appreciation of THB currency.

The Group's debt to equity ratios were considerably low, equaled to 0.01 time in both the year 2021/2022 and the year 2022/2023 since the Group's sources of funds for business expansion were shareholder's equity which fundamentally stemmed from the capital increase from shareholders and retained earnings from operation. Therefore, the Group did not have long term loan from financial institutes or other sources. In addition, as the Group had a good amount of cash on hand available and made payment of trade accounts payable in cash in order to get cash discounts, the current liabilities of the group remained relatively low.

### Liabilities

The Group had relatively low liabilities. In the year 2022/2023, the Group's current liabilities were THB 3.35 million decreased by THB 3.10 million or 48.06% from THB 6.45 million in the year 2021/2022 due to the reductions in trade and other current payables which are the accrued expenses for the Group's regular business operations only.

The Group did not have policy to incur much debt. The sources of funds for business expansion were primarily derived from internal sources. Hence, the Group did not have any long-term loans from external sources nor short-term borrowings from any financial institutions. Nonetheless, the Group still had non-current liabilities that consisted of lease liabilities and employee benefit obligation of THB 9.25 million in the year 2022/2023, decreased by THB 0.16 million from THB 9.41 million in 2021/2022 due to a decrease in lease liabilities.

## 4.2 Factors or Events That May Affects Future Financial Position and Operating Results

As the Group's major products including Metal Structures, Storage Systems and Material Handling Equipment are capital goods, demands for these products will be arisen only when customers expand their businesses, increase production capacities, or change production processes. Therefore, the Group's operating results will fundamentally rely on the expansion of the customers and overall economy. If the economy is on an upward trend, the Group's operating results will be enhanced in relation to the growing economy. On the other hand, if the economy shrinks or slows down, the Group's business will be adversely affected accordingly. The Group has closely monitored economic situation and several factors that might have impacts on the economy in order to adapt business strategies to cope with the recent situations.

Additionally, fluctuation in steel price is also one of the factors that have influences on the Group's operating results since the main materials used in manufacturing the Group's products are steel and metal, which accounted for 24.78% of cost of goods sold in the year 2022/2023. As the Group adopts cost-plus pricing policy to calculate the selling price, if the steel price goes up, cost of sales will increase and subsequently drive up the sales revenues. Contrary, if the steel price decreases, cost of sales and revenues will decline correspondingly. Therefore, the Group has to regularly observe the trend of steel price along with other related factors including economic condition, domestic and global demands and supplies of steel, government policies regarding import duty and anti-dumping, temporarily stop production of domestic steel

manufacturers, and unpredictable natural disasters in order to assess situation and adapt business policies to respond with the particular situation.

Changes in business models and consumer behaviors that focus on service sector rather than manufacturing sector, will cause a decline in investment of industrial sector. In addition, an advance in new technology that become more complicated and provide more abilities, may also contribute to a decrease in investment in fixed assets including machinery and equipment. Once investment decrease, demands for the capital goods will decrease correspondingly, resulted in a severe competition in term of price competition and response on the customer requirements. This situation will affect the revenues, causing the revenues to decrease and at the same time drive up the production costs, which finally will cause the net profits to drop.

Labor is also another variable that needed to be considered. Since Thailand has entered the aging society, working-age populations have started to decline. It is getting harder to recruit new workers with suitable skills. The wage rate continues increasing while the quality of workforce is not relatively improving. These issues are the important factors that may affect the Group's operating results in the future. The Group will thoroughly observe the situation and try to adjust business strategies according to the future circumstances.

From the COVID-19 pandemic, there may be a tendency for production facilities relocations of several industries around the world. Many countries had imposed a lockdown measure causing a lot of business operations to halt and countless of businesses to temporarily stop their productions or even permanently shut down. These due to the necessity to quarantine the contagion and policies to suspend some unessential businesses, as well as the slump in demands for various products caused by sluggish economic conditions. These situations may also lead to supply chains disruption from being unable to make international shipment or a delay of delivery. As a result, many countries may switch to rely on local or regional productions instead, which will set off the relocation of production facilities and negatively affect the Group's operating results in the future.

From an increasing trend of electric vehicles, automakers have started to increase their production of electric vehicles and are likely to replace the production of internal combustion engine vehicles in the future. The Group's major customers who are in automotive industry ranging from assembly plants to auto parts manufacturers may have to change their operating plans in the future. If the government has a clear policy to promote the manufacturing and using of electric vehicles, it may enable the automakers to continue operating in the country. On the contrary, if the government does not issue any policies in the near future, the automakers may have to move their manufacturing base to other countries that provide more supporting policies. This situation will affect the entire supply chain including local auto parts manufacturers and will directly have an impact on the demands for the Group's products as well as the Group's future operating performance.

In addition, important incidents and issues around the world such as the recent crisis in China real estate sector that affects demand for steel outputs and imports, the impacts of Russia-Ukraine war and the conflicts between China and the U.S. may cause the global economic de-coupling, as well as the surge in global inflation and the problem of soaring energy prices due to supply shortages may cause the change in overall global economy. These factors may affect the Group's financial position and operating results in the future.

#### 4.3 Information from the Financial Statements and Significant Financial Ratios

##### The Group's Statements of Financial Position as at July 31, 2021, 2022, and 2023

(Unit : THB Million)

	2021	%	2022	%	2023	%
<b>ASSETS</b>						
<u>Current Assets</u>						
Cash and cash equivalents	767.14	57.44	836.61	61.74	658.67	50.27
Trade and other current receivables	26.36	1.97	10.61	0.78	12.12	0.93
Inventories	5.19	0.39	3.48	0.26	2.15	0.16
Other current financial assets	211.49	15.83	205.69	15.18	349.77	26.70
<b>Total Current Assets</b>	<b>1,010.18</b>	<b>75.63</b>	<b>1,056.39</b>	<b>77.96</b>	<b>1,022.71</b>	<b>78.06</b>
<u>Non-Current Assets</u>						
Investment property	112.66	8.44	111.36	8.22	112.43	8.58
Property, plant, and equipment	204.54	15.32	180.92	13.35	169.87	12.97
Right-of-use assets	0.14	0.01	1.47	0.11	0.98	0.07
Intangible assets	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax assets	3.80	0.28	3.48	0.26	2.74	0.21
Other non-current assets	4.23	0.32	1.41	0.10	1.41	0.11
<b>Total Non-Current Assets</b>	<b>325.37</b>	<b>24.37</b>	<b>298.64</b>	<b>22.04</b>	<b>287.43</b>	<b>21.94</b>
<b>TOTAL ASSETS</b>	<b>1,335.55</b>	<b>100.00</b>	<b>1,355.03</b>	<b>100.00</b>	<b>1,310.14</b>	<b>100.00</b>

The Group's Statements of Financial Position as at July 31, 2021, 2022, and 2023 (Continued)

(Unit : THB Million)

	2021	%	2022	%	2023	%
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Current Liabilities</b>						
Trade and other current payables	5.89	0.43	5.97	0.43	2.85	0.22
Current portion of lease liabilities	0.04	0.00	0.48	0.04	0.50	0.04
Total Current Liabilities	5.93	0.43	6.45	0.47	3.35	0.26
<b>Non-Current Liabilities</b>						
Lease liabilities	0.11	0.01	1.02	0.08	0.52	0.04
Non-current provisions for employee benefits	7.90	0.59	8.39	0.62	8.73	0.66
Total Non-Current Liabilities	8.01	0.60	9.41	0.70	9.25	0.70
<b>TOTAL LIABILITIES</b>	<b>13.94</b>	<b>1.03</b>	<b>15.86</b>	<b>1.17</b>	<b>12.60</b>	<b>0.96</b>
<b>SHAREHOLDERS' EQUITY</b>						
Authorized share capital	300.00		300.00		300.00	
Issued and paid-up share capital	300.00	22.46	300.00	22.14	300.00	22.90
Share premium on ordinary shares	166.15	12.44	166.15	12.26	166.15	12.68
Difference on reorganization of entities under common control	(15.38)	(1.15)	(15.38)	(1.14)	(15.38)	(1.17)
Retained earnings						
Appropriated - statutory reserve	30.00	2.25	30.00	2.21	30.00	2.29
Unappropriated	851.23	63.74	847.38	62.54	817.20	62.37
Exchange difference on translating financial statement	(10.39)	(0.77)	11.02	0.82	(0.43)	(0.03)
Total equity attributable to owners of the parent	1,321.61	98.97	1,339.17	98.83	1,297.54	99.04
Non-controlling interests	-	-	-	-	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,321.61</b>	<b>98.97</b>	<b>1,339.17</b>	<b>98.83</b>	<b>1,297.54</b>	<b>99.04</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,335.55</b>	<b>100.00</b>	<b>1,355.03</b>	<b>100.00</b>	<b>1,310.14</b>	<b>100.00</b>

The Group's Statements of Comprehensive Income for the Year Ended July 31, 2021, 2022, and 2023

(Unit : THB Million)

	2021	%	2022	%	2023	%
<b>Revenues</b>						
Sales	191.24	94.20	119.57	90.55	94.58	90.62
Service income	0.26	0.13	1.30	0.98	1.60	1.53
Other income	11.52	5.67	11.18	8.47	8.19	7.85
<b>Total Revenues</b>	<b>203.02</b>	<b>100.00</b>	<b>132.05</b>	<b>100.00</b>	<b>104.37</b>	<b>100.00</b>
<b>Expenses</b>						
Cost of sales and services	163.95	80.76	86.89	65.80	80.34	76.98
Distribution costs	3.61	1.78	6.18	4.68	5.49	5.26
Administrative expenses	46.20	22.76	39.80	30.14	45.68	43.77
Management benefit expenses	2.17	1.07	2.17	1.65	2.26	2.16
<b>Total Expenses</b>	<b>215.93</b>	<b>106.37</b>	<b>135.04</b>	<b>102.27</b>	<b>133.77</b>	<b>128.17</b>
<b>Profit (Loss) From Operating Activities</b>	<b>(12.91)</b>	<b>(6.37)</b>	<b>(2.99)</b>	<b>(2.27)</b>	<b>(29.40)</b>	<b>(28.17)</b>
Finance cost	0.20	0.10	0.18	0.14	0.27	0.26
<b>Profit (Loss) Before Income Tax Expense</b>	<b>(13.11)</b>	<b>(6.47)</b>	<b>(3.17)</b>	<b>(2.41)</b>	<b>(29.67)</b>	<b>(28.43)</b>
Tax expense (income)	(1.00)	(0.49)	0.68	0.51	0.69	0.66
<b>Profit (Loss) for the Year</b>	<b>(12.11)</b>	<b>(5.98)</b>	<b>(3.85)</b>	<b>(2.92)</b>	<b>(30.36)</b>	<b>(29.09)</b>
<b>Other Comprehensive Income:</b>						
<b>Components of other comprehensive income that will be reclassified to profit or loss:</b>						
Exchange difference on translating financial statement	7.08	3.49	21.41	16.21	(11.45)	(10.97)
Total components of other comprehensive income that will be reclassified to profit or loss	7.08	3.49	21.41	16.21	(11.45)	(10.97)
<b>Components of other comprehensive income that will not be reclassified to profit or loss:</b>						
Gains on re-measurement of defined benefit plans - net tax	1.86	0.92	-	-	0.19	0.18
Total components of other comprehensive income that will not be reclassified to profit or loss	1.86	0.92	-	-	0.19	0.18
<b>Other Comprehensive Income (Loss) for the Year</b>	<b>8.94</b>	<b>4.41</b>	<b>21.41</b>	<b>16.21</b>	<b>(11.26)</b>	<b>(10.79)</b>
<b>Total Comprehensive Income (Loss) for the Year</b>	<b>(3.17)</b>	<b>(1.57)</b>	<b>17.56</b>	<b>13.29</b>	<b>(41.62)</b>	<b>(39.88)</b>



The Group's Statements of Comprehensive Income for the Year Ended July 31, 2021, 2022, and 2023 (Continued)

(Unit : THB Million)

	2021	%	2022	%	2023	%
<b>Profit (Loss) Attributable to</b>						
Owners of the parent (99.99%)	(12.11)	(5.98)	(3.85)	(2.92)	(30.36)	(29.09)
Non-controlling interests (0.01%)	-	-	-	-	-	-
<b>Total Comprehensive Income (Loss) Attributable to</b>						
Owners of the parent (99.99%)	(3.17)	(1.57)	17.56	13.29	(41.62)	(39.88)
Non-controlling interests (0.01%)	-	-	-	-	-	-
<b>Basic Earnings (Loss) per share of Parent Company</b>						
Profit (Loss) for the Year (THB / Share)	(0.040)		(0.013)		(0.101)	
Weighted Average Number of Ordinary Share (Shares)	300,000,000		300,000,000		300,000,000	

The Group's Statements of Cash Flows for the Year Ended July 31, 2021, 2022, and 2023

(Unit : THB Million)

	2021	2022	2023
<b>Cash Flows from Operating Activities</b>			
Profit (loss) before income tax expense	(13.11)	(3.18)	(29.67)
Adjustment to reconcile to net cash provided by (used in) operating activities:			
Depreciation and amortization	35.33	24.83	19.85
(Gain) on sales of other current financial assets	(0.23)	(0.02)	(0.24)
Unrealized (gain) loss on revaluation of other current financial assets	(0.41)	(0.07)	(0.34)
(Gain) on sales of fixed assets	(0.87)	(0.55)	(0.14)
(Gain) on cancellation of lease of right-of-use assets	(0.07)	-	-
Loss on withholding tax not refundable	1.18	0.43	0.26
Interest income	(3.76)	(2.78)	(7.19)
Employee benefit expenses	0.20	0.38	0.37
Finance cost	0.20	0.18	0.27
Profit (loss) from operating activities before changes in operating assets and liabilities	18.46	19.22	(16.83)
(Increase) decrease in operating assets			
Trade and other current receivables	1.61	16.42	(1.08)
Inventories	(2.89)	1.71	1.33
Other non-current assets	(0.82)	0.60	-
Increase (decrease) in operating liabilities			
Trade and other current payables	(0.45)	0.06	(3.11)
Cash received (paid) from operating activities before corporate income taxes	15.91	38.01	(19.69)
Income taxes paid	(0.59)	(0.63)	(0.52)
<b>Net Cash Flows Provided by (Used in) Operating Activities</b>	<b>15.32</b>	<b>37.38</b>	<b>(20.21)</b>

The Group's Statements of Cash Flows for the Year Ended July 31, 2021, 2022, and 2023 (Continued)

(Unit : Million)

	2021	2022	2023
<b>Cash Flows from Investing Activities</b>			
(Increase) Decrease in bank deposits pledged as collateral	0.33	2.23	-
Cash paid for purchases of other current financial assets	(120.07)	(170.39)	(658.60)
Cash received from sale of other current financial assets	55.23	176.28	515.09
Cash paid for purchase of fixed assets	-	-	(7.55)
Proceeds from sales of fixed assets	0.87	1.13	0.74
Interest received	3.76	1.96	7.00
<b>Net Cash Flows Provided by (Used in) Investing Activities</b>	<b>(59.88)</b>	<b>11.21</b>	<b>(143.32)</b>
<b>Cash Flows from Financing Activities</b>			
Cash paid for lease liabilities	(0.44)	(0.46)	(0.48)
Cash paid for interest expenses for lease liabilities	(0.09)	(0.07)	(0.05)
<b>Net Cash Flows Provided by (Used in) Financing Activities</b>	<b>(0.53)</b>	<b>(0.53)</b>	<b>(0.53)</b>
Exchange difference on translating financial statement	7.08	21.41	(13.88)
Net increase (decrease) in cash and cash equivalents	(38.01)	69.47	(177.94)
Cash and cash equivalents at beginning of the year	805.15	767.14	836.61
<b>Cash and cash equivalents at end of the year</b>	<b>767.14</b>	<b>836.61</b>	<b>658.67</b>

The Group's Financial Ratios for the Year Ended July 31, 2021, 2022, and 2023

		2021	2022	2023
<b>Liquidity Ratio</b>				
Current Ratio	(times)	170.34	163.87	305.25
Quick Ratio	(times)	169.10	163.12	304.07
Operating Cash Flows Ratio	(times)	2.50	6.04	(4.13)
Account Receivable Turnover	(times)	7.80	7.24	9.86
Average Collection Period	(days)	46.15	49.73	36.51
Inventory Turnover	(times)	43.80	20.05	28.52
Average Sale Period	(days)	8.22	17.96	12.62
Account Payable Turnover	(times)	64.47	33.24	33.60
Average Payment Period	(days)	5.58	10.83	10.71
Cash Cycle	(days)	48.79	56.86	38.42
<b>Profitability Ratio</b>				
Gross Profit Margin	(%)	14.39	28.11	16.47
Operating Profit Margin	(%)	(12.76)	(11.72)	(39.08)
Other Profit Margin	(%)	5.68	8.46	7.84
Cash to Net Profit Ratio	(%)	(62.71)	(263.81)	53.76
Net Profit Margin	(%)	(5.97)	(2.92)	(29.09)
Return on Equity	(%)	(0.92)	(0.29)	(2.30)
<b>Efficiency Ratio</b>				
Return on Assets	(%)	(0.91)	(0.29)	(2.28)
Return on Fixed Assets	(%)	10.49	10.88	(5.99)
Total Assets Turnover	(times)	0.15	0.10	0.08
<b>Financial Policy Ratio</b>				
Debt to Equity Ratio	(times)	0.01	0.01	0.01
Interest Coverage Ratio	(times)	71.80	180.85	(71.55)
Debt Service Coverage Ratio	(times)	28.76	70.16	(2.68)
Dividend Payout Ratio	(%)	0.00	0.00	0.00

## 5. GENERAL INFORMATION AND OTHER IMPORTANT INFORMATION

### 5.1. General Information

#### Company Information

##### City Steel Public Company Limited



Symbol	CITY
Type of Business	Sales of metal products.
Head Office	88/3 Moo 4, Bypass Road, Nongmairdaeng, Muang, Chonburi, 20000
Registration Number	0107547000931
Registered Capital	THB 300,000,000
Paid-up Capital	THB 300,000,000 (As at July 31, 2023)
Share Type	Common share of 300,000,000 shares
Par Value	THB 1.00 each
Website	<a href="http://www.citysteelpcl.com">http://www.citysteelpcl.com</a>
E-mail	<a href="mailto:city@wkpgroup.com">city@wkpgroup.com</a> , <a href="mailto:ir@citysteelpcl.com">ir@citysteelpcl.com</a>
Phone Number	(038) 214-530-32
Fax Number	(038) 214-534

#### Subsidiaries Information

##### Siam ISO Pro Company Limited



Type of Business	Merchandising industrial materials and overseeing new business expansion.
Head Office	88/2 Moo 4, Bypass Road, Nongmairdaeng, Muang, Chonburi, 20000
Registration Number	0205546002113
Registered Capital	THB 370,000,000
Paid-up Capital	THB 299,800,000 (As at July 31, 2023)
Share Type	Common share of 37,000,000 shares
Par Value	THB 10.00 each
E-mail	<a href="mailto:isopro@wkpgroup.com">isopro@wkpgroup.com</a>
Phone Number	(038) 214-530-32
Fax Number	(038) 214-534

## Mark Worldwide Company Limited



Type of Business	Manufacturing and sales of metal products.
Head Office	41/58-61 Moo 1, Bypass Road, Bansuan, Muang, Chonburi, 20000
Registration Number	0205544011158
Registered Capital	THB 295,000,000
Paid-up Capital	THB 295,000,000 (As at July 31, 2023)
Share Type	Common share of 29,500,000 shares
Par Value	THB 10.00 each
E-mail	<a href="mailto:mark@wkpgroup.com">mark@wkpgroup.com</a>
Phone Number	(038) 287-111
Fax Number	(038) 289-151

## CT Universal Company Limited

Type of Business	Merchandising industrial materials and consumer products, and investing in new businesses.
Registered Country	Republic of Seychelles
Registered Capital	USD 6,000,000
Paid-up Capital	USD 6,000,000 (As at July 31, 2023) Equal to THB 204,922,400

## Other References

Securities Registrar	:	Thailand Security Depository Company Limited 93 Ratchadaphisek Road, Din Daeng, Bangkok, 10400 Phone Number : (02) 009-9000 Fax Number : (02) 009-9991
Auditor	:	Miss Potjanarat Siripipat Certified Public Accountant No. 9012 Dharmniti Auditing Company Limited 178 Dharmniti Building 6-7th Floor, Soi Permsap (Prachachuen 20), Prachachuen Road, Bangsue, Bangkok, 10800 Phone Number : (02) 596-0500 ext. 622, (02) 596-0596 Website : <a href="http://www.daa.co.th">http://www.daa.co.th</a> E-mail : <a href="mailto:center@daa.co.th">center@daa.co.th</a>

## 5.2 Other Important Information

There is no other significant information that may affect investors decision.

## 5.3 Legal Disputes

As at July 31, 2023, the Group had no legal dispute that may negatively affect the Group's total assets at the amount higher than 5% of the shareholders' equity at the end of the accounting period 2022/2023. The Group's also had no lawsuit that may affect the business operation or any lawsuit that is not caused by the Group's normal business operation.

# PART 2

## CORPORATE GOVERNANCE

CITY STEEL PUBLIC COMPANY LIMITED  
Annual Registration Statement / Annual Report 2023  
(Form 56-1 One Report)



## 6. CORPORATE GOVERNANCE

The Board of Directors determines to follow the Code of Best Practices of director of listed company and also emphasizes on good corporate governance according to the guidelines of the Stock Exchange of Thailand by considering overall stakeholders and social responsibilities. In order to maintain a sustainable growth, the Group and the Board of Directors has determined the corporate governance policies as follows:

1. Operate clearly and verifiably, and adequately disclose information to all related parties in a timely manner.
2. Manage carefully and responsibly with skill and efficiency to maximize shareholder wealth.
3. Implement appropriate and effective internal control systems, evaluate risk factors, along with regularly set strategies, make corrective actions, and monitor risk management.
4. Treat all shareholders and stakeholders equally and fairly.
5. Segregate clearly structures, duties, and responsibilities of each Board of Committee.
6. Monitor and encourage all management and employees to operate and do business ethically and fairly.

Apart from the mentioned policies, the Company has followed the Principles of Corporate Governance for listed company that proposed by the Stock Exchange of Thailand, which can be classified into 5 sections as follows:

### Section 1 Rights of Shareholders

As the Company realizes the important of the rights of shareholders, the Company shall avoid any actions that violates those rights. The Company also emphasizes on fair and equal treatment of shareholder rights by implementing the following procedures:

#### » Shareholders' Meeting

1. The Company has sent out the meeting invitation that consists of date, time, venue, and meeting agenda as well as other supporting informations for each agenda and procedures to attend the meeting to all shareholders at least 7 days in advance of the scheduled meeting date. The meeting information has also been published on the Company's website at least 28 days prior to the meeting date at [www.citysteelpl.com](http://www.citysteelpl.com) so that the shareholders can equally access to the information.

2. Prior to every shareholders' meeting, the Company has given the opportunity for the shareholders to propose additional agenda, nominate qualified candidates for director position, and send their inquiries to the Company. The procedures to propose additional issues are indicated on the Company's website and disclosed via the Stock Exchange of Thailand disclosure channel. The period for proposing additional agenda is no less than 1 month.

3. In the event that the shareholders cannot attend the meeting, the Company encourages the shareholders to use the proxy forms that has been distributed with the meeting invitation to cast their votes. The distributed proxy forms consist of both general and specific proxy forms which will allow shareholders to specify their votes in each meeting agenda. The Company has also proposed at least 1 independent director whom the shareholders can appoint as their proxy.

» Procedures on the Shareholders' Meeting Date

1. Every shareholders' meeting, the Company has allocated adequate time for discussion and encouraged the shareholders to express opinions, give recommendations, and ask related questions regarding the Company's operations during the meeting.

2. The Company has encouraged the use of voting cards in every shareholders meeting. And for the agenda that contains several issues such as appointment of directors, the Company has allowed the shareholders to vote for each director individually for transparency and for future reference.

3. The Company has appointed the Company's auditor to be an independent representative of shareholders to count the votes and monitor the counting process for transparency, which has been announced at the beginning of the meeting and recorded in the minute.

» Preparation and disclosure of the minutes of shareholders' meetings

1. The Company has prepared the minutes of meetings with complete details including the voting procedures, list of individuals who attend the meeting, shareholders' questions, recommendations, and opinions, and resolutions and voting results, which has been recorded since the beginning of the meeting until the meeting adjourns.

2. The Company has disclosed the meetings' resolutions through the Stock Exchange of Thailand and also made publicly available on the Company's website and neatly and safely keeps all the certified shareholders minutes of meeting so the documents will be monitored easily.

## Section 2 Equitable Treatment of Shareholders

Apart from the shareholders' rights to vote in each meeting that mentioned in the Section 1, the Company has also emphasized on fair and equitable treatment of every shareholder including both executive and non-executive shareholders, and foreign shareholders as well. In which, the Company has employed the following procedures.

» Disclosure of Information Before the Shareholders' Meeting

1. The Company has submitted the meeting schedule, meeting agenda, and directors' opinion on each agenda to the Stock Exchange of Thailand prior to the scheduled meeting date.

2. Every news and announcements that submitted to the Stock Exchange of Thailand have been prepared in both Thai and English versions. In addition, the meeting invitation, supporting documents for each meeting agenda, proxy forms, the minutes of meeting, as well as Annual Registration Statement / Annual Report (Form 56-1 One Report), have also been translated into English so the shareholders can equally access to these information.

» Protection of Minority Shareholders

1. The Company has determined criteria and processes on allowing minority shareholders to propose additional agenda and to nominate candidates to be elected as directors in advance before the meeting date by announcing via the Stock Exchange of Thailand and posting on the Company's website. For the 2023 Annual General Meeting of Shareholders, there was neither additional agenda nor candidate proposed by the minority shareholders.

2. The executive shareholders have not added additional agenda without advance notice especially for the issue that required times to consider before making decision.

