

**DRAFT**

**THE SIAM INDUSTRIAL WIRE COMPANY LIMITED**

**FINANCIAL STATEMENTS**

**31 MARCH 2022**

## **Independent auditor's report**

To the Shareholders of The Siam Industrial Wire Company Limited

### **My opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of The Siam Industrial Wire Company Limited (the Company) as at 31 March 2022, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs).

### **What I have audited**

The Company's financial statements comprise:

- the statement of financial position as at 31 March 2022;
- the statement of income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

### **Basis for opinion**

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

### **Responsibilities of management for the financial statements**

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

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

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

**Varaporn Vorathitikul**

Certified Public Accountant (Thailand) No. 4474

Bangkok

[                      ] 2022

The Siam Industrial Wire Company Limited  
Statement of Financial Position  
As at 31 March 2022

**DRAFT**

	<u>Notes</u>	<u>2022</u> <u>Baht</u>	<u>2021</u> <u>Baht</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	773,862,040	383,434,478
Trade and other receivables, net	4	2,464,040,190	1,216,819,088
Short-term loans to a related company	5	1,542,916,548	2,759,793,614
Inventories, net	6	1,400,900,786	982,782,182
Other current assets		<u>14,651,718</u>	<u>16,180,604</u>
<b>Total current assets</b>		<u>6,196,371,282</u>	<u>5,359,009,966</u>
<b>Non-current assets</b>			
Long-term loan to a related company	7	300,000,000	307,000,000
Investment in a subsidiary, net	8	299,999,900	189,999,900
Property, plant and equipment, net	9	655,054,582	709,519,644
Intangible assets, net	10	15,272,561	12,289,881
Deferred tax assets, net	11	38,645,638	22,676,437
Other non-current assets		<u>4,473,273</u>	<u>3,207,624</u>
<b>Total non-current assets</b>		<u>1,313,445,954</u>	<u>1,244,693,486</u>
<b>Total assets</b>		<u><u>7,509,817,236</u></u>	<u><u>6,603,703,452</u></u>

Director .....

The accompanying notes page 7 to 20 are an integral part of these financial statements.

The Siam Industrial Wire Company Limited  
Statement of Financial Position  
As at 31 March 2022

**DRAFT**

	<u>Notes</u>	<u>2022</u> <u>Baht</u>	<u>2021</u> <u>Baht</u>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Trade and other payables	12	493,853,978	606,424,746
Current portion of finance lease liabilities	13	4,801,952	4,079,387
Current income tax payable		94,826,953	17,536,601
Other current liabilities		<u>4,646,805</u>	<u>4,485,139</u>
<b>Total current liabilities</b>		<u>598,129,688</u>	<u>632,525,873</u>
<b>Non-current liabilities</b>			
Finance lease liabilities	13	9,663,876	6,391,984
Provision for employee benefits	14	100,863,635	92,876,329
Provision for decommissioning liabilities		<u>1,700,000</u>	<u>1,700,000</u>
<b>Total non-current liabilities</b>		<u>112,227,511</u>	<u>100,968,313</u>
<b>Total liabilities</b>		<u>710,357,199</u>	<u>733,494,186</u>
<b>Equity</b>			
Share capital			
Authorised share capital			
4,600,000 ordinary shares at par value of Baht 100 each		<u>460,000,000</u>	<u>460,000,000</u>
Issued and paid-up share capital			
4,600,000 ordinary shares fully paid-up of Baht 100 each		460,000,000	460,000,000
Retained earnings			
Appropriated			
Legal reserve	15	46,000,000	46,000,000
Unappropriated		<u>6,293,460,037</u>	<u>5,364,209,266</u>
<b>Total equity</b>		<u>6,799,460,037</u>	<u>5,870,209,266</u>
<b>Total liabilities and equity</b>		<u>7,509,817,236</u>	<u>6,603,703,452</u>

The accompanying notes page 7 to 20 are an integral part of these financial statements.

