



LOHAKIT METAL PUBLIC COMPANY LIMITED

Annual Report 2021
(Form 56-1 One Report)

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Financial Highlight

Performance at a Glance

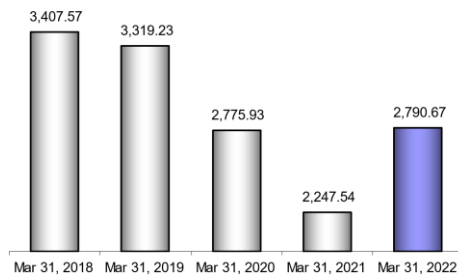
Financial summary of Lohakit Metal Public Company Limited and the subsidiaries:

	For the year ended 31 st March				
	2018	2019	2020*	2021	2022
Profit and loss statement (Baht millions)					
Total revenue	3,407.57	3,319.23	2,775.93	2,247.54	2,790.67
Revenue from the sales of good and services	3,376.19	3,293.90	2,756.44	2,226.16	2,761.24
Gross profit	482.22	411.43	328.75	305.77	454.68
Net profit provided by operating activities	341.41	253.50	159.52	160.77	319.31
Net profit	208.19	143.59	86.95	101.36	211.68
Balance Sheet (Baht millions)					
Total assets	2,362.03	2,345.53	2,118.54	2,093.21	2,319.00
Total liabilities	677.43	679.12	483.41	461.12	657.89
Total shareholders' equity	1,684.60	1,666.41	1,635.13	1,632.09	1,661.12
Per ordinary share (Baht), at Par 1.00					
Book Value per share (Baht)	3.84	3.77	3.70	3.75	3.92
Earning per share (Baht)	0.54	0.37	0.23	0.26	0.55
Dividend per share (Baht)	0.45	0.37	0.22	0.30	0.65
Ratio Analysis					
Gross profit margin (%)	14.28%	12.49%	11.93%	13.74%	16.47%
Net profit margin (%)	6.11%	4.33%	3.13%	4.51%	7.59%
Return on equity (%)	14.43%	9.85%	6.08%	7.11%	19.22%
Return on Assets (%)	8.99%	6.10%	3.90%	4.81%	12.79%
Liquidity ratio (times)	2.91	2.69	3.30	3.46	2.75
Debt to equity ratio (times)	0.40	0.41	0.30	0.28	0.40

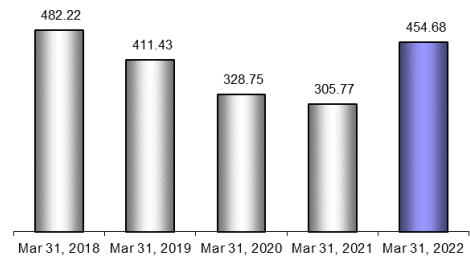
*2020 - Published in the Government Gazette Determine the compensation rate in case the employer terminates the employee Receive compensation 400 days of the final wage rate. The change has been revamped in post-employment benefits.

Consolidated Results of Fiscal Years as of March 31, 2018 - March 31, 2022

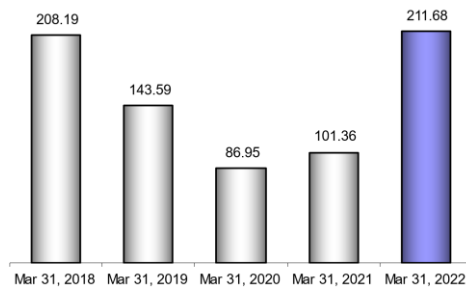
Total revenue (Baht Millions)



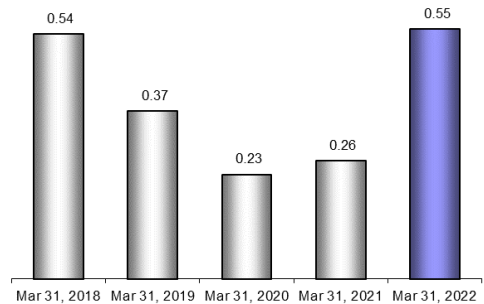
Gross Profit (Baht Millions)



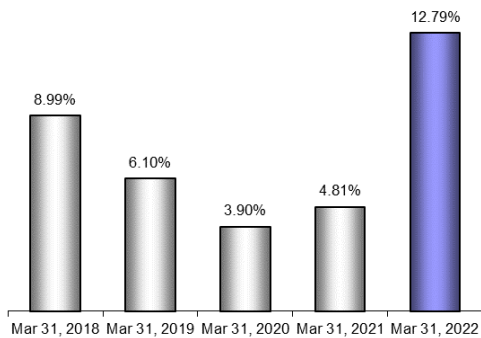
Net profit (Baht Millions)



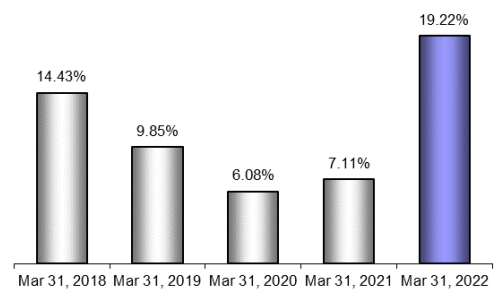
Earnings per share (Baht)



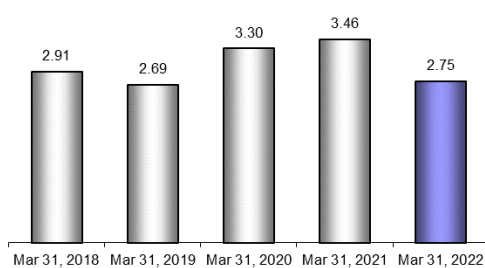
Return on Assets (%)



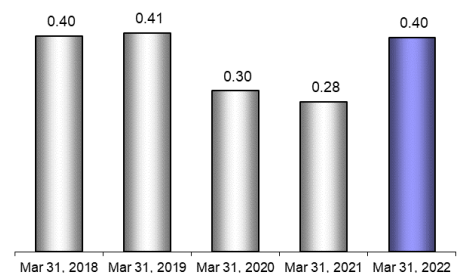
Return on equity (%)



Liquidity ratio (times)



Debt to equity ratio (times)



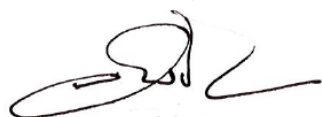
Message from the Chairman and CEO

The Thai economy expanded in the first half of 2021 compared to the same period of the previous year. But in the second half, a new wave of the COVID-19 epidemic has occurred, resulting in a disruption in the production line. However, there are signs of recovery from government measures such as opening the country as well as supporting the acceleration of vaccination, which makes the manufacturing sector in Thai industries. There is a higher production volume, such as in the automotive industry, electrical appliances, and infrastructure construction, but there are still risk factors that must be careful of both the impact due to the shortage of raw materials used in foreign production, such as the shortage of chips in the automobile manufacturing process, and a new wave of COVID-19 outbreaks in the country, including the war between Russia and Ukraine.

The results in 2021, the company had total sales of 2,761 million baht, higher than in 2020, with sales of 2,226 million baht. The profit attributable to shareholders of the company was 212 million baht, compared with 101 million baht in 2020. The result of the operation has improved operating due to increased demand, and the price of stainless steel has increased during the past year due to the more relaxed global trade situation. However, the automobile industry has greatly recovered, resulting in total car production being set at the target. In addition, the electrical appliance industry has begun to have a better trend. The demand for products in the global market continues to increase.

For further direction, I would like to inform that the Board of Directors remain focusing on the importance to the development of competitiveness, personnel development, and cost management to be more efficient in order to respond to customers both in quality and price of the product as well as delivering on-time schedule. Board of Directors therefore is confident that the company will be ready to compete in the business and can grow steadily.

Lastly, on behalf of the Board of Directors, management and all employees, we would like to thank our shareholders, investors, customers, stakeholders including also public and the involved private sector for their support and trust in us. The management team and all employees will continue to dedicate our effort and knowledge to response to our customer demand and to maximize the benefits to all shareholders.



Mr. Wanchai Umpungart
Chairman



Mr. Prasarn Akarapongpisakdi
Chief Executive Officer

Report of director's responsibilities over the financial statement

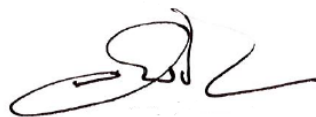
The Board of Directors is responsible for the financial statements of Lohakit Metal Public Company Limited and the consolidated financial statements of Lohakit Metal Public Company Limited and its subsidiaries, including the financial information contained in the Annual Report. The financial statements are prepared in accordance with financial reporting standards, appropriate accounting policies and consistency, cautious discretion apply with the best estimation for the preparation of financial statements including also the adequate disclosure in the notes to the financial statements. The objective is for the benefits to shareholders and investors with transparency.

The Board of Directors has established the system of internal controls which are suitable to operation in accordance with the objectives and legal requirements with efficiency and sufficient to prevent risks or damages that could happen to the company and its stakeholders to ensure that account information is accurate and complete and enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors has appointed the Audit Committee to review the various aspects of the five areas which are control environment, risk assessment, control activities, information & communication and monitoring activities following the assessment questionnaire of the adequacy of the internal control system that has been prepared based on the concept of the COSO (The Committee of Sponsoring Organization of the Treadway Commission), which was optimized for the listed companies in Thailand. The audit committee opinions of this issue are listed in the annual report.

Financial statements and consolidated financial statements of the Company and its subsidiaries have been audited by the auditors of the Company "EY Office Limited". The Board has supporting information and documents to enable the auditor to audit and express an opinion as auditing standards. The opinion of the auditor in the auditor report is listed in the annual report.

The Board is of the opinion that the Company's internal control system in overall is in good level and satisfactory. This provides the reasonably confident that financial statements of Lohakit Metal Public Company Limited and consolidated financial statements of Lohakit Metal Public Company Limited and its subsidiaries for the year ended as of 31 March 2022 are reliable by complying with the financial reporting standards and legal and related regulations.



Mr. Wanchai Umpungart
Chairman

Audit Committee's Report

The board of directors appointed the audit committee who were considered from the criteria of experiences, capability, independent and other regulations. The selected audit committees are Mr. Wanchai Umpungart, the chairman of the audit committee, Mr. Teera Na Wangkanai and Mr. Lert Nittheeranon. Those 3 members of the audit committee have never taken part in the Company's operation and have never been employed by the Company and the subsidiary.

During the year ended on March 31, 2022, the audit committee had 4 meetings in every quarter, together with internal auditor and the certified external auditor to clarify and follow up audit results and relevant issues, including also preparing the minutes for each meeting. The agendas discussed over the meetings were in compliance with the scope of authorities and responsibilities to the board of directors which can be summarized as follows:

1. Reviewed and approved the quarter and annual financial statements, by questioning and listening to the external auditor clarifications, concerning the correctness and completeness of the financial statements and the adequacy of information disclosure. The Audit Committee agreed with the certified external auditor that the financial statement were correct adhering to the general accepted accounting principles before proposed to the board of directors for their approvals.
2. Considered and give opinion to the disclosure of the connected transactions and/or other transactions that may have the conflict of interest and the obligations of the Company as disclosed in financial statements and notes to the financial statement. The Audit Committee had opinion that such transactions were reasonable and gave benefits to the business of the Company.
3. Considered and give opinion to the sufficiency of internal control system of the Company, by considered the scope of work, duties and responsibilities, independency of A.M.T. Services Office Limited the Company's internal audit and approved annual audit results conducted during the year according to approved audit plan. The Audit Committee had opinion that the Company had the internal control that was adequate and appropriate with no significant flaw.
4. Considered, reviewed and revised the charter of Audit Committee to ensure the compliance of duty and responsibility to objective of board of directors and the revision of regulation for internal audit committee of Stock Exchange of Thailand (if any).
5. Reviewed compliance with the Securities and Exchange Acts, Regulations of Stock Exchange of Thailand (SET) and any others relevant laws. The Audit Committee did not find any significant incompliance to the law and regulations.