» Protection Against Abuse of Inside Information

The Company has a policy of controlling and supervising the use of its inside information to gain profits from trading of the Company's securities in advance. The information that have not been disclosed to the public will be kept confidentially. Significant information necessary for work conduct will be provided to only relevant employees. In addition, the Company has prescribed measures of controlling and preventing its directors, executives, and employees from using the Company's secret information for their own benefits, and has imposed penalties for the employees who violate the rules, as well as has instructed everyone in the organization to abide by these rules.

» Conflicts of Interest of Directors

The Board of Directors is well informed of the transactions that may have conflicts of interest before considering those transactions. If such transactions have to be done, the Board of Directors will consider those transactions carefully and properly by relying on the Company's benefits. In the case that the Company has any transactions that may cause conflicts of interest, the Company will propose those transactions to the Audit Committee to verify and give opinions on those transactions, which then be consequently proposed to the Board of Directors. The Company will strictly conduct the transactions that may have conflicts of interest according to rules and regulations of the Stock Exchange of Thailand. Furthermore, in considering the transactions that may have conflicts of interest, the directors who have conflicts of interest will not be allowed to participate and vote in those particular agenda.

### Section 3 Role of Stakeholders

The Company has emphasized in conducting business on the foundation of responsibility, transparency, integrity, and fair competition by treating all stakeholders with fairness and respecting the regulations and mutual agreement. The Company has determined and communicated policies and best practices and encouraged the Company's directors, management, and employees to follow these policies with integrity by concerning all stakeholders as follows:

» Shareholders

Beside a fair and an equitable treatment of shareholder rights including the rights to attend and vote in the meeting, the rights to receive dividend, and other rights specified in Section 1 and 2, the Company has also determined to operate the business with full ability and with caution in order to generate good operating results and optimize the shareholders' wealth. The Company has also assigned a communication channel for the shareholders to interact with the Company via the investor relation department, who will provide information about the Company, reply to the shareholders' inquiries, acknowledge opinions and recommendations, and accept complaints. The investor relation department can be contacted at the phone number (038)214-530-32 or the Company website at [www.citysteelpcl.com](http://www.citysteelpcl.com) or email address at [ir@citysteelpcl.com](mailto:ir@citysteelpcl.com).

» Customers

The Group determines to treat all customers with appropriateness, consideration, and responsibility by employing the following practices:

1. Manufacturing high quality products that meet customers' requirements at the reasonable price.
2. Rendering good services both before and after sales by providing advices, recommendations, and cooperation to create products that match the customers' requirements before selling those products to the customers, delivering products on time, assisting and helping, and inspecting the products after uses.
3. Pursuing continuous improvement to create variety of products to satisfy various demands of the customers.
4. Keeping customers' information including drawings and example products as secret and preventing the disclosure of these informations without consent of the customers.

» Employees

Employees are an important factor that contribute to the Company's success, so the Company has determined to treat the employees with fairness and equality as well as to ensure that every employee can have a good standard of living by establishing the following practices:

1. Respect every employee right and equally treat every employee regardless of nationality, gender, age, educational background, or physical appearance, which the Company has hired employees with disabilities and provided them suitable duties.

2. Provide fair compensation and proper benefits as well as raises the compensations every year based on current situation, economic condition, and employees' performance evaluations.

3. Encourage the employees to participate in special activities and projects to promote collaboration and work efficiency.

4. Set up safety working environment and organizes orientation and training for the employees regarding safety working environment. Safety and working condition policies and operations are as follows:

- Arrange infirmary as well as medical supplies and medicines to facilitate primary care for employees who get sick or injure from work related activities.
- Provide medical check-ups for employees according to risk factors of each job activity.
- Employees who work in the factory will receive uniforms and personal safety equipment to protect themselves from potential danger during operation.
- Conduct training and orientation for new employees regarding work place safety and first aid procedures.

Safety and working condition policies

- The Company determines to provide safety system and working environment in compliance with laws and regulations.
- The Company set work place safety as the first priority and responsibility of all employees.
- The Company supports the preparation of good working conditions and regularly conducts work place safety inspections.
- The Company promotes various safety activities that will help encouraging safety awareness of the employees such as safety training and communicating about safety information.

- The Company provides resources and budget for the improvement of safety working environment in order to ensure the safety of all employees.

5. Promote skills development by arranging in-house training for new employees in each department and outside training for particular skills as well as organizing a project for the employees to exchange their knowledges among one another so the employees can gain variety of knowledges from various departments. The implementation of employees development are as follows:

- Analyze exact requirements for employees training such as the lack of specific skills or the problems that need to be resolved.
- Acknowledge the employees about the important of training to acquire new skills and improve existing competencies.
- Organize the training with concise purposes and the outcomes should be able to evaluate.
- Ensure that the employees realize that trainings are their responsibilities and they should cooperate and train with attentiveness.
- Make clear understanding among supervisors and employees before the training starts.
- Reward the employees who are able to effectively apply training knowledges to the organization, which will motivate and encourage the employees to realize the importance of training and the application of the training knowledges.

6. Give opportunities for the employees to express their opinions and recommendation that will be useful for organization development. Also accepts complaints from the employees via “Smile Creating Unit” as well as receives whistleblowing information regarding violation of corporate governance policies, the Company’s rules and regulations, and fraud activities, with guidelines as follows:

#### Complaint Channel

- Telephone number (038) 214-530-32 or [www.citysteelpcl.com](http://www.citysteelpcl.com) or [compliance@citysteelpcl.com](mailto:compliance@citysteelpcl.com)
- The Company mailling address:  
City Steel Public Company Limited  
88/3 Moo 4 Bypass Road, Nongmaidaeng, Muang, Chonburi, 20000

#### Procedures When Receiving Complaints

- The designated unit who receives the complaints will collect all relevant informations and set up a committee to verify those informations.
- If the complaints are valid and the particular employee violates or fails to comply with the Company’s policies, rules, and regulations, that may cause damage to the Company, or the employee commits fraud or involves in corruption, the complaints unit will propose to the executive management to consider and determine courses of action or penalties according to the Company’s rules and regulations.

#### Measures to Protect Whistleblowers

- The Company will not disclose name, address, or any other information that may indicate the identity of the whistleblowers and will keep the received information confidential.

7. Create good corporate value for all employee by emphasizing on the philosophy of “Being a Good Person is Important Than Everything”. Also motivates every employee to perform their duties with integrity and cultivates employees to have mindset of anti-corruption by not allowing employees to give or accept bribes or any incentives since bribery is illegal and also imposes penalties in case of violation.

#### » Trading Partners and Creditors

In order to create and maintain long-term relationship with business partners, the Company has set up a policy to treat trading partners and creditors on a fairly cooperation basis by following trade rules, commercial terms, and contracts. The Company has established a policy in choosing suppliers by prohibiting the employees from accepting or requesting any incentives from the suppliers and must not involve in any transactions the may cause conflicts of interest. If any employees fail to follow this policy, certain penalties will be imposed.

#### » Competitors

The Company has committed to operate business bases on fair competition and will not do anything that may discredit or disgrace the competitors.

#### » Community, Society, and Environment

The Company is well aware of the significant of the development of the society and community and realizes of the duties and responsibilities to the neighbor community. Therefore, the Company has determined to avoid creating any troubles to the nearby community and provide cooperation to the community where the Company located. In addition, the Company has devoted to environment and energy conservation by employing the philosophy of “Maximize Benefits with Highest Efficiency” to motivate and cultivate the employees to conserve energy and use resources wisely and efficiently and has strictly followed the environmental laws and regulations.

Beside operating business according to the corporate governance principles and responsible for all stakeholder, the Company has set a whistleblowing policy by arranging communication channel for the stakeholders to suggest, complain, or inform of misconducts or inappropriate behaviors or of unusual circumstances to independent directors. The stakeholders can contact the independent directors directly at the email address; [compliance@citysteelpcl.com](mailto:compliance@citysteelpcl.com) or by fax to internal audit department at (038) 214-534 or by postal mail to the Company’s address. The Company has policies to protect identities of the informant by not disclosing names, addresses, or other information of the informant and will keep those information confidential.

#### **Section 4 Disclosure and Transparency**

The Company pays significant attention to the disclosure of both financial and non-financial information, which should be correct, complete, accurate, and in timely manner, which will benefit shareholders, investors, analysts, and other relevant parties. In order to achieve this objective, the Company has implemented the following actions:

1. The Company has ensured that the important information including financial reports and non-financial information are disclosed correctly, accurately, transparently, and on a timely basis according to the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. These informations are disclosed through the Stock Exchange of Thailand and the Company's website so that everyone can easily and equally access to the information.

2. The Company has disclosed several important information in the Annual Registration Statement / Annual Report (Form 56-1 One Report) including Corporate Governance Principles, Business Ethics, Risk Management Policy, Corporate Social Responsibility Policy, Shareholders structure, The Group's Operating Structure, Changes in shareholding of Directors and Executives, and Nature of Businesses, as well as the Audited Financial Statements and Management Discussion and Analysis and other related informations. The Company believes that the disclosure of these informations will enable the investors to understand the changes that occurred each year and will be sufficient for decision making. These informations can be accessed through the Stock Exchange of Thailand's website and the Company's website where current and previous year Meeting Invitations and Minutes of Meeting have been posted as well.

3. The Company has arranged the investor relation unit to provide information about the Company and response to the investors' inquiries. The shareholders, investors, analysts, or other related departments can contact the investor relation at the company website at [www.citysteelpl.com](http://www.citysteelpl.com), phone number (038) 214-530-32 or email address at [ir@citysteelpl.com](mailto:ir@citysteelpl.com)

## Section 5 Responsibilities of the Board

The Board of Directors plays an important role in corporate governance for the best interests of the Company and the shareholders. To accomplish this objective, the Company has determined details of roles, duties, and responsibilities of the Board of Directors as follows:

### » Leadership and Vision

Leadership and vision of the Board of Directors according to the best practices of good corporate governance are listed below:

1. The Board of Directors participates in the formulation (or provides their approval) of the vision, mission, strategies, business plans, goals, and budgets of the Company. They also oversee that management operates efficiently and effectively in accordance with the predetermined business plans and budgets, with a view to creating the highest economic values for the business, and the greatest degree of stability for shareholders.

The corporate vision and mission that the Board of Directors have contributed are as follows:

Corporate Vision : To be the leading company in metal fabrication industry which has consecutive profits and good corporate governance in Thailand.

Corporate Mission : To fulfill our customers' satisfaction with our quality goods and services.

To provide stable career and satisfied reward to all of our employees.

To provide our shareholders with increasing share values.

To improve our corporate efficiency and effectiveness continuously.

2. The Board of Directors ensures that the Company has a system of internal controls, internal audit activities, and risk management measures. The Board of Directors monitors the progress of such activities on a regular basis through Audit Committee's Meetings and Board of Directors' Meetings.

3. The Board of Directors monitors management's operation to be consistent with the predetermined policies except for transactions that may have conflicts of interest or transactions that required shareholders' opinion, according to regulations of the Security Exchange Commission and the Stock Exchange of Thailand.

4. The Board of Directors determines and provides a clear distinction between the roles, duties, and responsibilities of the Board of Directors, Audit Committee, and the Executive Management and regularly conveys that information to the Company's directors, management teams, and employees.

» Ethics of the Board of Directors

1. The Board of Directors should perform their duties in accordance with the statement of Business Conduct and hold on to the Business Ethics prescribed by the Company.

2. The Board of Directors should perform their duties in accordance with laws, purposes, and policies of the Company, as well as resolutions of the shareholders' meeting, and safeguard the Company benefits.

3. The Board of Directors should perform their duties with responsibility and employing management skills and abilities to create prosperity and appropriate returns for the Company.

4. The Board of Directors should perform their duties with responsibility to the shareholders and stakeholders and appropriately and fairly treat all the stakeholders.

5. The Board of Directors should not take advantages by using the position in the Company, should not disclose the Company important information to outsiders, and should not exploit the undisclosed information for own benefits, as well as should not act in any way that may create conflicts of interest.

» Balance of Power by Non-Executive Director

The Company appoints directors to avoid allowing one person or group of people with authority to make decisions alone. These directors judge the effectiveness of management and build examination mechanisms and counterbalances. The Board of Directors of the Company consists of 6 directors who are as follows:

- Executive Directors                      3        members
- Non-Executive Directors                3        members

The Company has 3 independent directors, attributable to 50% of all directors.

» Segregation of Duties

The Company clearly divides scopes, roles, and responsibilities between the Chairman of the Board of Directors and the Chief Executive Officer (CEO). In addition, the Company has 3 Independent Directors, which facilitate a suitable balance and monitor management operation. Moreover, the Company has Internal Audit Department, which reports directly to the Audit Committee and is responsible for controlling and auditing the internal operation of the Company so that the operation can be transparent, appropriate, and prudent, as well as in accordance with the Board of Directors' policies.



» Serving of Director Position

The Company has set a policy regarding the holding of director positions in other companies to be conform to the Best Practices set by the Stock Exchange of Thailand, which allow the Company's director to hold directors position in other listed companies for not more than 5 companies. Also, the Company has defined the duration of being the Company's independent directors of not more than 9 years, though the directors may be in the position for more than 9 years if it is deemed necessary and appropriate.

» Directors' Remuneration

The Company clearly and concisely set the directors' remuneration to be at appropriate amounts and coincide with remuneration levels of the same industry, as well as be sufficient to motivate and maintain qualified directors. The remuneration shall be approved by the shareholders' meeting.

» Director Meeting

It is the Company policy to hold a director meeting at least 4 times a year and additional meeting may be held if appropriated. During the year 2022/2023, company secretary had prepared the annual meeting schedules for the whole year, so the directors could know in advance the details and agenda of the meetings for the entire year. The agenda will be stated clearly and invitation letter will be distributed 7 days prior to the meeting so that there is sufficient time for the directors to study all information before attending the meeting. At each meeting, a sufficient time will be allocated to allow each director to discuss and express opinion and the Chairman of the Board of Directors will summarize all the agenda. The minutes of meeting will be recorded and prepared so that the directors and other relevant persons can retrieve and verify that information later.

The Company has set a policy on the minimum quorum when casting the vote in the Board of Directors meeting to be at least two-third of the total directors. In the year 2022/2023, attendance of the directors was 100% in all meeting. As necessary, the Company also provides opportunities for non-executive directors to conduct the meetings among themselves without management attending the meetings.

» Report of the Board of Directors

The Board of Directors has to take responsibility for financial statements and information disclosed in the Annual Registration Statement / Annual Report (Form 56-1 One Report). The financial statements are presented in accordance with generally accepted accounting principles and Thai Accounting Standard by employing proper accounting policies on a consistency basis. In addition, important information is adequately disclosed in the Notes to Financial Statements.

The Board of Directors arranges the Audit Committee to review the Company's Financial Statements in terms of accuracy and adequacy, as well as the Company's internal control and internal audit system in terms of sufficiency and appropriateness. The Audit Committee that consisted of non-executive directors is responsible for the quality of financial reports and internal control systems.

The Audit Committee has an opinion that, the Company sufficiently and properly maintains internal control system and acceptable risk management, which in turn ensure that the financial statements are presented fairly and accurately.

» Self-Assessment of the Board of Directors

The Company conducts the Board of Directors self-assessment to evaluate the performance of the board as a whole and on an individual basis every year by using the board self-assessment form of the Stock Exchange of Thailand as a guideline for the evaluation. The board self-assessment will allow all members of the board to consider the board's performance and solve any problems or obstacles occurred during the year as well as allow each member of the board to express the opinions toward the board's performances as a whole in order to help improve and develop efficiency of the directors' performances. The criteria and the evaluation processes are as follows:

Evaluation Scoring Criteria

Points	Satisfaction Level
0	Need improvement
1	Adequate
2	Moderate
3	Good
4	Excellent

● Evaluation of the Board of Directors

In evaluating the Board of Directors as a whole, the Company has adopted the self-assessment guidelines of the Stock Exchange of Thailand with assessment topics as follows:

- 1) Structures and qualifications of directors
- 2) Roles, duties, and responsibilities
- 3) Director meetings
- 4) Directors' performances
- 5) Relationship with management teams
- 6) Directors' development

Additionally, the directors are able to give opinions and suggestions to serve as a guideline for improvement in the future. The Board of Directors' evaluation results for the year 2022/2023 were as follows:

Evaluation Topics	Average Scores	Satisfaction Level
Structures and qualifications of directors	3.8	Excellent
Roles, duties, and responsibilities	3.9	Excellent
Director meetings	4.0	Excellent
Directors' performances	3.8	Excellent
Relationship with management teams	3.9	Excellent
Directors' development	3.8	Excellent

● Evaluation of Individual Director

In evaluating the individual director, the Company has adopted the self-assessment guidelines of the Stock Exchange of Thailand with assessment topics as follows:

- 1) Structures and qualifications of directors
- 2) Director meetings
- 3) Roles, duties, and responsibilities

Similar to the evaluation of the entire Board of Directors, each director is able to give opinions and suggestions to serve as a guideline for improvement of each director in the future. The individual director assessment for the year 2022/2023 were as follows:

Evaluation Topics	Average Scores	Satisfaction Level
Structures and qualifications of directors	3.9	Excellent
Director meetings	4.0	Excellent
Roles, duties, and responsibilities of directors	3.9	Excellent

» Directors' Development

The Company understands the important of personnel development in the organization. To ensure of continuous improvement in the operation, the directors need to have knowledges, skills, experiences, capabilities, and potentials that will benefit the Company. Therefore, the Company has determined the guidelines as follows:

- Directors' Orientation

For newly appointed directors, the Company will arrange an orientation program to inform about the Company's business policies and other relevant information and distribute a listed company director's handbook, which includes the following information:

- 1) The Public Company Act
- 2) Securities and Exchange Act
- 3) Company Affidavit
- 4) Company Articles of Association
- 5) Guidelines for Directors of Listed Companies
- 6) Recent Annual Registration Statement / Annual Report

- Directors' training

The Company encourages the directors to attend or participate in training courses that relevant to the development of the director in performing their duties with the Thai Institute of Directors (IOD) or other institutions. All directors had participated in the training courses with the Thai Institute of Directors in the previous years.

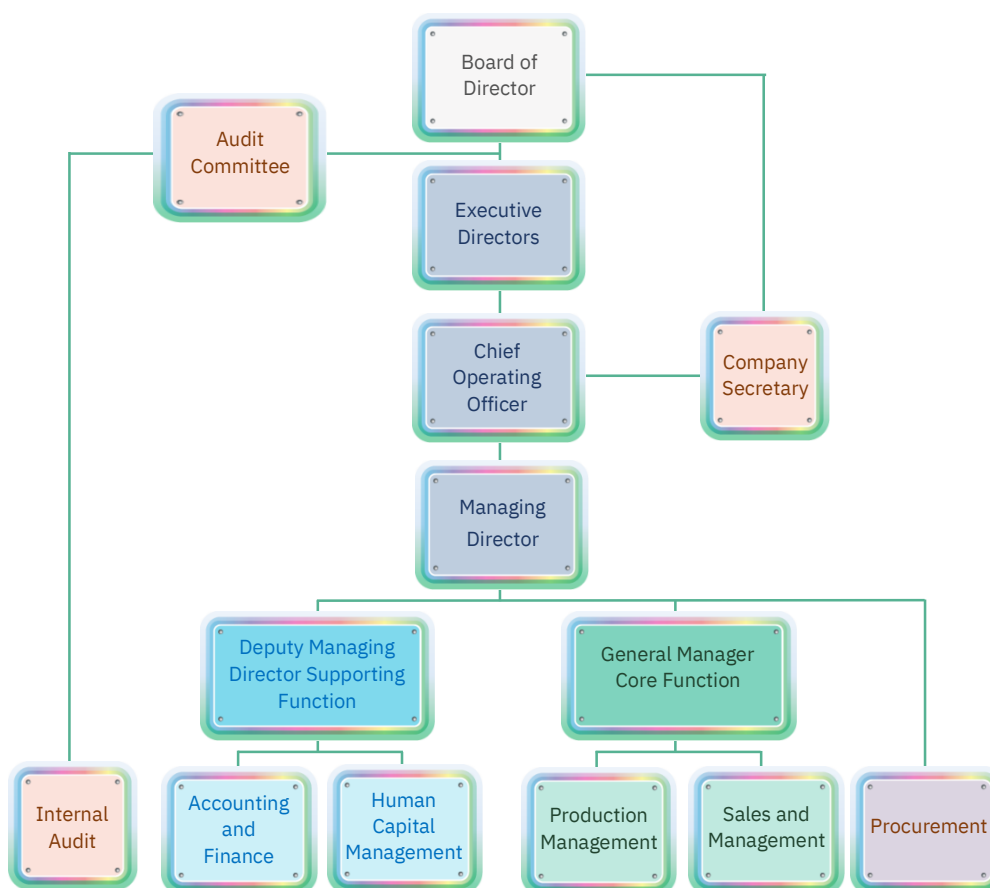
- Succession planning

The Company has assigned the executive directors to be responsible for formulating the succession plan in order to ensure that the Company has recruited and prepared qualified employees to fill in the positions that important to the Company's operations. Every year, the Company has conducted meetings to exchange skills and knowledges and systematically transfer duties and responsibilities.

## 7. CORPORATE GOVERNANCE STRUCTURE AND SIGNIFICANT INFORMATION RELATED TO THE BOARD OF DIRECTORS, SUBCOMMITTEE, EXECUTIVES, EMPLOYEES, AND OTHERS

### 7.1. Corporate Governance Structure

The Groups' corporate governance structure as as July 31, 2023, were presented as follows:



### 7.2. The Board of Directors Information

The Board of Directors and Executives of City Steel Public Company Limited (CITY) consist of qualified persons according to Section 68 of the Public Company Limited Act B.E. 2535 and the Notification of the Securities and Exchange Commission no. Tor Jor 4/2552 Re: The Application and Approval for the Offering of Newly Issued Securities (No 2) dated February 20, 2009, in all respects. Additionally, to create check and balance of authority, the Company has appointed independent directors of at least one-third of the Company's total directors. There are 3 independent directors out of the total of 6 directors, with details as follows:

#### 7.2.1. The Compostion of the Board of Directore

As at July 31, 2023, the Board of Directors consisted of 6 members as follows:

1. Mr. Anutara Tantraporn                      Director / Chairman of the Board of Directors /  
Independent Director / Chairman of the Audit Committee

- |                                  |   |
|----------------------------------|---|
| 2. Mrs. Boontip Changnil         | Director / Executive Director                     |
| 3. Miss Chatsuman Tanomjit       | Director / Executive Director                     |
| 4. Miss Kingkan Pipitpreechakul  | Director / Executive Director                     |
| 5. Mr. Pattarathon Thatsanasuwan | Director / Independent Director / Audit Committee |
| 6. Mr. Harirak Chamarakula       | Director / Independent Director / Audit Committee |

The authorized directors are Mrs. Boontip Changnil, Miss Chatsuman Tanomjit, and Miss Kingkan Pipitpreechakul.

The two directors out of three cosign with the Company seal.

#### 7.2.2. Roles and Responsibilities of the Board of Directors

The Board of Directors has duties as representatives of shareholders and has authorities as follows:

1) To perform their duties with honesty, integrity and prudence in accordance with laws, the Company's objectives, and articles of association, as well as the resolutions of shareholders' meetings, and carefully protects the Company's interests.

2) To set out the direction of the Company's operation and supervise the Company's activities to be in accordance with rules and regulation of relevant governing body. Also, to oversee the Company to adequately disclose information to shareholders and all stakeholders and monitor the Company to transparently manage its businesses to maximize the economic value and wealth of the shareholders.

3) To monitor the executives as such they efficiently operate according to the Company's policies. Also, to ensure that the executives disclose all material issues that affect the Company's operations as well as connected transactions, which shall be comply with the rules and regulations of the Security Exchange Commission.

4) To effectively implement the internal control and internal audit systems, and set up the internal control and audit department to perform the control and audit operation as well as coordinate with Audit Committee.

5) To appoint an Executive Director or Managing Director or other authorized persons who have to manage under the Board of Directors' control. The appointment must be resolved by the resolution of the Board of Directors in the meeting that attended by Independent Directors or Audit Committee. If any particular Independent Director or Audit Committee oppose or do not agree with the appointment of the Executive Directors, the opinion of the Independent Director or Audit Committee must be clearly stated in the minutes of meeting. The appointment must specify scope of duties and responsibilities of the authorized directors. In addition, the appointment must not allow the appointed person to have full authority to authorize the transactions that he/she has or may have conflicts of interest with the Company or subsidiaries.

6) To conduct business operation ethically and with honesty and integrity, as well as pay sufficient attention to the business that they are the committee and have intention to continuously run the operation.

7) To be responsible, protect the benefits and rights of all shareholders, and ensure that the Company's information is disclosed to the shareholders in accurate, complete, proper, and transparent manner.

8) To consider and approve business plan, annual expenditure including acquisition or disposal of assets, which exceeding the power of Executive Directors, including approve joint venture plan to expand business and approve loan except the loans for operating cash flow which approved by Executive Director.

However, the above authorization must comply with rules, regulations, and resolutions that approved by the Board of Directors and must not authorize the transactions that may have conflicts of interest with the Company or subsidiaries. In addition, the transactions must be presented to the Board of Directors for their considerations. The Board of Directors have authorized the Authorized Directors to perform general operating tasks except for the following tasks that must be authorized by the shareholders' meeting.

1) The transaction that are required by law to receive the shareholders' meeting approval such as transfer or dispose of operations, increase capital, merger and acquisition, etc.

2) The transactions that might lead to any conflicts of interest as well as are required by laws and/or regulations of the Stock Exchange of Thailand to receive the shareholders' meeting approval.

The transactions as specified below should be approved by the Board of Directors' meeting and the shareholders' meeting with not less than three-fourth of the voting right of the shareholders who present at the meeting and have the right to vote.

