

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
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- 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 exercise 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
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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.	Has not started operation	The subsidiary company holds 100.00% in the subsidiary
(*Indirect subsidiary through Siam ISO Pro Co., Ltd.)		
<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	
<u>Transactions with subsidiaries companies</u>					
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
<u>Transactions with related companies</u>					
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
Trade and other current receivable				
Subsidiary Companies				
Mark Worldwide Co., Ltd.	-	-	14,017	3,061,484
	-	-	14,017	3,061,484
Trade and other current payable				

Subsidiary Companies

Mark Worldwide Co., Ltd.	-	-	133,964	1,967,302
	<u>-</u>	<u>-</u>	<u>133,964</u>	<u>1,967,302</u>

Related parties

Siam C.T.P. Industry Co., Ltd.	37,439	27,253	-	-
	<u>37,439</u>	<u>27,253</u>	<u>-</u>	<u>-</u>
	<u>37,439</u>	<u>27,253</u>	<u>133,964</u>	<u>1,967,302</u>

Lease liabilities**Related parties**

WKP Asset Plus Co., Ltd.	1,022,769	1,504,542	66,342	97,592
	<u>1,022,769</u>	<u>1,504,542</u>	<u>66,342</u>	<u>97,592</u>

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	<u>2,258,187</u>	<u>2,173,903</u>	<u>1,583,595</u>	<u>1,550,981</u>

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
Trade account receivable				
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>
Other receivables				
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
Age of receivables				

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	-	-	-	-
Total	<u>10,311,175</u>	<u>9,195,254</u>	<u>189,711</u>	<u>3,309,831</u>

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	-	-
Total	<u>2,153,807</u>	<u>3,479,526</u>	<u>-</u>	<u>-</u>

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
Total	<u>277,887,299</u>	<u>71,884,845</u>	<u>349,772,144</u>	<u>235,000,000</u>	<u>43,484,948</u>	<u>278,484,948</u>

(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	Paid share capital		At equity method		At cost method		(Unit: Baht)	
							Dividend income	
	2023	2022	2023	2022	2023	2022	For the years ended July 31,	
	2023	2022	2023	2022	2023	2022	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	-	-
	0							
Mark Worldwide Co., Ltd.	295,000,000	295,000,000	323,584,295	344,450,666	294,999,940	294,999,940	-	-
	0							
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
<u>(Less) Difference from business restructuring</u>								
- 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
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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:

	(Unit : Baht)				
	2023		2022		
	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:

(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	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:

	Consolidated financial statements				(Unit : Baht)
	Balance As at	Additions	Deduction	Transfers in	Balance As at
	July 31, 2022			(out)	July 31, 2023
<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, 2021	Additions	Deduction	Transfers in (out)	Balance As at July 31, 2022
<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,				180,915,067
	285				

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, 2022	Additions	Deduction	Transfers in (out)	Balance As at July 31, 2023
<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:

(Unit : Baht)					
Consolidated financial statements					
	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>	561,837	490,155	-	-	1,051,992
Right-of-use asset - net	1,471,808				981,653

(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>	71,682	490,155	-	-	561,837
Right-of-use asset - net	143,268				1,471,808
Depreciation for the years ended July 31,					
2023 (Total included in administrative expenses)					490,155
2022 (Total included in administrative expenses)					490,155

(Unit : Baht)

Separate financial statements

	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	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, 2021	Additions	Deductions	Transfer in (out)	Balance per book as at Jul. 31, 2022
<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, 2022	Additions	Deduction	Balance As at July 31, 2023
<u>At cost</u>				

Computer software	2,006,770	-	-	2,006,770
<u>Less</u> Accumulated amortization	<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 July 31, 2021	Additions	Deduction	Balance As at July 31, 2022
<u>At cost</u>				
Computer software	2,006,770	-	-	2,006,770
<u>Less</u> Accumulated amortization	<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 July 31, 2022	Additions	Deduction	Balance As at July 31, 2023
<u>At cost</u>				
Computer software	1,279,270	-	-	1,279,270
<u>Less</u> Accumulated amortization	<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 July 31, 2021	Additions	Deduction	Balance As at July 31, 2022
<u>At cost</u>				
Computer software	1,279,270	-	-	1,279,270
<u>Less</u> Accumulated amortization	<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:

(Unit: Baht)

	Consolidated financial statements			Balance as at July 31, 2023
	Balance as at July 31, 2022	Revenue (expenses) during the year		
		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	3,482,087	(691,549)	(47,199)	2,743,339

(Unit: Baht)

	Consolidated 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	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>

(Unit: Baht)

Separate financial statements

	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, 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	965	129	-	1,094
Provisions for employee benefits	635,072	46,651	-	681,723
Total	<u>636,037</u>	<u>46,780</u>	<u>-</u>	<u>682,817</u>

16. LEASE LIABILITIES

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

(Unit: Baht)

Consolidated financial statements		Separate 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
<u>Less</u> Current portion within one year	<u>(501,252)</u>	<u>(481,773)</u>	<u>(32,514)</u>	<u>(31,250)</u>
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	<u>(235,994)</u>	<u>-</u>	<u>(216,185)</u>	<u>-</u>
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
	<u>financial statements</u>	<u>financial statements</u>

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

(Unit: Baht)

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

(Unit: Baht)

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

(Unit: Baht)

Separate financial statements					
Balance	Cash flows	Non-cash transaction		Balance	
as at	Increase	Increase	Differences	as at	
August 1,	(decrease)*	(Decrease)	on translation	July 31,	
2021			of financial	2022	
			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 Interest rate	Fixed Interest rate	No interest	Total	Floating Interest rate	Fixed Interest rate	No interest	Total
<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 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	-	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 Interest rate	Fixed Interest rate	No interest	Total	Floating Interest rate	Fixed Interest rate	No interest	Total
<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 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	-	170,101,951	-	-	-	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	49,030,232	50,323,963	-	-

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
Assets measured at fair value				
Investment in mutual fund				
- Unit trust	-	71,884,845	-	71,884,845
Assets disclosed at fair value				

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
Assets measured at fair value				
Investment in mutual fund				
- Unit trust	-	35,305,709	-	35,305,709
Assets disclosed at fair value				
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
Assets measured at fair value				
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
Assets disclosed at fair value				
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.