6. To select, nominate, appoint and advise the Board of Directors for the appointment of auditors and audit fees in order to propose to the Annual General Meeting of Shareholders. The Audit Committee has considered the performance, independence and appropriateness of the remuneration. Therefore audit committee board proposed

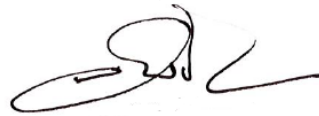
Miss Orawan Techawattanasirikul - Certified Public Accountant (Thailand) No. 4807

Mrs. Gingkarn Atsawarangsarit - Certified Public Accountant (Thailand) No. 4496

Mr. Chayapol Suppasedtanon - Certified Public Accountant (Thailand) No. 3972 or

Miss Sumana Panpongsanon - Certified Public Accountant (Thailand) No. 5872 of EY Office Limited. The audit fee is set at Baht 1,170,000 per year.

The Audit Committee has considered and deemed that the Company's financial reports were complied with the general accepted accounting principle with sufficient information disclosure. The internal control system was efficient and in compliance with the relevant laws and regulations. Moreover, corrections to any audit issues as stating in audit reports from internal and external auditors have been properly followed up and done to ensure the outcome of good corporate governance.



Mr. Wanchai Umpungart
Chairman of the audit committee

Report of Nomination and Remuneration Committee

The Board of Directors of Lohakit Metal Public Company Limited has appointed the Nomination and Remuneration Committee since 2016, responsible for the recruitment and nominate qualified personnel to serve as directors, sub-committees and the managing director. The policy of remuneration of directors and the managing director is also set for the consideration by board of directors.

The Nomination and Remuneration Committee of Lohakit Metals Public Company Limited consists of three directors, namely:

1. Mr. Teera Na Wangkanai Chairman of the Nomination and Compensation Committee
2. Mr. Wanchai Umpungart Member of the Nomination and Compensation Committee
3. Mr. Lert Nitheranont Member of the Nomination and Compensation Committee

In the year 2021, the Nomination and Remuneration Committee held 2 meetings, with the following significant actions.

To consider, select and screen qualified persons to be appointed as directors, board members in various sub-committees in order to propose to the Board of Directors and the Annual General Meeting of Shareholders.

To consider the remuneration and other benefits of the Company's directors, board members in various sub-committees in appropriate to their duties and responsibilities and also in comparison with other companies in similar industries. This is in order to propose to the Board of Directors and the Annual General Meeting of Shareholders.

Consideration of the performance evaluation of the Managing Director and the annual remuneration in order to propose to the Board of Directors for approval

Consider policy, form and criteria of nomination and remuneration of directors Board members in various sub-committees and managing directors. The evaluation of the performance and remuneration of the Managing Director for the year shall be submitted to the Board of Directors for approval.

In summary, the Nomination and Remuneration Committee has performed the above duties in accordance with the roles and responsibilities entrusted by the Board of Directors. The Company has the opinion that for the year 2021, the Company's directors, board members in various sub-committees and managing director. They are knowledgeable persons, including the compensation and other benefits shown in the annual report to suitable with the obligations and responsibilities and also in line with the overall economy and operating performance of the company.



Mr. Teera Na Wangkanai
Chairman of the Nomination and Compensation Committee

Report of Risk Management Committee

The Board of Directors of Lohakit Metal Public Company Limited is committed to the risk management of the organization, efficient and effective in line with the strategy department and reorganization in order to build confidence, customer satisfaction and good returns to all shareholders and stakeholders.

Board of Directors assigned to the Risk Management Committee of the organization. It consists of individuals with knowledge, ability and experience in risk management. As well as having good knowledge and understanding of business operations, there are 3 persons as follows.

1. Mr. Prasarn Akarapongpisakdi Chairman of the Risk Management Committee
2. Mr. Vittawat Akarapongpisak Member of the Risk Management Committee and Secretary
3. Mr. Vichaphol Akarapongpisak Member of the Risk Management Committee

They are responsible for managing the risks under the charter of the Risk Management Committee. To set and review the risk management policy, to supervise and recommend the management to risk management at an acceptable level and follow up risk management on a regular basis.

For the year 2021, the Risk Management Committee had total of 2 meetings held to implement the guidelines and measures for corporate risk management. To monitor and supervise the risk management in line with changing circumstances, covering all 8 risks, consisting of economic, currency, fluctuations in world market price of nickel, copper, aluminum and the reliance on major producers and distributors, customer relocation, competitors and liquidity, the risk of corruption, including the risk of new infectious diseases.



Mr. Prasarn Akarapongpisakdi
Chairman of the Risk Management Committee

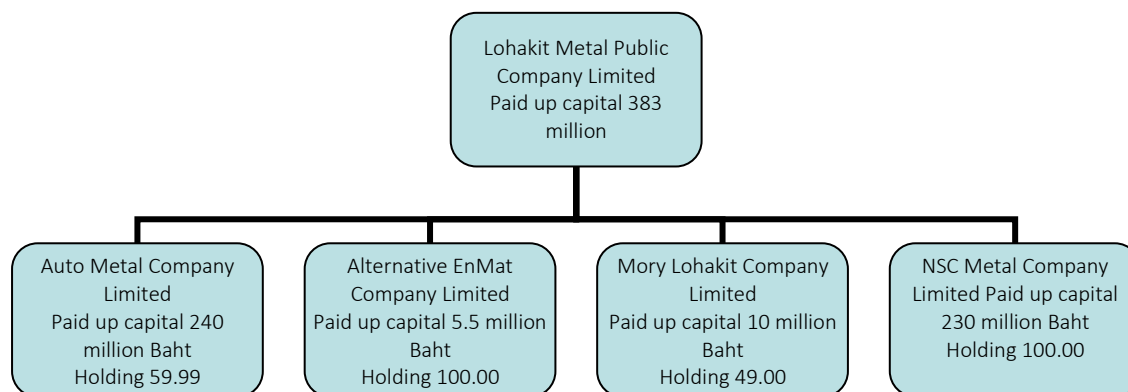
Part 1

Business and Operation Performance

1. Business Structure and Operating Performance

1.1 An overview of the Group's business operations

The group of Lohakit Metal Public Company Limited as of March 31, 2022 can be shown as follows:



The Company and the subsidiaries engage in procuring stainless coil products where the Supply Chain Management has been adopted to manage the raw material, the procurement, the distribution and the services provided to the customers. A new subsidiary is the importer and authorized distribution of semi-products like Copper, Aluminum and Stainless steel. Supply Chain Management model is cooperation among (1) Suppliers who are manufacturers and distributors of raw material; (2) the Company and the subsidiaries who are procurer, distributor and servicer and (3) customers in various industries. The Company and the subsidiaries act as a mediator who gathers information of raw material manufacturers and distributors and information of customer's demand then uses such information to manage raw material sourcing, to plan production processing and to deliver products to the customers. The Supply Chain Management system allows the Company and the subsidiaries to be able to order the adequate quantity of raw materials, to manufacture products that match the customers' requirements and to deliver the products in time. Such system has enhanced the Company's efficiency in various aspects including (a) production cost saving as the system allows the Company and the subsidiaries to order raw materials in the quantity that they requires to use where the Company can plan its on-time delivery raw material purchasing without any raw material shortage problems, (b) maintaining the appropriate level of inventory that is sufficient to be delivered to the customers, (c) cost saving for the customers where the on-time delivery service can help the customers reduce the expense of holding more inventory than the amount required. The Supply Chain Management of the Company has created the maximum benefits for every party including suppliers, the Company and the subsidiaries and the customers. The Company and the subsidiaries are able to manage their costs and inventory efficiently which shall create the good relationship and negotiation power with the suppliers. As a result, the selling prices of the Company and the subsidiaries are appropriate which shall lead to the expansion of the customer base.

The businesses that the Company and the subsidiaries undertake include:

- (1) Procuring, processing and distributing stainless steel sheets and coils.
- (2) Manufacturing and distributing stainless steel pipe such as stainless steel tube for decoration or automotive industry.
- (3) Processing and distributing galvanized steel and electro-galvanized steel sheets and coils.
- (4) Provide stainless steel fabrication services as per the customer's request.
- (5) Distribution of Copper, Brass, Aluminum in form of coil, sheet, axle and pipe

The 3 subsidiaries and 1 relate of the Company and are as follows:

(a) Auto Metal Company Limited engages in manufacturing and distributing stainless steel pipe for automotive usage including exhaust pipes from car and motorcycle. Auto Metal Company Limited was founded on October 14, 2004 with the paid-up capital of Baht 40 million. Currently Auto Metal Company Limited has a paid-up capital of Baht 240 million and the Company holds 59.99 percent of total revenue of the paid-up capital and Mory Industrial Inc, hold 40.00 percent of total revenue of the paid-up capital of Auto Metal Company Limited respectively.

(b) Alternative EnMat Company Limited (Formerly known as : Alternative Stainless Company Limited) distributes stainless products of specific grades. D-Stainless Company Limited was founded on June 2, 2005 with the paid-up capital of Baht 1 million where the Company holds 99.93 percent of total revenue. Later, on January 4, 2016, the Company changed its name and has registered capital of 10 million baht, paid up 5.5 million Baht. The company stake reduced its percentage to 74.99 and a businessman from Singapore holds 25.00 percent stake in the capital increase aims to expand business into the new aluminum products in new markets. However, in November 2017, the company bought back all of the subsidiary shares from a business man from Singapore. He was withdrawing his investments by selling all shares back to the company as he can not fully support the company's business due to the time limitation from his private business. As a result, the Company becomes the sole shareholder of this subsidiary. At present, the company has stopped its business in the distribution of aluminum products and is considering continuing to do other businesses.

(c) Mory Lohakit Company Limited was found on April 1, 2009 with 49 percent of total revenue shareholding by the company and another 49 percent of total revenue shareholding by Mory Industries, Inc. as major shareholders. The main business is the sale and marketing agent in local and aboard to the shareholders and group business.

(d) NSC Metal Company Limited (Formerly known as : Ngeck Seng Chiang Metal Company Limited) who is the importer and distributor of Stainless Steel Aluminum Brass Copper galvanized steel and electro-galvanized steel in various form like Coil, Sheet, Slab, Axle and Pipe with standard and special size in which difficult to find in market. The company currently has its paid up capital of Baht 230 million. Lohakit Metal Public Company invested 100% share in this subsidiary. On April 1, 2014, the company has changed the registered name and address to be NSC Metal Company Limited and to be at 108/8 Yotha Road, Talad Noi, Samphanthawong, Bangkok, Thailand.

The Company and the subsidiaries have 3 factories including

(1) The Company's factory: situated on 27 Rais 2 Ngan 28 Square wah of land on Suksawat Road, Prapradang district, Samutprakarn. The factory area includes office building, processing factory, pipe and tube production factory, raw material warehouse, finished good warehouse, maintenance building, oil storage building and wooden package storage.

(2) The factory of Auto Metal Company Limited: situated on 7 Rais 1 Ngan and 24 Square Wah of Amata City Industrial Estate in Chonburi. The factory area includes office building, pipe and tube production factory, raw material warehouse, finished good warehouse and distribution center.

In 2011, a subsidiary company (Auto Metal Company Limited) buy an additional piece of land adjacent to the existing land. This is in order to support the growth of capacities in Automotive industry. The size of additional land is 1 Rai 3 Ngan 92 Square wah.

In 2018, the company purchased a plot of land and factory buildings on the said land in Amata City Industrial Estate which is close to the original factory in order to transfers a part of the existing production and using as new storage to reduce the old factory congestion flow. The land size is 5 rai 3 ngan which is starting the operation of the new factory in May 2019.