- 1) To sale or transfer the whole or any significant parts of the Company.
- 2) To purchase or acquire business of other companies or private companies.
- 3) To engage in, amend or cancel the rental agreement of the whole or any significant business of the Company, to assign others to manage the Company and to merge the Company with others with a purpose of profit sharing.
- 4) To amend the Company's memorandum of association.
- 5) To increase or decrease registered capital.
- 6) To liquidate the Company.
- 7) To issue bonds.
- 8) To merge the Company with other company.

Since City Steel Public Company Limited has investment in subsidiaries, the Company has appointed the delegates to be the directors of the 3 subsidiaries as follows:

Siam ISO Pro Company Limited

As at July 31, 2023, the company directors consisted of 3 directors as follows:

- |                                 |  |
|---------------------------------|--|
| 1. Mrs. Boontip Changnil        | Director / Chairman / Executive Director |
| 2. Miss Chatsuman Tanomjit      | Director / Executive Director            |
| 3. Miss Kingkan Pipitpreechakul | Director / Executive Director            |

Mark Worldwide Company Limited

As at July 31, 2023, the company directors consisted of 3 directors as follows:

- |                                 |  |
|---------------------------------|--|
| 1. Mrs. Boontip Changnil        | Director / Chairman / Executive Director |
| 2. Miss Chatsuman Tanomjit      | Director / Executive Director            |
| 3. Miss Kingkan Pipitpreechakul | Director / Executive Director            |

## CT Universal Company Limited

As at July 31, 2023, the company directors consisted of 2 directors as follows:

1. Mr. Charoenpong Ongwongsakul Director / Executive Director
2. Mrs. Boontip Changnil Director / Executive Director

### **7.3. Subcommittees Information**

The structure of the Company's directors consists of 2 subcommittees, including the Executive Directors and the Audit Committees. The Board of Directors do not assign any other subcommittees such as Nomination and Remuneration Committees, Corporate Governance Committees, and Risk Management Committees, since the Board of Directors considered that the size of business and current organizational structure does not require the appointment of such committees. Presently, the Board of Directors is responsible for consideration of director nomination and director remuneration, corporate governance, and risk management. The Board of Directors has established suitable and transparent nomination and remuneration consideration procedures by comparing with remuneration data of similar-sized companies in the same industry together with the Company's operating result. In addition, the Board of Directors also has duties to monitor the management team to operate according to the good corporate governance practices and to regularly review and evaluate risk management reports.

#### **7.3.1. Executive Director**

As at July 31, 2023, the Executive Directors consisted of 3 directors as follows:

1. Mrs. Boontip Changnil Chairman of the Executive Director
2. Miss Chatsuman Tanomjit Executive Director
3. Miss Kingkan Pipitpreechakul Executive Director

#### Roles and Responsibilities of the Executive Directors

- 1) Has authority to order, plan, and manage the Company operation according to the policies set by the Board of Directors.
- 2) Determine the strategy of the Group's operations.
- 3) Determine business plans, investment guidelines, and fund-raising solutions according to the Group's policies.
- 4) Approve any agenda prior to submitting to the Board of Directors.
- 5) Hire, appoint, transfer, discharge, determine wages, provide pensions, and raise monthly salaries, remunerations, and bonuses of the position of department managers or above.
- 6) Consider and set welfare of employees to be consistent with situations, customs, and relevant laws.
- 7) Approve the investment, purchasing and disposing of the Group's assets, as well as sourcing and procurement, borrowing, lending activities, and engaging in business contracts or undertaking in legal act, which related to normal business and objectives of the Group under the authority levels stated in the Company's Codes of Conduct.

The Executive Directors also has the authority to make decisions relating to any normal business transactions of the Company, which does not include approval of transactions that may cause conflicts of interest with the Company or its subsidiaries according to the Stock Exchange of Thailand's regulations. The Executive Directors is required to obtain approval

from the Board of Directors or shareholders for connected transactions in accordance with the Company's Articles of Association or relevant laws, except for normal business transactions already covered by existing guidelines approved by the Board of Directors.

### 7.3.2. Audit Committees

As at July 31, 2023, the Audit Committees consisted of 3 members as follows:

- |                                  |   |
|----------------------------------|---|
| 1. Mr. Anutara Tantraporn        | Chairman of the Audit Committee / Audit Committee |
| 2. Mr. Pattarathon Thatsanasuwan | Audit Committee                                   |
| 3. Mr. Harirak Chamarakula       | Audit Committee                                   |

The Audit Committee who has experiences in reviewing of the Company's financial statements is Mr. Harirak Chamarakula who presently resides in the position of Head of Mobility Operations SEA & Business Development Thailand, Europ Assistance (Thailand) Co., Ltd.

#### Roles and Responsibilities of the Audit Committees

The Audit Committee of the Company has the scope of duties and responsibilities according to rules and regulations of Security Exchange Commission and Stock Exchange of Thailand, and shall report the following duties and responsibilities to the Board of Directors as follows:

1) To review and ensure that the financial statements are accurately and adequately disclosed by cooperating with the Company's external auditor and executive who is responsible for the quarterly and annually financial statement. Also, to recommend the external auditor to review or audit any transactions deemed significant during the auditing period. The Audit Committee who has experiences in reviewing of the Company's financial statements is Mr. Harirak Chamarakula, who has been reviewing the Company's financial statements for 8 years.

2) To review internal control system and internal audit system to ensure appropriateness and effectiveness by cooperating with external auditor and internal auditors. Moreover, to review an independence of the internal audit department and consider rotating or discharge chief of the internal audit department as well as other departments that responsible for internal audit activities.

3) To review and ensure whether the Company's operations comply with the rules and regulations of the Security Exchange Commission and the Stock Exchange of Thailand, as well as relevant laws.

4) To consider, select, and nominate the independent external auditor and propose the auditor's remuneration to the Board of Directors for the approval of the shareholders' meeting by considering the reputation, resources, capacity, as well as the experience of such external auditor. During a year, the Audit Committee should attend at least 1 meeting with the external auditor without presence of management.

5) To consider connected transactions or transactions that may lead to any conflicts of interest to be in accordance with laws and the Stock Exchange of Thailand's regulations and to ensure that those transactions are correct, complete, and rational as well as create highest benefits to the Company.



6) To prepare report on the activities of the Audit Committee and disclose such reports in the Annual Registration Statement / Annual Report of the Company. The report to be signed by the Chairman of the Audit Committee shall contain the following information:

- Opinion on the accuracy, completeness and reliability of the preparation process and the disclosure of information in the financial reports of the Company.
- Opinion on the sufficiency of the internal control system of the Company.
- Opinion on the compliance with the Securities and the Stock Exchange Acts, regulations of the Stock Exchange of Thailand, or any other laws relating to the business of the Company.
- Reasons to support the qualifications of the auditors of the Company for being appointed for another term.
- Opinion on transactions that may have conflicts of interest.
- Number of Audit Committee meetings and attendance of each member of the Audit Committee.
- Overall opinion or observation from performing duties according to the Charter.
- Any other reports deemed necessary for shareholders and general investors within the scope of duties and responsibilities as assigned by the Board of Directors.

7) To perform any other operation assigned by the Board of Directors and deemed appropriate by the Audit Committee. For instant, reviewing the policy of financial management and risk management, reviewing the compliance with the business ethics of the Company, collaborating with the Company's executives to review any important reports to be disclosed to the public as required by laws, such as the reports on Management Discussion and Analysis, and so on.

8) The Audit Committee may seek the independent opinions from outside counselor as deemed necessary on the Company's expense.

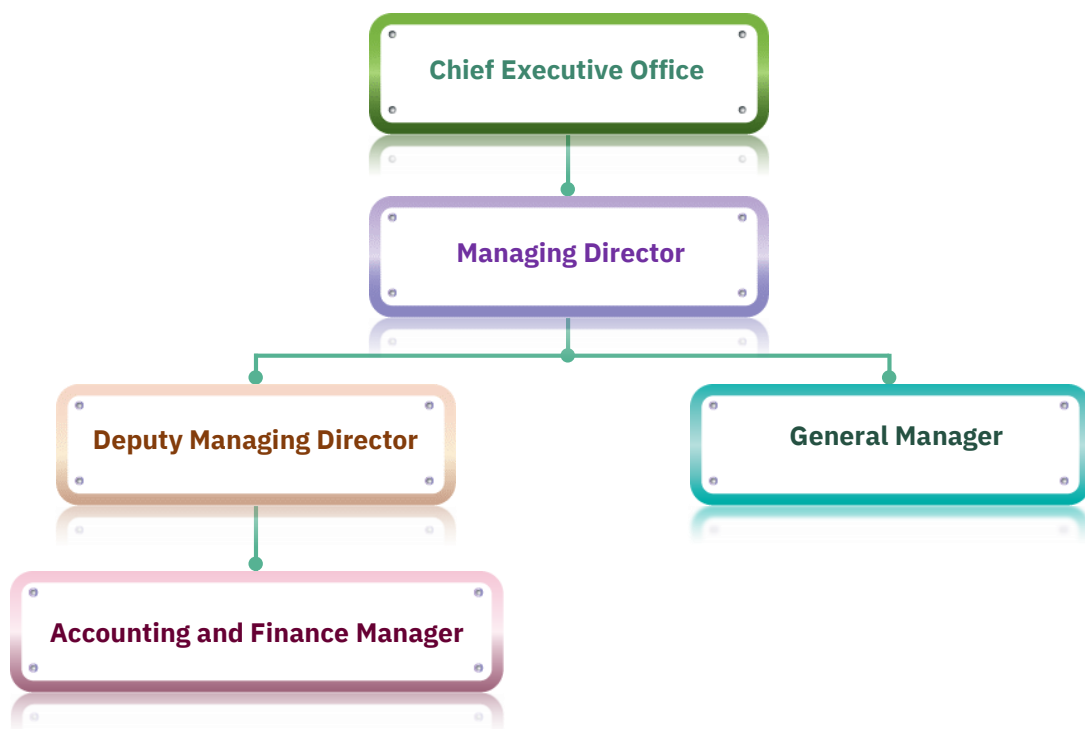
#### 7.4. Executives Information

Since the Company holds 99.99% proportion in 3 subsidiaries, the Company and the subsidiaries have the same set of Executives, which will help ensure that the subsidiaries' policies and operations are in consistent with the Group's.

As at July 31, 2023, the Executive Directors consisted of 5 executives as follows:

- |                                 |                                |
|---------------------------------|--------------------------------|
| 1. Mrs. Boontip Changnil        | Chief Executive Officer        |
| 2. Miss Seangduen Boonya        | Managing Director              |
| 3. Miss Chatsuman Tanomjit      | Deputy Managing Director       |
| 4. Miss Wilai Phetnoi           | General Manager                |
| 5. Miss Kingkan Pipitpreechakul | Accounting and Finance Manager |

The Group's Organization Chart as of July 31, 2023



Executive Directors and Executives Remuneration

The Company has set a remuneration policy for the executives bases on a Key Performance Index (KPI), achievement in objectives, and annual performance evaluation. For the executives who are also the executive directors will not receive compensation for director position as they will receive remuneration as executives instead. In the past year, the Group's executive directors remunerations consisted of salary and bonus with details as follows:

	2020/2021		2021/2022		2022/2023	
	No. of executives	Remuneration (THB Million)	No. of executives	Remuneration (THB Million)	No. of executives	Remuneration (THB Million)
Salary	5	2.02	5	2.02	5	2.14
Bonus	5	0.13	5	0.12	5	0.08
<b>Total</b>	<b>5</b>	<b>2.15</b>	<b>5</b>	<b>2.14</b>	<b>5</b>	<b>2.22</b>

## 7.5. Employees Information

### 7.5.1. Number of Employees

As at July 31, 2023, the Group has total of 187 employees, classified into departments as follows:

Department	Number of employees (persons)
Executives	5
Internal Audit Department	2
Accounting and Finance Department	8
Human Capital Management Department	3
Production Management Department	8
Sales and Marketing Department	8
Procurement Department	5
Production Department	148
<b>Total</b>	<b>187</b>

### 7.5.2. Labor Disputes Over the Past 3 Years

-None-

### 7.5.3. Employees Remuneration

The employee remuneration (excluding executive remuneration) consists of salary, bonus, overtime compensation, other benefits, and provident fund contribution can be presented as follows:

	For the year 2020/2021 (THB Million)	For the year 2021/2022 (THB Million)	For the year 2022/2023 (THB Million)
Salary	47.79	32.44	36.24
Bonus	2.14	1.62	1.41
Overtime Compensation	3.12	3.59	1.02
Other Benefits	11.12	8.62	9.11
Provident Fund	0.85	0.85	0.85
<b>Total</b>	<b>65.02</b>	<b>47.12</b>	<b>48.63</b>

## 7.6. Changes in Shareholding of the Directors and Executives

During the year 2022/2023, there was no change in the shareholding of the directors and executives of the Group. Detail of the shareholding as at July 31, 2023 presented as follows:

Directors and Executives	Position	Number of Shares Holding (Shares)		Increase (Decrease) in Shareholding (Shares)
		Aug 1, 2022	Jul 31, 2023	
1. Mrs. Boontip Changnil	Director and Chief Executive Officer	15	15	-
2. Miss Chatsuman Tanomjit	Director and Deputy Managing Director	-	-	-
3. Miss Kingkan Pipitpreechakul	Director and Accounting and Finance Manager	-	-	-
4. Mr. Anutara Tantraporn	Chairman, Independent Director, and Chairman of the Audit Committee	-	-	-
5. Mr. Pattarathon Thatsanasuwan	Independent Director and Audit Committee	-	-	-
6. Mr. Harirak Chamarakula	Independent Director and Audit Committee	-	-	-
7. Miss Seangduen Boonya	Managing Director	-	-	-
8. Miss Wilai Phetnoi	General Manager	-	-	-

## 7.7. Other Significant Information

### 7.7.1. Person Assigned Direct Responsibility for Accounting Supervision, Company Secretary, and Head of Internal Audit

» Person assigned direct responsibility for accounting supervision is Miss Chatsuman Tanomjit, who currently holds the position of Deputy Managing Director and has registered as the Group's accountant since 2016, with details shown in Attachment 1.

» The Board of Directors has appointed Mrs. Parichard Phongratanadechachai to serve as the company secretary since June 11, 2008. The company secretary's duties and responsibilities can be found in Attachment 1.

» The Audit Committees have appointed Miss Pannipa Thongyoy as the head of internal audit since December 10, 2016. Details of the head of internal audit are presented in Attachment 3.

### 7.7.2. Audit Remuneration

During the year 2022/2023, the Company and subsidiaries paid audit fees to Dharmniti Auditing Company Limited, the Company's auditor at the amount of THB 1,020,000. The Group did not pay any other service expenses apart from audit fees.

## 8. REPORT ON KEY OPERATING RESULTS ON CORPORATE GOVERNANCE

### 8.1. Summary of the Performance of the Board of Directors in the Past Year

#### 8.1.1. Selection and Appointment of Directors and Top Executives

The Company does not set up a Nomination Committee to consider and select new directors and executives, however the Company has established guidelines and criteria for such selection process. The Board of Directors will determine qualified persons based on abilities, experiences, vision, and accountability. The Company also gives opportunity for shareholders to nominate qualified candidates to be elected as the Company's directors through specified communication channel. Procedures for the selection and appointment of the directors and top executives are as follows:

##### 8.1.1.1. Selection and Appointment of Directors

Since the Company does not have Nomination Committee, when appointing new directors, the Board of Directors that consist of 3 independent directors out of 6 directors, are responsible in considering and selecting candidates who possess suitable qualities according to the Company's Articles of Association. To recruit the candidates who are professional and have diversify knowledges, the directors will consider the structure, size, and composition of the Board of Directors as criteria, then will propose to the Board of Directors for approval. The list of nominated directors will then be presented to the shareholders' meeting for appointment according to the Company's regulation. The Board of Directors have tenure of 2 years, and the directors whose tenure have ended may be reappointed. The Board of Directors must have following qualifications:

##### Qualifications of the Directors

- Not be a bankrupt person, an incompetent person, or a quasi-incompetent person.
- Not have been imprisoned by final judgement for an offense regarding dishonest conducts on property.
- Not have been expelled from the government service on the ground of corrupt practices in official duties.
- Not be in the prohibition period of being a director, executive, or controlling person of listed company, according to the order of the Stock Exchange of Thailand.
- Not be in the process of being convicted or criminally prosecuted by a legalized authority for offenses related to unfair practices involving the trading of securities or futures contracts, or management that are characterized by deception, fraud, or corruption.
- Not be in the prohibition period of being a director or executive according to the order of international organization.
- Has never been convicted or fined from a misconduct related to the trading of securities and derivatives, or management with deception, fraud, or corruption.
- Not have been violated or believed to be violated the duty of care and the duty of loyalty for the best interest of the business or the shareholders of the business where the person used to be a director, executive, or controlling person, or has been involved in or supported such activities.

- Not having or believed to be having dishonest or deceitful behavior or have been involved in or supported such behaviors of others.
- Not having or believed to be having unfair treatment or taking advantage from investors or have been involved in or supported such activities of others.
- Not having or believed to be having behavior of concealing the actual financial position or operating performance of a listed company or an IPO company, or intentionally provided falsified data or concealed significant fact in any of the publicly disclosed information submitted to the Capital Market Supervisory Board or the Security Exchange Commission whether by their own behalf or on behalf of the business that they have management authority, as well as not have been involved in or supported such activities of others.
- Not having or believed to be having behavior of negligence of business supervision that should be properly conducted as director, executive, or controlling person of a listed company or an IPO company where they are or used to be director, executive, or controlling person of such company and subsidiary, in order to prevent such company from violating or not following laws, objectives, articles of association, and shareholders' meeting resolutions, which may cause a reliable issue in the capital market as a whole or damage the reputation, status, or business operations of that company.

#### Qualifications of the Independent Directors

The numbers of independent directors should be at least one-third of all directors and must not less than 3 persons and should possess the following characteristics:

- Hold not more than 1% of all voting shares in the Company, parent company, subsidiaries, associates, or entities that may have conflicts of interest.
- Must not be or use to be an executive director, an employee, a consultant earning monthly salary, or person who has control over the Company, parent company, subsidiaries, associates, or entities that may have conflicts of interest, unless the engagement in those activities has ended for more than 2 years.
- Must not be a person who has either biological or legal relationships including parents, siblings, children, and children's spouses of the Company's executives, major shareholders, and persons who have control over the Company and subsidiaries.
- Must not have or used to have business relationships with the Company, parent company, subsidiaries, associates, or entities that may have conflicts, as well as must not be a major shareholder.
- Must not be or used to be an auditor of the Company, parent company, subsidiaries, associates, entities that may have conflicts of interest, and must not be a major shareholder.
- Must not render or used to render professional service including financial advisory that receive annual service fees of more than THB 2 million from the Company, parent company, subsidiaries, associates, or entities that may have conflicts of interest.
- Must not be a director who has been appointed to represent the Company's directors, major shareholders, or shareholders who are related to the major shareholders of the company.

- Must not possess any characteristics that preventing from expressing opinion regarding the Company's operation independently.
- The Independent Directors should be in the position for not more than 9 years however the directors may be in the position for more than 9 years as deemed necessary and appropriate.

#### The Election of Directors Through the Shareholders' Meeting

At the Annual General Meeting of Shareholders, one-third of the directors shall leave. If one-third is not a round number, the number closest thereto shall be the applicable number. The departed directors may be reelected. The directors shall be a qualified person with experiences and possess no characteristic prohibited by law. The shareholders' meeting will appoint directors base on the criteria and procedures as follows:

1. Each shareholder has one vote for one share.
2. Each shareholder may exercise all the votes he or she has under the criteria No.1 to elect one or several persons as a director or directors, but the shareholder may not split his or her votes between any directors or any group of directors.
3. Person who receives the highest vote arranged in order from higher to lower, in a number equal to that of the number of directors to be appointed, are elected to be the directors of the Company. In the event of a tie at a lower place, which would make the number of directors greater than the elected position, the Chairman of the meeting would have a casting vote.

If a director's position becomes vacant due to reasons other than completion of term, the remaining Director will select a qualified candidate who possesses no forbidden characteristic as a replacement at the following Board of Directors' Meeting. To become a new director, the candidate shall be voted by not less than three-fourth of the remaining directors. An exception exists if the said directorial position has a period of less than 2 months to completion of term. In addition, the replacement director may serve only the period remaining to completion of the director whom he or she replaced.

In the shareholders' meeting, shareholders may have a resolution to discharge any directors before completion of terms. In such case, the votes of not less than three-fourth of the shareholders who attend the meeting and have the rights to vote with shares counted not less than one-half of total shares hold by shareholders who attend the meeting and have the rights to vote are required.

#### **8.1.1.2. Selection of Top Executives**

In selecting the top executives including Chief Executive Officer or Managing Director, the Executive Directors will preliminarily consider and recruit qualified candidates. The candidates should possess knowledge, competencies, skills, and experiences that beneficial to the Company's operation, also should have good understanding of the Company's business and be able to manage the operations to achieve objectives and goals set out by the Board of Directors. Then the Executive Directors will propose those candidates to the Board of Directors for approval.

### 8.1.2. Meeting Attendance and Remuneration for Individual Director

The Board of Directors and meeting attendance for the year 2022/2023 were as follows:

Director	Position	Meeting (Meeting attended / Meeting conducted)	
		BOD Meeting	AGM
1.Mr. Anutara Tantraporn	Director, Chairman of the Board of Directors, Independent Director, and Chairman of the Audit Committee	4 / 4	1 / 1
2.Mrs. Boontip Changnil	Director and Chairman of the Executive Director	4 / 4	1 / 1
3.Miss Chatsuman Tanomjit	Director and Executive Director	4 / 4	1 / 1
4.Miss Kingkan Pipitpreechakul	Director and Executive Director	4 / 4	1 / 1
5.Mr. Pattarathon Thatsanasuwan	Director, Independent Director, and Audit Committee	4 / 4	1 / 1
6.Mr. Harirak Chamarakula	Director, Independent Director, and Audit Committee	4 / 4	1 / 1

The Board of Directors' remuneration consists of only monetary compensation which is meeting allowance that the payment is based on the number of meetings the directors have attended. Detail of remuneration payment are as follows:

Director	Year 2020/2021		Year 2021/2022		Year 2022/2023	
	Amount (THB)	Remuneration	Amount (THB)	Remuneration	Amount (THB)	Remuneration
1. Mr. Anutara Tantraporn	74,000.00	Meeting	74,000.00	Meeting	74,000.00	Meeting
2. Mrs. Boontip Changnil <sup>/1</sup>	-	-	-	-	-	-
3. Miss Chatsuman Tanomjit <sup>/1</sup>	-	-	-	-	-	-
4. Miss Kingkan Pipitpreechakul <sup>/1</sup>	-	-	-	-	-	-
5. Mr. Pattarathon Thatsanasuwan	58,000.00	Meeting	58,000.00	Meeting	58,000.00	Meeting
6. Mr. Harirak Chamarakula	58,000.00	Meeting	58,000.00	Meeting	58,000.00	Meeting

**Remark** <sup>/1</sup> Since Mrs. Boontip Changnil, Miss Chatsuman Tanomjit, and Miss Kingkan Pipitpreechakul are the executive managements, they will not receive director remuneration, they will receive remuneration for the executive managements position only.

### 8.1.3. Supervision of the Operation of Subsidiary Companies

Since the Company invests in 3 subsidiaries at the proportion of 99.99%, the Company has appointed delegates to become the subsidiaries' directors and executives. The appointed persons have responsibilities to perform their duties for the best interest of the subsidiaries and the Company. The representatives must be approved by the Company's Board of Directors before voting in the matters that equally significant as the issues that must be approved by the Company's Board of Directors. The appointment of the representatives is based on the proportion of the Company's ownership in the subsidiaries.



The Company has enforced the same regulations regarding related party transactions, acquisition and disposal of assets, and other significant transactions on the subsidiaries as well as the disclosure of these transactions. The Company has also demanded the subsidiaries to collect and record accounting transactions on a timely basis as the Company has to use this information in preparing consolidated financial statements.

#### **8.1.4. Monitoring of Compliance with the Corporate Governance Policy and Guidelines**

The Group recognizes the important of the good corporate governance which is the fundamental for sustainable development. Therefore, the Group has determined the good corporate governance policies and guidelines for the Board of Directors and every personnel in the organization to uphold and implement accordingly. The Group regularly monitors the compliance of the operations according to the good corporate governance policies and guidelines including rights of shareholders, equitable treatment of shareholders, treatment of all stakeholders, disclosure and transparency, and responsibilities of the Board of Directors.

In the year 2022/2023, the Group has completely operated according to the good corporate governance policies and guidelines. The Group has also monitored the compliance with the good corporate governance in other matters as follows:

##### **8.1.4.1. Prevention of Conflicts of Interest**

The Group has specified that the Board of Directors, executives, and all employees must declare or report of their interests before making any transactions that may cause conflicts of interest with the Group. The Group will cautiously consider the suitability of the transactions by concerning the best interests of the Group. The person who has conflicts of interest will not involve in considering or making decision for such transactions.

In the past year, the Group had no transaction that may cause conflicts of interest.

##### **8.1.4.2. Supervision of the Usage of Inside Information**

Board of Directors has a policy of controlling and supervising the use of its inside information to gain profit from trading of the Company's securities in advance. Significant information shall be informed only to the Company's executives while only some parts of the information necessary for work conduct will be provided to the Company's employees. In addition, the Company prescribed measures of controlling and preventing its directors, executives, and employees from using the Company's undisclosed information for their own benefits. Employees found breaking of the Company's regulations would be subjected to penalties that are clearly specified. Details of the regulation concerning the inside information usages are as follows:

1. Directors, executives, and employees of the Company must keep the Company's secret and/or the Company's inside information.
2. Directors, executives, and employees of the Company must not disclose the Company's secret and/or inside information for their own or for other person benefits either directly or indirectly and whether they gain earnings in return or not.
3. Directors, executives, and employees of the Company must not buy, sell, transfer, or receive the transfer of the Company's securities by using the Company's secret and/or inside information. They must not engage in any legal activities by using the Company's secret and/or inside information that may cause damage to

the Company either directly or indirectly. Closed relatives of the directors, executives, and employees of the Company are also subjected to this regulation. (Closed relative means person who related by blood, by marriage, and by legal registration such as father, mother, spouse, child, brother, sister, uncle, and aunt including spouse of these persons.)