The Siam Industrial Wire Company Limited  
**Statement of Income**  
For the year ended 31 March 2022

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	<b>Notes</b>	<b>2022 Baht</b>	<b>2021 Baht</b>
<b>Revenue</b>			
Revenues from sales	17	8,649,898,643	5,718,431,541
Gain on foreign exchange rate, net		74,968,545	811,369
Other income		42,179,968	61,495,942
Gain from Impairment of Investment		110,000,000	-
<b>Total revenue</b>		<b>8,877,047,156</b>	<b>5,780,738,852</b>
<b>Expenses</b>			
Costs of sales		(6,632,566,437)	(4,942,222,687)
Selling expenses		(1,026,588,435)	(432,510,097)
Administrative expenses		(149,987,500)	(132,297,220)
<b>Total expenses</b>		<b>(7,809,142,372)</b>	<b>(5,507,030,004)</b>
<b>Profit before finance costs and income tax expense</b>			
tax expense		1,067,904,784	273,708,848
Finance costs		(1,133,941)	(369,080)
<b>Profit before income tax expense</b>		<b>1,066,770,843</b>	<b>273,339,768</b>
Income tax expense	16	(137,520,072)	(41,219,739)
<b>Net profit for the year</b>		<b>929,250,771</b>	<b>232,120,029</b>

The accompanying notes page 7 to 20 are an integral part of these financial statements.

The Siam Industrial Wire Company Limited  
Statement of Changes in Equity  
For the year ended 31 March 2022

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	Issued and paid-up share capital Baht	Retained earnings		Total Baht
		Appropriated - Legal reserve Baht	Unappropriated Baht	
<b>Beginning balance as at 1 April 2020</b>	460,000,000	46,000,000	5,200,089,237	5,706,089,237
Dividend	-	-	(68,000,000)	(68,000,000)
Net profit for the year	-	-	232,120,029	232,120,029
<b>Ending balance as at 31 March 2021</b>	<u>460,000,000</u>	<u>46,000,000</u>	<u>5,364,209,266</u>	<u>5,870,209,266</u>
<b>Beginning balance as at 1 April 2021</b>	460,000,000	46,000,000	5,364,209,266	5,870,209,266
Net profit for the year	-	-	929,250,771	929,250,771
<b>Ending balance as at 31 March 2022</b>	<u>460,000,000</u>	<u>46,000,000</u>	<u>6,293,460,037</u>	<u>6,799,460,037</u>

The accompanying notes page 7 to 20 are an integral part of these financial statements.

## **1 General information**

The Siam Industrial Wire Company Limited (the Company) is a limited company incorporated and resident in Thailand. The address of the Company's registered factory and office are as follows;

Factory - 160 Moo 11, WHA Rayong Industrial Land , Nonglalom, Bankhai, Rayong 21120  
Office - 555 Rasa Tower, 14<sup>th</sup> floor, Phaholyothin Road, Chatuchak, Bangkok 10900

The principal business operation of the Company is the manufacture of construction and automotive wire.

The Company's major shareholder is TS Global Holdings Pte Ltd., which is incorporated in Singapore and owns 99.99% of the Company's shares. Tata Steel Limited, which is incorporated in India, is the ultimate parent company of the group of companies.

The Company's financial statements were authorised for issue by the authorised directors on [ ] 2022.

## **2 Accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below.

### **2.1 Basis of preparation**

These financial statements have been prepared in accordance with the Thai Financial Reporting Standards for Non-Publicly Accountable Entities as issued by the Federation of Accounting Professions. Additional recognition and disclosures are made following the principle concept of Thai Financial Reporting Standards ;

- Income Taxes

The financial statements have been prepared under the historical cost convention.

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

### **2.2 Foreign currency translation**

Items included in the financial statements of the Company are measured using Thai Baht. The financial statements are presented in Thai Baht.

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction.