The products and services of the Company and the subsidiaries include:

(1) Cold-rolled stainless steel sheets and coils of various sizes according to the customer's request. The products are used in construction, food, electrical appliance and automotive industries.

(2) Round and rectangular stainless steel tubes of various sizes according to the customer's request. This group of products is used in automotive, food, petrochemical and construction industries.

(3) Stainless steel pipe for automotive usage such as exhaust pipes for car and motorcycle which are the products of Auto Metal Company Limited, the subsidiary, used for the manufacturing of car and motorcycle.

(4) Galvanized steel sheets and coils of various sizes as per the customer's request where these products are used in electrical appliance and construction industries.

(5) Electro-Galvanized steel sheets and coils of various sizes as per the customer's request where these products are used in electrical appliance, construction and automotive industries.

(6) Aluminum sheets, coils, axles and pipes of various sizes as per the customer's request where the products are used in electrical appliance and automotive industries.

(7) The stainless steel fabrication as per the customer's request

(8) Copper coil, sheets, axles and pipes with standard and special size where the products are used in electrical appliance and electronic industries.

- **Business Goals**

The Company and the subsidiaries share a business goal to become the leader in stainless steel processing who have full services including product procurement, stainless steel processing by slitting into required sizes or coil, polishing, punching and stamping as well as manufacturing and distributing stainless steel pipes/tubes and special grade stainless steel

distribution to customers from various industries. Beside, new metals and non-ferrous metals likes Copper, Brass, Aluminium have been added as additional goal to widely serve all industrial customers. The Company and the subsidiaries share the goal to expand the customer base to the multinational companies whose production hubs are in Thailand including major manufacturer of electrical appliances industry, automotive industry, food processing industry and electronic industry. The Company and the subsidiaries also planned to expand the distribution channel of the special grade stainless steel abroad. In addition, the Company and the subsidiaries realized the importance of the customer's services. The Company's goals are to manufacture internationally accepted quality products, to deliver products on-time and to reduce the purchasing lead time of the customers which can help save cost of inventory keeping for the customers. The Company also has a goal to develop the products to serve the customer's demands.

- **Significant changes and development**

Lohakit Metal Public Company Limited ("the Company") (previously known as Lohakit Metal Service Center Company Limited before changing to Lohakit Steel Company Limited on January 2, 2003) was founded on April 12, 1989 with the register capital of Baht 20 million under the former name of Lohakit Metal Service Center Company Limited to engage in stainless products trading business. The founded shareholder was the Akarapongpisak family who accumulate held 80 percent of total revenue of the Company's shares.

Subsequently on May 22, 1989, the Company entered into a joint venture with Tomen Corporation Company Limited, an affiliate of Tomen Group¹ which engages in steel trading business. The Company increased its capital to Baht 39.22 million where Tomen Corporation Company then held 49percent of total revenue of the Company's shares. The shareholding percentage of the Akarapongpisak family was diluted to 40.80 percent of total revenue. The proceed of such capital increase was used to acquire assets such as land, machines and inventory from Lohakit Shearing Company Limited.², the company whose major shareholder was also the Akarapongpisak family. Subsequently, Lohakit Shearing Company Limited. was dissolved and liquidated in 1992.

In August 2002, the Company increased its capital to Baht 117.22 million then on August 30, 2002, Tomen Corporation Company Limited sold all of its shares to the Akarapongpisak family and Mr. Nucha Wattanopas owing to its termination of steel business worldwide. Consequently, the major shareholders of the Company then became the Akarapongpisak family holding 80 percent of total revenue and Mr. Nucha Wattanopas holding

¹ Tomen Group includes Tomen Enterprises (Thailand) Co., Ltd. (previously known as Lakana Visahakit Co., Ltd.) and Tomen Corporation Co., Ltd. (previously known as Toyomenga Kysa Limited). The Tomen group is a multinational company listed on the stock exchange of Japan with the head office in Japan and 800 branches worldwide. The Tomen group is one of the leaders in information system, telecommunication, chemicals, plastic and garment.

² Lohakit Shearing Company Limited. was founded in 1981 by the Akrapongpitak family to engage in distributing of stainless and other steel. Lohakit Shearing Co.,Ltd. had transferred most of its assets to Lohakit Metal Public Company Limited in 1989 before it was dissolved on September 4, 1992 and was liquidated on November 27, 1992.

20 percent of total revenue. On January 2, 2003, the Company changed its name to Lohakit Steel Company Limited.

In January 2005, the Company increased its capital to Baht 240 million. Subsequently on April 29, 2005, the Company converted its status to a public company and changed its name to Lohakit Metal Public Company Limited.

In January 2008, the Company increased its capital to Baht 320 million where 80 million shares were offered to public through the Stock Exchange of Thailand.

In January 2013, the Company increased its capital to Baht 383 million where 63 million shares were privately offered to ex-shareholders of a new subsidiary company “Ngeck Seng Chiang Metal Company Limited” to settle acquisition deal of said subsidiary company. And on April 1, 2014, the company has changed the registered name is NSC Metal Company Limited.

In January 2016, the Company increased its registered capital to Baht 10 million in Alternative Enmat Co., Ltd., which was paid-up of Baht 5.5 million and the shareholding ratio decreased to 74.99%. A business man from Singapore owned the 25% of shares of the company. The capital increase is intended to expand into new aluminum market.

In November 2017, the Company purchased all shares of Alternative Enmat Limited from a Singapore businessman who withdrawn investments by selling their shares back to the company. As a result, the Company becomes the sole shareholder of this subsidiary.

The major shareholders of the Company as of March 31, 2022 are Akarapongpisak family by holding 72.83% of the total shares (details are in Securities Information and Shareholders Clause Page 23).

1.2 Revenue Structure

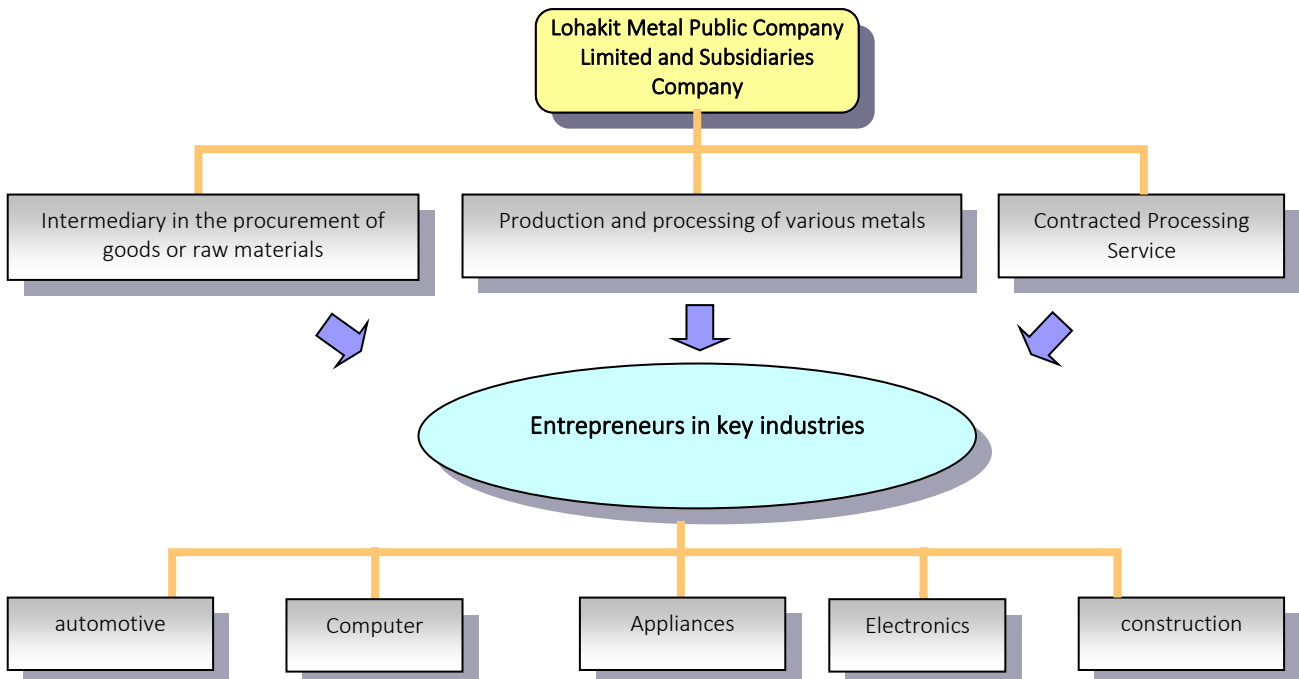
The revenue structure of the Company and the subsidiaries during 2019 - 2021 can be shown as follows:

Revenue	Opeated by	% Holding	2019 (01/04/18 - 31/03/19)		2020 (01/04/19 - 31/03/20)		2021 (01/04/20 - 31/03/21)	
			Million	%	Million	%	Million	%
By type of Revenue								
1. Revenue from sales								
1.1 Cold-rolled stainless steel sheet and coil of grades 430, 304,300, 316,409,436 and others	The Company NSC Metal	100.00	941.55	28.37	838.00	30.19	597.98	26.61
1.2 special grade stainless steel sheet and coil	Alternative Enmat Co., Ltd. The Company	99.99	4.45	0.13	0.00	0.00	0.00	0.00
1.3 Special grade stainless steel – HDD project	The Company		0.00	0.00	0.00	0.00	0.00	0.00
1.4 Stainless steel tube (round and rectangular), exhaust pipes for car and motorcycle of grades 304, 316L and other series 3	The Company Auto Metal Co., NSC Metal Co. Ltd	59.99 100.00	219.73	6.62	199.10	7.17	154.57	6.88
1.5 Special grade stainless steel tube	Alternative Enmat Co., Ltd. The Company	99.99	0.00	0.00	0.00	0.00	0.00	0.00
1.6 stainless steel pipe for exhaust pipes for car and motorcycle of grades 409, 436 and other series 4	Auto Metal Co., Ltd. The Company	59.99	1,021.86	30.79	876.34	31.57	630.08	28.03
1.7 Stainless bars and other type	The Company NSC Metal	100	40.24	1.21	24.20	0.87	20.66	0.92
1.8 Galvanized steel coil and sheet	The Company NSC Metal	100	202.50	6.10	160.48	5.78	164.96	7.34
1.9 Electro-glvanzized steel coil and sheet	The Company NSC Metal	100	102.16	3.08	94.33	3.40	56.66	2.52
1.10 Aluminium coil and sheet	The Company NSC Metal	100	168.77	5.08	125.36	4.52	128.15	5.70
1.11 Copper - coil, sheet, axle and pipe	The Company NSC Metal	100	527.10	15.88	389.58	14.03	421.88	18.77
1.12 Brass - coil, sheet, axle and pipe	NSC Metal	100	62.86	1.89	47.23	1.70	48.04	2.14
2. Revenue from service	The Company		2.68	0.08	1.82	0.07	3.18	0.14
Total sales and service	The Company	59.99 ,	3,293.90	99.24	2,756.44	99.30	2,226.16	99.05
3. Gain from exchange rate	The Company	59.99 ,	0.00	0.00	0.18	0.01	0.54	0.02
4. Other Income**	The Company	59.99 ,	25.33	0.76	19.31	0.70	20.84	0.93
Total Revenue	The Company	59.99 ,	3,319.23	100.00	2,775.93	100.00	2,247.54	100.00

Remark ** Other revenues include interest income and revenue from selling scrap, gain from sale of investment and gain from bargaining in price

The business operations of each product line

The company and the subsidiaries are engaged in the main business of fully integrated stainless steel coil processing. By applying the Supply Chain Management system to the procurement of raw materials, processing, distribution, and providing services to customers, the company and the subsidiaries are intermediaries in purchasing raw materials and products from manufacturers, such as procuring raw materials for cold rolled stainless steel, special grade stainless steel, galvanised steel, electro-galvanized steel, aluminum, and copper, then selling or using them to produce and process goods according to the needs of customers who are entrepreneurs in various industries, such as cutting to size, Strip cutting, polishing, and round stamping, including the production of round pipes and square pipes, etc., including contract processing of stainless products according to customer requirements, the nature of the business operations of the company and the subsidiaries can be summarized as shown in the diagram below.