4. Directors, executives, and employees of the Company must not buy, sell, transfer, or receive transfer of the Company's securities for the period of 1 month before the Company's financial statements and other relevant information are disclosed to the public and 24 hours after those information are disclosed.

The Company has set disciplinary penalty for person who violates the above regulation. The penalty shall vary as deem appropriate and ranging from spoken warning, written warning, putting on probation, work suspension, discharging, or ceasing of employment without compensation.

In addition, the Company has informed the executives about their duties to report the changes in holding of the Company's securities to the Securities and Exchange Commission according to Section 59 of the Securities and Exchange Act B.E.2535 within 3 days after the changes in securities holding. Also, the executives have to inform the company secretary to record the changes and summarize securities holding of each individual, which will be presented to the Board of Directors in the next meeting. The Company also has informed about penalties for violating these regulations.

In the past year, the directors and executives did not trade the Company's securities during the prohibited periods and there was no exploitation of inside information.

#### **8.1.4.3. Anti-Corruption Action**

The Company is committed to conducting business with transparency and within legal framework, ethical principles, and guidelines of good corporate governance, as well as supporting the fight against fraud and corruption in all forms. The Company is well aware that fraud and corruption can create adverse effects to the development of economy, society, and national security. The Company determines to operate the businesses with honesty and integrity and in accordance with laws and regulations, which applies to all business activities and decisions. The core value of anti-corruption has been established and communicated to all staffs, which help cultivating and creating the sense of anti-corruption among the employees. The Company strictly prohibits the employees or their representatives to give or receive bribes or other incentives in any forms, to or from other parties. Besides giving and accepting bribes are considered as a crime and illegal, the Company has also imposed penalties in case of the violation. Also, the Board of Directors had a resolution for the Company to join Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), which currently is in the process of preparing self-assessment documents and supporting documents to get certified from the CAC. At present, the Company has already been a member of "Partnership Against Corruption for Thailand" (PACT).

#### **8.1.4.4. Whistleblowing**

Beside operating business according to the Corporate Governance Principles and responsible for all stakeholder, the Company has set a whistleblowing policy by arranging communication channel for the

stakeholders to suggest, complain, or inform of misconduct or inappropriate behavior or of unusual circumstances to independent directors. The stakeholders can contact the independent directors directly at the email address; [compliance@citysteelpl.com](mailto:compliance@citysteelpl.com) or by fax to internal audit department at (038) 214-534 or by postal mail at the Company's address. The Company has policies to protect identities of the informant by not disclosing names, addresses, or other information of the informant and will keep the information confidentially.

In the past year, the Group did not receive any complaints or information on any wrongdoing.

## 8.2. Report on the Performance of the Audit Committee in the Past Year

In the past year, the Audit Committee had held 4 meetings and meeting attendance of each director are presented as follows:

Director	Position	Audit Committee meeting	
		Number of meetings	Meeting attendance
1. Mr. Anutara Tantraporn	Chairman of the Audit Committee	4	4
2. Mr. Pattarathon Thatsanasuwan	Audit Committee	4	4
3. Mr. Harirak Chamarakula	Audit Committee	4	4

During the past year, the Audit Committee had performed their duties independently according to the roles and responsibilities in several relevant matters as follows:

- 1) Reviewed the quarterly and annually Company's consolidated and separated financial statements.
- 2) Evaluated suitability and efficiency of the Company's internal control and internal audit systems.
- 3) Monitored the Company's operation to be comply with applicable laws and regulations.
- 4) Considered and selected the Company's auditor and proposed to the Board of Directors for approval at the shareholders' meeting, as well as conducted a meeting with the auditor to learn the auditor's opinions on the Company's internal control systems and financial reports.
- 5) Reviewed the connected transactions between the Company and its subsidiaries and related parties.
- 6) Reviewed the performance of the Audit Committee by compared with the Best Practices and assessed the operation of the Company's internal audit department.
- 7) Evaluated the Corporate Governance policy by considering the implementation of the Corporate Governance Code for Listed Company 2017, to be adapted to suit the Company's business operations.

## 8.3. The Adoption of Corporate Governance Code for Listed Company 2017

The Company has known of the Corporate Governance Code for Listed Company 2017 (CG Code 2017), so the Board of Directors has reviewed the Company's Corporate Governance policy to be corresponded with this principle and the CG Code for Listed Companies 2012, as well as suitable with the Company's business operations. The Board of Directors has reviewed the adoption and implementation of CG Code at least once a year and has presented the reviewed results in the Board of Directors meeting No.3/2023 on September 28, 2023.

## 9. INTERNAL CONTROL AND RELATED PARTY TRANSACTIONS

### 9.1. Internal Control

The Company has emphasized on effective internal control systems in both management and operation levels, so responsibilities and authorities of employees and executives have been clearly defined in written documents. The Company has employed control system on the use of assets and segregate duties between operators, controllers, and evaluators. Internal control has been applied to financial system in order to determine authority levels in approval of financial transactions.

At the Board of Directors meeting No.3/2023 on September 28, 2023, the Company's directors together with 3 Audit Committees has evaluated the internal control system according to the guidelines of The Committee of Sponsoring Organizations of the Treadway Commission (COSO) revised 2013, by making inquiries to executives and internal audit department and reviewing the self-assessment form. The Board of Directors has concluded that the Company has a sufficient and appropriate internal control system. The Company has assigned adequate personnel to carry out controlling and auditing duties effectively. There is a supervision of subsidiaries' operations, and mechanism to prevent unauthorized use of the Company's assets by the directors or executives, as well as an appropriate policy for related party transactions. For other related internal control systems, the Board of Directors has considered that the Company has adequate internal controls as well. The Board of Directors also provided opinion on the 5 components of the Company's internal control system as follows:

#### 1) Control Environment

The Company has structured the Board of Directors to be independent from the management. The directors is responsible for monitoring and developing the internal control system, whereas the management has assigned reporting structures as well as determined chain of commands and appropriate responsibilities to enable the Company to achieve the goals under the supervision of the directors. The Company upholds the value of integrity and adopts business ethics as guidelines for operations of both management and employees. Regulations, prohibitions, and penalties are clearly stated in the employee handbook. The Company also assigns an individual to carry out the internal control activities in order to attain the objectives, as well as commits to motivate, develop, and retain the capable and competent personnel with the Company.

#### 2) Risk Assessment

The Company has regularly analyzed and evaluated operating risks that associated with both internal and external factors and considered the possibilities of fraud and potential impacts in order to prevent such impacts on the businesses. The Company has identified measures in risks management and fraud prevention according to the stated policies. These measures have been communicated to all executives and employees to acknowledge and implement accordingly. Additionally, the Company has specified significant level of financial transactions by taking into account of the user of the financial statements, size of the transactions, and business outlook, so that the financial reports can accurately and completely reflect the Company's operation and in accordance with generally accepted accounting principles.

#### 3) Control Activities

The Company has determined control measures that suitable with relevant risks to prevent or limit potential damages and has implemented internal control at all levels of the organization. Policies, regulations, operating procedures, responsibilities, authorities, and permission level are clearly specified. The segregation of duties has been applied among the

approval, recording, and maintaining the Company's assets so there is a cross-check in these processes. Information technology has been used to facilitate internal control activities. The Company has also established measures regarding the transactions with major shareholders, executives, and related parties, which stated that the approver of the particular transactions must not have conflicts of interest in those transactions in order to prevent the exploitation of the Company for personal benefits. These measures are taking into account of the best interests of the Company and are often reviewed for suitability.

#### 4) Information & Communication

The Company has accurately identified information needed to use in business operation from both internal and external sources so that the Board of Directors can have sufficient information when making decision. The Company has prepared reports that contained detailed information and supporting documents on the issues that needed to be considered by the Board of Directors. Meeting agenda has been sent to the Board of Directors in advance and within the time period stipulated by law. Important information has been reported to the Board of Directors on a regular basis. Minutes of meeting has been prepared and recorded in details in order to verify the appropriateness of the Board of Directors' performances during the meeting. Documents have been sorted by categories, types, and significant levels for easy retrieval and preventing of loss and deterioration. The Company has completely corrected weaknesses in internal control system suggested by auditor or internal auditor. There are also effective internal communication processes and appropriate communication channels as well as secured communication channel for receiving information about fraud or misconduct within the Company.

#### 5) Monitoring Activities

The Company has reviewed the compliance with internal control system and business ethics of each department on a regular basis, as well as monitored the conflicts of interest issues, and reported the results to the Audit Committee directly. The policy about important circumstances that may have substantial impacts on the Company has been determined, which indicated that the information must be conveyed to the Board of Directors immediately in order to take corrective action at once. Significant flaws, improvement solutions, and progress of rectification, have been reported to the Board of Directors in a timely manner.

Besides assessing the sufficiency of the internal controls, the Audit Committee has also reviewed the financial statements for the year ended July 31, 2023, and has commented that the financial statements has been accurately presented and conformed with generally accepted accounting principles.

Miss Potjanarat Siripipat, the Company's auditor from Dharmniti Auditing Company Limited, who has audited the Company's financial statements, has also evaluated the effectiveness of the Company's internal controls and found no significant weakness in the Company's internal control system.

The Company has set up an internal audit department to perform internal audit duty, which emphasizes on risks management and business operation. The internal audit department has objectives to create efficiency in business operation and ensure the Audit Committee and executives that the Company has reliable system in generating important information. The internal auditor also has responsibilities to monitor the use of the Company's assets and assess the internal control

systems to ensure that the Company has implemented appropriate internal controls and the employees have performed their duties according to the stated internal control systems.

At the Audit Committee's meeting No.4/2016 on December 10, 2016, the Audit Committee had appointed Miss Pannipa Thongyoy to be the head of the internal audit unit of the Company started since December 10, 2016. The appointed person possesses suitable and sufficient qualifications, has work experiences with the Company for a long time, and also has good understanding on the Company's operations and activities, which deemed appropriate to perform this duty.

The appointment, discharge, and transfer of the head of internal audit unit require the approval of the Audit Committees. Details of the head of internal audit unit are presented in Attachment 3.

## 9.2 Related Party Transactions

### 9.2.1. Transactions Amounts and Balances Between Related Parties

Related party	Relationship	Transaction details	Transaction amounts (THB Million)		Audit Committee's opinion and necessity and appropriateness of the related party transactions
			Year 2021/2022	Year 2022/2023	
<p>1. Siam C.T.P. Industrial Company Limited</p> <p>Manufacturing and sales of metal automotive accessories.</p> <p>Address: 88 Moo 4, Bypass Road, Nongmaidaeng, Muang, Chonburi, 20000</p>	<p>- Phongratanadechachai family is the major shareholders of Siam C.T.P. Industrial Co., Ltd. with 100% proportion of total share.</p> <p>- Mrs. Kheng Phongratanadechachai and Mr. Bundit Phongratanadechachai, the major shareholders of the Company, are the directors of Siam C.T.P. Industrial Co., Ltd.</p>	<ul style="list-style-type: none"> <li>Electricity expenses</li> </ul> <p>(1) Mark Worldwide Co., Ltd.</p>	0.32	0.37	<p>Mark Worldwide Co., Ltd. has purchased electricity from Siam C.T.P. Industrial Co., Ltd. Actual volume of electricity used is calculated from the meter volume at the power generator, and rate for electricity expenses is the rate that the Provincial Electricity Authority charges to Siam C.T.P. Industrial Co., Ltd. plus margin.</p> <p>Audit Committees have considered and given opinion that these transactions were appropriately and fairly determined in both commercial terms and pricing policy, and generate benefits to the Company.</p>

Related party	Relationship	Transaction details	Transaction amounts (THB Million)		Audit Committee's opinion and necessity and appropriateness of the related party transactions
			2021/2022	2022/2023	
<p>2. WKP Asset Plus Company Limited</p> <p>Property Development</p> <p>Address: 88/8 Moo 4, Bypass Road, Nongmaidaeng, Muang, Chonburi, 20000</p>	<p>- Phongratanadechachai family is the major shareholders of WKP Asset Plus Co., Ltd. With 100% proportion of total shares.</p> <p>- Mr. Komgrich Phongratana-dechachai, Mr. Bundit Phongratanadechachai, Mr. Satit Phongratanadechachai, and Miss Suputra Phongratanadechachai, the major shareholders of the Company, are the directors of WKP Asset Plus Co., Ltd.</p> <p>- WKP Asset Plus Co., Ltd. Is the parent company, holds 166.50 million shares, accounted for 55.50% of the Company's registered capital</p>	<ul style="list-style-type: none"> <li>Rent expenses</li> </ul> <p>(1) The Company</p> <p>(2) Siam ISO Pro Co., Ltd.</p> <p>(3) Mark worldwide Co., Ltd.</p>	<p>0.04</p> <p>0.01</p> <p>0.49</p>	<p>0.04</p> <p>0.01</p> <p>0.49</p>	<p>The Company and subsidiaries have rented factories and office buildings from WKP Asset Plus Co., Ltd. at the rental rates that similar to market price of other properties in the same area. Details of related party transactions between WKP Asset Plus Co., Ltd. and the Company and subsidiaries were presented as follows:</p> <p>(1) The Company has rented office building with total area of 576 square meters. Rental period is 3 years from August 1, 2022 to July 31, 2025.</p> <p>(2) Siam ISO Pro Co., Ltd. has rented office building with total area of 96 square meters. Rental period is 3 years from August 1, 2022 to July 31, 2025.</p> <p>(3) Mark Worldwide Co., Ltd. has rented a factory with total area of 8,208 square meters. Rental period is 3 years from August 1, 2022 to July 31, 2025.</p> <p>Audit Committees have considered and given opinion that these transactions were appropriately and fairly determined in both commercial terms and pricing policy, and generate benefits to the Company.</p>



### **9.2.2. Measurement of Procedure for the Approval of Connected Transaction**

Company has set up policies concerning related transactions with persons who may have conflicts of interests by classified into 2 categories as follows:

(1) Related transactions on the normal cause of business are transactions that occurred regularly under the common commercial terms, which will be done at fair value and reasonable price, and should be verifiable and generate benefits for the Company. For this type of related transactions, the Audit Committees allow the Company to do without prior approval. However, the internal auditor must summarize all the related transactions and report to the Audit Committees for consideration every quarter.

(2) Related transactions outside normal business practices are transactions that occurred occasionally. The Company will ask the Audit Committee to review and provide opinions on the appropriateness of such transactions in term of necessity and price. In case that Audit Committee has no experiences or expertise on any connected transactions, the Company would seek independent counselor or authorized auditor to give the opinion on such transactions and propose to the Board of Directors or shareholders' meeting as deemed necessary. In the voting process, the persons who may have conflicts of interest shall not have the rights to vote for those particular transactions. The Company shall disclose the connected transactions in the note to audited financial statements.

The Company has assigned the Audit Committees together with the Executive Management to considered the related party transactions. The Audit Committees has suggested that the related party transactions for the year 2022/2023 were appropriate and fairly determined in both commercial terms and pricing policy and generate benefits to the Company.

### **9.2.3. Policy and Future Trend of Connected Transaction**

In the future, the Company may have connected transactions if it is seemed appropriate. However, the Company shall abide by the rules and regulations of the Securities and Exchange Act, The Stock Exchange of Thailand's rules and regulations and other applicable laws. Additionally, the Company shall disclose any connected transactions in the notes to audited financial statements according to generally accepted accounting principles and present in the Annual Registration Statement / Annual Report as well.

In order to comply with the Securities and Exchange Act (No.4) B.E.2551 which effective on August 31, 2008, the Company has proposed for approval of the principles of connected transaction from the Board of Directors. The connected transactions include the transaction between the Company and subsidiaries and directors, executive managements, and related parties regarding normal business transactions or supported normal business transactions under general business terms. The Board of Directors has allowed the management to approve the transactions if such transactions meet the terms and conditions of the principles that have already been approved by the Board of Directors.

# PART 3

## FINANCIAL STATEMENT

CITY STEEL PUBLIC COMPANY LIMITED  
Annual Registration Statement / Annual Report 2023  
(Form 56-1 One Report)

**CITY STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

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**INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JULY 31, 2023**

## **INDEPENDENT AUDITOR'S REPORT**

To The Shareholders and Board of Directors of  
City Steel Public Company Limited

### **Opinion**

I have audited the consolidated financial statements of City Steel Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at July 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of City Steel Public Company Limited (the Company), which comprise the statement of financial position as at July 31, 2023, 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 significant accounting policies.

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

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further describe in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (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.

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## **Key Audit Matters**

Key audit matters are those matters that, in our 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 consolidated financial statements and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

- **Decline in value of assets**

The group had stable total revenues from operation, but the total profit for the year dropped significantly due to the decline in the volume of purchase orders and intense price competition. As a result, the group has to reduce the gross profit margin to maintain the revenue. In addition, the majority of products of the group are capital goods such as metal structure, rack and shelf, and storage and handling equipment so the need in this type of products will arise when there is a new investment, factory expansion or increase in production capacity. With long useful life and infrequent order for products, partial of the group's assets that including building, machinery and equipment may be utilized not to their full capacities. There may be an indication of asset impairment. The management has to use judgment in considering the impairment of the such assets above. The group's assets have net book value in the consolidated financial statements at Baht 94.13 million (Note 12) which is a significant balance to the group's consolidated financial statements. Therefore, I have identified that the impairment of building, machinery and equipment is a matter which I paid attention in the audit.

Regarding my response on the matter above, I assessed the use of management estimate in considering the impairment of building, machinery and equipment, studied about the assessment of the recovery value, management plan, the future operation estimate prepared by the management and tested by recalculating whether the assets have any impairment and assessed the adequacy of the information disclosure under the financial reporting standards.

From the response above, it was found that the values of building, machinery and equipment are shown appropriately and information is adequately disclosed in the notes to the financial statements.

## **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.

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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 consolidated financial statements and separate 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 consolidated financial statements and separate financial statements, management is responsible for assessing the Group's and 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 Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated financial statements and separate 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:

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- Identify and assess the risks of material misstatement of the consolidated financial statements and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate financial statements or, if such disclosures are inadequate, to modify our opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with 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 we 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.

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

The engagement partner responsible for the audit resulting in this independent auditor's reports is Miss Potjanarat Siripipat.

(Miss Potjanarat Siripipat)  
Certified Public Accountant  
Registration No. 9012

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
September 28, 2023



**CITY STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT JULY 31, 2023**

**ASSETS**

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6	658,667,650	836,608,401	390,514,192	487,210,037
Trade and other current receivables	5, 7	12,122,790	10,601,340	1,202,532	4,166,655
Inventories	8	2,153,807	3,479,526	-	-
Other current financial assets	9	349,772,144	205,692,423	278,484,948	185,246,965
<b>TOTAL CURRENT ASSETS</b>		<b>1,022,716,391</b>	<b>1,056,381,690</b>	<b>670,201,672</b>	<b>676,623,657</b>
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	10	-	-	579,419,880	579,419,880
Investment property	11	112,428,724	111,364,593	-	-
Property, plant and equipment	12	169,870,155	180,915,067	845,649	1,044,963
Right-of-use assets	13	981,653	1,471,808	61,442	92,122
Intangible assets	14	222	222	211	211
Deferred tax assets	15	2,743,339	3,482,087	693,485	682,817
Other non-current assets		1,405,000	1,405,000	415,000	415,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>287,429,093</b>	<b>298,638,777</b>	<b>581,435,667</b>	<b>581,654,993</b>
<b>TOTAL ASSETS</b>		<b>1,310,145,484</b>	<b>1,355,020,467</b>	<b>1,251,637,339</b>	<b>1,258,278,650</b>

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

**CITY STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION (CONT.)**  
**AS AT JULY 31, 2023**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>CURRENT LIABILITIES</b>					
Trade and other current payables	5	2,849,182	5,964,505	423,438	2,543,553
Current portion of lease liabilities	5, 16	501,252	481,773	32,514	31,250
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,350,434</b>	<b>6,446,278</b>	<b>455,952</b>	<b>2,574,803</b>
<b>NON-CURRENT LIABILITIES</b>					
Lease liabilities	5, 16	521,517	1,022,769	33,828	66,342
Non-current provisions for employee benefit	17	8,734,049	8,386,429	3,462,524	3,408,617
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>9,255,566</b>	<b>9,409,198</b>	<b>3,496,352</b>	<b>3,474,959</b>
<b>TOTAL LIABILITIES</b>		<b>12,606,000</b>	<b>15,855,476</b>	<b>3,952,304</b>	<b>6,049,762</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital					
Authorized share capital					
300,000,000 ordinary shares of Baht 1 each		300,000,000	300,000,000	300,000,000	300,000,000
Issued and paid - up share capital					
300,000,000 ordinary shares of Baht 1 each		300,000,000	300,000,000	300,000,000	300,000,000
Share premium on ordinary shares		166,145,195	166,145,195	166,145,195	166,145,195
Difference on reorganization of entities					
under common control	2.3	(15,380,000)	(15,380,000)	-	-
Retained earnings					
Appropriated - statutory reserve	18	30,000,000	30,000,000	30,000,000	30,000,000
Unappropriated		817,201,918	847,375,583	751,539,840	756,083,693
Exchange differences on translating financial statement	2.5	(427,629)	11,024,213	-	-
Total equity attributable to owners of the parent		1,297,539,484	1,339,164,991	1,247,685,035	1,252,228,888
Non-controlling interests		-	-	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,297,539,484</b>	<b>1,339,164,991</b>	<b>1,247,685,035</b>	<b>1,252,228,888</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,310,145,484</b>	<b>1,355,020,467</b>	<b>1,251,637,339</b>	<b>1,258,278,650</b>

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

**CITY STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED JULY 31, 2023**

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>REVENUES</b>					
Sales		94,577,229	119,567,801	2,702,460	4,720,120
Service income		1,602,800	1,299,300	63,500	177,500
Management income	5	-	-	2,881,800	12,423,700
Dividend income	5, 10	-	-	-	98,819,992
Profit from dissolution of subsidiary	10	-	-	-	321,853,287
Other income	5	8,187,584	11,176,587	5,605,345	1,811,488
Total revenues		104,367,613	132,043,688	11,253,105	439,806,087
<b>EXPENSES</b>					
Cost of sales and services	5	80,337,507	86,887,249	2,391,979	4,575,406
Distribution costs		5,488,147	6,174,424	7,750	21,399
Administrative expenses		45,685,646	39,801,306	11,944,276	11,451,266
Management benefit expenses	5	2,258,187	2,173,903	1,583,595	1,550,981
Total expenses		133,769,487	135,036,882	15,927,600	17,599,052
<b>Profit (loss) from operating activities</b>		(29,401,874)	(2,993,194)	(4,674,495)	422,207,035
Finance cost	5	269,037	182,387	96,210	53,742
<b>Profit (loss) before income tax expense</b>		(29,670,911)	(3,175,581)	(4,770,705)	422,153,293
Tax expense (income)	19	691,549	680,117	(53,904)	316,887
<b>Profit (loss) for the year</b>		(30,362,460)	(3,855,698)	(4,716,801)	421,836,406
<b>Other comprehensive income</b>					
<b>Components of other comprehensive income that will be reclassified to profit or loss :</b>					
Exchange differences on translating financial statement		(11,451,842)	21,412,129	-	-
Total components of other comprehensive income that will be reclassified to profit or loss		(11,451,842)	21,412,129	-	-
<b>Components of other comprehensive income that will not be reclassified to profit or loss :</b>					
Gains on re-measurements of defined benefit plans, net tax	17	188,795	-	172,948	-
Total components of other comprehensive income that will not be reclassified to profit or loss		188,795	-	172,948	-
<b>Other comprehensive income (loss) for the year</b>		(11,263,047)	21,412,129	172,948	-
<b>Total comprehensive income (loss) for the year</b>		(41,625,507)	17,556,431	(4,543,853)	421,836,406

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

**CITY STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME (CONT.)**  
**FOR THE YEAR ENDED JULY 31, 2023**

		(Unit : Baht)			
		Consolidated financial statements		Separate financial statements	
Note		2023	2022	2023	2022
<b>Profit (loss) attributable to</b>					
	Owners of the parent (99.99%)	(30,362,460)	(3,855,698)	(4,716,801)	421,836,406
	Non-controlling interests (0.01%)	-	-	-	-
		(30,362,460)	(3,855,698)	(4,716,801)	421,836,406
<b>Total comprehensive income attributable to</b>					
	Owners of the parent (99.99%)	(41,625,507)	17,556,431	(4,543,853)	421,836,406
	Non-controlling interests (0.01%)	-	-	-	-
		(41,625,507)	17,556,431	(4,543,853)	421,836,406
<b>Basic earnings per share of parent company</b>					
	Profit (loss) for the year (Baht per share)	(0.101)	(0.013)	(0.016)	1.406
	Weighted average number of ordinary share (Share)	300,000,000	300,000,000	300,000,000	300,000,000

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

**CITY STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED JULY 31, 2023**

(Unit : Baht)