At the end of each reporting period, foreign currency monetary balances are translated by using the exchange rate at the closing rate. Monetary assets denominated in foreign currency are translated to Thai Baht by using a bank's buying rate and monetary liabilities denominated in foreign currency are translated to Thai Baht by using a bank's selling rate. Non-monetary balances denominated in a foreign currency are carried at cost using the exchange rate at the date of transaction.

Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.



## **2 Accounting policies (Cont'd)**

### **2.3 Cash and cash equivalents**

Cash comprises cash on hand, deposit held at call with banks but excludes deposits with banks that are held to maturity (fixed deposit), certificates of deposit issued by commercial banks and financial institutions, and restricted deposits. Cash equivalents comprise short-term highly liquid investments with maturities of three months or less from the date of acquisition.

### **2.4 Trade accounts receivable**

Trade accounts receivable are initially recognised at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in the statement of income.

### **2.5 Inventories**

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. The amount of any write down of inventories to net realisable value is recognised as an expense in the period the write down occurs and presented as cost of sales.

### **2.6 Investments in subsidiaries**

A subsidiary is an entity that the Company has a control power to govern the financing and operating policies of the entity, generally directly or indirectly accompanying a shareholding of more than one-half of the voting rights.

Investments in subsidiaries are measured at cost method less allowance for decrease in value (if any)

### **2.7 Property, plant and equipment**

An item of property, plant and equipment is stated at cost less any accumulated depreciation and any accumulated allowance for decrease in value (if any).

The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable purchase taxes (after deducting trade discounts and rebates) and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. These can include the initial estimate of costs of dismantling and removing the item, and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period.

## 2 Accounting policies (Cont'd)

### 2.7 Property, plant and equipment (Cont'd)

The cost of replacing parts of property, plant and equipment is included in the carrying amount of the asset when it is probable that future economic benefits will flow to the Company and the carrying amount of those replaced parts is derecognised. Repairs and maintenance are charged to the statement of income during the financial period in which they are incurred.

Depreciation is calculated on the straight line basis to write off the cost of each asset, except for land which is considered to have an indefinite life, to its residual value over the estimated useful life as follows:

Land improvement	15 - 20 years
Buildings	10 - 20 years
Machinery and equipment	5 - 20 years
Furniture and fixtures, and office equipment	3 - 5 years
Motor vehicles	5 - 15 years

The assets' residual value, useful lives, and depreciation method are regularly reviewed.

Whenever there is any indication showing a permanent decrease in the amount of property, plant, and equipment; such as an evidence of obsolescence or physical damage of an asset, significant changes in the manner in which an asset is used or is expected to be used, the Company shall recognised loss on decrease in value of property, plant and equipment in statement of income where the carrying amount of asset is higher than the recoverable amount. The recoverable amount of asset is the higher of its fair value less costs to sell and its value in use.

### 2.8 Intangible assets

#### Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight line basis over their estimated useful lives of 10 years.

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

### 2.9 Leases - where a Company is the lessee

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the period of the useful life of the asset.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

## **2 Accounting policies (Cont'd)**

### **2.10 Borrowings**

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date or it does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. If the borrowings do not meet the criteria as aforementioned, the borrowings are classified as non-current liabilities.

Borrowing costs are recognised by using the effective interest method.

### **2.11 Provident fund**

The Company established a contributory registered provident fund, in accordance with the Provident Fund Act B.E. 2530 by joining a registered-pooled fund. The fund are held in a separate trustee - administered fund.

Under the provident fund plan, the employees must be member of the provident fund and must contribute 2.00 to 15.00 percent of their basic salary and the Company also contributes 3.00 to 10.00 percent of the employees' basic salary based on employee's service year range. The fund appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulations issued under the Provident Fund Act B.E. 2530.

The Company's contributions to the provident fund are charged to the statement of income in the year to which they relate.

### **2.12 Current and deferred income taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss.

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

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## 2 Accounting policies (Cont'd)

### 2.13 Provisions

#### 2.13.1 Provision for employee benefits

##### (a) Short-term employee benefits

The Company recognises a liability and expense for bonuses, and other liabilities for short-term employee benefit where contractually obliged or where there is a past practice that has created a constructive obligation.