1.2.1 Characteristics of a product or service

Product characteristics of the Company and the subsidiaries can be divided as follows:

Products	Grade	Usability
1. Cold rolled stainless steel coil and sheet	430	<u>Construction industry:</u> belts, door locks, acid factories, container, Hot water tank, knots, decorative rim <u>Food industry and home appliances</u> such as kitchen utensils such as knives, spoons, forks, and tableware, washing machine, hot water machine, hot water pot, sink, boiler, pan, electric stove, tape rewinding machine, seed dryer, Tableware, glass/medicine bottle
	304	
	316	

Products	Grade	Usability
		<u>Automotive industry</u> such as car accessories Pressure cookers, springs, valves, wheel rims, wheel plates, boilers, control panels, nozzles
2. Ornamental tube and square & rectangular tube	304	<u>Automotive industry</u> such as the injector pipe
	316L	<u>food industry</u> such as smoke pipes, cooking gas pipes
		<u>Construction industry</u> such as gates, fences, handrails, bridge railings, support columns, roof trusses, including elevators, escalators, furniture, and decorations.
3. Automotive pipe	409L 436L	<u>Automotive industry</u> such as automobile exhaust pipes, motorcycle exhaust pipes
4. Special grade stainless (D-Stainless)	NSS D-7 NSS D-11	<u>Various industries</u> such as decorative pipes, the transportation industry includes containers, car accessories, computer parts industry, machinery parts, food, household appliances, architecture, including interior decoration, handrails, door frames, windows
5. Galvanized steel coil and sheet	R-Spangle	<u>Home appliance industry</u> such as air conditioner panels, air conditioner ducts, refrigerator back panel
6. Electro-galvanized steel coil and sheet	SECC/SECY	<u>Construction industry</u> such as gantry, galvanized frame, light rail for moving cranes in factories
7. Aluminium coil sheet and Rod Bar	1100,3003,3105, 5052,8011,6063	<u>Electrical appliances industry</u> such as round aluminum sheet inside the lid, rice cooker
8. Copper coil, sheet, angle bar, rod bar, and pipe	C1100 JISH3100 &JISH3140BB &JISH3250BD	<u>Electrical and electronics industries</u> such as wires, electronic circuit boards, electric motors and communication equipment.

Remark : Product grading is based on chemical composition.

- **Cold rolled stainless steel coil, sheet, and strips**

The company procures, processes, and distributes cold-rolled stainless steel in coils, sheets, and strips come through various processing according to customer orders. Under the quality system ISO9001:2000 from the United Kingdom Accreditation Service, covering every production process, every step, and every product.

(1) Cutting: The company can cut cold-rolled stainless steel in coils and sheets into different sizes as follows:

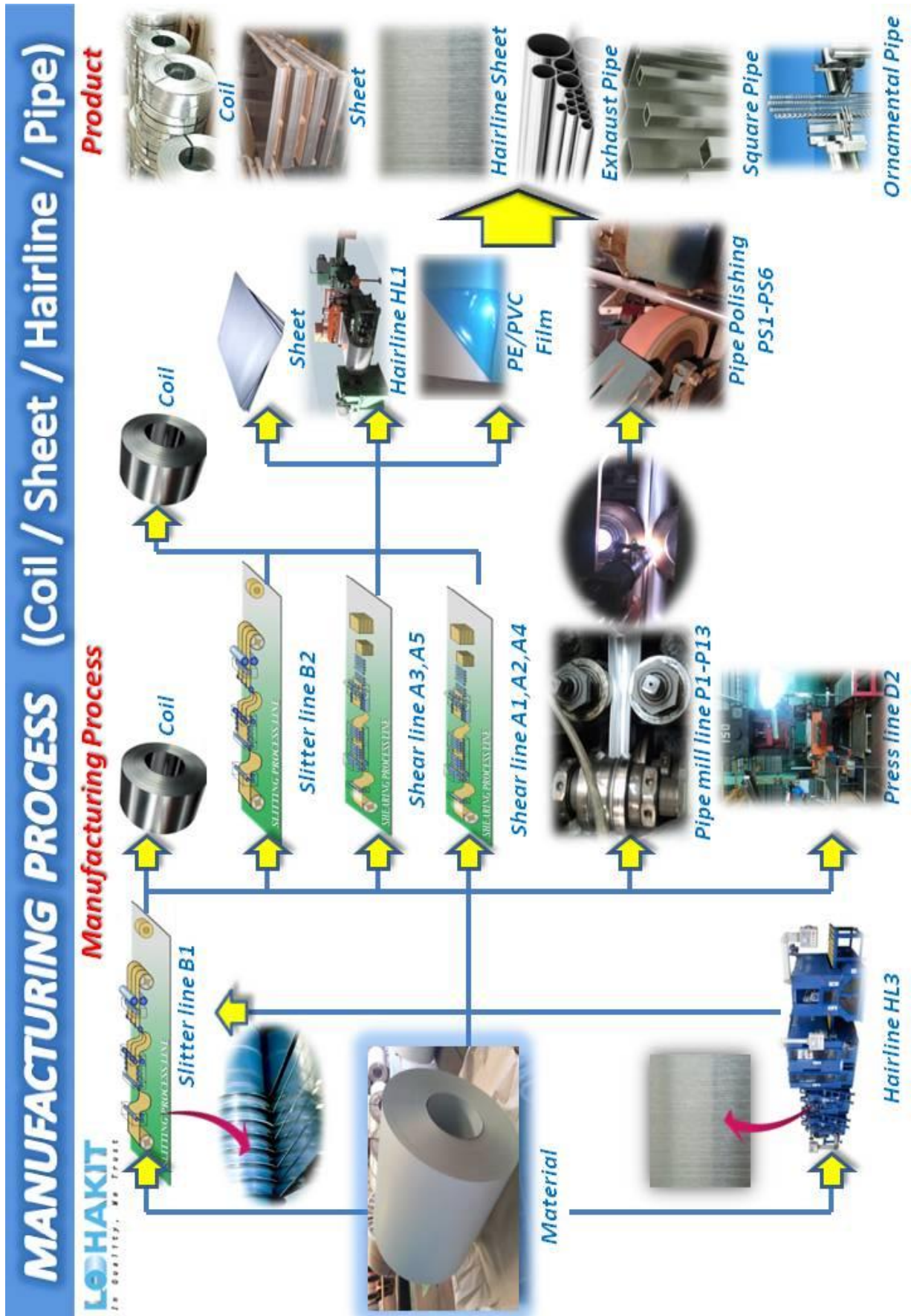
- Thickness from 0.2 mm. to 3 mm.
- Length from 200 mm. to 6000 mm.
- Width from 200 mm. to 1,524 mm. for cold-rolled stainless-steel sheet

(2) Slitting is used with cold-rolled stainless steel, which is cut to the width specified by the customer and rolled back. The company can cut into strips with a thickness from 0.15 mm. to 6.0 mm. and a width from 7 mm. to 1,524 mm.

(3) Polishing (Hair line finishing) or polishing straight lines and / or PVC coating (PVC coating) is the introduction of stainless steel sheet in rolls through the polishing process to create a beautiful pattern. It is a stainless-steel sheet with straight stripes and a cat hair pattern, used for the kitchenware industry, escalators, elevators, and decorations both outside and inside the building.

(4) round plate stamping (Circularized steel shaping) is the introduction of stainless steel coils and aluminum coils through a round sheet stamping process, such as a rice cooker lid, etc., and the customer will continue to produce the workpiece.

The company plans the processing and quality control of cold-rolled stainless steel. It must be able to bend, roll, and be formed easily. Customers will purchase products from the company for use in the manufacturing process in a variety of downstream industries, including construction, home appliance, food, automotive, and other industries.



- **Ornamental tube and square & rectangular tube**

The company manufactures and sells stainless steel pipe products to domestic and international industrial enterprises such as chemical industry, automotive industry, food industry, Construction industry, etc. Under iso9001:2000 quality system , it covers all production processes, every step and every product for cold rolled stainless steel products, sheets and strips, and automotive industry quality systems (TIS16949:2002) in the production section of car exhaust products from United Kingdom Accreditation Service

In 2002 , The company has received the Automotive Industry Quality System Certification (QS 9000:1998) in the production section of pipe products from the United Kingdom Accreditation Service

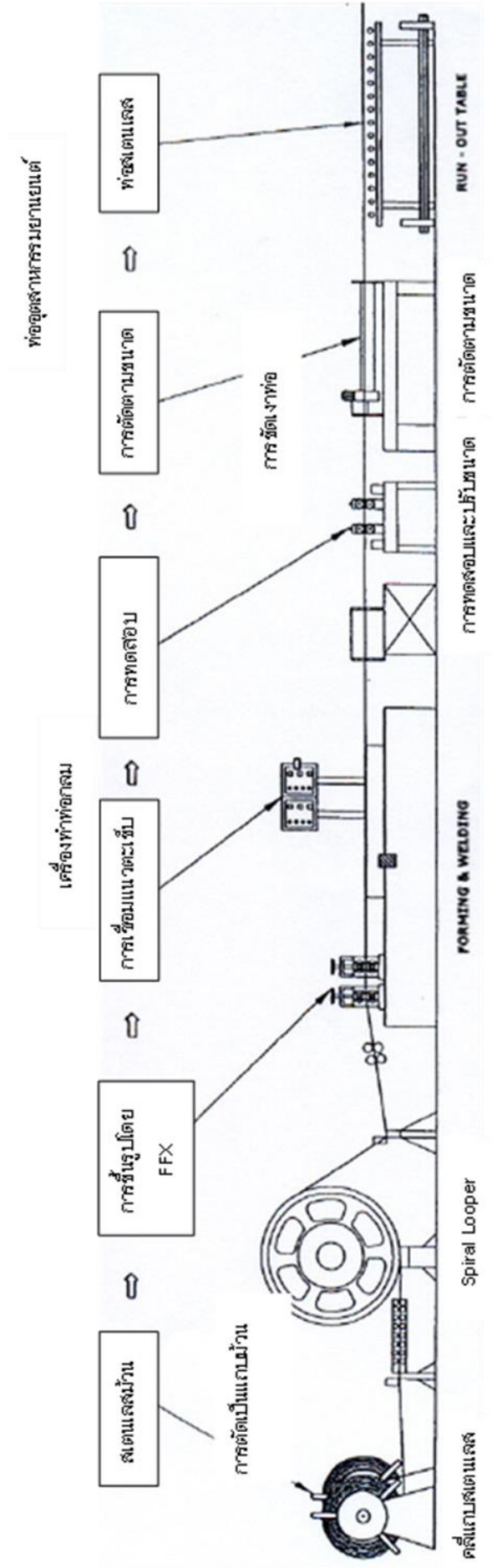
The company manufactures round stainless steel pipes and rectangular stainless steel pipes, furniture or polished pipe types, which are widely used stainless steel pipes because they are strong, corrosion resistant, do not rust, also have a shiny and beautiful finish that can be used as interior and exterior decoration materials such as home accessories, kitchen utensils, furniture, railings, etc. The production of furniture or polished pipes mainly uses cold rolled stainless steel raw materials grades 3 0 4 and 3 1 6 due to their durable strength and aesthetics and shiny surface prominence. The company can produce furniture or polished pipes with thicknesses ranging from 0.6 mm to 9 mm, outer diameters ranging from 6.35 mm to 76.2 mm, and standard lengths of 6,000 mm.

