

TSN WIRES COMPANY LIMITED

FINANCIAL STATEMENTS

31 MARCH 2023

Independent auditor's report

To the Shareholders of TSN Wires Company Limited

My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of TSN Wires Company Limited (the Company) as at 31 March 2023, 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 2023;
- 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 including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the financial statements and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

15 June 2023

TSN Wires Company Limited
Statement of Financial Position
As at 31 March 2023

	<u>Notes</u>	<u>2023</u> <u>Baht</u>	<u>2022</u> <u>Baht</u>
Assets			
Current assets			
Cash and cash equivalents	4	16,694,599	22,678,877
Trade and other receivables, net	5	165,244,976	143,765,628
Inventories, net	6	161,102,545	230,092,305
Other current assets		<u>1,631,660</u>	<u>661,407</u>
Total current assets		<u>344,673,780</u>	<u>397,198,217</u>
Non-current assets			
Property, plant and equipment, net	7	516,160,436	546,024,238
Intangible assets, net	8	<u>2,818,187</u>	<u>4,087,635</u>
Total non-current assets		<u>518,978,623</u>	<u>550,111,873</u>
Total assets		<u><u>863,652,403</u></u>	<u><u>947,310,090</u></u>

Director

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

TSN Wires Company Limited
Statement of Financial Position
As at 31 March 2023

	Notes	2023 Baht	2022 Baht
Liabilities and equity			
Current liabilities			
Short-term borrowings from financial institutions	10	279,208,304	277,511,174
Trade and other payables	11	144,127,082	184,435,287
Current portion of finance lease liabilities	12	1,818,812	1,786,890
Short-term loans from a related company	13	28,000,000	28,000,000
Other current liabilities		367,652	503,990
Total current liabilities		453,521,850	492,237,341
Non-current liabilities			
Lease liabilities	12	3,759,849	3,919,616
Long-term loan from a related company	14	315,000,000	300,000,000
Provision for employee benefit	15	14,162,930	12,843,602
Total non-current liabilities		332,922,779	316,763,218
Total liabilities		786,444,629	809,000,559
Equity			
Share capital			
Authorised share capital			
7,000,000 ordinary shares of par value			
Baht 100 each			
		700,000,000	700,000,000
Issued and paid-up share capital			
7,000,000 ordinary shares fully paid-up of			
Baht 100 each			
		700,000,000	700,000,000
Deficits		(622,792,226)	(561,690,469)
Total equity		77,207,774	138,309,531
Total liabilities and equity		863,652,403	947,310,090

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

TSN Wires Company Limited
Statement of Income
For the year ended 31 March 2023

	Note	2023 Baht	2022 Baht
		<u> </u>	<u> </u>
Revenue			
Revenues from sales	16	1,174,749,417	1,424,660,585
Other income		1,794,824	3,950,390
		<u> </u>	<u> </u>
Total revenue		<u>1,176,544,241</u>	<u>1,428,610,975</u>
Expenses			
Cost of sales		(1,162,529,800)	(1,308,778,676)
Selling expenses		(15,792,134)	(21,812,893)
Administrative expenses		(42,845,481)	(54,197,481)
Other expenses		(104,715)	(73,817)
Gain (Loss) on foreign exchange rate, net		(2,955,638)	5,110,693
		<u> </u>	<u> </u>
Total expenses		<u>(1,224,227,768)</u>	<u>(1,379,752,174)</u>
Net profit (loss) before finance costs		(47,683,527)	48,858,801
Finance costs		(13,418,230)	(9,950,365)
		<u> </u>	<u> </u>
Net profit (loss) for the year		<u>(61,101,757)</u>	<u>38,908,436</u>

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

TSN Wires Company Limited
Statement of Changes in Equity
For the year ended 31 March 2023