##### (b) Post-employment benefits

The Company provides for post-employment benefits, payable to employees under the Thai Labour Law. The amounts payable in the future depend on the salary and year of service of the respective employees. The liability arising as a result of such policy is recorded as the present value of estimated future cash outflows using interest rates which have terms to maturities approximating the terms of the related liabilities.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

##### (c) Other long-term benefits

The Company provides long-service award to employee who works for the specified year of service, the award provided is gold depending on the years of service of the respective employees. The Company estimates a provision at the end of reporting period, which calculation is based on employee turnover and working period of employees. The Company estimates a provision at the end of reporting period using an independent actuary. The benefit is charged to the statement of income in the period to which it relates.

#### 2.13.2 Provisions - others

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

### 2.14 Revenue recognition

Revenue comprises the fair value for consideration received or receivable for the sale of goods and service net of value added tax, rebates and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Interest income and other revenues are recognised on an accrual basis.

**2 Accounting policies (Cont'd)**

**2.15 Accounting for derivatives**

The Company is party to derivative financial instruments, foreign currency forward contracts. Foreign currency forward contracts protect the Company from movements in foreign exchange rates. The Company recognised gain or loss from the adjustment in the value of such forward contracts incurred from the difference between the forward exchange contract rate and the reference rates as determined by the Bank of Thailand at the date of the statement of financial position as income or expense in the statement of income.

**2.16 Dividend distribution**

Dividends are recorded in the Company's financial statements in the period when the dividends are approved by the shareholders, or when interim dividends are approved by the Board of Directors.

**3 Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Deposits held at call with banks - current accounts	36,986,340	32,331,631
- saving accounts	736,866,354	351,093,508
Fixed deposits not over 3 months	9,346	9,339
Total	<u>773,862,040</u>	<u>383,434,478</u>

**4 Trade and other receivables, net**

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Trade accounts receivable - other companies	1,115,193,667	836,296,981
<u>Less</u> Allowance for doubtful debts	<u>(10,245,940)</u>	<u>(10,698,618)</u>
Trade accounts receivable - other companies, net	1,104,947,727	825,598,363
- related companies	1,190,934,813	289,318,470
Other accounts receivable - other companies	33,045,455	10,502,906
- related companies	6,535,510	8,157,143
Interest receivables	2,271,552	3,827,843
Revenue department receivables	119,965,498	22,829,449
Advance payments for goods	496,237	49,862,540
Prepaid expenses	5,843,398	6,722,374
Total	<u>2,464,040,190</u>	<u>1,216,819,088</u>

**5 Short-term loans to a related company**

As at 31 March 2022, the Company has short-term loans to related company of US Dollars 46.56 million (2021 : short-term loans to related company of US Dollars 88.53 million) which represent unsecured loans and are due for repayment of the principle and interest one time on maturity dates between 18 April 2022 and 13 June 2022 (2021 : 7 April 2021 and 14 June 2021), bearing interest rates between 0.69% and 1.15% per annum (2021 : between 0.66% and 1.23% per annum).

**6 Inventories, net**

	<b>2022 Baht</b>	<b>2021 Baht</b>
Raw materials	714,920,647	374,456,057
Work in process	41,965,423	23,463,020
Finished goods and merchandise	263,911,473	80,012,082
Spare parts and supplies	96,595,212	89,135,160
	<u>1,117,392,755</u>	<u>567,066,319</u>
<u>Less</u> Allowance for net realisable value and obsoleted inventories	(11,914,991)	(11,507,329)
Goods in transit	<u>295,423,022</u>	<u>427,223,192</u>
Inventories, net	<u><u>1,400,900,786</u></u>	<u><u>982,782,182</u></u>

During the year 2022, the Company recorded an allowance for obsoleted inventories of Baht 0.40 million (2021 : reversed an allowance for obsoleted inventories of Baht 6.74 million) to the statement of income.