- **Automotive pipe**

Auto Metal Co., Ltd. manufactures and sells stainless steel pipes of automobile exhaust pipes and motorcycle exhausts. Good welding and forming capabilities Most of the production uses cold rolled stainless steel raw materials grade 436 and grade 409 , with car exhausts and motorcycle exhausts ranging in thicknesses ranging from 0.8 mm to 2 mm, outer diameters ranging from 19.1 mm to 76.2 mm, and lengths from 26 mm to 7,000 mm.

The production process of round stainless steel pipes, rectangular stainless steel pipes and exhaust pipes for cars and motorcycles starts from the introduction of cold rolled stainless steel raw materials of grade 436 and grade 409. The length of the stainless steel roll strip flows through the accumulation in the Spiral Looper, and then the stainless steel roll strip is introduced into the forming process into a round tube by a series of rolled balls in the forming section, and then through the welding process so that the pipe surface is homogeneous with the High Frequency Welding system, and then the pipes that have been welded through the seam are introduced into the Eddy Current system to check the welding cycle and will be processed into the scaling process. After that, the resulting stainless steel pipe is introduced into the cutting process to the desired length

Stainless steel pipe production process, round type stainless steel pipe Square stainless steel pipe and exhaust pipes for cars and motorcycles



- **Galvanised steel coil and sheet**

The company sells and processes galvanized steel of coil and sheet, and the company cuts galvanized steel into coil and sheet by cutting machine and slitting machine according to customer-defined width and length. Widths from 9 mm to 1,219 mm and lengths from 200 mm to 6,000 mm, customers will use roll-and-plate galvanized steel products purchased from the company as raw materials used in the home appliances and construction industries to manufacture panels in air conditioning, Refrigerator back panel, air duct, rough frame, zinc frame, rails to slide cranes in factories, etc.

Currently, the company will order galvanized steel according to customer's orders for processing by using cutting and Slitting machines into long strips of existing companies in conjunction with stainless steel processing machinery.

- **Electro-Galvanized steel coil and sheet**

The company sells and processes galvanized steel with electric coil and sheets, and the company will use galvanized steel with electric rolls and plates to be cut into rolls and sheets by cutting machine and slitting machine according to the width and length specified by the customer. Widths from 9 mm to 1,235 mm and lengths from 200 mm to 6,000 mm, customers will use roll-and-plated galvanized steel products purchased from the company as raw materials used in the home appliances and construction industries, such as the frame in air conditioning, Refrigerators and furniture, etc.

The processing of electro-zinc coated steel can be used to cut and cut into long strips of existing companies in conjunction with stainless steel processing machinery

- **Aluminium coil sheet axle and pipe**

The company sells and processes rolled and sheet aluminium, and the company cuts aluminum rolls and sheets into long strips (slitting), cutting machines and pumping machines of various customer-defined sizes. Widths from 10 mm to 1,219 mm and lengths from 366 mm to 2,438 mm can also be pumped round sheets from the aluminum sheets of the above sizes.

The processing of aluminum can be used as cutting and cutting machines into long strips of existing companies in conjunction with stainless steel processing machines

In addition, NSC Metal Co., Ltd., which is an importer and distributor of aluminium sheets, rolls, flat lines, scenes, shafts, and pipes according to standard sizes and special sizes that are not available on the market. Electrical Appliances Packaging Kitchen Utensils

- **Copper coil sheet axle and pipe**

NSC Metal Co., Ltd. is a distributor of copper sheets, rolls, flat lines, scenes, shafts and pipes according to various sizes and grades. Electronic Circuit Boards Electric motors, air conditioning and refrigerators and communication tools

1.2.2 Industrial Conditions Marketing & Competition

1) Overall Industrial Situations

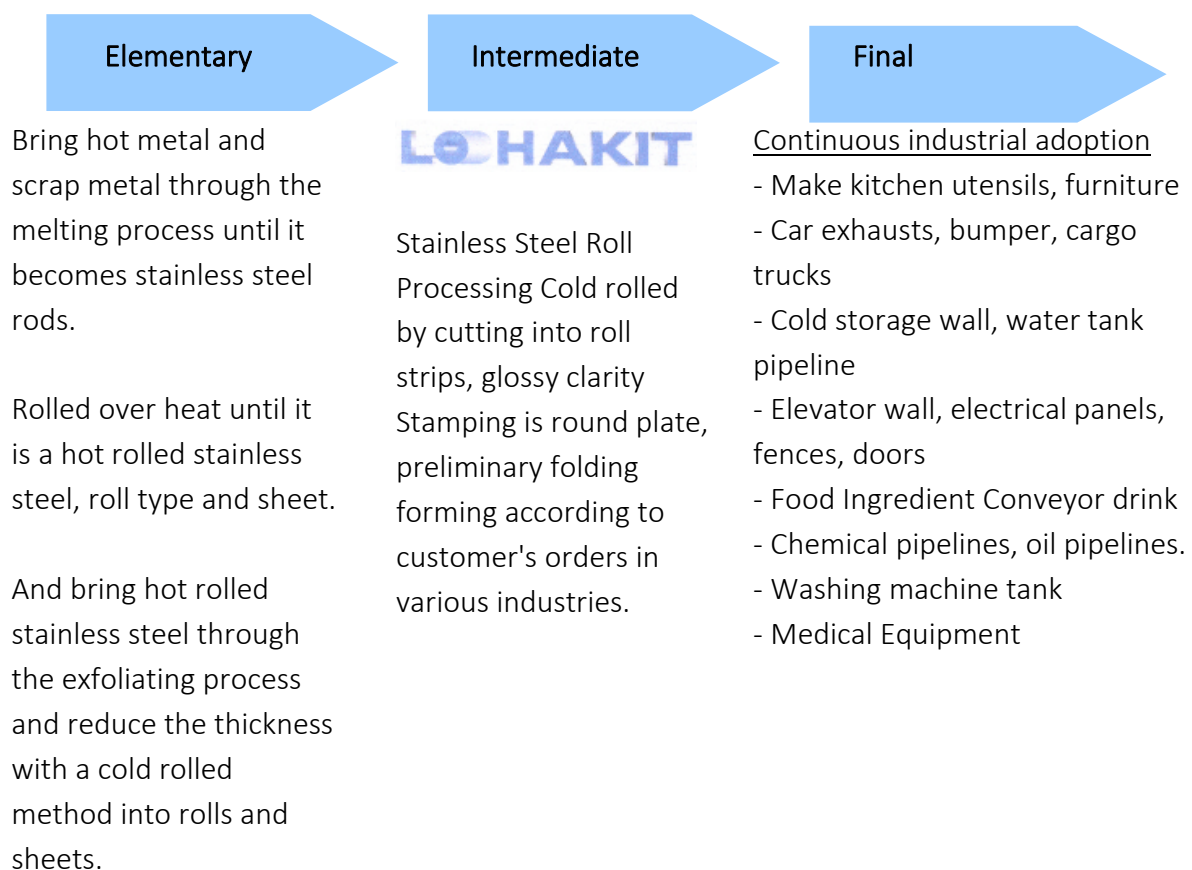
- Overall stainless steel industrial structure

The structure of the stainless steel industry can be divided into 3. The main steps are:

a) The gross stainless steel industry is the use of hot metals and scrap metals through the melting process to form stainless steel rods, and the stainless steel rods are heated to form hot rolled stainless steel rolls and sheets, and hot rolled stainless steel is processed through the exfoliation process and reduces the thickness with cold rolling to rolls and plates that vary depending on the application.

b) Intermediate stainless steel industry is a cold rolled stainless steel roll processing by cutting. Cut into roll strips, polishing, stamping into round plates. Preliminary forming folding according to customer's orders in various industries

c) The late stainless steel industry is the use of hot and cold rolled stainless steel through various processing processes to become a finished product used in various continuous industries, mainly in Thailand, which is the end stainless steel industry.



Stainless steel is a type of metal that is widely used as a homeware in the industry, as well as in architecture. Stainless steel can be divided according to the microstructure into 5. The main grades are:

1) Austenitic grades contain chromium (18 per cent, which improves corrosion resistance) and nickel (8 per cent. It helps to form easily and can be easily produced). Corrosion resistance is very good, so it is widely used, such as grade 304. Grade 316L Grade 321 and Grade 301

2) Ferritic grades contain chromium (12 percent or 18 percent) and carbon (low levels). Moderate corrosion resistance and medium forming, such as grade 430 and grade 409

3) Martensitic grades contain chromium (12 percent to 18 percent) and carbon (moderate)

4) Duplex grades include chromium (18 per cent to 28 per cent), nickel (4.5 per cent to 8 per cent), ferrite and austenite, which are considered stainless steel with a mix of ferritic and austenitic grades. A distinctive feature is its high durability and toughness, such as grade 2304. Grade 2205 and Grade 2507

5) Crystallization hardness grades include chromium (17 per cent), nickel, copper and niobium. A distinctive feature is that it can be hardened, such as PH13-9Mo grade and AM-350 grade

Each stainless steel grade has different corrosion properties and resistance due to the different structures and elements of trace elements, whereby Austenitic grade stainless steel, ferritic grade, and martensitic grade are used as key components in the consumer goods industry in general. Duplex-grade stainless steel is used as an important component in engineering

The stainless steel industry is one of the industries developed from the steel industry, which sees stainless steel as one of the materials in the steel sector that still has little consumption and can still grow in the future. Prosperous countries have a relatively high rate of stainless steel per capita, as in the period of growth of the Thai economy, stainless steel is also widely used

- **Stainless steel industry in the global market**
 - **Global stainless steel production volume in 2022**

2021

Stainless and heat resisting steel melt shop production (ingot/slab equivalent)

Year 2020 in '000 metric tons

Region	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year
Europe	1,909	1,919	1,586	1,767	7,181
USA	624	654	552	538	2,368
China	8,198	8,044	7,184	7,206	30,632
Asia w/o China and S. Korea	1,880	1,845	2,044	2,023	7,792
Others	1,901	2,052	2,184	2,179	8,316
Total	14,512	14,513	13,550	13,713	56,289

Others: Brazil, Indonesia, Russia, S. Africa, S. Korea

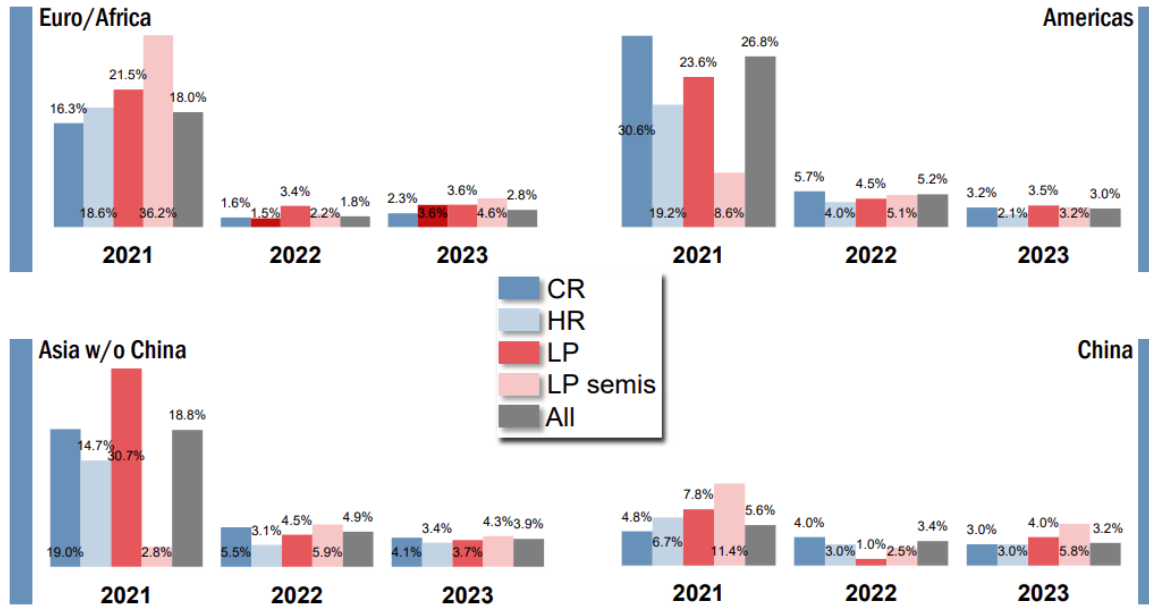
source : www.worldstainless.org

In 2021, global stainless steel production is expected to be around 56.29 million metric tons. approximately a 10.6% recovery from the previous year. The soaring stainless production volume in 2021 will come from various parts of the world due to the impact of the shortage of stainless steel demand from the epidemic. However, most of the stainless steel production in the world is led by China, where a lot of stainless steel is produced and used. This can be seen from the world's largest stainless steel production volume in 2021.