		Consolidated financial statements								
		Equity attributable to owner of parent					Non-controlling	Total		
		Issued and	Share	Difference	Retained earnings		Other component of equity	Total	interests	Total
		paid -up	premium	on reorganization	Appropriated	Unappropriated	Exchange differences			shareholders'
		share capital	on ordinary	of entities under	- statutory		on translating financial			equity
Note		shares	common control	reserve			statement			
	<b>Beginning balance, as at July 31, 2021</b>	300,000,000	166,145,195	(15,380,000)	30,000,000	851,231,281	(10,387,916)	1,321,608,560	-	1,321,608,560
	<b>Change in shareholders' equity for the year</b>									
	Profit (loss) for the year	-	-	-	-	(3,855,698)	-	(3,855,698)	-	(3,855,698)
	Other comprehensive income, net of income tax									
	Exchange differences on translating financial statement	-	-	-	-	-	21,412,129	21,412,129	-	21,412,129
	<b>Ending balance, as at July 31, 2022</b>	300,000,000	166,145,195	(15,380,000)	30,000,000	847,375,583	11,024,213	1,339,164,991	-	1,339,164,991
	<b>Change in shareholders' equity for the year</b>									
	Profit (loss) for the year	-	-	-	-	(30,362,460)	-	(30,362,460)	-	(30,362,460)
	Other comprehensive income, net of income tax									
	Exchange differences on translating financial statement	-	-	-	-	-	(11,451,842)	(11,451,842)	-	(11,451,842)
	Gains on re-measurements of defined benefit plans	-	-	-	-	188,795	-	188,795	-	188,795
	<b>Ending balance, as at July 31, 2023</b>	300,000,000	166,145,195	(15,380,000)	30,000,000	817,201,918	(427,629)	1,297,539,484	-	1,297,539,484

**CITY STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)**  
**FOR THE YEAR ENDED JULY 31, 2023**

(Unit : Baht)

	Note	Separate financial statements			Total shareholders' equity	
		Issued and paid share capital	Share premium	Retained earnings		
				Appropriated - statutory reserve		Unappropriated
<b>Beginning balance, as at July 31, 2021</b>		300,000,000	166,145,195	30,000,000	334,247,287	830,392,482
<b>Change in shareholders' equity for the year</b>						
Profit for the year		-	-	-	421,836,406	421,836,406
Other comprehensive income , net of income tax		-	-	-	-	-
<b>Beginning balance, as at July 31, 2022</b>		300,000,000	166,145,195	30,000,000	756,083,693	1,252,228,888
<b>Change in shareholders' equity for the year</b>						
Profit for the year		-	-	-	(4,716,801)	(4,716,801)
Other comprehensive income , net of income tax						
Gains on re-measurements of defined benefit plans	17	-	-	-	172,948	172,948
<b>Ending balance, as at July 31, 2023</b>		300,000,000	166,145,195	30,000,000	751,539,840	1,247,685,035

**CITY STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED JULY 31, 2023**

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax expense	(29,670,911)	(3,175,581)	(4,770,705)	422,153,293
Adjustments to reconcile to net cash provided by (used in)				
operating activities: -				
Depreciation and amortization	19,852,151	24,826,795	229,994	230,040
(Gain) on sales of other current financial assets	(234,520)	(23,347)	(128,046)	-
Unrealized (gain) loss on revaluation of				
other current financial assets	(338,110)	(70,804)	(198,408)	(45,532)
(Profit) from dissolution of subsidiary	-	-	-	(321,853,287)
(Gain) on sales of fixed assets	(137,990)	(549,998)	-	(14,999)
Loss on withholding tax not refundable	265,518	431,378	28,478	186,896
Dividend income	-	-	-	(98,819,992)
Interest income	(7,190,384)	(2,784,891)	(5,111,590)	(1,554,978)
Employee benefit expenses	365,604	375,515	177,192	184,042
Finance cost	269,037	182,387	96,210	53,742
Profit (loss) from operating activities before changes in operating				
assets and liabilities	(16,819,605)	19,211,454	(9,676,875)	519,225
(Increase) decrease in operating assets				
Trade and other current receivable	(1,078,456)	16,420,151	3,096,067	4,064
Inventories	1,325,719	1,709,758	-	-
Other non - current assets	-	600,000	-	-
Increase (decrease) in operating liabilities				
Trade and other current payables	(3,115,323)	69,308	(2,120,115)	1,657,808
Cash received (paid) from operating activities before				
corporate income taxes	(19,687,665)	38,010,671	(8,700,923)	2,181,097
Income taxes paid	(522,068)	(629,185)	(224,478)	(392,145)
Net cash flows provided by (used in) operating activities	(20,209,733)	37,381,486	(8,925,401)	1,788,952

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

**CITY STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS (CONT.)**

**FOR THE YEAR ENDED JULY 31, 2023**

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Cash flows from investing activities</b>				
(Increase) decrease in bank deposits pledged as collateral	-	2,227,901	-	1,943,802
Cash paid for purchases of other current financial assets	(658,602,537)	(170,386,714)	(598,000,000)	(170,101,951)
Cash received from sale of other current financial assets	515,095,446	176,275,443	505,088,471	-
Cash paid for investment in subsidiaries	-	-	-	(50,440,000)
Cash received from dissolution of subsidiary	-	-	-	568,903,267
Cash paid for purchases of fixed assets	(7,552,700)	-	-	-
Proceeds from sales of fixed asset	737,991	1,130,000	-	15,000
Dividend received from subsidiary	-	-	-	98,819,992
Interest received	7,003,940	1,960,946	5,175,645	731,033
Net cash flows provided by (used in) investing activities	(143,317,860)	11,207,576	(87,735,884)	449,871,143
<b>Cash flows from financing activities</b>				
Cash paid for lease liabilities	(481,773)	(463,052)	(31,250)	(30,036)
Cash paid for interest expenses for lease liabilities	(51,027)	(69,748)	(3,310)	(4,524)
Net cash flows used in financing activities	(532,800)	(532,800)	(34,560)	(34,560)
Exchange differences on translating financial statement	(13,880,358)	21,412,129	-	-
Net increase (decrease) in cash and cash equivalents	(177,940,751)	69,468,391	(96,695,845)	451,625,535
Cash and cash equivalents at beginning of the year	836,608,401	767,140,010	487,210,037	35,584,502
Cash and cash equivalents at end of the year	658,667,650	836,608,401	390,514,192	487,210,037
<b>Supplemental cash flows information: -</b>				
Cash and cash equivalents consisted of: -				
Cash on hand	176,856	350,002	17,583	19,358
Cash at bank - Saving account	581,619,809	359,616,136	364,422,643	70,890,813
- Current account	74,908,674	474,685,348	24,111,655	414,342,951
- Fixed deposit 3 months	1,962,311	1,956,915	1,962,311	1,956,915
	658,667,650	836,608,401	390,514,192	487,210,037

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



**CITY STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENT**  
**JULY 31, 2023**

**1. GENERAL INFORMATION**

(a) Legal status and address

City Steel Public Company Limited is a public company incorporated and domiciled in Thailand and its registered address is as follows:

88/3 Moo 4, Bypass Road, Tumbol Nongmaidaeng, Amphur Muang, Chonburi.

(b) Nature of the Company's business

The Company is principally engaged in the manufacture and sale of metal structures, storage system and material handling equipment, and fabricated metal parts, as well as the provision of one-stop metal processing services and the sale of metals.

(c) Major shareholder Name

WKP Asset Plus Company Limited, a company incorporated in Thailand.

**2. BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

2.1 The accompanying consolidated financial statements include the accounts of City Steel Public Company Limited and the following subsidiaries which are owned directly and indirectly by the Company which are incorporated in Thailand and in foreign country. And the percentage of total assets and total revenues of the subsidiaries included in the consolidated financial statement are as follows:

Company's name	Nature of business	Percentage of shareholding		Assets as a percentage to the consolidated total assets as at		Revenues as a percentage to the consolidated total revenue for the year ended July 31,	
		2023	2022	2023	2022	2023	2022
● Direct subsidiaries held by the Company							
Siam ISO Pro Co., Ltd.	Sale of metal products and industrial materials and equipment	99.99	99.99	25.31	24.77	0.13	0.11
Mark Worldwide Co., Ltd.	Manufacture and sale of metal products	99.99	99.99	23.03	24.14	91.08	93.42
City Steel Products Co., Ltd.	Manufacture and sale of metal products	99.99	99.99	-	-	-	0.55
(Registered for dissolution on October 28, 2021)							
● Indirect subsidiaries held by Siam ISO Pro Co., Ltd.							
CT Universal Co., Ltd.	Has not started operation	100.00	100.00	16.00	16.34	0.92	0.28

- 2.2 The consolidated financial statements are prepared by using uniform accounting policies for transaction alike and other events in similar circumstances.
- 2.3 The excess of the acquisition cost of the investment in subsidiary under common control over the fair value of the subsidiary's net assets as at the acquisition date is shown as a separate item in shareholders' equity under the caption "Difference on reorganization of entities under common control" in the consolidated financial statements.
- 2.4 Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- 2.5 The financial statements of an overseas subsidiary are translated into Thai Baht at the closing exchange rate as to assets and liabilities, and at averaged exchange rates on transaction date as to revenues and expenses. The resultant differences have been shown under the caption of "Exchange differences on translating financial statement" in shareholders' equity.

### **3. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS**

#### **3.1 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 financial statements in English language have been translated from such financial statements in Thai language.

#### **3.2 Financial reporting standards that became effective in the current year**

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the financial statements in the current year.

3.3. Revised Financial Reporting Standards that will become effective for the financial statements with the accounting period beginning on or after January 1, 2023

The Federation of Accounting Professions has announced to apply several revised financial reporting standards in the Royal Gazette. This will become effective for the financial statements with the accounting period beginning on or after January 1, 2023. This revision is for the financial reporting standards to be clearer and more appropriate and to conform with international financial reporting standards. Such revision does not affect the principles of the standards and does not affect the users of the financial reporting standards adopted before 2023.

The management of the Company and its subsidiaries believe that this revision of the standards will not significantly affect the financial statements.

3.4 New Financial Reporting Standards

The Federation of Accounting Professions has announced to apply the Financial Reporting Standard No.17 on “Insurance Contract” in the Royal Gazette. This standard requires to comply with the defined criteria of the international reporting standards including various related improvements. The effective date is to apply on the financial statements for the accounting period beginning on or after January 1, 2025.

The management of the Company and its subsidiaries have assessed that the new financial reporting standards are not relevant to the Company and its subsidiaries.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

##### 4.1 Recognition of revenues and expenditures

###### Sales of goods

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

###### Service revenue

Service revenue is recognized in profit or loss when services have been rendered.

###### Dividend income

Dividend income is recognized in profit or loss when the right to receive the dividends is established.

###### Other income and expenses

Other income and expenses are recognized in profit or loss on the accrual basis.

## **4.2 Cash and cash equivalents**

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

## **4.3 Trade accounts receivable**

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at its present value.

Trade receivables are stated at the amount expected to be collectible, the Company and its subsidiaries apply the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are 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. The Company and its subsidiaries have identified the GDP, the unemployment rate and the consumer price index of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The impairment losses are recognized in profit or loss within administrative expenses.

## **4.4 Inventories**

Inventories are stated at the lower of cost or net realizable value. Cost is calculated as follows:

Finished goods	: First in - First out
Work in process	: First in - First out
Raw materials and supplies	: First in - First out

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.

#### **4.5 Financial assets and financial liabilities**

##### **Classification and measurement of financial assets**

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company and its subsidiaries classify its debt instruments in the following categories:

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

The Company and its subsidiaries reclassify debt instruments when and only when its business model for managing those assets changes.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

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

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

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

- Amortized cost: A financial assets will be measured at amortized cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- FVOCI: A financial assets will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Dividends from such investments continue to be recognized in profit or loss when the Company and its subsidiaries' right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### **Classification and measurement of financial liabilities and equity**

Financial instruments issued by the Company and its subsidiaries must be classified as financial liabilities or equity securities by considering contractual obligations.

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

At initial recognition, the Company and its subsidiaries measure financial liabilities at fair value. The Company and its subsidiaries reclassify all financial liabilities as subsequently measured at amortized cost, except for derivatives.

### **Recognition and derecognition**

The Company and its subsidiaries shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the Company and its subsidiaries become party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company and its subsidiaries commit to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company and its subsidiaries have transferred substantially all the risks and rewards of ownership of the financial assets.

### **Impairment**

The Company and its subsidiaries assess on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company and its subsidiaries apply general approach for credit-impaired consideration.

## **4.6 Investments**

### **Investments in subsidiaries**

Subsidiaries are entities over which the Company has the power to control their financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The financial statements of the subsidiaries are consolidated from the date the Company exercises control over the subsidiaries until the date that control power ceases.

Investments in subsidiaries are stated at cost net from allowance on impairment (if any) in the separate financial statements.

#### **4.7 Investment property**

Investment property is stated at cost less accumulated depreciation and allowance on impairment (if any).

Depreciation of building is calculated by cost less residual value on the straight-line basis over the following estimated useful life of 20 years.

#### **4.8 Property, plant and equipment and Depreciation**

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance on impairment (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).

Depreciation of plant and equipment is calculated by cost less residual value on the straight-line basis over the following estimated useful lives:

Buildings and complements	10 - 20 years
Machinery and equipment	2 - 10 years
Furniture and office equipment	3 - 8 years
Motor vehicles	3 - 10 years

The Company and its subsidiaries have 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.

#### **4.9 Lease**

At inception of a contract, the Company and its subsidiaries assess 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 and its subsidiaries assess the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases at the date of initial application (as at August 1, 2021) 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 its subsidiaries and payments of penalties for terminating the lease, if the lease term reflects the Company and its subsidiaries exercising the option to terminate.

In calculating the present value of lease payments, the Company and its subsidiaries use 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 and its subsidiaries apply 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.

#### **4.10 Intangible assets and Amortization**

Intangible assets that are acquired with finite useful lives are stated at cost less accumulated amortization and allowance on impairment (if any). Intangible assets are amortized in the statement of comprehensive income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

Software license	3 - 5 years
------------------	-------------

#### **4.11 Related party transactions**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

#### **4.12 Foreign currencies**

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Outstanding assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into Baht at the exchange rates ruling on the statement of financial position date.

Gains and losses on exchange are included in determining income.

#### **4.13 Impairment of assets**

As at the statement of financial position date, the Company and its subsidiaries assess whether there is an indication of asset impairment. If any such indication exists, the Company and its subsidiaries 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 the statement of comprehensive income. 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 if the Company and its subsidiaries have never recognized the loss on impairment of assets. The recoverable amount of the asset is the asset's value in use or fair value less costs to sell.

#### **4.14 Employee benefits**

##### Short-term employment benefits

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

##### Post-employment benefits (Defined benefit plans)

The Company and its subsidiaries have obligations in respect of the severance payments that it must pay to the employees upon retirement under the labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by the management of the Company and its subsidiaries, 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 are recognized immediately in other comprehensive income in statement of comprehensive income as a part of retained earnings.

#### **4.15 Corporate income tax**

##### Income tax

Income tax comprises current income tax and deferred tax.

##### Current tax

The Company and its subsidiaries records income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates (20%) of profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exempted 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 and its subsidiaries 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 assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realized 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 and its subsidiaries 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.

#### **4.16 Fair value of financial instruments**

The Fund uses the market approach to measure its 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: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

#### **4.17 Earnings per share**

Basic earnings per share are calculated by dividing income for the year by the weighted average number of ordinary shares outstanding during the year.

#### **4.18 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:

**Allowance for credit loss**

In determining an allowance for credit loss, 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.

**Investment property**

In determining depreciation of investment property, the management is required to make estimates of the useful lives and residual values of the investment property and to review the useful lives and residual values when there are any changes.

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

In determining the fair value disclosure of investment property, the management used the income approach supported by current and previous valuations by an independent appraiser.

**Property, plant and equipment and right-of-used assets**

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

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

**Intangible assets**

In recording the initial recognition and measurement of intangible assets as at the acquired date and subsequent impairment testing, the management is required to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

**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.

**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.

**Determining the lease term of contracts with renewal and termination options**

The Company and its subsidiaries determine 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 and its subsidiaries reassess 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.

## 5. RELATED PARTY TRANSACTIONS

Related parties are as follows:

	Nature of business	Relationship
<u>Subsidiary Companies</u>		
Siam ISO Pro Co., Ltd.	Sale of metal products and industrial materials and equipment	The company holds 99.99% in the subsidiary
Mark Worldwide Co., Ltd.	Manufacture and sale of metal products	The company holds 99.99% in the subsidiary
CT Universal Co., Ltd. (*Indirect subsidiary through Siam ISO Pro Co., Ltd.)	Has not started operation	The subsidiary company holds 100.00% in the subsidiary
<u>Related Companies</u>		
Siam C.T.P. Industry Co., Ltd.	Sale of metal automotive accessories	Common shareholders
WKP Asset Plus Co., Ltd.	Real Estate	Major shareholder

During the year the Company and its subsidiaries had significant business transactions with the company group and related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

(Unit: Baht)

	For the year ended July 31,				Pricing Policies
	Consolidated		Separate		
	financial statements		financial statements		
	2023	2022	2023	2022	
<b><u>Transactions with subsidiaries companies</u></b>					
Management income	-	-	2,881,800	12,423,700	Cost plus margin
Electricity income	-	-	151,600	99,330	Cost plus margin
Dividend income	-	-	-	98,819,992	By the amount declared
Purchases of finished goods	-	-	2,167,050	4,443,750	Cost plus margin
<b><u>Transactions with related companies</u></b>					
Electricity expenses	370,940	319,360	-	-	Cost plus margin
Finance cost	51,027	69,748	3,310	4,524	Based on contract



The balances of the accounts as at July 31, 2023 and 2022 between the Company and those related companies are as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Trade and other current receivable</b>				
<b>Subsidiary Companies</b>				
Mark Worldwide Co., Ltd.	-	-	14,017	3,061,484
	-	-	14,017	3,061,484
<b>Trade and other current payable</b>				
<b>Subsidiary Companies</b>				
Mark Worldwide Co., Ltd.	-	-	133,964	1,967,302
	-	-	133,964	1,967,302
<b>Related parties</b>				
Siam C.T.P. Industry Co., Ltd.	37,439	27,253	-	-
	37,439	27,253	-	-
	37,439	27,253	133,964	1,967,302
<b>Lease liabilities</b>				
<b>Related parties</b>				
WKP Asset Plus Co., Ltd.	1,022,769	1,504,542	66,342	97,592

### Management benefit expenses

Management benefit expenses represent the benefits paid to the Company's management such as salaries and related benefit including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act.

Management benefit expenses for the year ended July 31, 2023 and 2022 are as follows:

	(Unit: Baht)			
	Consolidated Financial Statement		Separate Financial Statement	
	2023	2022	2023	2022
Management				
Management benefit expenses				
Short-term employee benefits	2,221,974	2,138,426	1,559,758	1,527,794
Post-employment benefits	36,213	35,477	23,837	23,187
Total	2,258,187	2,173,903	1,583,595	1,550,981

## 6. CASH AND CASH EQUIVALENTS

This account consisted of:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash on hand and petty cash	176,856	350,002	17,583	19,358
Cash at banks - Savings account	581,619,809	359,616,136	364,422,643	70,890,813
- Current account	74,908,674	474,685,348	24,111,655	414,342,951
Fixed deposits 3 months	1,962,311	1,956,915	1,962,311	1,956,915
Total	<u>658,667,650</u>	<u>836,608,401</u>	<u>390,514,192</u>	<u>487,210,037</u>

Savings account, current account, and fixed deposits have interests at the floating rate set by bank.

## 7. TRADE AND OTHER CURRENT RECEIVABLE

This account consisted of:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Trade account receivable</b>				
Account receivable	10,311,175	8,946,907	189,711	3,061,484
Note receivable	-	248,347	-	248,347
(Deduct) Expected credit loss	-	-	-	-
Total	<u>10,311,175</u>	<u>9,195,254</u>	<u>189,711</u>	<u>3,309,831</u>
<b>Other receivables</b>				
Input tax refundable	27,783	90,029	27,384	94
Input tax not yet due.	24,109	27,763	1,069	4,307
Advance payment	18,000	9,000	-	-
Prepaid expenses	209,266	189,831	-	-
Withholding taxes within 1 year.	522,068	265,518	224,478	28,478
Interest receivable	1,010,389	823,945	759,890	823,945
Total	<u>1,811,615</u>	<u>1,406,086</u>	<u>1,012,821</u>	<u>856,824</u>
Total accounts receivable and other receivables	<u>12,122,790</u>	<u>10,601,340</u>	<u>1,202,532</u>	<u>4,166,655</u>

The outstanding balances of trade accounts receivable as at July 31, 2023 and 2022 as classified by due dates, are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Age of receivables</b>				
Undue	10,198,076	8,828,912	189,711	3,300,875
Less than 3 months overdue	113,099	366,342	-	8,956
Over 3 months to 6 months	-	-	-	-
Over 6 months to 12 months	-	-	-	-
Over 12 months	-	-	-	-
<b>Total</b>	<b>10,311,175</b>	<b>9,195,254</b>	<b>189,711</b>	<b>3,309,831</b>

## 8. INVENTORIES

This account consisted of:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Raw materials	2,153,807	2,070,260	-	-
Goods in transit	-	1,409,266	-	-
<b>Total</b>	<b>2,153,807</b>	<b>3,479,526</b>	<b>-</b>	<b>-</b>

## 9. OTHER CURRENT FINANCIAL ASSETS

This account consisted of:

(Unit : Baht)

As at July 31, 2023

	Consolidated financial statements			Separate financial statements		
	Amortized cost	FVPL	Total	Amortized cost	FVPL	Total
Investments in fixed deposits	42,887,299	-	42,887,299	-	-	-
Investment in mutual funds	-	71,884,845	71,884,845	-	43,484,948	43,484,948
Investment in structure notes	235,000,000	-	235,000,000	235,000,000	-	235,000,000
<b>Total</b>	<b>277,887,299</b>	<b>71,884,845</b>	<b>349,772,144</b>	<b>235,000,000</b>	<b>43,484,948</b>	<b>278,484,948</b>

(Unit : Baht)

	As at July 31, 2022					
	Consolidated financial statements			Separate financial statements		
	Amortized cost	FVPL	Total	Amortized cost	FVPL	Total
Investments in fixed deposits	20,284,763	-	20,284,763	20,000,000	-	20,000,000
Investment in mutual funds	-	35,305,709	35,305,709	-	15,145,014	15,145,014
Investment in structure notes	150,101,951	-	150,101,951	150,101,951	-	150,101,951
Total	170,386,714	35,305,709	205,692,423	170,101,951	15,145,014	185,246,965

As at July 31, 2023 and 2022, the fixed deposits have interest rate of 0.15% - 4.48% per annum and interest rate of 0.15% - 0.55% per annum, the maturity date within May 19, 2024 and May 19, 2023 respectively. Investments in mutual funds are measured at fair value and are classified as level 2 of the fair value measurement (See Note 26.6).

As at July 31, 2023, the investment in debt security is an investment in three non-transferrable short-term structured notes with interest rate of 1.50% - 1.85% per annum, the maturity dates are on August 9, 2023, September 25, 2023, and January 9, 2024 respectively.

As at July 31, 2022, the investment in debt security is an investment in debentures with an interest rate of 3.56% per annum, the maturity date is on September 20, 2022 and two non-transferable short-term structured notes with interest rate of 0.75% and 0.90% per annum, the maturity date is on October 7, 2022 and November 3, 2022 respectively.

## 10. INVESTMENTS IN SUBSIDIARIES

As at July 31, 2023 and 2022 investments in subsidiaries accounted for under cost method represent investments in ordinary shares in the following subsidiaries.

Company's name	(Unit: Baht)							
	Paid share capital		At equity method		At cost method		Dividend income	
	2023	2022	2023	2022	2023	2022	For the years ended July 31,	
							2023	2022
<u>Direct subsidiaries held by the Company</u>								
Siam ISO Pro Co., Ltd.								
and subsidiary	299,800,000	299,800,000	541,372,146	557,587,429	299,799,940	299,799,940	-	-
Mark Worldwide Co., Ltd.	295,000,000	295,000,000	323,584,295	344,450,666	294,999,940	294,999,940	-	-
City Steel Products Co., Ltd. (Registered for dissolution on October 28, 2021)	-	-	-	-	-	-	-	98,819,992
			864,956,441	902,038,095	594,799,880	594,799,880	-	98,819,992
(Less) Difference from business restructuring								
- Mark Worldwide Co., Ltd.			(15,380,000)	(15,380,000)	(15,380,000)	(15,380,000)	-	-
Total investments in subsidiaries			849,576,441	886,658,095	579,419,880	579,419,880	-	98,819,992

## **ESTABLISHMENT OF THE OVERSEAS SUBSIDIARY**

Siam ISO Pro Company Limited (subsidiary) had established and registered a subsidiary in the Republic of Seychelles, which offers better privileges for the Company and will generate more benefits for the Group, by using the source of funds from the Group's working capital with the objectives of facilitating the Group's future business expansion. The details of the investment are as follows:

Company name	: CT Universal Company Limited
Date of registration	: January 20, 2017
Registered capital	: USD 6.0 million (Baht 204.92 million)
Type of business	: Merchandising industrial and consumer products as well as investing in new businesses
Shareholding structure	: Siam ISO Pro Company Limited holds 100% of total shares

Siam ISO Pro Company Limited had fully paid for the share capital in the subsidiary. Currently this subsidiary has not yet started the operation. It only has interest income from bank deposits and possesses the right-of-use of an apartment in England, with the purpose for renting or resale when the asset value increases. (See Note 11).

During the year 2021/2022 changes in the investment in the subsidiary are as follows:

1. According to the minutes of the Board of Directors' Meeting held on September 25, 2021, the Board of Directors had approved to restructure the Group's business operation by transferring businesses between 2 subsidiaries. City Steel Products Co., Ltd. would close down its operation and transfer entire business to Mark Worldwide Co., Ltd. which engaging in the same business of manufacturing and sale of metal products. This transfer of business operations between the subsidiaries will help reducing the redundancy in business operation, improving management efficiency, as well as decreasing costs and expenses. The transfer will be in the form of Entire Business Transfer of the companies under common control, which will be entitled to receive tax benefits on Value Added Tax and corporate income tax according to the regulation specified in the Revenue Code. City Steel Products Co., Ltd. had registered for the dissolution with the Department of Business Development, Ministry of Commerce on October 28, 2021.

From the dissolution of the subsidiary, the Company has received its initial investment with accumulated interests of Baht 568.90 million and recognized gain from the dissolution of the subsidiary in the Company's separated financial statements of Baht 321.85 million.