**7 Long-term loan to a related company**

As at 31 March 2022, long-term loan to a related company of Baht 300 million which the Company extended the repayment period to 30 September 2023, represented an unsecured loan bearing interest rates at 1.51% per annum (2021: 1.51% per annum). The interest is due for repayment every 3 months.

**8 Investment in a subsidiary, net**

Details of investments in a subsidiary as follows:

<b>Subsidiary</b>	<b>Place of incorporation</b>	<b>Type of business</b>	<b>Amount</b>		<b>Percentage of holding</b>	
			<b>2022 Baht</b>	<b>2021 Baht</b>	<b>2022 %</b>	<b>2021 %</b>
TSN Wires Company Limited	Thailand	Manufacture and sales of steel wires and galvanised steel wire products	299,999,900	189,999,900	60.00	60.00

The movements of investments in a subsidiary for the years ended 31 March 2022 and 2021 are presented below.

	<b>2022 Baht</b>	<b>2021 Baht</b>
At 1 April	189,999,900	189,999,900
Gain on increase in value	<u>110,000,000</u>	<u>-</u>
At 31 March	<u><u>299,999,900</u></u>	<u><u>189,999,900</u></u>

**9 Property, plant and equipment, net**

	Land Baht	Land improvement Baht	Building and building improvement Baht	Machinery and equipment Baht	Furniture and fixtures, and office equipment Baht	Motor vehicles Baht	Asset under installation Baht	Total Baht
<b>As at 1 April 2021</b>								
Cost	148,055,033	111,252,894	321,965,783	1,600,434,686	75,531,869	22,230,168	7,513,831	2,286,984,264
<u>Less</u> Accumulated depreciation	-	(85,190,646)	(229,627,419)	(1,197,734,033)	(53,951,752)	(10,960,770)	-	(1,577,464,620)
Net book amount	<u>148,055,033</u>	<u>26,062,248</u>	<u>92,338,364</u>	<u>402,700,653</u>	<u>21,580,117</u>	<u>11,269,398</u>	<u>7,513,831</u>	<u>709,519,644</u>
<b>For the year ended 31 March 2022</b>								
Opening net book amount	148,055,033	26,062,248	92,338,364	402,700,653	21,580,117	11,269,398	7,513,831	709,519,644
Additions	-	-	-	1,462,571	216,309	9,367,512	19,221,565	30,267,957
Transfers	-	400,000	217,740	12,707,530	2,220,969	-	(15,546,239)	-
Disposals, net	-	-	-	-	(633)	-	-	(633)
Write-offs, net	-	-	-	(57,010)	(613)	(4)	-	(57,627)
Depreciation charge	-	(2,380,067)	(9,217,842)	(60,933,643)	(6,715,112)	(5,428,095)	-	(84,674,759)
Closing net book amount	<u>148,055,033</u>	<u>24,082,181</u>	<u>83,338,262</u>	<u>355,880,101</u>	<u>17,301,037</u>	<u>15,208,811</u>	<u>11,189,157</u>	<u>655,054,582</u>
<b>As at 31 March 2022</b>								
Cost	148,055,033	111,652,894	322,183,523	1,614,547,777	77,967,901	31,597,676	11,189,157	2,317,193,961
<u>Less</u> Accumulated depreciation	-	(87,570,713)	(238,845,261)	(1,258,667,676)	(60,666,864)	(16,388,865)	-	(1,662,139,379)
Net book amount	<u>148,055,033</u>	<u>24,082,181</u>	<u>83,338,262</u>	<u>355,880,101</u>	<u>17,301,037</u>	<u>15,208,811</u>	<u>11,189,157</u>	<u>655,054,582</u>

Additions include Baht 9.37 million (2021: Baht 3.41 million) assets leased under finance leases (where the Company is the lessee).