For stainless steel production in Thailand, Posco-Thainox Public Company Limited is the sole manufacturer of cold-rolled stainless steel in the country. which produces and sells 2 grades of stainless steel, namely cold-rolled austenitic stainless steel and cold-rolled ferritic stainless steel. Cold-rolled stainless steel sheets and cold-rolled stainless steel coils

➤ Trends in global stainless demand

Stainless steel consumption changes



source : www.worldstainless.org

The stainless steel industry in the world market has started to expand and has a tendency to expand continuously. After the start of economic recovery in various countries, the consumption of stainless steel increased. China is the largest consumer of stainless steel and produces the most stainless steel. However, between 2021 and 2022-2023, the demand for stainless steel will gradually recover. After loosening the strict lockdown measures in the world's cities, there is a slight expansion in the demand for stainless steel.

➤ Stainless steel price trends in the world market

Global stainless steel prices are determined by the balance between supply and demand in the global market. It also varies according to the price of hot rolled and cold rolled stainless steel coils. In the past, the stainless steel price cycle has changed, increasing or decreasing rapidly in the latter. Stainless steel prices in each region will vary depending on many factors, such as production costs, transportation costs, labor costs, and price control measures. production volume and consumption. The trend in the stainless steel market will continue to grow. And Asia is a region that plays a high role in this industry in terms of both production and consumption. Due to better economic conditions compared to other regions, the trend of stainless steel consumption and production volume of stainless steel industry manufacturers has increased accordingly.

When considering the type of stainless steel, found that austenitic stainless steels are subject to relatively high price volatility. Compared to ferritic cold-rolled stainless steels, this is because austenitic stainless steels contain 8% to 20% nickel, whereas ferritic stainless steels do not contain nickel. Therefore, it has a cheaper price and less variance. So it can

be said that one of the factors used in determining the price of austenitic stainless steel is the nickel price.

- **Stainless steel industry in Thailand**

The consumption of cold-rolled stainless steel in Thailand still has an opportunity to grow. due to consumption. The average population of cold-rolled stainless steel in the country is still low compared to developed countries in Asia (such as Japan, South Korea, and Taiwan), where average consumption is above 10 kg per capita per year. Will the economy be one of the main factors that gives the trend of the stainless steel industry in the country a chance to grow in the future or not? It is expected that the demand for stainless steel consumption will vary according to the direction of expansion of the main industries in the country. as well as large-scale infrastructure construction projects in various states, such as the rail transit extension project in Bangkok and its vicinities, the double-track railway project, etc.

Stainless steel consumption in Thailand It is correlated with the growth of related industries, such as the automotive industry, electrical appliance industry, construction industry, food industry, kitchenware and appliances industry. which each industry has contributed to the continuous growth of the stainless steel industry in Thailand. The trends in the industry in Thailand related to the company are as follows:

Industry Trends	Past Performance	Future growth
Automotive Industry	- Growth depends on economic conditions	- More equipment in the car, such as exhaust system, bumper, wheel cover, bus floor and other decoration parts of the car
Electrical Appliance Industry	- Growth depends on economic conditions	- Used as components in electrical appliances that require rust protection, such as refrigerator doors, microwaves, washing machines
Food Industry	- Growth depends on economic conditions	- Used as a canned food packaging product to replace packaging from galvanized and aluminum. Developed countries have already begun using packaging of canned food made from stainless steel
Kitchenware & Appliances Industry	- Growth depends on economic conditions	- Use stainless steel products as home appliances such as building equipment, sinks, Electrical Appliances
Computer Industry	- Growth depends on economic conditions	- Taken as a shockproof lid of external harddisk, CPU cover
Cold/Cold Storage & Air Conditioning Industry	- Big market, continuous growth	- Pipe products are used in refrigeration systems and stainless steel sheet products are used to make cold storage

Industry Trends	Past Performance	Future growth
		and equipment inside the cooler
Construction & Decoration Industry	- Growth depends on economic conditions	- Design and decoration are increasingly used in stainless steel products, such as the use of stainless steel pipes to make railings, curb railings, balcony railings, falling balconies of condominiums.
Furniture Industry	- Growth depends on the real estate sector.	- Replace more steel and galvanized products, especially Street Furniture , such as passenger pavilions and poster

- **Domestic Aluminum Industry**

At present, there is no aluminum smelting in Thailand. This was due to the lack of Bauxite ore deposits coupled with high energy prices. Therefore, the source raw materials will be imported from manufacturers in different countries or bringing new aluminum scraps to melt. For production in mid- and downstream industries It is a finished product with various shapes for use in downstream industries such as automotive parts, construction, electrical appliances, packaging, utensils, and kitchenware.

The demand for aluminum products is increasing every year, and it is the second most exploited metal after steel. We can find everything from expensive aircraft parts to beverage cans that are common on the market. Aluminum could also grow from increasing domestic demand. Such as in developed countries Per capita consumption is much higher than in emerging economies.

In 2021, aluminum prices peaked in October before volatile volatility during the year. Prices have started to rise from a sharp contraction in production during a period of slumping global purchasing power due to the revival of the epidemic. And fewer inventories of manufacturers And the Ukrainian-Russia war in early 2022 caused the price to continue to rise to the highest level in 5 years, partly due to the recovery of the industry, with a short-term recovery in demand.

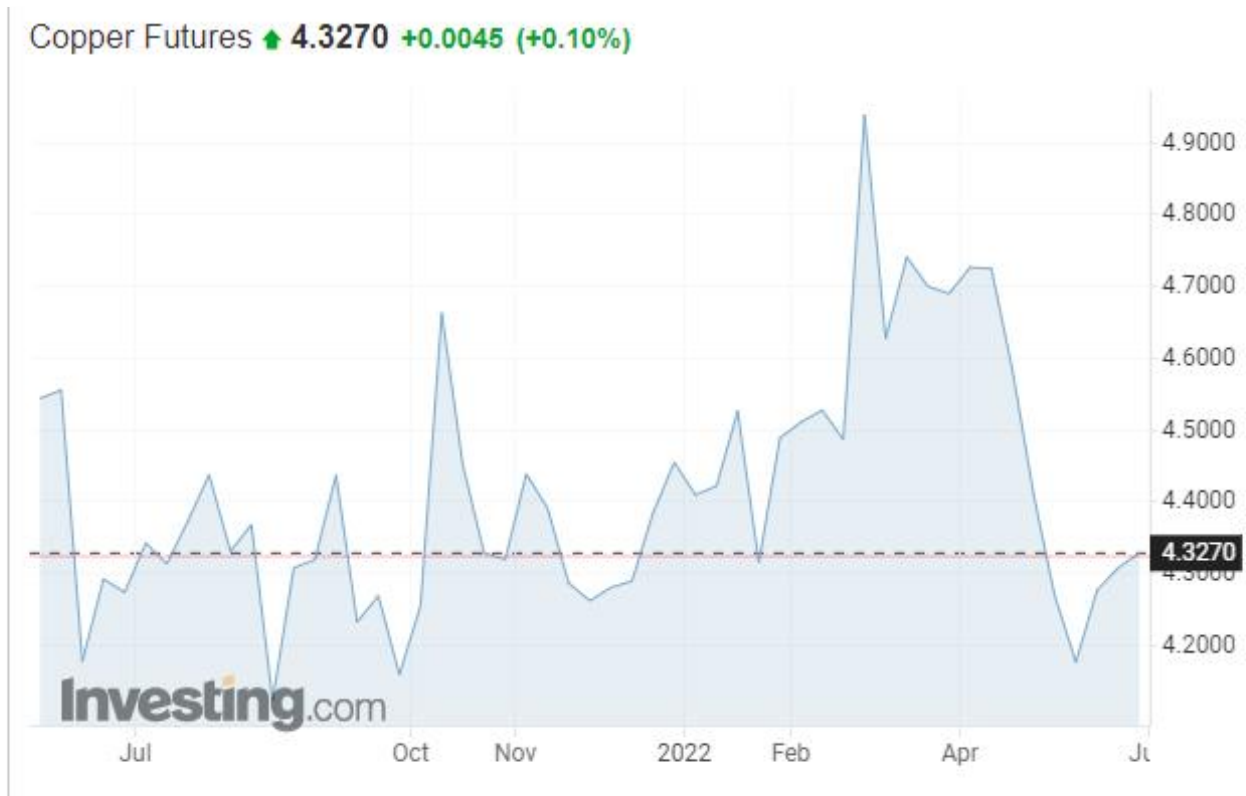


- **Domestic Copper Industry**

At present, Thailand does not have an upstream industry in the production of pure copper. There are only midstream and downstream industries. The industry in the middle of the water is casting copper into various cross-sectional bars for further production. The downstream industry consists of copper pipes, wires and cables. Copper Sheet and Foil and Copper Wire and Copper Line Its applications in key downstream industries are telecommunications, automotive and parts. Electrical equipment and appliances Air conditioner and refrigerator Buildings and various construction works

The demand for copper products is increasing every year, and it is a widely used metal. Thai manufacturers therefore need to import raw materials to melt and then roll them into long and flat products. Including the import of finished goods. For 2012, copper products returned to normal after the great flood in 2011, including high-expansion copper products in the category of wires and cables. Because of construction and electrical wiring in the country Construction in large projects such as subways Building and housing construction continues to grow and expand in the automotive industry.

In 2021, copper prices have been volatile, reaching their lowest in September, before reaching their highest in several years. Prices started to rise from a sharp contraction in production capacity during a period of global purchasing power that began to recover from the epidemic but faced the Ukraine-Russia war in the first quarter of 2022, and inventories of traders Low production results in better short-term demand.



2) Measures related to the stainless steel industry

- **Anti-dumping measures (AD)**

The Ministry of Commerce has implemented the Anti-Dumping and Subsidy Act on Foreign Goods B.E. than the price sold in their country or at a price lower than the price that is exported to other countries or at a price lower than the price calculated from the cost of production in the producing country

Department of Foreign Trade Therefore, the Ministry of Commerce has issued measures to prevent dumping of cold-rolled stainless steel products in coils, sheets and strips that originate from abroad in some countries. Due to the increase in the amount of dumping imports from those countries In addition, the import of such dumping products affects the selling price in the country. There are price cuts, price pressures, and price increases inhibition.