2. Siam ISO Pro Company Limited had called for additional paid-up capital of 21,600,000 shares at Baht 1.65 per share, totaling to Baht 35.64 million. Mark Worldwide Company Limited had also called for additional paid-up capital of 18,500,000 shares at Baht 0.80 per share, totaling to Baht 14.80 million. The total amount the Company paid for additional paid-up capital were Baht 50.44 million.

The summary of financial information represents the amounts of subsidiaries before intragroup eliminations as follows:

	2023		2022		(Unit : Baht)
	Siam ISO Pro Co., Ltd. and subsidiary	Mark Worldwide Co., Ltd.	Siam ISO Pro Co., Ltd. and subsidiary	Mark Worldwide Co., Ltd.	City Steel Products Co., Ltd. (Registered for dissolution on October 28, 2021)
Current assets	244,801,783	132,717,929	258,154,909	150,876,331	667,109,918
Non-current assets	296,896,463	184,729,388	299,931,761	193,808,255	-
Total assets	541,698,246	317,447,317	558,086,670	344,684,586	667,109,918
Current liabilities	320,402	3,250,512	488,124	9,392,128	99,045,993
Non-current liabilities	5,638	5,753,577	11,057	5,923,182	-
Total liabilities	326,040	9,004,089	499,181	15,315,310	99,045,993
Net asset	541,372,206	308,443,228	557,587,489	329,369,276	568,063,925
Revenue	5,645,184	97,222,047	5,456,699	127,831,903	729,122
Net cash flows provided by (used in) operating Activities	(1,453,068)	(9,831,263)	759,256	31,954,147	1,019,994
Net cash flows provided by (used in) investing Activities	(7,626,828)	(48,912,015)	(32,385,225)	(56,118,131)	46,407,587
Net cash flows provided by (used in) financing Activities	(5,760)	(492,480)	35,634,240	14,307,520	-
Net cash increase (decrease)	(9,085,656)	(59,235,758)	4,008,271	(9,856,464)	47,427,581

## 11. INVESTMENT PROPERTY

This account consisted of:

	Consolidated financial statements				(Unit : Baht)
	Balance As at July 31, 2022	Additions	Deduction	Transfers in (out)	Balance As at July 31, 2023
<u>At cost</u>					
Land	88,100,000	-	-	-	88,100,000
Right-of-use - apartment	25,946,237	-	-	2,788,012	28,734,249
Total	114,046,237	-	-	2,788,012	116,834,249
<u>Less Accumulated depreciation :</u>					
Right-of-use - apartment	2,681,644	1,364,385	-	359,496	4,405,525
Total	2,681,644	1,364,385	-	359,496	4,405,525
Investment property - net	111,364,593				112,428,724

(Unit : Baht)

	Consolidated financial statements				Balance As at July 31, 2022
	Balance As at July 31, 2021	Additions	Deduction	Transfers in (out)	
<u>At cost</u>					
Land	88,100,000	-	-	-	88,100,000
Right-of-use - apartment	25,946,237	-	-	-	25,946,237
Total	114,046,237	-	-	-	114,046,237
<u>Less Accumulated depreciation :</u>					
Right-of-use - apartment	1,385,220	1,296,424	-	-	2,681,644
Total	1,385,220	1,296,424	-	-	2,681,644
Investment property - net	112,661,017				111,364,593
Depreciation for the years ended July 31,					
2023 (Total included in administrative expenses)					1,364,385
2022 (Total included in administrative expenses)					1,296,424

Investment property are as follows

1. Land of 29 plots with total cost of Baht 88.10 million. The appraisal value evaluated by independent appraiser on July 27, 2021 using market price comparison approach was Baht 118.78 million. The Company and its subsidiaries have classified these plots of land as level 3 of the fair value measurement. (See Note 26.6).
2. The right-of-use of an apartment in England at the value of GBP 0.68 million or equaled to Baht 25.95 million with the objective for renting or resale when the asset value increases, had been purchased by CT Universal Company Limited on July 7, 2020. The fair value of the right-of-use of an apartment was Baht 25.66 million. The Company and its subsidiaries have classified the right-of-use of an apartment as level 3 of the fair value measurement. (See Note 26.6).

## 12. PROPERTY, PLANT AND EQUIPMENT

This account consisted of:

(Unit : Baht)

	Consolidated financial statements				Balance As at July 31, 2023
	Balance As at July 31, 2022	Additions	Deduction	Transfers in (out)	
<u>At cost</u>					
Land	58,858,269	-	-	-	58,858,269
Building	237,137,946	-	-	-	237,137,946
Machinery and equipment	525,248,067	-	-	-	525,248,067
Vehicle	55,274,176	7,552,700	(3,391,150)	-	59,435,726
Furniture and office equipment	16,968,360	-	-	-	16,968,360
Total	893,486,818	7,552,700	(3,391,150)	-	897,648,368
<u>Less Accumulated depreciation :</u>					
Building	136,357,992	11,570,310	-	-	147,928,302
Machinery and equipment	517,553,589	2,774,328	-	-	520,327,917
Vehicle	42,491,719	3,475,057	(2,791,149)	-	43,175,627
Furniture and office equipment	16,168,451	177,916	-	-	16,346,367
Total	712,571,751	17,997,611	(2,791,149)	-	727,778,213
Property, plant and equipment - net	180,915,067				169,870,155

(Unit : Baht)

	Consolidated financial statements				Balance As at July 31, 2022
	Balance As at July 31, 2021	Additions	Deduction	Transfers in (out)	
<u>At cost</u>					
Land	58,858,269	-	-	-	58,858,269
Building	237,137,946	-	-	-	237,137,946
Machinery and equipment	525,248,067	-	-	-	525,248,067
Vehicle	60,269,993	-	(4,995,817)	-	55,274,176
Furniture and office equipment	16,968,360	-	-	-	16,968,360
Total	898,482,635	-	(4,995,817)	-	893,486,818
<u>Less Accumulated depreciation :</u>					
Building	124,693,230	11,664,762	-	-	136,357,992
Machinery and equipment	509,691,006	7,862,583	-	-	517,553,589
Vehicle	43,572,578	3,334,956	(4,415,815)	-	42,491,719
Furniture and office equipment	15,990,536	177,915	-	-	16,168,451
Total	693,947,350	23,040,216	(4,415,815)	-	712,571,751
Property, plant and equipment - net	204,535,285				180,915,067

Depreciation for the years ended July 31,

2023 (Baht 11.25 million included in cost of sales and services and the balance in administrative expenses) 17,997,611

2022 (Baht 16.43 million included in cost of sales and services and the balance in administrative expenses) 23,040,216



(Unit : Baht)

	Separate financial statements				Balance As at July 31, 2023
	Balance As at July 31, 2022	Additions	Deduction	Transfers in (out)	
<u>At cost</u>					
Building	4,464,395	-	-	-	4,464,395
Machinery and equipment	31,083,525	-	-	-	31,083,525
Furniture and office equipment	3,366,327	-	-	-	3,366,327
Total	38,914,247	-	-	-	38,914,247
<u>Less Accumulated depreciation :</u>					
Building	3,419,521	199,314	-	-	3,618,835
Machinery and equipment	31,083,471	-	-	-	31,083,471
Furniture and office equipment	3,366,292	-	-	-	3,366,292
Total	37,869,284	199,314	-	-	38,068,598
Property, plant and equipment - net	1,044,963				845,649

(Unit : Baht)

	Separate financial statements				Balance As at July 31, 2022
	Balance As at July 31, 2021	Additions	Deduction	Transfers in (out)	
<u>At cost</u>					
Building	4,464,395	-	-	-	4,464,395
Machinery and equipment	31,083,525	-	-	-	31,083,525
Vehicle	1,186,916	-	(1,186,916)	-	-
Furniture and office equipment	3,366,327	-	-	-	3,366,327
Total	40,101,163	-	(1,186,916)	-	38,914,247
<u>Less Accumulated depreciation :</u>					
Building	3,220,160	199,361	-	-	3,419,521
Machinery and equipment	31,083,471	-	-	-	31,083,471
Vehicle	1,186,916	-	(1,186,916)	-	-
Furniture and office equipment	3,366,292	-	-	-	3,366,292
Total	38,856,839	199,361	(1,186,916)	-	37,869,284
Property, plant and equipment - net	1,244,324				1,044,963
Depreciation for the years ended July 31,					
2023 (Total included in administrative expenses)					199,314
2022 (Total included in administrative expenses)					199,361

A subsidiary has mortgaged land and construction with a total net book value as at July 31, 2023, of Baht 91.43 million (As at July 31, 2022: Baht 96.37 million) to secure credit facilities of the group which it had obtained from the financial institution. (See Note 24.1).

As at July 31, 2023 and 2022, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost of those assets amounted to Baht 408.49 million and Baht 408.67 million, respectively (the Company: Baht 34.89 million and Baht 34.89 million, respectively).

### 13. RIGHT-OF-USE ASSETS

This account consisted of:

	Consolidated financial statements				(Unit : Baht)
	Balance per book as at Jul. 31, 2022	Additions	Deductions	Transfer in (out)	Balance per book as at Jul. 31, 2023
<u>At cost</u>					
Building and Factory	2,033,645	-	-	-	2,033,645
<u>Less accumulated depreciation</u>	<u>561,837</u>	<u>490,155</u>	<u>-</u>	<u>-</u>	<u>1,051,992</u>
Right-of-use asset - net	<u>1,471,808</u>				<u>981,653</u>
					(Unit : Baht)
	Consolidated financial statements				
	Balance per book as at Jul. 31, 2021	Additions	Deductions	Transfer in (out)	Balance per book as at Jul. 31, 2022
<u>At cost</u>					
Building and Factory	214,950	1,818,695	-	-	2,033,645
<u>Less accumulated depreciation</u>	<u>71,682</u>	<u>490,155</u>	<u>-</u>	<u>-</u>	<u>561,837</u>
Right-of-use asset - net	<u>143,268</u>				<u>1,471,808</u>
Depreciation for the years ended July 31,					
2023 (Total included in administrative expenses)					<u>490,155</u>
2022 (Total included in administrative expenses)					<u>490,155</u>

(Unit : Baht)

	Separate financial statements				Balance per book as at Jul. 31, 2023
	Balance per book as at Jul. 31, 2022	Additions	Deductions	Transfer in (out)	
<u>At cost</u>					
Building and Factory	184,243	-	-	-	184,243
<u>Less accumulated depreciation</u>	<u>92,121</u>	<u>30,680</u>	<u>-</u>	<u>-</u>	<u>122,801</u>
Right-of-use asset - net	<u>92,122</u>				<u>61,442</u>

(Unit : Baht)

	Separate financial statements				Balance per book as at Jul. 31, 2022
	Balance per book as at Jul. 31, 2021	Additions	Deductions	Transfer in (out)	
<u>At cost</u>					
Building and Factory	184,243	-	-	-	184,243
<u>Less accumulated depreciation</u>	<u>61,442</u>	<u>30,679</u>	<u>-</u>	<u>-</u>	<u>92,121</u>
Right-of-use asset - net	<u>122,801</u>				<u>92,122</u>
Depreciation for the years ended July 31,					
2023 (Total included in administrative expenses)					<u>30,680</u>
2022 (Total included in administrative expenses)					<u>30,679</u>

**14. INTANGIBLE ASSETS**

This account consisted of:

(Unit : Baht)

	Consolidated financial statements			Balance As at July 31, 2023
	Balance As at July 31, 2022	Additions	Deduction	
<u>At cost</u>				
Computer software	2,006,770	-	-	2,006,770
<u>Less Accumulated amortization</u>	<u>2,006,548</u>	<u>-</u>	<u>-</u>	<u>2,006,548</u>
Intangible assets - net	<u>222</u>			<u>222</u>

(Unit : Baht)

	Consolidated financial statements			
	Balance As at	Additions	Deduction	Balance As at
	July 31, 2021			July 31, 2022
<u>At cost</u>				
Computer software	2,006,770	-	-	2,006,770
<u>Less Accumulated amortization</u>	<u>2,006,548</u>	<u>-</u>	<u>-</u>	<u>2,006,548</u>
Intangible assets - net	<u>222</u>			<u>222</u>

(Unit : Baht)

	Separate financial statements			
	Balance As at	Additions	Deduction	Balance As at
	July 31, 2022			July 31, 2023
<u>At cost</u>				
Computer software	1,279,270	-	-	1,279,270
<u>Less Accumulated amortization</u>	<u>1,279,059</u>	<u>-</u>	<u>-</u>	<u>1,279,059</u>
Intangible assets - net	<u>211</u>			<u>211</u>

(Unit : Baht)

	Separate financial statements			
	Balance As at	Additions	Deduction	Balance As at
	July 31, 2021			July 31, 2022
<u>At cost</u>				
Computer software	1,279,270	-	-	1,279,270
<u>Less Accumulated amortization</u>	<u>1,279,059</u>	<u>-</u>	<u>-</u>	<u>1,279,059</u>
Intangible assets - net	<u>211</u>			<u>211</u>

## 15. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Changes in deferred tax assets and deferred tax liabilities for the year ended July 31, 2023 and 2022 are summarized as follows:

	Consolidated financial statements			(Unit: Baht)
	Balance as at July 31, 2022	Revenue (expenses) during the year		Balance as at July 31, 2023
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Right-of-use assets	6,547	1,676	-	8,223
Provisions for employee benefits	1,677,286	116,723	(47,199)	1,746,810
Tax losses brought forward	1,798,254	(809,948)	-	988,306
Total	<u>3,482,087</u>	<u>(691,549)</u>	<u>(47,199)</u>	<u>2,743,339</u>

	Consolidated financial statements			(Unit: Baht)
	Balance as at July 31, 2021	Revenue (expenses) during the year		Balance as at July 31, 2022
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Right-of-use assets	1,127	5,420	-	6,547
Provisions for employee benefits	1,579,655	97,631	-	1,677,286
Tax losses brought forward	2,217,755	(419,501)	-	1,798,254
Total	<u>3,798,537</u>	<u>(316,450)</u>	<u>-</u>	<u>3,482,087</u>

	Separate financial statements			(Unit: Baht)
	Balance as at July 31, 2022	Revenue (expenses) during the year		Balance as at July 31, 2023
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Right-of-use assets	1,094	(114)	-	980
Provisions for employee benefits	681,723	54,018	(43,236)	692,505
Total	<u>682,817</u>	<u>53,904</u>	<u>(43,236)</u>	<u>693,485</u>

(Unit: Baht)

	Separate financial statements			Balance as at July 31, 2022
	Balance as at July 31, 2021	Revenue (expenses) during the year		
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Right-of-use assets	965	129	-	1,094
Provisions for employee benefits	635,072	46,651	-	681,723
Total	636,037	46,780	-	682,817

**16. LEASE LIABILITIES**

Movements of the lease liabilities for the year ended July 31, 2023 and 2022 are summarized as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
As at July 31	1,504,542	148,899	97,592	127,628
Increase from interest	51,027	69,748	3,310	4,524
Increase	-	1,818,695	-	-
Payment	(532,800)	(532,800)	(34,560)	(34,560)
Balance as at July 31	1,022,769	1,504,542	66,342	97,592
Less Current portion within one year	(501,252)	(481,773)	(32,514)	(31,250)
Net	521,517	1,022,769	33,828	66,342

The Company and its subsidiaries had total cash outflows for leases for year ended July 31, 2023 and 2022 in amount of Baht 0.48 million and Baht 0.46 million (separate company: Baht 0.03 million and Baht 0.03 million).

The amounts recognized in profit or loss for year ended July 31, 2023 and 2022 are as follow:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Depreciation of right-of-use assets	490,155	490,155	30,680	30,679
Interest expense on lease liabilities	51,027	69,748	3,310	4,524
Total	541,182	559,903	33,990	35,203

## 17. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

### Statement of financial position

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Beginning of the year	8,386,429	7,898,276	3,408,617	3,175,357
Current service costs and interest				
Current service costs	365,604	375,515	177,192	184,042
Finance cost	218,010	112,638	92,900	49,218
(Gain) on re-measurements of defined benefit plans	(235,994)	-	(216,185)	-
Ending of the year	<u>8,734,049</u>	<u>8,386,429</u>	<u>3,462,524</u>	<u>3,408,617</u>

### Expenses recognized in the statements of comprehensive income

For the year ended July 31, 2023 and 2022

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Cost of sales and services	137,273	141,346	-	-
Administrative expenses	192,118	198,692	153,356	160,855
Management benefit expenses	36,213	35,477	23,836	23,187
Finance cost	218,010	112,638	92,900	49,218
	<u>583,614</u>	<u>488,153</u>	<u>270,092</u>	<u>233,260</u>

**(Gain) losses on re-measurements of defined benefit plans**

For the year ended July 31, 2023 and 2022

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
(Gain) loss arising from				
Change in discount rate assumption	(1,224,372)	-	(627,333)	-
Change in salary increase rate assumption	481,751	-	304,908	-
Experience adjustment	506,627	-	106,240	-
Total	(235,994)	-	(216,185)	-

**Primary assumptions for estimation according to actuarial principles**

For the year ended July 31, 2023 and 2022

	Percentage	
	Consolidated financial statements/ Separate financial statements	
	2023	2022
Discount rate	2.91	1.55
Salary increase rate	1.5 - 2.5	1 - 1.6
Employee turnover rate	2	2
Mortality rate	105 of Thai Mortality Table 2017	105 of Thai Mortality Table 2017

**Sensitivity analysis**

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

(Unit: Baht)

	Consolidated Financial		Separate Financial	
	Statements		Statements	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	(800,493)	926,112	(422,467)	492,084
Future salary increase rate	771,665	(672,471)	485,366	(421,017)
Staff turnover rate	(383,029)	405,047	(199,231)	211,443
Mortality rate	(112,092)	113,786	(56,464)	57,355



The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at July 31, 2022 are summarized below:

(Unit: Baht)

	Consolidated Financial		Separate Financial	
	Statements		Statements	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	(745,327)	868,160	(451,454)	531,971
Future salary increase rate	798,346	(684,134)	561,573	(477,433)
Staff turnover rate	(379,672)	404,076	(222,859)	238,406
Mortality rate	(109,120)	110,995	(59,987)	61,098

## 18. LEGAL RESERVE

According to the Civil and Commercial Code, the company is required to reserve at least 5% of net income as a statutory reserve when declare a dividend payment, until the statutory reserve equal to 10% of the registered capital. The statutory reserve shall not be used for dividend payment.

## 19. TAX EXPENSE (INCOME)

19.1 Major components of income tax expense (income) for the years ended July 31, 2023 and 2022 consisted of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Income tax expense (income) shown in profit or loss:				
Current tax expense:				
Income tax expense for the years	-	363,667	-	363,667
Deferred tax expense (income):				
Changes in temporary differences relating to the				
original recognition and reversal	691,549	316,450	(53,904)	(46,780)
Total	691,549	680,117	(53,904)	316,887
Income tax relating to components of other comprehensive income:				
Deferred tax relating to:				
Re-measurements of defined benefit plans	47,199	-	43,236	-
Total	47,199	-	43,236	-

19.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the years ended July 31, 2023 and 2022 are summarized as follows:

	(Unit: Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2023	2022	2023	2022
Accounting profit (loss) for the years	(29,670,911)	(3,175,581)	(4,770,705)	422,153,293
The applicable tax rate (%)	20	20	20	20
Income tax expense (income) at the applicable tax rate	(5,934,182)	(635,116)	(954,141)	84,430,659
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	1,445,494	668,704	5,696	37,379
Tax effects of incomes or profits that not included in computing taxable profits:				
- Others	22,888	(49,554)	-	(84,151,151)
The amount of previously unrecognized tax losses for a prior period that is used to reduce current tax expenses	-	(1,378,754)	-	-
Unrecognized tax losses on deferred tax assets	5,157,349	2,074,837	894,541	-
Total reconciliation items	6,625,731	1,315,233	900,237	(84,113,772)
Total income tax expense (income)	691,549	680,117	(53,904)	316,887

The Company and its subsidiaries had tax losses for the year ended July 31, 2023 and 2022 that had not been used of Baht 25.79 million and Baht 10.37 million respectively (the Company : Baht 4.47 million and Baht 0.00 million, respectively). The Company and its subsidiary did not record those tax losses as deferred tax assets as there was uncertainty that the subsidiary would have sufficient taxable profits to utilize the deferred tax assets.

19.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended July 31, 2023 and 2022 are summarized as follows:

(Unit: Baht)

	Consolidated financial statements			
	2023		2022	
	Tax amount	Tax rate	Tax amount	Tax rate
	(%)		(%)	
Accounting profit (loss) before tax expense for the years	(29,670,911)		(3,175,581)	
Income tax expense (income) at the applicable tax rate	(5,934,182)	(20.00)	(635,116)	(20.00)
Reconciliation items	6,625,731	24.84	1,315,233	41.42
Income tax expense (income) at the average effective tax rate	691,549	4.84	680,117	21.42

(Unit: Baht)

	Separate financial statements			
	2023		2022	
	Tax amount	Tax rate	Tax amount	Tax rate
	(%)		(%)	
Accounting profit (loss) before tax expense for the years	(4,770,705)		422,153,293	
Income tax expense (income) at the applicable tax rate	(954,141)	(20.00)	84,430,659	20.00
Reconciliation items	900,237	18.87	(84,113,772)	(19.92)
Income tax expense (income) at the average effective tax rate	(53,904)	(1.13)	316,887	0.08

## 20. EXPENSE BY NATURE

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	Raw material and consumable used	33,424,247	40,287,495	-
Depreciation and amortization	19,852,151	24,826,795	229,994	230,040
Employee expense	42,032,114	36,549,176	11,699,213	11,167,270

## **21. PROVIDENT FUND**

The Company and its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees, the Company and its subsidiaries contributed to the fund monthly at the rate of 2 percent of the basic salary. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. For the years ended July 31, 2023 and 2022 the contributions by the Company and its subsidiaries amounted in total of Baht 0.85 million and Baht 0.85 million, respectively (the Company : Baht 0.85 million and Baht 0.84 million, respectively).

## **22. FINANCIAL INFORMATION BY SEGMENT**

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

The one main operating segment of the Company and its subsidiaries is manufactures and sells metal products by dividing the marketing and production teams into 2 units, (1) Manufactures and sells of metal structures, storage systems and material handling equipment, and other metal products and (2) Manufactures and sells of metal and fabricated metal parts with the main operation in the single geographic area in Thailand.

Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

Transfer prices between business segments are the prices that mentioned in Note 5 to the financial statements.

## **23. CAPITAL MANAGEMENT**

The primary objective of the Company's capital management 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 consolidated and separate statement of financial position as at July 31, 2023 and as at July 31, 2022, the Company and its subsidiaries debt-to-equity ratio was 0.010 : 1 and 0.012 : 1, and the Company's debt-to-equity ratio was 0.003 : 1 and 0.005 : 1 respectively.

## 24. COMMITMENTS AND CONTINGENT LIABILITIES

### 24.1 Short term loan from financial institutions

The Company and its subsidiaries obtained loan facilities from local commercial banks totaling Baht 290 million (As at July 31, 2022 : Baht 290 million). These loans are guaranteed by two subsidiaries and the subsidiary's land and construction thereon.

### 24.2 Others

The Company had outstanding commitment in respect of uncalled portion of investments in its subsidiaries approximately Baht 70.20 million.

## 25. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended July 31, 2023 and 2022 are as follows:

(Unit: Baht)

	Consolidated financial statements				
	Balance as at August 1, 2022	Cash flows Increase (decrease)*	Non-cash transaction		Balance as at July 31, 2023
		Increase (Decrease)	Differences on translation of financial statements		
Lease liabilities	1,504,542	(481,773)	-	-	1,022,769

(Unit: Baht)

	Consolidated financial statements				
	Balance as at August 1, 2021	Cash flows Increase (decrease)*	Non-cash transaction		Balance as at July 31, 2022
		Increase (Decrease)	Differences on translation of financial statements		
Lease liabilities	148,899	(463,052)	1,818,695	-	1,504,542

(Unit: Baht)

	Separate financial statements				
	Balance as at August 1, 2022	Cash flows Increase (decrease)*	Non-cash transaction Increase (Decrease)		Balance as at July 31, 2023
			Differences on translation of financial statements		
Lease liabilities	97,592	(31,250)	-	-	66,342

(Unit: Baht)

	Separate financial statements				
	Balance as at August 1, 2021	Cash flows Increase (decrease)*	Non-cash transaction Increase (Decrease)		Balance as at July 31, 2022
			Differences on translation of financial statements		
Lease liabilities	127,628	(30,036)	-	-	97,592

\* Net cash flows from financing activities included amount of cash received and repayment in the statements of cash flows.

## 26. FINANCIAL INSTRUMENTS

### 26.1 Financial risk management policies

The Company and its subsidiary are exposed to normal business risks from changes in market interest rates and from non-performance of contractual obligations by counterparties. The Company and its subsidiary do not hold or issue derivative financial instruments for speculative or trading purposes.

### 26.2 Interest rate risk

Interest rate risk is the risk associated with the change in future market interest rates, which may affect the interest revenues and expenses in the current year and in the future. The Company and its subsidiaries exposed to the interest rate risk regarding the deposits at financial institution, short term investment, and loans from financial institutions since the borrowing costs might be affected by the change in interest rate. The Company and its subsidiary have no policy to use any derivative financial instruments to manage this risk.