**9 Property, plant and equipment, net (Cont'd)**

Assets leased under finance lease included above, where the Company is a lessee, comprise motor vehicles and office equipment as follows:

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Cost - capitalised finance leases	26,017,951	18,768,192
<u>Less</u> Accumulated depreciation	<u>(11,564,329)</u>	<u>(8,207,887)</u>
Net book amount	<u>14,453,622</u>	<u>10,560,305</u>

**10 Intangible assets, net**

	<b>Computer software</b>
	<b>Baht</b>
<b>As at 1 April 2021</b>	
Cost	60,401,088
<u>Less</u> Accumulated amortisation	<u>(48,111,207)</u>
Net book amount	<u>12,289,881</u>
<b>For the year ended 31 March 2022</b>	
Opening net book amount	12,289,881
Additions	5,423,963
Amortisation charge	<u>(2,441,282)</u>
Closing net book amount	<u>15,272,561</u>
<b>As at 31 March 2022</b>	
Cost	65,825,051
<u>Less</u> Accumulated amortisation	<u>(50,552,489)</u>
Net book amount	<u>15,272,561</u>

**11 Deferred tax assets, net**

The analysis of deferred tax assets is as follows:

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
<b>Deferred tax assets</b>		
Deferred tax assets to be recovered within 12 months	24,959,548	8,443,471
Deferred tax assets to be recovered after more than 12 months	<u>20,175,668</u>	<u>18,575,266</u>
	<u>45,135,215</u>	<u>27,018,737</u>
<b>Deferred tax liability</b>		
Deferred tax liability to be recovered within 12 months	(6,489,577)	-
Deferred tax liability to be recovered after more than 12 months	<u>-</u>	<u>(4,342,300)</u>
	<u>(6,489,577)</u>	<u>(4,342,300)</u>
<b>Deferred tax assets, net</b>	<u>38,645,638</u>	<u>22,676,437</u>



**11 Deferred tax assets, net (Cont'd)**

The movement in deferred tax is as follows:

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Opening Balance	22,676,437	24,925,807
Increase (decrease) in profit or loss (Note 16)	15,969,201	(2,249,370)
Ending balance	<u>38,645,638</u>	<u>22,676,437</u>

The movements of deferred tax assets is as follows:

	<b>1 April</b>	<b>Increase/</b>	<b>31 March</b>
	<b>2021</b>	<b>(decrease)</b>	<b>2022</b>
	<b>Baht</b>	<b>in profit or</b>	<b>Baht</b>
		<b>loss</b>	
		<b>Baht</b>	
<b>Deferred tax assets</b>			
Allowance for doubtful debt	1,584,229	547,605	2,131,833
Provision for employee benefits	18,575,266	1,366,400	19,941,666
Provisions	5,218,628	15,226,087	20,444,716
Allowance for obsoleted inventories	1,640,613	742,385	2,382,998
	<u>27,018,736</u>	<u>17,882,477</u>	<u>44,901,213</u>
<b>Deferred tax liability</b>			
Depreciation	(4,342,299)	(1,913,275)	(6,255,575)
	<u>(4,342,299)</u>	<u>(1,913,275)</u>	<u>(6,255,575)</u>
<b>Deferred tax assets, net</b>	<u>22,676,437</u>	<u>15,969,201</u>	<u>38,645,638</u>
	<b>1 April</b>	<b>Increase/</b>	<b>31 March</b>
	<b>2020</b>	<b>(decrease)</b>	<b>2021</b>
	<b>Baht</b>	<b>in profit or</b>	<b>Baht</b>
		<b>loss</b>	
		<b>Baht</b>	
<b>Deferred tax assets</b>			
Allowance for doubtful debt	2,129,246	(545,017)	1,584,229
Provision for employee benefits	18,414,827	160,439	18,575,266
Provisions	6,478,181	(1,259,553)	5,218,628
Allowance for obsoleted inventories	3,305,874	(1,665,261)	1,640,613
	<u>30,328,128</u>	<u>(3,309,392)</u>	<u>27,018,736</u>
<b>Deferred tax liability</b>			
Depreciation	(5,402,321)	1,060,022	(4,342,299)
	<u>(5,402,321)</u>	<u>1,060,022</u>	<u>(4,342,299)</u>
<b>Deferred tax assets, net</b>	<u>24,925,807</u>	<u>(2,249,370)</u>	<u>22,676,437</u>