- **Oversight of steel products of the Department of Internal Trade**

The Thai steel industry has the ability to substitute imports to some extent. However, the dependence on imports of primary steel from foreign countries makes production costs high compared to other countries that have domestic raw materials. At present, the price and demand for steel products in Thailand has increased rapidly. There are many factors which are the price and the quantity of steel used in the world market. Shipping costs have increased. The overall economy of the country has improved. And government policies that support the construction of real estate from such a situation causing widespread impacts on stakeholders, especially consumers

Therefore, the Department of Internal Trade Ministry of Commerce As a government agency that has an important mission to regulate trade in the country to operate freely and fairly, has announced the definition of regulated goods and services on January 31, 2005 to (1) structural steel, such as shafts etc. (2) Steel plates include hot-rolled steel sheets/coils. Cold Rolled Steel Coil Hot-dipped galvanized steel sheet Cold-rolled stainless steel, etc.; and (3) steel bars, such as round bars, billets, deformed bars, C-shaped steels, etc., are listed in the Controlled Goods List of the Central Committee on Prices of Goods and Services.

The Department of Internal Trade has set the highest price of stainless steel (price ceiling) in order to control the increase in domestic sheet prices and help stabilize steel raw material prices for the downstream industries. However, the Department of Internal Trade can adjust the price ceiling. If you see that the stainless steel price in the world market has increased in order to prevent the problem of shortage of steel raw materials in the country as domestic steel raw material producers switched to export more

- **Free Trade Area (FTA)**

A free trade zone is an economic integration with the goal of reducing tariffs between the groups to a minimum or zero percent. In the past, the FTA has focused on liberalizing goods by reducing taxes and non-tariff barriers. Examples of such agreements as those made by Thailand with China and India.

However, the recent free trade agreement is a comprehensive agreement that covers many aspects, including liberalization of services, investment, intellectual property, electronic commerce, etc. The agreement will be higher than the commitments made by the World Trade Organization. Thailand is currently negotiating a free trade zone with countries such as China, Japan, India, the Middle East, North America. South America, etc.

Thailand has also opened a free trade zone by reducing tariffs on imports of steel products. It could have an impact on domestic steelmakers, which will lose their competitiveness with foreign steelmakers with much lower production costs than steelmakers in Thailand. However, liberalizing such trade will have a positive impact on companies that operate buy-to-let and disposition businesses. As an importer, it will benefit from importing cheap raw materials and can be imported from imports from many countries, and it will have a positive impact on consumers in the future as there will be more choice in the field of goods and products. However, this is If a free trade zone is opened, it will have a positive effect on the company, as it can order goods from abroad at a lower price. In addition, the entry of competitors from overseas will result in higher domestic competition. Domestic rivals who do not have enough potential will also be reduced. This makes it competitive on quality and product standards.

3) Race conditions

The company has an administrative policy that focuses on providing services. The company's business operations are a mix of processing and providing a full range of stainless steel products. The company focuses on providing services to customers in providing stainless steel products in a manner. "One Stop Service" , i.e. supplying, processing products and

bringing goods into the warehouse management system to ship to customers, thereby reducing the risk of customers not supplying the goods in full. Competition of the Company and the subsidiaries is divided into 4 Groups:

- **Stainless Steel Product Processing Business**

Currently, Thailand has a small number of stainless steel plate business operators, but there are operators who mainly process stainless steel rolls and can provide a full range of services. There are only 2 – 3 of them, among those 2-3 operators. The Company has a significant market share for direct sales to customers who are entrepreneurs in various industries, and a number of other entrepreneurs operate in a buy-to-let (stockist) manner. And there is no production or processing process, or there are complete machines like the company. Nowadays, competition in businesses similar to the company is quite difficult for new entrepreneurs, as the stainless steel product processing business requires a relatively high initial investment for machines and high working capital as well. In addition to that, constant customer experience and information is required. Be ready to manage the quality systems required in accordance with the quality standards required for the target group, it is important to have the capacity to deliver high quality products and services in accordance with the standards of the lead and punctuality. In particular, customers who are entrepreneurs in the appliances, electricity, electronics and automotive industries, which have relatively high product standard requirements and also require good marketing, as well as have strong relationships with suppliers and customers. However, this is The company has reassured customers by delivering quality products according to customer needs in time for customers to be punctual, and the company has the advantage of other operators due to its wider range of stainless steel products such as cold rolled stainless steel, sheets and strips. Currently, there are few stainless steel processing business operators with the same wide range of products as the company. The company also has its own stainless steel product processing process. Therefore, some products can be produced and processed manually immediately in the absence of finished goods in the warehouse.

- **Stainless steel pipe manufacturing business for the automotive industry**

Competitive conditions in the stainless steel pipe manufacturing business for the automotive industry are low due to the low level of quality manufacturers. The subsidiary, Auto Metal Co., Ltd., has adopted the machinery used to manufacture the automotive industry pipes of the subsidiaries into modern machines. Pipe forming with rolled ball is Flexible Forming Mill. It takes time to replace driven rollers and setting time to produce automotive industry pipes of different sizes than originally set. Less convention mill machinery, the subsidiary's welding system is electric resistancy welding , resulting in a change in metal texture in the less melted area. Therefore, the product is stronger. In addition to using such welding systems, there is also a whirlwind defect detection with the Eddy Current Test machine, which is a quality check in the same standard as the world's major industrial pipe manufacturers. In 2006 , the company also received the Automotive Industry Quality System Certification (TS16949:2002) and the Company. Auto Metal Co., Ltd. certified quality system TS16949:2002 in 2007

In 2008, the company also had personnel from Mory Industries Inc., a top-known auto industry pipeline manufacturer. In Japan, experience, knowledge, competence

and expertise, and have a good understanding of production technology to help oversee the production process. In addition, in 2010, the Company sold a 40 percent stake in the subsidiary, Auto Metal Co., Ltd. to Mory Industries Inc., to jointly become a business partner in jointly pursuing the creation of competitiveness and business value by furthering automotive industry pipeline products in the future. In 2011 The company and Mory Industries Inc., have completed a capital increase of 100. Million Baht For investment and working capital to continuously expand the business. The shareholding remains the same.

- **Steel sheet processing business, which has undergone a galvanized process and electro-galvanized coating**

Thailand currently has about 10 operators of steel sheet processing through the galvanizing and electro-galvanized galvanizing process and is highly competitive. However, the company does not focus on selling galvanized steel and galvanized steel as its main products as it provides the full range of products according to the needs of the company's customers.

- **Aluminum Processing Business**

Thailand uses aluminum in a wide range of industries due to its light and strong properties compared to steel. Aluminum-based industries range from electrical and electronics, packaging, construction and automotive industries. Aluminum used in Thailand relies on foreign imports. By using aluminum in Thailand, the industry is growing steadily and the operators are highly competitive. The Company and the subsidiaries distribute aluminum processed for parts in audio products. Ship parts and aluminum signs, etc.

- **Copper distribution business of standard size and special size**

Thailand currently has operators to import or produce. It distributes about 20 coppers, thus providing high levels of competition for distribution. However, the subsidiaries, NSC Metal Co., Ltd., have executives and employees with long knowledge and experience in this business. It focuses on selling copper products that meet customer needs while providing fast service to key customers in the electrical and electronics industries

4) **Business Strategy**

The Company and the subsidiaries recognize the important role of managing different needs between source stainless steel manufacturers and customers who are endless stainless steel users. Therefore, the Company and the subsidiaries have a business strategy focused on supply chain management , which is a form of cooperation between (1) suppliers who produce and distribute raw materials , (2) companies and subsidiaries who supply, process, distribute and provide related services , (3) customers who are entrepreneurs in various industries, whose business strategies are different from those of other companies that mostly operate buy-to-let operations without production processes. Processing and management of inventory, or only partially

The successful adoption of supply chain management system has resulted in positive results for both raw material manufacturers and customers as a result of the company's long-standing relationship with both manufacturers and customers. To achieve such a business strategy. The company has jointly planned production with customers in advance and focused on inspecting and controlling the quality of products. From the process of ordering raw materials to obtaining quality raw materials according to customer's requirements at reasonable prices, to helping the company reduce production costs, to standardized processing processes that can meet a wide range of customer needs, whether it is quality. The service and delivery of goods meets the customer's requirements and is the most reliable. To help the company create added value for its products, therefore, it is not only a processor and distributor of stainless steel products. The company also acts as

1. Synergy Plus by co-planning and developing value-added products to meet the needs of customers
2. Industry Coordinator (Solution Integrator) The company is central to the transmission of raw materials from manufacturers. Process products and create added value for products, as well as deliver them to customers on time
3. Industry Database collectors collect data from both manufacturers and customers. It is managed to get the most out of all parties

5) Marketing Strategies

The Company and the subsidiaries focus on providing a full range of stainless steel roll processing services. The goal is to continue to expand and steady in anachronisms, as well as to meet consumer demand as a priority, and to try to build good relationships with customers in the long run. The Company and the subsidiaries have a marketing strategy. as follows

- **Product and Service Strategy**
 - **Full range of products and services in one stop service**

The company has more than 20 experience and expertise in stainless steel or stainless steel industry. The company has an understanding of the diverse needs of each customer, such as customers in the automotive industry, who need quality stainless steel pipe products. Customers in the household appliance industry need polished and coated stainless steel products, so the company aims to be the supplier, process the products to meet the needs of the customer, and put the goods into the warehouse management system to be delivered to the customer according to the customer's scheduled time, which is in accordance with the customer's plan. Therefore, the company's services eliminate the risk of customers not supplying products incomplete according to quantity and quality, as well as saving the cost of storing the customer's goods.

In addition, the Company and the subsidiaries are focused on tracking shipments and product quality. The company and the subsidiaries will provide salespeople to create good relationships with customers, such as providing information, visiting, and providing information. Consulting and solving problems for customers, including after-sales service

➤ **Produce quality products that meet the standards.**

The Company and the subsidiaries focus on producing quality products that meet generally accepted standards. By selecting quality raw materials from reliable manufacturers. Through modern technology machine processing and processing and quality control every step of the way in accordance with TIS16949:2002, ISO9002:2000 and ISO14000, which is to build customer confidence in the company's orders and to ensure quality, the subsidiary also receives technical support for the production of stainless steel pipes for the automobile and motorcycle industry from Mory Industries Inc., Japan, with engineers from Japan stationed at the company and the subsidiaries

➤ **Expanding new products**

The Company and the subsidiaries see a growing demand for stainless steel products. Therefore, in order to meet business growth, the Company has planned to sell new stencils in its core customer industry forever, other non-stainless steel products such as copper and aluminum products

➤ **Punctual and reliable delivery**

The Company and the subsidiaries focus on delivering products that are punctual and in time to meet customer needs. It carries out pre-production planning by asking customers for demand, and minimum items are stored in the warehouse system according to the customer's production plan. This helps customers save on the cost of storing items in their warehouses. Therefore, participating in such production planning benefits the Company and the subsidiaries and customers

- **Price Strategy**

The Company and the subsidiaries do not have a competitive price policy, which determines the price of the product in accordance with the market price and maintaining profitability, with a focus on quality and service to meet the needs of the customer, depending on the type of product, order quantity and payment conditions accepted by the customer. The Company and the subsidiaries will notify customers of the market price conditions in advance

- **Distribution Strategies and Distribution Channels (Place)**

The Company and the subsidiaries provide direct distribution channels and wholesalers to domestic customers. For sale abroad, it is sold through an overseas distributor. Currently, the Company has 2 distribution centers, a distribution center at Phra Pradaeng for general customers in Bangkok and its vicinity, and a distribution center at Amata Nakorn City Industrial Estate for automotive customers located in the same area. This saves time and cost of freight

- **Promotion Strategies**

Because the company's products and subsidiaries are industrial products, the company's products are industrial products. Therefore, it aims to create added value for products and services to get the most out of customers. The Company and the subsidiaries will focus on promotional strategies in the manner of acting as a product knowledge

provider and understanding for optimal use in terms of quality and cost, as well as consulting on various aspects related to the product through sales and quality assurance. In addition, the Company and the subsidiaries regularly visit customers to know the changing needs of customers, as well as attend domestic and international trade shows on various occasions to present products more well-known

6) Customer Characteristics

The Company and the subsidiaries have a policy of expanding their customer base and not relying on a particular customer or business.