	Issued and paid-up share capital Baht	Deficits Baht	Total Baht
	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>
Beginning balance as at 1 April 2021	700,000,000	(600,598,905)	99,401,095
Net profit for the year	-	38,908,436	38,908,436
Ending balance as at 31 March 2022	<u>700,000,000</u>	<u>(561,690,469)</u>	<u>138,309,531</u>
Beginning balance as at 1 April 2022	700,000,000	(561,690,469)	138,309,531
Net loss for the year	-	(61,101,757)	(61,101,757)
Ending balance as at 31 March 2023	<u>700,000,000</u>	<u>(622,792,226)</u>	<u>77,207,774</u>

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

1 General information

TSN Wires 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 - 199 Moo 11, WHA Rayong Industrial Land , Nonglajok, Bankhai, Rayong 21120.
Office - 555 Rasa Tower, 14th floor, Phaholyothin Road, Chatuchak, Bangkok 10900.

The principal business operation of the Company is the manufacture and sales of steel wires and galvanised steel wire products.

The Company's major shareholder are The Siam Industrial Wire Company Limited which is incorporated in Thailand and owns 60.00% of the Company's shares and Nichia Steel Works Ltd., which is incorporated in Japan and owns 40.00% of the Company's shares.

The Company's financial statements were authorised for issue by the authorised directors on 15 June 2023.

2 Financial position

As at 31 March 2023, the Company had current liabilities in excess of current assets by Baht 108.85 million (2022: Baht 95.04 million). However, the Company's shareholders confirmed to provide financial support to the Company for the next 12 months. In addition, a related company confirmed to extend the repayment period of a long-term loan of Baht 315.00 million to 30 September 2024 (Note 14). Therefore, these financial statements have been prepared on a going concern basis.

3 Accounting policies

The principal accounting policies applied in preparation of these financial statements are set out below:

3.1 Basis of preparation and Amended Thai Financial Reporting Standard for Non-Publicly Accountable Entities

3.1.1 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 language 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.

3 Accounting policies (Cont'd)

3.1 Basis of preparation and Amended Thai Financial Reporting Standard for Non-Publicly Accountable Entities (Cont'd)

3.1.2 Amended Thai Financial Reporting Standard for Non-Publicly Accountable Entities

The amended Thai Financial Reporting Standard for Non-Publicly Accountable Entities is effective for the accounting period beginning on or after 1 January 2023 and includes that following changes.

Key changes to existing topics:

- Presentation of financial statements: a company has the option to present its statement of comprehensive income, consolidated financial statements or interim financial reporting.
- Property, plant and equipment: non-current assets held for sale shall be classified either as current or non-current assets.
- Intangible assets: for an intangible asset with an indefinite useful life, the amortisation period shall not more than ten years (previously equal to ten years). The amendment also provides factors for determining the useful lives of intangible assets.
- Revenue: the amendments add the accounting treatments for customer loyalty programmes and indicators for considering whether an entity is an agent or a principal.
- Effect of changes in foreign exchange rates: the amendments provide an option to apply the functional currency concept and provide accounting treatments for translations of foreign operations.

Key additional topics:

- Derivatives: an entity can choose from the following accounting policies.
 - Disclosing the contract amounts in the notes to financial statements
 - Recognising on an accrual basis
 - Recognising using fair values, with fair value changes recorded in profit or loss
 - Applying hedge accounting

Certain amended standard has been not early adopted by the Company. The Company's management is currently assessing the impact of adopting this amended standard.

3 Accounting policies (Cont'd)

3.2 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.

3.3 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, 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.

3.4 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.

3.5 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.

3 Accounting policies (Cont'd)

3.6 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.

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
Building improvement	10 - 20 years
Machinery and equipment	5 - 20 years
Tools and spare parts	5 - 10 years
Furniture, fixtures and office equipment	3 - 5 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 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 recognise loss on decrease in value of the asset 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.

3.7 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. An entity shall cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs as an expense in the period in which it incurs them.

3 Accounting policies (Cont'd)

3.8 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.

3.9 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.

3.10 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.

3.11 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, all employees are 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 their basic salary depend on year of service. 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.

3 Accounting policies (Cont'd)

3.12 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.

3.13 Provisions

3.13.1 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.

3 Accounting policies (Cont'd)

3.13 Provisions (Cont'd)

3.13.1 Provision for employee benefits (Cont'd)

(c) Other long-term employee 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.