As at July 31, 2023 and 2022, the classification of significant financial assets and liabilities by types of interest rates, as well as the financial assets and liabilities with fixed interest rates classified by maturity dates or renewal dates (if the renewal dates were due first) were presented as follows:

(Unit: Baht)

	Consolidated financial statement							
	2023				2022			
	Floating	Fixed	No interest	Total	Floating	Fixed	No interest	Total
	Interest rate	Interest rate			Interest rate	Interest rate		
<u>Financial assets</u>								
Cash and cash equivalents	656,435,189	1,962,311	270,150	658,667,650	834,218,173	1,956,915	433,313	836,608,401
Trade and other current receivables	-	-	12,122,790	12,122,790	-	-	10,601,340	10,601,340
Other current financial assets	-	277,887,299	71,884,845	349,772,144	-	170,386,714	35,305,709	205,692,423
<u>Financial liabilities</u>								
Trade and other current payables	-	-	2,849,182	2,849,182	-	-	5,964,505	5,964,505
Lease liabilities	-	1,022,769	-	1,022,769	-	1,504,542	-	1,504,542

(Unit: Baht)

	2023						
	Consolidated financial statement						
	Reprising or maturity date				No	Total	Interest rate
	At call	Within 1 year	1 - 5 years	Over 5 years	maturity		(percent)
<u>Financial assets</u>							
Cash and cash equivalents	-	1,962,311	-	-	-	1,962,311	0.75
Other current financial assets	-	277,887,299	-	-	-	277,887,299	0.15 - 4.48
<u>Financial liabilities</u>							
Lease liabilities	-	501,252	521,517	-	-	1,022,769	3.97

(Unit: Baht)

	2022						
	Consolidated financial statement						
	Reprising or maturity date				No maturity	Total	Interest rate (percent)
	At call	Within 1 year	1 - 5 years	Over 5 years			
<u>Financial assets</u>							
Cash and cash equivalents	-	1,956,915	-	-	-	1,956,915	0.10
Other current financial assets	-	170,386,714	-	-	-	170,386,714	0.15 - 3.56
<u>Financial liabilities</u>							
Lease liabilities	-	481,773	1,022,769	-	-	1,504,542	3.97

(Unit: Baht)

	Separate financial statements							
	2023				2022			
	Floating	Fixed	No interest	Total	Floating	Fixed	No interest	Total
	Interest rate	Interest rate			Interest rate	Interest rate		
<u>Financial assets</u>								
Cash and cash equivalents	388,481,606	1,962,311	70,275	390,514,192	485,191,072	1,956,915	62,050	487,210,037
Trade and other current receivables	-	-	1,202,532	1,202,532	-	-	4,166,655	4,166,655
Other current financial assets	-	235,000,000	43,484,948	278,484,948	-	170,101,951	15,145,014	185,246,965
<u>Financial liabilities</u>								
Trade and other current payables	-	-	423,438	423,438	-	-	2,543,553	2,543,553
Lease liabilities	-	66,342	-	66,342	-	97,592	-	97,592

(Unit: Baht)

	2023						
	Separate financial statements						
	Reprising or maturity date				No maturity	Total	Interest rate (percent)
	At call	Within 1 year	1 - 5 years	Over 5 years			
<u>Financial assets</u>							
Cash and cash equivalents	-	1,962,311	-	-	-	1,962,311	0.75
Other current financial assets	-	235,000,000	-	-	-	235,000,000	1.50 - 1.85
<u>Financial liabilities</u>							
Lease liabilities	-	32,514	33,828	-	-	66,342	3.97



(Unit: Baht)

	2022						
	Separate financial statements						
	Reprising or maturity date				No	Total	Interest rate
	At call	Within 1 year	1 - 5 years	Over 5 years	maturity		(percent)
<u>Financial assets</u>							
Cash and cash equivalents	-	1,956,915	-	-	-	1,956,915	0.10
Other current financial assets	-	170,101,951	-	-	-	170,101,951	0.55 - 3.56
<u>Financial liabilities</u>							
Lease liabilities	-	31,250	66,342	-	-	97,592	3.97

### 26.3 Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle its financial and contractual obligations to the Company as and when they fall due.

Management has specified a credit policy to regularly monitor the credit risk by analyzing customers' financial positions, determining proper credit terms, requesting for advanced payments, or asking for securities deposits. Therefore, the Company and its subsidiaries do not expect to incur significant losses from the collection of account receivables more than the amount already provided in the allowance for doubtful accounts.

### 26.4 Foreign currency risk

The Company and its subsidiaries are exposed to foreign currency exchange rate risk as the Company and its subsidiaries had bank deposits denominated in foreign currencies.

As at July 31, 2023 and 2022, the Company and its subsidiaries had outstanding assets in foreign currencies as follows:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Deposits at bank-US Dollars				
Carrying amount on statement of financial position	49,030,232	50,323,963	-	-
Total	<u>49,030,232</u>	<u>50,323,963</u>	<u>-</u>	<u>-</u>

## 26.5 Liquidity risk

The Company and its subsidiary monitor its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in a decrease of cash flows.

## 26.6 Fair values of financial instruments

As at July 31, 2023 and 2022, the Company and its subsidiaries had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Baht)

	Consolidated Financial Statements			
	Fair value			
	2023			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Investment in mutual fund				
- Unit trust	-	71,884,845	-	71,884,845
<b>Assets disclosed at fair value</b>				
Investment property	-	-	144,441,538	144,441,538
Total	-	71,884,845	144,441,538	216,326,383

	Consolidated Financial Statements			
	Fair value			
	2022			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Investment in mutual fund				
- Unit trust	-	35,305,709	-	35,305,709
<b>Assets disclosed at fair value</b>				
Investment property	-	-	148,953,709	148,953,709
Total	-	35,305,709	148,953,709	184,259,418

(Unit: Baht)

	Separate Financial Statements			
	Fair value			
	2023			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Investment in mutual fund				
- Unit trust	-	43,484,948	-	43,484,948
Total	-	43,484,948	-	43,484,948

(Unit: Baht)

	Separate Financial Statements			
	Fair value			
	2022			
	Level 1	Level 2	Level 3	Total
<b>Assets disclosed at fair value</b>				
Investment in mutual fund	-	15,145,014	-	15,145,014
Total	-	15,145,014	-	15,145,014

The fair value of investments in non-listed investment units on the Stock Exchange of Thailand is calculated by using the net assets value per unit as announced by the fund managers.

During the current period, there were no transfers within the fair value hierarchy.

## 27. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of Directors on September 28, 2023.

## **PART 4**

# **CERTIFICATION OF INFORMATION FOR SUBMISSION OF 56-1 ONE REPORT**

**CITY STEEL PUBLIC COMPANY LIMITED**  
**Annual Registration Statement / Annual Report 2023**  
**(Form 56-1 One Report)**

## CERTIFICATION OF INFORMATION FOR SUBMISSION OF 56-1 ONE REPORT

The Company has reviewed the information on this Annual Registration Statement / Annual Report with care and hereby certifies that the information is accurate, complete, not false or misleading, and does not lack material information that should be notified. In addition, the Company certifies that:

(1) The financial statements and financial information summarized in this Annual Registration Statement / Annual Report show material information accurately and completely regarding the financial condition, the operating results and the cash flows of the Company and the subsidiaries;

(2) The Company has provided an efficient disclosure system to ensure that the material information of the Company and the subsidiaries is disclosed accurately and completely, and has supervised compliance with such disclosure system;

(3) The Company has provided an efficient internal control system, supervised compliance with the system, and submitted the information on the internal control assessment on the latest date available to the auditor and the Audit Committee, which covers deficiencies, significant changes to the internal control system, and wrongful acts that may affect the preparation of financial report of the Company and the subsidiaries.

In this regard, as proof that all the documents are identical to those certified by the Company, the Company has authorized Mrs. Boontip Changnil to sign on every page of the documents, and the absence of the authorized signature of Mrs. Boontip Changnil on any document shall be deemed that such unsigned document has not been certified by the Company.

	<u>Name</u>	<u>Position</u>	<u>Signature</u> **
1.	Mrs. Boontip Changnil	Chairman of Executive Director	-Mrs. Boontip Changnil-
2.	Miss Chatsuman Tanomjit	Executive Director	-Miss Chatsuman Tanomjit-
3.	Miss Kingkan Pipitpreechakul	Executive Director	-Miss Kingkan Pipitpreechakul-

### Authorized Person

	<u>Name</u>	<u>Position</u>	<u>Signature</u>
1.	Mrs. Boontip Changnil	Chairman of Executive Director	-Mrs. Boontip Changnil-

Section 89/20 \*\*\* of the Securities and Exchange Act (SEA) B.E. 2535 (1992) as amended by the SEA (No. 4) B.E. 2551 (2008) prescribes that directors and executives shall be jointly liable to any person trading securities of the Company for any damage arising from information disclosure to the shareholders or the public which contains a false statement materially or conceals a material fact that should have been notified in case of financial statements and reports on the financial condition and the operating results of the Company or any other report required to be disclosed under Section 56. The liability is not limited to the directors and executives who have affixed signature to certify the information in such aforesaid documents. In any case, directors or executives who can prove that, by virtue of own position, they could not have been aware of the truthfulness of such information or lack of information that should have been disclosed, are not subject to the liability under Section 89/20.

Remark \*\*\* Enforced on the companies under Chapter 3/1 of the SEA B.E. 2535 (1992), as amended by the SEA (No. 4) B.E. 2551 (2008) only.

# ATTACHMENT 1

DETAILS OF DIRECTORS, EXECUTIVE, CONTROLLING PERSONS, THE PERSON ASSIGNED TO TAKE THE HIGHEST RESPONSIBILITY IN ACCOUNTING AND FINANCE, THE PERSON ASSIGNED TO TAKE DIRECT RESPONSIBILITY FOR ACCOUNTING SUPERVISION, AND THE COMPANY SECRETARY

CITY STEEL PUBLIC COMPANY LIMITED  
Annual Registration Statement / Annual Report 2023  
(Form 56-1 One Report)

## INFORMATION OF DIRECTORS, EXECUTIVES, CONTROLLING PERSONS, AND THE COMPANY SECRETARY

**Mr. Anutara Tantraporn** Age 52

Independent Director  
 Chairman of the Board of Directors  
 Chairman of the Audit Committee  
 Date of Appointment: December 14, 2020

### Academic Qualifications

- ♦ M.A.: Animation & Interactive Multimedia, Visual Communication, RMIT University, Australia
- ♦ Grad. DIP: Animation & Interactive Multimedia, Visual Communication, RMIT University, Australia
- ♦ Cert. DIP: Computer Aided Art & Design, School of Arts and Design, RMIT University, Australia

### Thai Institute of Director Association (IOD)'s Seminar Courses

- ♦ Director Accreditation Program (DAP) 61/2007

### Number of Shares Holding

- ♦ None

### Family Relationship Between Directors and Executives

- ♦ None

### Previous Work Experiences During Last 5 Years

- ♦ 2020 – Present Independent Director, Chairman of the Board of Directors, and Chairman of the Audit Committee, City Steel PCL.
- ♦ 2015 – 2020 Independent Director and Chairman of the Audit Committee, City Steel PCL.
- ♦ 2010 – Present Executive Director, Hastin School
- ♦ 2016 – 2018 IT Consultant, Sonic Interfreight Co., Ltd.

### Director Positions Hold in Other Organizations

Listed Company : -None-

Non-Listed Company : -None-

Other entities that may have a conflict of interest : -None-

### Records of Legal Dispute within Last 10 years

- ♦ None

**Mrs. Boontip Changnil** Age 47

Executive Director  
 Chief Executive Officer  
 Authorized Director  
 Date of Appointment: March 14, 2020

### Academic Qualifications

- ♦ BBA: Management, Accounting, Phuket Rajabhat University

### Thai Institute of Director Association (IOD)'s Seminar Courses

- ♦ Director Accreditation Program (DAP) 120/2015

### Number of Shares Holding

- ♦ 15 shares equal to 0.00%

### Family Relationship Between Directors and Executives

- ♦ None

### Previous Work Experiences During Last 5 Years

- ♦ 2020 – Present Director and Chief Executive Officer, City Steel PCL.
- ♦ 2015 – 2020 Director and Managing Director, City Steel PCL.

### Director Positions Hold in Other Organizations

Listed Company : -None-

Non-Listed Company :

- ♦ 2015 – Present Director, Siam ISO Pro Co., Ltd. (Subsidiary)
- ♦ 2015 – Present Director, Mark Worldwide Co., Ltd. (Subsidiary)
- ♦ 2015 – Present Director, CT Universal Co., Ltd. (Subsidiary)

Other entities that may have a conflict of interest : -None-

### Records of Legal Dispute within Last 10 years

- ♦ None

**Miss Chatsuman Tanomjit**

Age 40

Executive Director, Deputy Managing Director

Authorized Director

The person assigned to take the highest responsibility in accounting and finance

The person assigned to take direct responsibility for accounting supervision.

Date of Appointment: January 20, 2018

**Academic Qualifications**

- ♦ BA: Accounting, Sripatum University

**Thai Institute of Director Association (IOD)'s Seminar Courses**

- ♦ Director Accreditation Program (DAP) 149/2018

**Continuous Professional Development in Accounting**

- ♦ Setting Good Internal Control System for the Organization by CPD Tutor Co., Ltd. DBD, Ministry of Commerce, CPD Accounting for 7 hours.
- ♦ TFRS Issues: Observation from Auditing Quality Inspection of SEC during 2013-2020 by DBD, Ministry of Commerce, CPD Accounting for 7 hours.
- ♦ Summary of Revised Significant TFRS that Effective in 2023 by the Stock Exchange of Thailand

**Number of Shares Holding**

- ♦ None

**Family Relationship Between Directors and Executives**

- ♦ None

**Previous Work Experiences During Last 5 Years**

- ♦ 2018 – Present Director and Deputy Managing Director, City Steel PCL.
- ♦ 2015 – 2018 Accounting and Financial Manager, City Steel PCL.

**Director Positions Hold in Other Organization**

Listed Company : -None-

Non-Listed Company :

- ♦ 2018 – Present Director, Siam ISO Pro Co., Ltd. (Subsidiary)
- ♦ 2018 – Present Director, Mark Worldwide Co., Ltd. (Subsidiary)

Other entities that may have a conflict of interest : -None-

**Records of Legal Dispute within Last 10 years**

- ♦ None

**Miss Kingkan Pipitpreechakul**

Age 39

Executive Director

Accounting and Finance Manager

Authorized Director

Date of Appointment: March 14, 2020

**Academic Qualifications**

- ♦ B.A.: Accounting, Ramkhamhaeng University

**Thai Institute of Director Association (IOD)'s Seminar Courses**

- ♦ Director Accreditation Program (DAP) 175/2020

**Number of Shares Holding**

- ♦ None

**Family Relationship Between Directors and Executives**

- ♦ None

**Previous Work Experiences During Last 5 Years**

- ♦ 2020 – Present Director, City Steel PCL.
- ♦ 2018 – Present Accounting and Financial Manager, City Steel PCL.
- ♦ 2015 – 2018 Deputy Accounting and Financial Manager, City Steel PCL.

**Director Positions Hold in Other Organizations**

Listed Company : -None-

Non-Listed Company :

- ♦ 2020 – Present Director, Siam ISO Pro Co., Ltd. (Subsidiary)
- ♦ 2020 – Present Director, Mark Worldwide Co., Ltd. (Subsidiary)

Other entities that may have a conflict of interest : -None-

**Records of Legal Dispute within last 10 years**

- ♦ None



**Mr. Pattarathon Thatsanasuwan**

Age 48

Independent Director

Audit Committee

Date of Appointment: November 28, 2006

**Academic Qualifications**

- ♦ LL.B.: Law, Ramkhamhaeng University
- ♦ B.Sc.: Science, Chandrakasem Rajabhat University

**Thai Institute of Director Association (IOD)'s Seminar Courses**

- ♦ Director Accreditation Program (DAP) 61/2007

**Number of Shares Holding**

- ♦ None

**Family Relationship Between Directors and Executives**

- ♦ None

**Previous Work Experiences During Last 5 Years**

- ♦ 2006 – Present Independent Director and Audit Committee, City Steel PCL.
- ♦ 2006 – Present Partner, Lawyer, and Attorney at Law, PTM and Associate Limited Partnership Law Office
- ♦ 2010 – Present Consultant, Thai Fitting Home Group Co., Ltd.

**Director Positions Hold in Other Organizations**

Listed Company : -None-

Non-Listed Company : -None-

Other entities that may have a conflict of interest : -None-

**Records of Legal Dispute within last 10 years**

- ♦ None

**Mr. Harirak Chamarakula**

Age 51

Independent Director

Audit Committee

Date of Appointment: June 12, 2015

**Academic Qualifications**

- ♦ MBA.: Business Administration, Shenandoah University, USA.
- ♦ B.Eng.: Mechanical Engineering, Kasetsart University
- ♦ BBA: General Management, Sukhothai Thammathirat University

**Thai Institute of Director Association (IOD)'s Seminar Courses**

- ♦ Director Accreditation Program (DAP) 120/2015

**Number of Shares Holding**

- ♦ None

**Family Relationship Between Directors and Executives**

- ♦ None

**Previous Work Experiences During Last 5 Years**

- ♦ 2015 – Present Independent Director and Audit Committee, City Steel PCL.
- ♦ 2023 – Present Head of Mobility Operations SEA & Business Development Thailand, Europ Assistance (Thailand) Co., Ltd.
- ♦ 2019 – 2023 Head of Motor and Travel Business Unit, AXA Assistance Co., Ltd.
- ♦ 2015 –2019 Senior Operations Manager – Motor, AXA Assistance Co., Ltd.

**Director Positions Hold in Other Organizations**

Listed Company : -None-

Non-Listed Company : -None-

Other entities that may have a conflict of interest : -None-

**Records of Legal Dispute within last 10 years**

- ♦ None



**Mrs. Parichard Phongratanadechachai** Age 42

Company Secretary

Date of Appointment: June 11, 2008

**Academic Qualifications**

- ♦ BBA: Management, Accounting, Rajabhat Rajanagarindra University

**Thai Institute of Director Association (IOD)'s Seminar Courses**

- ♦ None

**Number of Shares Holding**

- ♦ None

**Family Relationship Between Directors and Executives**

- ♦ None

**Previous Work Experiences During Last 5 Years**

- ♦ 2008 – Present Company Secretary, City Steel PCL.

**Director Positions Hold in Other Organizations**

Listed Company : -None-

Non-Listed Company : -None-

Other entities that may have a conflict of interest : -None-

**Records of Legal Dispute within last 10 years**

- ♦ None

**Remarks**

Since all of the Company's executives are also the executives of the subsidiaries, the information of each of the subsidiaries' executives are not presented in another separate table. However, the details of the positions of directors and executives in subsidiaries and related companies are presented in the next topic.

All directors and executives have never committed or been charged for the wrongdoing according to the Securities and Exchange Act B.E.2535 or Derivatives Act B.E.2546 in the following matters:

- 1) Fail to perform duty with responsibility, due care, and honesty.
- 2) Falsify information or disclosures that lead to misunderstanding or conceal significant information that may affect decisions of shareholders, investors, or relevant parties.
- 3) Involve or support unfair trading practices in securities or derivatives or used to involve or support in those activities.

### Details of the Company Secretary

According to the good practices for directors of listed companies, the listed companies should assign a company secretary to take care of the Board of Directors' activities, ensure that the directors and the Company's operations comply with relevant laws and regulations, as well as prepare minutes of meeting of the Board of Directors and shareholders within the time period stipulated by law. To comply with the directors' good practices, the Company has appointed a company secretary, with the qualifications and duties and responsibilities as follows:

#### **Qualification of the Company Secretary**

Since there is no law or regulation that stipulates the qualification of the company secretary, the Company has specified the qualification of the Company's secretary as follows:

1. Should be a person who possesses suitable knowledge and competencies.
2. Should have proper working experiences.
3. Should have a good understanding of the Company's structure and operating systems.
4. Should have good interpersonal skills and be able to proficiently coordinate with both internal units and external organizations.

#### **Duties and Responsibilities of the Company Secretary**

The company secretary should perform duties with responsibility, cautiousness, and integrity, as well as must abide by laws, objectives, regulations, and the Board of Directors and shareholders' resolutions. The legal duties and other duties of the company secretary are as follows:

1. Prepare and keep records of the following documents
  - Director Registration, the Board of Directors' meeting invitations, and minutes of meeting.
  - The Company's Annual Registration Statement / Annual Reports.
  - Shareholders' meeting invitations and minutes of shareholders' meeting.
2. Keep records of conflicts of interest reports disclosed by directors or executives, and submit the copy of conflicts of interest report under section 89/14 to the Chairman of the Board of Directors and the Chairman of the Audit Committees within 7 working days after receives the disclosed information.
3. Perform other duties according to the Capital Market Supervisory Board's regulations.
4. Provide suggestion regarding relevant laws, regulations, and governance practices for the Board of Directors' operations to be in accordance with law.
5. Arrange the Board of Directors and shareholders' meetings.
6. Coordinate with internal units to follow the resolutions of the Board of Directors and shareholders.
7. Coordinate with regulators including the Security and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), and oversee the disclosure of information to the regulators and public to be correct and complete according to the regulations.
8. Organize an orientation and provide advices to new director.
9. Perform investor relations, public relations, and promote good reputation for the Company.
10. Carry out the Company's social responsibilities operations.
11. Perform any other duties assigned by the Company.



# ATTACHMENT 2

## DETAILS OF THE DIRECTORS OF SUBSIDIARIES

CITY STEEL PUBLIC COMPANY LIMITED  
Annual Registration Statement / Annual Report 2023  
(Form 56-1 One Report)

## DETAILS OF THE DIRECTORS OF SUBSIDIARIES

	Subsidiaries		
	Siam ISO Pro Co., Ltd.	Mark Worldwide Co., Ltd.	CT Universal Co., Ltd.
1. Mrs. Boontip Changnil	A, B, /, //	A, B, /, //	/, //
2. Miss Chatsuman Tanomjit	C, /, //	C, /, //	-
3. Miss Kingkan Pipitpreechakul	D, /, //	D, /, //	-
4. Mr. Charoenpong Ongwongsakul	-	-	/, //
5. Mr. Anutara Tantraporn	-	-	-
6. Mr. Pattarathon Thatsanasuwan	-	-	-
7. Mr. Harirak Chamarakula	-	-	-

Remarks

A	=	Chairman of the Board of Directors
B	=	Chairman of the Executive Director, Chief Executive Officer
C	=	Deputy Managing Director
D	=	Executives
/	=	Director
//	=	Executive Director

# ATTACHMENT 3

## DETAILS OF THE HEAD OF THE INTERNAL AUDIT AND COMPLIANCE UNITS

CITY STEEL PUBLIC COMPANY LIMITED  
Annual Registration Statement / Annual Report 2023  
(Form 56-1 One Report)



## DETAILS OF THE HEAD OF THE INTERNAL AUDIT AND COMPLIANCE UNITS

The Company recognizes the importance of internal control system. To ensure the Audit Committees, Executives, shareholders, and stakeholders that the Company has a good internal control system and employees operates according to the determined internal control systems, the Company has set up the internal audit department to monitor and audit the operations of each department. The Audit Committees have appointed Miss Pannipa Thongyoy to be the head of internal audit. The details of the head of the internal audit are as follows:

Head of the Internal Audit	Miss Pannipa Thongyoy
Academic Qualification	Cert. Dip: Business Administration, Accounting, Chonburi Vocational College BA: Accounting, Burapha University
Work Experiences	2016 - Present Internal Audit Manager, City Steel Pubic Company Limited 2010 - 2016 Assistant Accounting and Finance Manager, City Steel Public Company Limited

Additionally, the Company has also appointed the head of compliance unit by assigning the head of internal audit to perform the duties of the head of compliance unit. The head of compliance unit has duties and responsibilities to communicate rules, regulations, policies, laws, and requirements related to business operations, to employees and executives so that they are aware and realize their responsibilities of abiding by such regulations. The head of compliance unit also has duty to supervise the Group's business operations to be in accordance with the policies set by the Board of Directors and compliance with relevant laws and regulations.

# ATTACHMENT 4

## ASSETS USED IN BUSINESS OPERATIONS AND DETAILS OF ASSET APPRAISAL

CITY STEEL PUBLIC COMPANY LIMITED  
Annual Registration Statement / Annual Report 2023  
(Form 56-1 One Report)

## ASSETS USED IN BUSINESS OPERATIONS AND DETAILS OF ASSET APPRAISAL

### Assets Used in Business Operation

#### 4.1. Core Fixed Assets Used in Business Operation

The Group's core fixed assets used in business operation as at July 31, 2023 are as follows:

Assets	Ownership	Net Book Value (THB Million)	Obligation
Land	Proprietary right of Mark Worldwide Co., Ltd.	58.86	Pledge as collateral at financial institution
Office building (Company and Siam ISO Pro Co., Ltd.)	Lease	-	-None-
Factory and office building (Mark Worldwide Co., Ltd.)	Proprietary right of Mark Worldwide Co., Ltd.	25.81	Pledge as collateral at financial institution
Factory and office building (Mark Worldwide Co., Ltd.)	Proprietary right of Mark Worldwide Co., Ltd.	58.77	-None-
Factory (Mark Worldwide Co., Ltd.)	Lease	-	-None-
Building and other structures	Proprietary right of the Company and Mark Worldwide Co., Ltd.	4.63	-None-
Machinery and equipment	Proprietary right of the Group	4.92	-None-
Decoration and office equipment	Proprietary right of the Group	0.62	-None-
Vehicles	Proprietary right of the Group	16.26	-None-

#### 4.2. Details of Important Contracts

##### 4.2.1. Lease Contract of the Office Building of the Company

Contract Parties	Lessor : WKP Asset Plus Company Limited Lessee : City Steel Public Company Limited
Rental Assets	Office building Located at 88/3 Moo 4 Bypass Road, Nongmaidaeng, Muang, Chonburi Total area of 576 square meters
Contract Period	3 years from August 1, 2022 to July 31, 2025
Rental Rate	THB 2,880 / month or THB 5 / square meter / month

#### 4.2.2. Rental Contract of the Office Building of Siam ISO Pro Co., Ltd.

Contract Parties	Lessor : WKP Asset Plus Company Limited Lessee : Siam ISO Pro Company Limited (Subsidiary)
Rental Assets	Office building Located at 88/2 Moo 4 Bypass Road, Nongmairdaeng, Muang, Chonburi Total area of 96 square meters
Contract Period	3 years from August 1, 2022 to July 31, 2025
Rental Rate	THB 480 / month or THB 5 / square meter / month

#### 4.2.3. Rental Contract of the Factory of Mark Worldwide Co., Ltd.

Contract Parties	Lessor : WKP Asset Plus Company Limited Lessee : Mark Worldwide Company Limited (Subsidiary)
Rental Assets	Factory Located at 88/5 Moo 4 Bypass Road, Nongmairdaeng, Muang, Chonburi Total area of 8,208 square meters
Contract Period	3 years from August 1, 2022 to July 31, 2025
Rental Rate	THB 41,040 / month or THB 5 / square meter / month

#### 4.3. Policy of Investment in Subsidiary

##### Amount of Investment in Subsidiaries as at July 31, 2023

	Proportion of Investment	Paid-up capital (THB Million)	Value of investment at Cost Method (THB Million)
➤ Direct Subsidiaries			
Siam ISO Pro Co., Ltd.	99.99	299.80	299.80
Mark Worldwide Co., Ltd.	99.99	295.00	295.00
<b>Total</b>		<b>594.80</b>	<b>594.80</b>
➤ Indirect Subsidiaries through Siam ISO Pro Co., Ltd.			
CT Universal Co., Ltd. <sup>/1</sup>	99.99	204.92 <sup>/2</sup>	204.92 <sup>/2</sup>

**Remark** <sup>/1</sup> The Company invests in CT Universal Co., Ltd. through Siam ISO Pro Co., Ltd, the subsidiary that the Company has 99.99% proportion, and Siam ISO Pro Co., Ltd. has 100% proportion in CT Universal Co., Ltd.