**12 Trade and other payables**

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Trade accounts payable - other companies	84,762,316	271,704,698
- related companies	141,671,561	17,238,363
Other accounts payables - other companies	133,109,438	212,960,038
- related companies	678,321	307,989
Accrued expenses	131,451,350	100,611,240
Advance received from customers	2,180,992	3,602,418
Total	<u>493,853,978</u>	<u>606,424,746</u>

**13 Finance lease liabilities**

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Not later than 1 year	5,114,648	4,299,914
Later than 1 year but not later than 5 years	10,035,849	6,593,976
	15,150,497	10,893,890
<u>Less</u> Future finance charge on finance lease	(684,669)	(422,519)
Present value of finance lease liabilities	<u>14,465,828</u>	<u>10,471,371</u>
Representing lease liabilities:		
- Current	4,801,952	4,079,387
- Non-current	9,663,876	6,391,984
	<u>14,465,828</u>	<u>10,471,371</u>

**14 Provision for employee benefits**

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Opening balance	92,876,329	92,074,136
Increased during the year	11,194,412	8,873,251
Loss (gain) arising from changes in financial assumptions	(1,155,306)	(6,350,464)
Paid during the year	(2,051,800)	(1,720,594)
Ending balance	<u>100,863,635</u>	<u>92,876,329</u>

**15 Legal reserve**

The legal reserve was set up in accordance with the provisions of the Civil and Commercial Code which requires the appropriation as legal reserve of at least 5.00% of profits derived from the business of the Company at each dividend distribution until the reserve reaches 10.00% of the authorised share capital. The legal reserve is non-distributable.

As at 31 March 2022 and 2021, the Company has appropriated the legal reserve of 10.00% of the registered capital of the Company.

**16 Income tax expense**

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Current tax	153,489,273	38,970,369
Deferred tax, net (Note 11)	(15,969,201)	2,249,370
	<u>137,520,072</u>	<u>41,219,739</u>

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows:

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Profit before tax : BOI promoted activities 0.00%	176,332,532	39,481,504
Profit before tax : BOI promoted activities 10.00%	193,358,079	47,800,499
Profit before tax : Non BOI promoted activities	697,080,233	186,057,765
	<u>1,066,770,844</u>	<u>273,339,768</u>
Tax for BOI promoted activities 10.00%	19,335,808	4,780,050
Tax for non BOI promoted activities at a tax rate of 20.00%	139,416,047	37,211,553
Tax effect of:		
Expenses not deductible for tax purpose	(18,918,951)	2,551,183
Double tax expenses deductible	(2,312,831)	(3,323,047)
Tax charge	<u>137,520,072</u>	<u>41,219,739</u>

**17 Promotional privileges**

The Company received the following promotional privileges from the Board of Investment:

<b>BOI Certificate No.</b>	<b>Name of Product</b>	<b>Production volume</b>	<b>Date of approval</b>	<b>The date income is first derived</b>	<b>Period of income tax exemption of 100.00%</b>	<b>Period of income tax exemption of 50.00%</b>
1245(2)/2553	Metal products including metal parts	55,800 tons	5 March 2010	4 March 2010	8 years	5 years
1926(2)/2557	Metal products including metal parts	36,000 tons	4 August 2014	27 April 2015	8 years	5 years
1198/2555	Trade and investment	-	10 January 2012	-	-	-

**17 Promotional privileges (Cont'd)**

Sales in the statements of income classified by BOI and Non BOI businesses are as follows:

	<b>2022</b>				
	<b>BOI promoted activities which are under corporate income tax exemption Baht</b>	<b>BOI promoted activities which are subject to half corporate income tax Baht</b>	<b>BOI promoted activities which are subject to corporate income tax Baht</b>	<b>Non BOI promoted activities Baht</b>	<b>Total Baht</b>
Export sales	1,348,138,272	1,393,452,634	2,428,934,839	89,624,476	5,260,150,221
Domestic sales	100,429,447	194,979,564	2,596,601,557	497,737,854	3,389,748,422
<b>Total sales</b>	<b>1,448,567,719</b>	<b>1,588,432,198</b>	<b>5,025,536,396</b>	<b>587,362,330</b>	<b>8,649,898,643</b>

  

	<b>2021</b>				
	<b>BOI promoted activities which are under corporate income tax exemption Baht</b>	<b>BOI promoted activities which are subject to half corporate income tax Baht</b>	<b>BOI promoted activities which are subject to corporate income tax Baht</b>	<b>Non BOI promoted activities Baht</b>	<b>Total Baht</b>
Export sales	734,706,240	877,096,910	1,385,846,845	1,799,623	2,999,449,618
Domestic sales	93,615,022	125,756,710	2,163,811,182	335,799,009	2,718,981,923
<b>Total sales</b>	<b>828,321,262</b>	<b>1,002,853,620</b>	<b>3,549,658,027</b>	<b>337,598,632</b>	<b>5,718,431,541</b>

**18 Bank guarantees**

As at 31 March 2022, there were outstanding bank guarantees issued by a local commercial bank on behalf of the Company in respect of compliance with business contracts of Baht 33.12 million (2021 : Baht 9.91 million).

**19 Commitments**

Capital commitments

As at 31 March 2022, the capital expenditure in respect of the purchase of furniture, office equipment and computer software contracted but not recognised in the financial statements was Baht 13.7 million (2021 : Baht 3.26 million).

Operating lease commitments

As at 31 March 2022 and 2021, the Company has entered into lease agreements relating to office building, office equipment and vehicles. The future minimum lease payments under non-cancellable operating lease agreements are as follows:

	<b>2022 Baht</b>	<b>2021 Baht</b>
Not later than 1 year	8,299,562	10,394,352
Later than 1 year but not later than 5 years	5,881,230	12,105,042
	<b>14,180,792</b>	<b>22,499,394</b>

## 20 Financial instruments

In order to manage the risks arising from fluctuation in foreign currency exchange rates, the Company makes use of the following derivative financial instruments.

### Forward foreign exchange contracts

As at 31 March 2022, the outstanding forward exchange contract are as follows:

Amount in contract	Contractual currency	Amount in Baht	Contractual exchange rate (Baht/Contractual currency)	Maturities	Fair value	Gain/(loss) on fair value
<b>Selling contract</b>						
46,653,553	US Dollar	1,541,073,860	32.69 - 33.18	April 2022 - June 2022	1,546,066	(4,992,228)
34,280,772	Euro	1,283,342,509	35.82 - 39.39	May 2022 - February 2023	1,262,163,185	21,179,324
692,083	Pound Sterling	30,328,032	43.34 - 44.07	June 2022 - September 2022	29,969,530	358,503
<b>Buying contract</b>						
4,567,500	US Dollar	152,132,138	33.26 - 33.37	April 2022 - July 2022	152,807,083	674,945

As at 31 March 2021, the outstanding forward exchange contract are as follows:

Amount in contract	Contractual currency	Amount in Baht	Contractual exchange rate (Baht/Contractual currency)	Maturities	Fair value	Gain/(loss) on fair value
<b>Selling contract</b>						
88,695,664	US Dollar	2,677,880,494	29.89 - 30.68	April 2021 - June 2021	2,764,954,267	(87,073,773)
7,228,533	Euro	264,636,406	36.08 - 37.24	April 2021 - January 2022	262,645,848	1,990,558
3,722,516	Pound Sterling	153,807,300	39.98 - 43.00	April 2021 - September 2021	158,629,075	(4,821,775)
<b>Buying contract</b>						
12,917,667	US Dollar	395,782,858	30.06 - 30.75	April 2021 - July 2021	406,973,670	11,190,812
1,800,000	Singapore Dollar	41,650,200	23.14	May 2021	42,402,060	751,860