3.13.2 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.

3.14 Revenue recognition

Revenue comprises the fair value for consideration received or receivable for the sale of goods and service net of value added tax, returns, 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. Services income is recognised as revenue in the period in which they are rendered.

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

3.15 Accounting for derivatives

Derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in other gains (losses).

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

4 Cash and cash equivalents

	2023	2022
	Baht	Baht
Deposits held at call with banks - saving accounts	15,990,237	20,588,231
- current accounts	704,362	2,090,646
Total	<u>16,694,599</u>	<u>22,678,877</u>

TSN Wires Company Limited
Notes to Financial Statements
For the year ended 31 March 2023

5 Trade and other receivables, net

	2023	2022
	Baht	Baht
Trade accounts receivable - other companies	142,523,680	127,062,505
<u>Less</u> Allowance for doubtful debts	<u>(485,748)</u>	<u>(564,961)</u>
Trade accounts receivable - other companies, net	142,037,932	126,497,544
- related parties	5,125,915	939,358
Other accounts receivable - other companies	3,456,397	3,357,007
- related companies	1,712,779	678,320
Revenue department receivables	10,345,991	11,181,843
Prepaid expenses	<u>2,565,962</u>	<u>1,111,556</u>
Total	<u>165,244,976</u>	<u>143,765,628</u>

6 Inventories, net

	2023	2022
	Baht	Baht
Raw materials	50,448,785	151,453,179
Work in process	7,247,644	9,210,586
Finished goods	74,693,825	34,377,761
Spare parts and supplies	<u>11,713,848</u>	<u>10,135,648</u>
	144,104,102	205,177,174
<u>Less</u> Allowance for obsoleted inventories	<u>(414,312)</u>	<u>(382,592)</u>
Inventories, net	143,689,790	204,794,582
Goods in transit	<u>17,412,755</u>	<u>25,297,723</u>
Total	<u>161,102,545</u>	<u>230,092,305</u>

During the year 2023, the Company recorded an allowance for obsolete inventories of Baht 0.03 million (2022: reversed an allowance for obsoleted inventories of Baht 3.92 million) to the statement of income.

TSN Wires Company Limited
Notes to the Financial Statements
For the year ended 31 March 2023

7 Property, plant and equipment, net

	Land Baht	Land improvement Baht	Buildings and building improvement Baht	Machinery and equipment Baht	Furniture, fixtures and office equipment Baht	Vehicle Baht	Asset under installation Baht	Total Baht
At 1 April 2022								
Cost	75,500,000	13,910,000	260,958,013	515,131,258	32,910,407	9,596,946	5,381,621	913,388,245
<u>Less</u> Accumulated depreciation	-	(12,404,988)	(121,750,249)	(211,232,592)	(18,033,547)	(3,942,631)	-	(367,364,007)
Net book amount	<u>75,500,000</u>	<u>1,505,012</u>	<u>139,207,764</u>	<u>303,898,666</u>	<u>14,876,860</u>	<u>5,654,315</u>	<u>5,381,621</u>	<u>546,024,238</u>
For the year ended 31 March 2023								
Opening net book amount	75,500,000	1,505,012	139,207,764	303,898,666	14,876,860	5,654,315	5,381,621	546,024,238
Additions	-	-	-	-	478,412	1,818,685	16,194,942	18,492,039
Transfers	-	-	102,982	17,196,421	-	-	(17,299,403)	-
Write-offs, net	-	-	-	(89,300)	(15,411)	(4)	-	(104,715)
Depreciation charge	-	(1,390,710)	(14,343,845)	(28,043,019)	(2,410,058)	(2,063,494)	-	(48,251,126)
Closing net book amount	<u>75,500,000</u>	<u>114,302</u>	<u>124,966,901</u>	<u>292,962,768</u>	<u>12,929,803</u>	<u>5,409,502</u>	<u>4,277,160</u>	<u>516,160,436</u>
At 31 March 2023								
Cost	75,500,000	13,910,000	261,060,995	530,637,036	32,922,195	8,908,891	4,277,160	927,216,277
<u>Less</u> Accumulated depreciation	-	(13,795,698)	(136,094,094)	(237,674,268)	(19,992,392)	(3,499,389)	-	(411,055,841)
Net book amount	<u>75,500,000</u>	<u>114,302</u>	<u>124,966,901</u>	<u>292,962,768</u>	<u>12,929,803</u>	<u>5,409,502</u>	<u>4,277,160</u>	<u>516,160,436</u>

Additions include Baht 1.82 million (2022: Baht 3.46 million) assets leased under finance leases (where the Company is the lessee).