<sup>/2</sup> Amount of paid-up capital of CT Universal Co., Ltd. are USD 6 million equal to THB 204.92 million.

#### 4.4. Details of Asset Appraisal

Accounting Standard No. 40 Investment Property, requires that every entity has to measure the fair value of the investment property either for valuation purpose (if the entity chooses to adopt the fair value method) or for disclosure purpose (if the entity chooses to adopt the cost method). To comply with the accounting standard, the Company uses cost method, has to appraise assets values in order to determine and disclose the fair value of the investment properties.

The Group has appraised the value of investment properties, which are plots of land of a subsidiary that currently held without specific usage purpose in the future. These plots of land have value at cost of THB 88.10 million and from the appraisal by independent appraiser on July 27, 2021 by using market comparable approach, these plots of land have fair value of THB 118.78 million.

# ATTACHMENT 5

## CORPORATE GOVERNANCE POLICY AND GUIDELINE

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## CORPORATE GOVERNANCE POLICY AND GUIDELINE

The Group intensely determines to comply with the good corporate governance practices, which is the fundamental for sustainable growth. Therefore, the Group has adopted and used the Corporate Governance Code for Listed Company 2017 to determine corporate governance policy. The Board of Directors, who set out the direction of the Group, have also used the CG Code as guidelines and adapted to suit the business operations in order to create sustainable value for the organization. The CG Code for Listed Company according to the guidelines of the Securities and Exchange Commission are as follows:

### **Principle 1     Establish Clear Leadership Role and Responsibilities of the Board**

- (1) The board should demonstrate a thorough understanding of its leadership role, assume its responsibilities in overseeing the company, and strengthen good governance, including:
  - Defining objectives.
  - Determining means to attain the objectives.
  - Monitoring, evaluating, and reporting on performance.
- (2) To achieve sustainable value creation, the board should exercise its leadership role and pursue the following governance outcomes:
  - Competitiveness and performance with long-term perspective.
  - Ethical and responsible business.
  - Good corporate citizenship.
  - Corporate resilience.
- (3) The board should ensure that all directors and executives perform their responsibilities in compliance with their fiduciary duties, and that the company operates in accordance with applicable law and standards.
- (4) The board should demonstrate a thorough understanding of the division of board and management responsibilities. The board should clearly define the roles and responsibilities of management and monitor management's proper performance of its duties.

### Implementation of the Group

The Board of Directors plays an important role in corporate governance for the best interests of the Company and the shareholders. To accomplish this objective, the Company has determined details of roles, duties, and responsibilities of the Board of Directors as follows:

- The Board of Directors participates in the formulation (or provides their approval) of the vision, mission, strategies, business plans, goals, and budgets of the Company. They also oversee that management operates efficiently and effectively in accordance with the predetermined business plans and budgets, with a view to creating the highest economic values for the business, and the greatest degree of stability for shareholders.

- The Board of Directors ensures that the Company has a system of internal controls, internal audit activities, and risk management measures as well as monitors the progress of such activities on a regular basis.
- The Board of Directors monitors management's operation to be consistent with the predetermined policies except for transactions that may have conflict of interests or transactions that required shareholders' opinion, according to regulations of the Security Exchange Commission and the Stock Exchange of Thailand.
- The Board of Directors determines and provides a clear distinction between the roles, duties, and responsibilities of the Board of Directors, Audit Committee, and the Executive Management and regularly conveys that information to the Company's directors, management teams, and employees.

**Principle 2     Define Objectives that Promote Sustainable Value Creation**

- (1) The board should define objectives that promote sustainable value creation and governance outcomes as a framework for the operation of the company.
- (2) The board should ensure that the company's annual and medium-term objectives, goals, strategies, and plans are consistent with the long-term objectives, while utilizing innovation and technology effectively.

Implementation of the Group

- The Board of Directors strongly emphasize on conducting business with accountability, transparency, integrity, and fair competition by treating all the stakeholders with equality and abiding by laws, regulations, or mutual agreements.
- The Board of Directors involves in the formation of the Group's short-term, medium-term, and long-term objectives and in both financial and non-financial objectives, as well as encourage the management team to integrate technology and innovation in the business operations, which the Board of Directors will monitor the performance regularly.

**Principle 3     Strengthen Board Effectiveness**

- (1) The board should be responsible for determining and reviewing the board structure, in terms of size, composition, and the proportion of independent directors so as to ensure its leadership role in achieving the company's objectives.
- (2) The board should select an appropriate person as the chairman and ensure that the board composition serves the best interest of the company, enabling the board to make its decisions as a result of exercising independent judgement on corporate affairs.
- (3) The board should ensure that the policy and procedures for the selection and nomination of directors are clear and transparent resulting in the desired composition of the board.
- (4) When proposing director remuneration to the shareholders' meeting for approval, the board should consider whether the remuneration structure is appropriate for the directors' respective roles and responsibilities, linked to their individual and company performance, and provide incentives for the board to lead the company in meeting its objectives, both in the short and long term.
- (5) The board should ensure that all directors are properly accountable for their duties, responsibilities and (in-) actions, and allocate sufficient time to discharge their duties and responsibilities effectively.



- (6) The board should ensure that the company's governance framework and policies extend to and are accepted by subsidiaries and other businesses in which it has a significant investment as appropriate.
- (7) The board should conduct a formal annual performance evaluation of the board, its committees, and each individual director. The evaluation results should be used to strengthen the effectiveness of the board.
- (8) The board should ensure that the board and each individual director understand their roles and responsibilities, the nature of the business, the company's operations, relevant law and standards, and other applicable obligations. The board should support all directors in updating and refreshing their skills and knowledge necessary to carry out their roles on the board and board committees.
- (9) The board should ensure that it can perform its duties effectively and have access to accurate, relevant and timely information. The board should appoint a company secretary with necessary qualifications, knowledge, skills and experience to support the board in performing its duties.

#### Implementation of the Group

- For the appointment of directors, the Board of Directors that consist of 3 independent directors out of 6 directors, are responsible in considering and selecting candidates who possess suitable qualities according to the Company's Articles of Association. To recruit the candidates who are professional and have diversify knowledges, the directors will consider the structure, size, and composition of the Board of Directors as criteria, then will propose to the Board of Directors for approval. The directors must have qualifications as stipulated by the Stock Exchange of Thailand and must not possess any prohibited characteristics. The list of nominated directors will then be presented to the shareholders meeting for appointment according to the Company's regulation.

- The Group clearly and concisely set the directors' remuneration to be at appropriate amounts and coincide with remuneration levels of the same industry, as well as be sufficient to motivate and maintain qualified directors. The remuneration shall be approved by the shareholders' meeting.

- The Company has set a policy regarding the holding of director positions in other companies to be conform to the Best Practices set by the Stock Exchange of Thailand, which allow the Company's director to hold director position in other listed companies for not more than 5 companies so that the director can properly allocate time to perform the duties.

- Since the Company invests in 4 subsidiaries at the proportion of 99.99%, the Company has appointed representatives to become the subsidiaries' directors and executives. The appointed representatives have responsibilities to perform their duties for the best interest of the subsidiaries and the Company. In considering important matters, the representatives must be approved by the Company's Board of Directors in order to vote in the matters that have the same significant level as the issues that must be approved by the Company's Board of Directors. The appointment of the representatives to be the directors of the subsidiaries is based on the proportion of the Company's ownership in the subsidiaries.

- The Company conducts the Board of Directors self- assessment to evaluate the performance of the board as a whole and on an individual basis every year by using the board self-assessment form of the Stock Exchange of Thailand as a

guideline for the evaluation. The board self-assessment will allow all members of the board to consider the board's performance and solve any problems or obstacles occurred during the year as well as allow each member of the board to express the opinions toward the board's performances as a whole in order to help improve and develop efficiency of the directors' future performances.

- The Group understands the important of personnel development in the organization. To ensure of continuous improvement in the operation, the directors need to have knowledges, skills, experiences, capabilities, and potentials that will benefit the Company. For newly appointed director, the Group will arrange an orientation program to inform about business policies and other relevant information and distribute a listed company director's handbook that contains useful information for the director. Additionally, the Group encourages the directors to attend or participate in training courses that relevant to the development of the director in performing their duties with the Thai Institute of Directors (IOD) or other institutions and also other courses that will benefit to the Group's operations.

- The company secretary has prepared the annual meeting schedules for the whole year, so the directors could know in advance the details and agenda of the meetings for the entire year. The agenda will be stated clearly and invitation letter will be distributed 7 days prior to the meeting so that there is sufficient time for the directors to study all information before attending the meeting. At each meeting, a sufficient time will be allocated to allow each director to discuss and express opinion and the Chairman of the Board of Directors will summarize all the agenda. The minutes of meeting will be recorded and prepared so that the directors and other relevant persons can retrieve and verify that information later.

#### **Principle 4    Ensure Effective CEO and People Management**

- (1) The board should ensure that a proper mechanism is in place for the nomination and development of the chief executive officer and key executives to ensure that they possess the knowledge, skills, experience, and characteristics necessary for the company to achieve its objectives.
- (2) The board should ensure that an appropriate compensation structure and performance evaluation are in place.
- (3) The board should consider its responsibilities in the context of the company's shareholder structure and relationships, which may impact the management and operation of the company.
- (4) The board should ensure the company has effective human resources management and development programs to ensure that the company has adequate staffing and appropriately knowledgeable, skilled, and experienced employees and staff.

#### Implementation of the Group

- The Board of Director has assigned the executive directors to be responsible for formulating the succession plan in order to ensure that the Company has recruited and prepared qualified employees to fill in the positions that important to the business operations. Every year the Group has conducted meetings to exchange skills and knowledges and systematically transfer duties and responsibilities.

- The Board of Director has set a remuneration policy for the top executives bases on a Key Performance Index (KPI), achievement in objectives, and annual performance evaluation. The remuneration is at an appropriate level and corresponds with the remuneration of the industry, as well as suffice to attract and retain the qualified executives.




- The Board of Director has specified the employee development policy to improve knowledge and abilities of employees in both technical and professional skills. Employee development will not only enhance employees' abilities but also help the Group to retain talented personnel to work for the Group for the long run as well as provide career advancement for the employees.

**Principle 5 Nurture Innovation and Responsible Business**

- (1) The board should prioritize and promote innovation that creates value for the company and its shareholders together with benefits for its customers, other stakeholders, society, and the environment, in support of sustainable growth of the company.
- (2) The board should encourage management to adopt responsible operations, and incorporate them into the company's operations plan. This is to ensure that every department and function in the company adopts the company's objectives, goals, and strategies, applying high ethical, environmental and social standards, and contributes to the sustainable growth of the company.
- (3) The board should ensure that management allocates and manages resources efficiently and effectively throughout all aspects of the value chain to enable the company to meet its objectives.
- (4) The board should establish a framework for governance of enterprise IT that is aligned with the company's business needs and priorities, stimulates business opportunities and performance, strengthens risk management, and supports the company's objectives.

Implementation of the Group

- The Board of Directors emphasizes and supports the Group to operate business with social responsibilities and identifies the policies for each group of stakeholders as follows:

 <b>Shareholders</b>	The Group determines to operate business with full ability and with caution in order to generate good operating results and provide appropriate returns to the shareholders.
 <b>Customers</b>	The Group is committed to treat all customer with appropriateness, consideration, and responsibility by manufacturing high quality products and providing outstanding services that meet customers' requirements and at reasonable price, as well as delivering products on time, providing after sales supports, and keeping customers' information confidentially.
 <b>Employees</b>	The Group respects the rights of all employees and treats every employee equally without discrimination, provides appropriate compensation and benefits, maintains safe working environment, gives opportunities for the employees to express their opinions, and supports training and development.



**Trading Partners** The Group set up a policy to treat trading partners and creditors on a fairly cooperation basis by following trade rules, commercial terms, and mutual agreements as well as determines proper selection criteria and not requests or accepts any incentives or benefits from the trading partners.



**Competitors** The Group commits to operate business bases on fair competition and will not do anything that may discredit or disgrace the competitors.



**Community** The Group is well aware of the significant of the development of the society and community and realizes of the duties and responsibilities to the neighbor community. Therefore, the Company has determined to avoid creating any troubles to the nearby community and provide cooperation to the community where the Group located.



**Environment** The Group concerns about environmental protection and energy conservation and raises awareness for employees to conserve energy and use resources wisely and efficiently, as well as strictly complies with environmental laws and regulations.

- The Board of Directors encourage the executives to apply information technology in business operation to improve efficiency in operation and increase business opportunities.

**Principle 6 Strengthen Effective Risk Management and Internal Control**

- (1) The board should ensure that the company has effective and appropriate risk management and internal control systems that are aligned with the company's objectives, goals and strategies, and comply with applicable law and standards.
- (2) The board shall establish an audit committee that can act effectively and independently.
- (3) The board should manage and monitor conflicts of interest that might occur between the company, management, directors, and shareholders. The board should also prevent the inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties.
- (4) The board should establish a clear anti-corruption policy and practices (including communication and staff training), and strive to extend its anti-corruption efforts to stakeholders.
- (5) The board should establish a mechanism for handling complaints and whistleblowing.

Implementation of the Group

- The Board of Directors give emphasis on risk management by determining effective risk management processes and procedures, that are suitable and in line with international standards, as well as encourage the involvement of risk management in all levels and operating processes of the organization.
- The Board of Directors emphasizes on effective internal control systems in both management and operation levels, so responsibilities and authorities of employees and executives have been clearly defined in written documents. There are control systems on the use of the Group's assets, the segregation of duties between operators, controllers, and evaluators for cross-checking purposes, as well as the written levels of authorities for financial transactions.

- The Board of Directors maintains balance of power of non-executive director by not allowing one person or group of people with authority to make decisions alone in order to create examination mechanisms and counterbalances for effective management. The Board of Directors of the Company consists of 6 directors, divided into 3 executive directors and 3 independent directors which are account for 50% of total directors. There is also an internal audit department, which has responsibilities to control and audit the Group's operations to be concise, appropriate, prudent, and in compliance with the Board of Directors' policies, and will report directly to the Audit Committees.

- The Group has specified that the Board of Directors, executives, and all employees must declare or report of their interests before making any transactions that may cause conflicts of interest with the Group. The Group will cautiously consider the suitability of the transactions by concerning the best interests or the Group. The person who has conflicts of interest will not involve in considering or making decision for such transactions.

- The Board of Directors monitors the Group to conduct business with transparency, and within legal framework, ethical principles, and guidelines of good corporate governance. The Board of Directors also supports the fight against fraud and corruption in all forms, encourages personnel to perform the duties with integrity and honesty under laws and the Group's regulations, and applies to all business activities and decisions. The core value of anti-corruption has been established and communicated to all staffs. Employees or their representatives are prohibited to give or receive bribes or other incentives in any forms, to or from other parties and penalties for the violation are also imposed.

- The Board of Directors has set a whistleblowing policy by arranging communication channel for the stakeholders to suggest, complain, or inform of misconduct or inappropriate behavior or of unusual circumstances to independent directors at the email address; [compliance@citysteelpl.com](mailto:compliance@citysteelpl.com) or by fax to internal audit department at (038) 214-534 or by postal mail at the Company's address. The Company has policies to protect identities of the informant by not disclosing names, addresses, or other information of the informant and will keep the information confidentially.

#### **Principle 7    Ensure Disclosure and Financial Integrity**

- (1) The board must ensure the integrity of the company's financial reporting system and that timely and accurate disclosure of all material information regarding the company is made consistent with applicable requirements.
- (2) The board should monitor the company's financial liquidity and solvency.
- (3) The board should ensure that risks to the financial position of the company or financial difficulties are promptly identified, managed and mitigated, and that the company's governance framework provides for the consideration of stakeholder rights.
- (4) The board should ensure sustainability reporting, as appropriate.
- (5) The board should ensure the establishment of a dedicated Investor Relations function responsible for regular, effective and fair communication with shareholders and other stakeholders (such as analysts and potential investors).
- (6) The board should ensure the effective use by the company of information technology in disseminating information.

### Implementation of the Group

- The Board of Directors ensures that the important information including financial reports and non-financial information are disclosed correctly, accurately, transparently, and on a timely basis according to the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. These information are disclosed through the Stock Exchange of Thailand and the Company's website so that everyone can easily and equally access to the information.
- The Board of Directors arranges the investor relation unit to provide information about the Company and response to the investors' inquiries. The shareholders, investors, analysts, or other related departments can contact the investor relation at the phone number (038) 214-530-32 or email address at [ir@citysteelpl.com](mailto:ir@citysteelpl.com).
- The Group employs a prudent financial and liquidity management policy by having sufficient amount of cash available, which the Board of Directors agrees that it is a good policy and benefits the shareholders. Therefore, the Board of Director endorses this liquidity management policy and regularly monitors the Group's financial situation.

### **Principle 8 Ensure Engagement and Communication with Shareholders**

- (1) The board should ensure that shareholders have the opportunity to participate effectively in decision-making involving significant corporate matters.
- (2) The board should ensure that the shareholders' meetings are held as scheduled, and conducted properly, with transparency and efficiency, and ensure inclusive and equitable treatment of all shareholders and their ability to exercise their rights.
- (3) The board should ensure accurate, timely and complete disclosure of shareholder resolutions and preparation of the minutes of the shareholders' meetings.

### Implementation of the Group

- As the Company realizes the important of the rights of shareholders, the Company shall avoid any actions that violates those rights. Prior to every shareholders' meeting, the Company has given the opportunity for the shareholders to propose additional agenda, nominate qualified candidates to be elected as the Company's directors, and send their inquiries to the Company by indicated the procedures to propose additional issues on the Company's website and disclose via the Stock Exchange of Thailand disclosure channel.
- In the event that the shareholders cannot attend the meeting, the Company encourages the shareholders to use the proxy forms that has been distributed with the meeting invitation to cast their votes. The distributed proxy forms consist of both general and specific proxy forms which will allow shareholders to specify their votes in each meeting agenda. The Company has also proposed at least 1 independent director whom the shareholders can appoint as their proxy.
- In every shareholders' meeting, the Company has allocated adequate time for discussion and encouraged the shareholders to express opinions, give recommendations, and ask related questions regarding the Company's operations during the meeting.
- The Company has encouraged the use of voting cards in every shareholders meeting. And for the agenda that contains several issues such as appointment of directors, the Company has allowed the shareholders to vote for each director individually for transparency and for future reference.

- The Company has prepared the minutes of meetings with complete details including the voting procedures, list of individuals who attend the meeting, shareholders' questions, recommendations, and opinions, and resolutions and voting results, which has been recorded since the beginning of the meeting until the meeting adjourns.

- The Company has disclosed the meetings' resolutions through the Stock Exchange of Thailand and also made publicly available on the Company's website and neatly and safely keeps all the certified shareholders minutes of meeting so the documents will be monitored easily.

### Code of Business Conduct

The Group emphasizes on good corporate governance by determining to abide by the corporate governance principles and considering overall stakeholders and social responsibilities. Therefore, the Group specifies the directors, executives, and all personnel in the organization to adhere to the code of business conduct as follows:

1. Operate clearly and verifiably, and adequately disclose important information to all related parties in a timely manner.
2. Manage carefully and responsibly with skill and efficiency to maximize shareholder wealth.
3. Implement appropriate and effective internal control systems, evaluate risk factors, along with regularly set strategies, make corrective actions, and monitor risk management.
4. Treat all shareholders and stakeholders equally and fairly.
5. Segregate clearly structures, duties, and responsibilities of each Board of Committee.
6. Monitor and encourage all directors, management, and employees to operate and do business ethically and fairly.

# ATTACHMENT 6

## REPORT OF THE AUDIT COMMITTEE AND REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES ON FINANCIAL STATEMENTS

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## REPORT OF THE AUDIT COMMITTEE

The Audit Committee of City Steel Public Company Limited consisted of 3 Independent Directors which are Mr. Anutara Tantraporn, the Chairman of the Audit Committee, and 2 other members, Mr. Pattarathon Thatsanasuwan, and Mr. Harirak Chamarakula. The Company's Audit Committee holds the position for 2 years.

During the year 2022/2023, the Audit Committee has performed their duties independently and held 4 meetings with Internal Audit Manager in order to consider several relevant issues as follows:

1) Reviewed the Company's financial statements and consolidated financial statements on quarterly basis and financial statements for the year 2022/2023 in terms of correctness, accuracy, and adequate disclosure. According to their review, the financial statements and the notes to financial statement were presented fairly and adequately and conform to generally accepted accounting principles.

2) Evaluated suitability and efficiency of the Company's internal control systems and internal audit procedures, which include the internal control of overall operations, financial activities, and compliance, as well as risk management policies. As to their reviews, the Company's internal control systems and internal audit procedures were appropriate, adequate, and efficient.

3) Monitored the Company to operate according to the Securities and Exchange Act, The Stock Exchange of Thailand's rules and regulations, and the applicable laws. Base on their reviews, the Company had properly operated according to the relevant laws and regulations.

4) Considered and selected the Company's auditors and proposed a nomination of Dharmniti Auditing Company Limited to be the Company's auditor for the year 2023/2024 and reviewed its relevant remuneration. The Audit Committee also held the meeting with the Auditor in order to be informed of the Auditor's opinions regarding the Company's internal control as well as financial statements.

5) Reviewed the connected transactions between the Company and its subsidiaries and related parties. Based on the reviews, the connected transactions were correctly and adequately disclosed. Also business terms and conditions were appropriate and benefited the Company.

6) Reviewed the operation of the Audit Committee by compared with the Best Practices provided by the Securities and Exchange Commission and the Stock Exchange of Thailand. According to the reviews, the Audit Committee had performed their duties efficiently and complied with the Best Practices. In addition, the Audit Committee also reviewed and assessed the operation of the Company's internal audit department, which the Audit Committee considered as appropriate and consistent with the proposed auditing plan.

7) Evaluated the Company's corporate governance policy by considering and reviewing the implementation of the Corporate Governance Code for listed companies 2017, to be adapted to suit the Company's business

operations. The Audit Committee also reviewed and evaluated the Company's Anti-Corruption and Corporate Social Responsibility policies.

8) Conducted the Audit Committee meetings for 4 times during the year 2022/2023, which attendance detail of each committee could be presented as follows:

- |                                  |                                 |                        |
|----------------------------------|---------------------------------|------------------------|
| 1. Mr. Anutara Tantraporn        | Chairman of the Audit Committee | Attended 4 times (4/4) |
| 2. Mr. Pattarathon Thatsanasuwan | Audit Committee                 | Attended 4 times (4/4) |
| 3. Mr. Harirak Chamarakula       | Audit Committee                 | Attended 4 times (4/4) |

In conclusion, during the year 2022/2023, the Audit Committee had employed their knowledge, competencies, and performed their duties independently and with due care to review information regarding financial reports and internal audits. The Audit Committee also encouraged the Company to perform its operation in accordance with corporate governance policy and to employ suitable internal control systems by considering benefits of all stakeholders and the social as a whole. Additionally, the Audit Committee had given the management team valuable advices and suggestion regarding risk management and internal control systems in order to help fostering the Company's future business plans, as well as prevention and possible solutions for the Company's relevant risk factors.

*-Mr. Anutara Tantraporn-*  
Chairman of the Audit Committee

## REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES ON FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and presentation of the Company's financial statements and consolidated financial statements of the Company and subsidiaries, which have been prepared in accordance with financial reporting standards and in conformity with the generally accepted accounting principles. The Board of Directors has chosen appropriate accounting policies and carried out these policies with consistency as well as adequately disclosed significant information in the notes to financial statements. The Company's external auditor has reviewed and audited the financial statements and expressed an unqualified opinion in the auditor's report.

The Board of Directors also has responsibilities in monitoring risk management and internal control systems to ensure that accounting transactions have been recorded accurately, completely, and on timely basis. Also, the Board of Directors has appointed an Audit Committee consisting of independent directors, to take care of the quality of the financial statements and the internal control systems in order to ensure that the financial statements are free from material misstatement, whether due to fraud or error. The Audit Committee's opinion on internal control systems has been disclosed in the Report of the Audit Committee, which is part of this annual report.

The Board of Directors is confident that the Company's internal control systems are appropriate, which can assure that the Company's financial statements and the consolidated financial statements of the Company and subsidiaries fairly represent the financial positions, operating results, and cash flows in all material aspects.

*-Mr. Anutara Tantraporn-*  
Chairman of the Audit Committee



Investor Relation

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**CITY STEEL** PCL.  
*Metal TECHNOLOGY*™

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