7 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:

	2023	2022
	Baht	Baht
Cost - capitalised finance leases	9,065,449	9,753,504
<u>Less</u> Accumulated depreciation	<u>(3,577,667)</u>	<u>(3,981,770)</u>
Net book amount	<u>5,487,782</u>	<u>5,771,734</u>

8 Intangible assets, net

	Computer software
	Baht
As at 1 April 2022	
Cost	13,151,649
<u>Less</u> Accumulated amortisation	<u>(9,064,014)</u>
Net book amount	<u>4,087,635</u>
For the year ended 31 March 2023	
Opening net book amount	4,087,635
Additions	11,890
Amortisation charge	<u>(1,281,338)</u>
Closing net book amount	<u>2,818,187</u>
As at 31 March 2023	
Cost	13,163,539
<u>Less</u> Accumulated amortisation	<u>(10,345,352)</u>
Net book amount	<u>2,818,187</u>

9 Deferred income taxes

As at 31 March 2023 and 2022, the Company did not recognise deferred tax assets because the Company's managements considered that it is not probable that the Company will have future taxable profit which the tax loss can be utilised.

10 Short-term borrowings from financial institutions

As at 31 March 2023, the Company has short-term borrowings from financial institutions of Baht 279.21 million. These are:

- promissory notes of Baht 182.00 million which mature on 30 June 2023, bear an interest rate of 2.68% per annum and are secured by Nichia Steel Works Ltd.
- trust receipts of Baht 93.36 million which mature on 12 April 2023, bear interest rates between 3.00% and 3.29% per annum and are secured by The Siam Industrial Wire Company Limited and Nichia Steel Works Ltd.
- discounted letters of credit with recourse of Baht 3.85 million which matures between 12 May 2023 and 9 August 2023 and are unsecured.

As at 31 March 2022, the Company has short-term borrowings from financial institutions of Baht 277.51 million. These are:

- promissory notes of Baht 172.00 million which mature on 30 June 2022, bear an interest rate of 1.51% per annum and are secured by Nichia Steel Works Ltd.
- trust receipts of Baht 87.69 million which mature on 22 April 2022, bear interest rates between 2.15% and 2.17% per annum and are secured by The Siam Industrial Wire Company Limited and Nichia Steel Works Ltd.
- discounted letters of credit with recourse of Baht 17.82 million which matures between 5 April 2022 and 8 July 2022 and are unsecured.

11 Trade and other payables

	2023	2022
	Baht	Baht
Trade accounts payable - other companies	28,848,967	32,621,671
- related companies	75,112,358	96,771,987
Other accounts payable - other companies	10,065,656	10,853,544
- related companies	11,629,587	11,903,349
Interest payable	220,313	86,924
Accrued expenses	18,250,201	32,197,812
Total	144,127,082	184,435,287

12 Finance lease liabilities

	2023	2022
	Baht	Baht
Not later than 1 year	1,917,948	1,894,139
Later than 1 year but not later than 5 years	3,868,755	4,055,249
	5,786,703	5,949,388
<u>Less</u> Future finance charge on finance lease	(208,042)	(242,882)
Present value of finance lease liabilities	5,578,661	5,706,506
Representing lease liabilities :		
- Current	1,818,812	1,786,890
- Non-current	3,759,849	3,919,616
	5,578,661	5,706,506

13 Short-term loans from a related company

As at 31 March 2023, the Company has short-term loans from a related company of Baht 28.00 million (2022: Baht 28.00 million) which represent unsecured loans and are due for repayment of the principle and interest one time on maturity dates between 20 April 2023 and 30 June 2023 (2022: 24 April 2022 and 30 June 2022), bearing interest rates between 2.26% and 2.68% per annum (2022: bearing interest rates between 1.51% per annum).

14 Long-term loan from a related company

As at 31 March 2023, the Company has a long-term loan from a related company of Baht 315 million (2022: Baht 300 million). On 30 March 2023, the related company extended the repayment period to 30 September 2024, the loan represents an unsecured loan, and is due for repayment of the interest every 3 months, bearing interest rate at 2.68% per annum (2022: 1.51% per annum).

15 Provision for employee benefits

	2023	2022
	Baht	Baht
Opening balance	12,843,602	7,778,831
Increased during the year	1,471,470	5,210,309
Paid during the year	(152,142)	(145,538)
Ending balance	<u>14,162,930</u>	<u>12,843,602</u>

16 Promotional privileges

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

BOI Certificate No.	Name of Product	Production volume	Date of approval	The date income is first derived	Period of income tax exemption of 100.00%	Period of income tax exemption of 50.00%
1735(2)/2555	Steel wires and steel galvanised wire products	45,964 Tons	22 November 2011	20 April 2013	8 years	5 years

16 Promotional privileges (Cont'd)

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

	2023			
	BOI promoted activities which are under corporate income tax exemption Baht	BOI promoted activities which are subject to half corporate income tax Baht	Non BOI promoted activities Baht	Total Baht
Export sales	-	237,197,529	-	237,197,529
Domestic sales	-	854,603,788	82,948,100	937,551,888
Total sales	-	1,091,801,317	82,948,100	1,174,749,417

	2022			
	BOI promoted activities which are under corporate income tax exemption Baht	BOI promoted activities which are subject to half corporate income tax Baht	Non BOI promoted activities Baht	Total Baht
Export sales	-	185,365,622	-	185,365,622
Domestic sales	-	1,127,434,775	111,860,188	1,239,294,963
Total sales	-	1,312,800,397	111,860,188	1,424,660,585

17 Bank guarantees

As at 31 March 2023, there were outstanding bank guarantees issued by a local commercial bank on behalf of the Company in respect of port service usage and compliance with business contracts of Baht 7.43 million (2022: Baht 13.16 million).

18 Commitments

Capital commitments

As at 31 March 2023, there were capital expenditure in respect of the purchase of equipment and machine contracted for but not recognised in the financial statements of Baht 0.08 million (2022: Baht 1.40 million).

Operating lease commitments

As at 31 March 2023 and 2022, the Company has entered into lease agreements relating to office equipment, vehicles and other services. The future minimum lease payments under non-cancellable operating lease agreements are as follows:

	2023 Baht	2022 Baht
Not later than 1 year	2,715,950	3,399,540
Later than 1 year but not later than 5 years	-	1,872,640
	2,715,950	5,272,180

19 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 2023, the outstanding forward exchange contract are as follows:

<u>Amount in contract</u>	<u>Contractual currency</u>	<u>Amount in Baht</u>	<u>Contractual exchange rate (Baht/Contractual currency)</u>	<u>Maturities</u>	<u>Fair value</u>	<u>Gain on fair value</u>
Selling contract						
484,032	US Dollars	16,478,261	33.60-34.30	April 2023	16,425,379	52,882
57,500	Euro	2,084,950	36.82	July 2023	2,116,316	(31,366)
Buying contract						
183,124	US Dollars	6,281,153	34.30	April 2023	6,274,396	(6,757)

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

<u>Amount in contract</u>	<u>Contractual currency</u>	<u>Amount in Baht</u>	<u>Contractual exchange rate (Baht/Contractual currency)</u>	<u>Maturities</u>	<u>Fair value</u>	<u>Gain on fair value</u>
Selling contract						
410,872	US Dollars	13,694,347	33.35	April 2022	13,615,994	78,353
Buying contract						
270,000	US Dollars	8,685,900	32.17	June 2022	9,032,931	347,031