The Company and the subsidiaries can classify customer groups by industry type into 8 . The company's and the subsidiaries' product sales shares per total sales to customers in each industry group during fiscal years 2018, 2019, 2020, 2021 and 2022 are summarized as follows:

Unit: Percent	2018	2562	2563	2564	2565
1. Home Appliance Industry – Domestic	19	18	18	21	25
2. Automotive Industry – Domestic	35	37	38	37	38
3. Construction Industry – Domestic	23	22	21	25	27
4. Computer Industry – Domestic	1	-	-	-	-
5. Food Markers – Domestic	4	3	4	2	-
6. Wholesale Store (Stockist) – Domestic	15	17	17	12	7
7. Export	1	-	-	-	-
8. others	2	3	2	3	3
Total sales and services of the Company and the subsidiaries	100	100	100	100	100

Remark : Others include small customer segments that don't buy, use them regularly

The Company and the subsidiaries focus primarily on domestic product sales, focusing on distribution in the country's major industries. The automotive, home appliance and construction industries, which account for the majority of total sales and services in total, in 2021, produced approximately 1.68 million cars and motorcycles and 1.78 million vehicles. Millions of cars, respectively. In the consumer electronics and construction industries, it remained steady since the previous year. However, this is In 2018, 2019, 2020, 2021 and 2022, the Company and the subsidiaries conducted sales aimed primarily at the domestic market.

7) Distribution & Distribution Channels

The Company and the subsidiaries have 3 main distribution channels. chance as follows

- **Direct sales to customers who are entrepreneurs in various industries**

The Company and the subsidiaries sell products directly to customers who are entrepreneurs in a wide range of industries, with customers who are entrepreneurs in

Thailand's main industries, automotive, electrical and construction sectors, which accounted for about a percentage of total sales in recent years

- **Wholesaler Distribution (Stockist)**

The Company and the subsidiaries sell products through wholesalers in fiscal year 2020 through fiscal year 2021 . Sales through wholesalers accounted for 17 percent. The wholesaler will continue to distribute products to consumers. The proportion in 2021 decreased from a year earlier as the Company continued to make cautious sales in this distribution channel, as accumulated economic problems continued to affect the working capital and financial position of some customers in this distribution channel

- **Sales through overseas dealers (Dealers/Agents)**

The company sells stainless steel products of plate type and Furniture pipes or polished pipes to Hong Kong Through overseas distributors including Hong Kong distributors and Distributors in Singapore. Dealers receive commissions as compensation, and subsidiaries sell automotive industry pipelines through automotive pipe parts makers in India

1.2.3 Product Sourcing

1) **Factory & Office**

Currently, the company and the subsidiaries have 3 factories. The factory at Phra Pradaeng, Suksawat Road, Phra Pradaeng District, Samut Prakan Province. Located on area 27. Rai 3 Ngan 28 Sq.wah consists of Office buildings, processing buildings, pipe buildings, raw material storage buildings Finished Goods Storage Building Maintenance Building 2 factories under the management of Auto Metal Co., Ltd. are located on 9 Rai 1. Job 45 square wah and on land size 5 rai 3 The two factories are factories with continuous manufacturing processes to produce stainless steel pipes specifically for the automotive industry. In addition, the company has leased 16th floor office space. At Thai CC Tower, South Sathorn Road, which is home to sales and marketing offices. The Accounting and Finance Department of the Company and a subsidiary have an office located on the 1st floor at Si Phraya Riverville Condo, Civil Road. Little Market Samphanthawong District, which is home to sales and marketing offices. Accounting and finance department of subsidiaries

2) **Raw Material**

- **Production and processing** of companies and subsidiaries Capacity and processing capacity and actual production and processing quantity as follows

(A) Factory at Phra Pradaeng (operated by the company)

(Unit: Tons)

Processing Line	Number of machines	Full production and processing capacity (Tons/Year)	Actual production and processing volume (tons/year)					
			For the year ended March 31					
			2020		2021		2022	
			ton	%	ton	%	ton	%
1. Leveller-cutting steel length	9	17,000	9,666	56.9	6,276	36.9	4,941	29.1
2. Slitting steel strips	2	18,000	9,808	54.5	10,263	57.0	13,846	76.9
3. Polishing stainless steel surface	2	12,000	1,550	12.9	834	7.0	707	5.9
4. Stainless Pipe ***	13	3,300	2,126	64.4	1,836	55.6	1,395	42.3
Total		50,300	23,150	46.0	19,209	38.2	20,889	41.53

*** Calculated from the original annual production capacity of 3,300 tons per 16 hours per 248 days from the number of pipe machines in 15 units in 2020-2022

Remark: 1. Full capacity is calculated from the capacity from production 1 per day. Shift 8 hours a day, work 248 Day after year

2. The production of stainless steel pipes, which calculates the capacity of 16 per day. Hours because the demand for such items is quite high.

(B) Factory at Amata Nakorn Industrial Estate (operated by a subsidiary of Auto Metal Co., Ltd.)

(Unit: Tons)

Processing Line	Manufactured from machine type	Number of machines	Full production and processing capacity (Tons/Year)	Estimated production and processing volume (tons/year)					
				For the year ended March 31					
				2020		2021		2022	
				ton	%	ton	%	ton	%
Car exhausts and motorcycle exhausts	ERW	1	10,000	7,765	77.7	5,973	59.7	7,876	78.8
	TIG	6	1,500	1,077	71.8	674	44.9	610	40.7

Calculated from the annual ERW machine capacity base at the level of 10,000. Tons per machine per 16 Hours per 248 The Company is able to expand capacity by adding additional shifts or part-time work to increase capacity from the original ERW machine

- **Production and Processing Policy**

The Company and the subsidiaries have a policy of producing and processing according to customer needs. By planning production with customers along with inventory management to enable product delivery on schedule and efficiently. For products that are generally sold and are in high market demand. Some production and processing of goods are planned in advance to achieve savings from production and processing costs.

1.2.4 Environmental Impact

The Company and the subsidiaries are aware of social responsibility and therefore value the environment. It has adhered to ISO 14001, a standard of international environmental management system that focuses on the application of environmental management systems to prevent and continuously improve environmental conditions that reduce environmental impact.

To remove sewage such as polishing powder, stainless steel debris, steel shavings, contaminated waste. The Company and the subsidiaries have hired companies that specialize in the disposal and destruction of these wastes. In addition, it provides monthly analysis of the volume and intensity of light and provides regular water quality checks by experts. To meet the required standards, the pollution from both factories and offices will be treated correctly in accordance with the requirements and inspected by relevant government agencies such as the Department of Factories, Ministry of Industry and the Department of Pollution Control, Ministry of Science and Environment. The Company and the subsidiaries have no environmental disputes and have never received any warnings or adjustments from government agencies.

1.3 Assets Used in Operations

1.3.1 The main characteristics of fixed assets used in business

The fixed assets of the Company and its subsidiaries are Land, Buildings and structures, Machine, Equipment, Furniture and office equipment as of March 31, 2022 are as follows:

Assets used in the business of Lohakit Metal Public Company Limited

Property type	Proprietary nature	Net Book value (Million Baht)	Commitments
Land Building and Structures			
1) Title Deed No. 28777 and 12592-4 Total area 4-1-96 rai with 1 factory building and 1 office building located at 66/1 Soi Suksawat 76, Bang Chak Subdistrict, Phra Pradaeng District, Samut Prakarn Province. ¹	Owner	179.95	Securities collateral for credit facilities with Siam Commercial Bank PCL. Mortgage limit of Baht 170 million.
2) Title Deed No. 12588, 28772, 238025, 238026 and 238027. Total area 23-0-32 rai with 1 factory building and 1 office building located at 66/1 Soi Suksawat 76, Bang Chak Subdistrict, Phra Pradaeng District, Samut Prakarn Province. ²	Owner		Securities collateral for credit facilities with Siam Commercial Bank PCL. Mortgage limit of Baht 170 million.
Machineries and Equipments			
1) Machine Registration No. 49-326-306-0088 with 1 machine located at 66/1 Soi Suksawat 76, Bang Chak Subdistrict, Phra Pradaeng District, Samut Prakan Province ³	Owner	82.43	Securities collateral for credit facilities with Siam Commercial Bank PCL. Mortgage limit of Baht 180 million.
2) Machine Registration No. 49-326-306-0144 to 0202 with 39 machines building located at 66/1 Soi Suksawat 76, Bang Chak Subdistrict, Phra Pradaeng District, Samut Prakarn Province. ⁴	Owner		
Fixture and Office Equipment	Owner	1.37	-
Motor Vehicles	Owner	5.81	
Right of use assets - Building	-	1.35	Lease
Assets under installation and under construction	Owner	2.64	
Total		273.55	

Remark

- Land Building and Structures Insured by Chubb Samaggi Insurance PCL. and Bangkok Insurance PCL. with insurance capital of Baht 140.00 million baht, by Siam Commercial Bank PCL. be the beneficiary.
- Machine registration No. 49-326-306-0144 to 0202 with 39 machine Insured by Samaggi Insurance PCL. and Bangkok Insurance PCL. with insurance capital of Baht 257.30 million by Siam Commercial Bank PCL. be the beneficiary.

Assets used in the business of Auto Metal Company Limited

Property type	Proprietary nature	Net Book value (Million Baht)	Commitments
Land Building and Structures	Owner	205.87	Securities collateral for credit facilities with Siam Commercial Bank PCL. Mortgage amount Baht 225 million (some of the securities used for guarantees)
Machineries and Equipments	Owner	15.06	Securities collateral for credit lines with Siam Commercial Bank PCL. Mortgage line of 100 million baht (some of the securities used for guarantees)
Fixture and Office Equipment	Owner	1.15	-
Motor Vehicles	Owner	6.65	-
Assets under installation and under construction	Owner	-	-
Total		228.73	

Assets used in the business of NSC Metal Company Limited

Property type	Proprietary nature	Net Book value (Million Baht)	Commitments
Land Building and Structures 1) Title Deed No.638 Total area 43 sqare wah located at 945/1 Charoenkrung Road, Talat Noi Subdistrict, Samphanthawong District, Bangkok 2) Location of Condominium No. 108/8, 1st Floor, Building No. 1, Name of Si Phraya River View Condominium, Charoenkrung Road, Talat Noi Sub-district Samphanthawong District Bangkok	Owner Owner	10.75	- Securities collateral for credit lines with Kasikorn Bank PCL. Limit the amount of mortgage 23.40 million baht.
Fixture and Office Equipment	Owner	0.26	-
Motor Vehicles	Owner	2.19	-
Total		13.20	

1.3.2 Contracts

1) Office Building lease agreement

Counterparty	:	Sri Siam Properties Company Limited, which is not related to the Company to rent a building for use as a sales office location
Contract details	:	The company rents room no. 167-9, 16th floor, Thai CC Tower, area 534 square meters, located at 43 South Sathorn Road, Yannawa Sub-District, Sathorn District, Bangkok. The contract period is 3 years from 1 September 2019 to August 31, 2022
Rental rate	:	Rental and service fees are approximately Baht 8.1 million per year.
Contract renewal condition	:	none

2) Approval of credit facilities from financial institutions (as of March 31, 2022)

Credit facilities agreement with financial institutions

As of March 31, 2022, Lohakit Metal Public Company Limited has obtained credit facilities from various financial institutions and has collateral as follows:

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 1,461.7 million, Overdraft facilities of Baht 30 million and Forward foreign exchange contract facilities of Baht 1,000 million
- These credit facilities are secured by the mortgage of the Company's land with structures thereon, machinery and the fixed deposits account (See more details in the section asset used in business)

As of March 31, 2022, Auto Metal Company Limited has obtained credit facilities from various financial institutions and has collateral as follows:

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 300 million, Overdraft facilities of Baht 10 million and Forward foreign exchange contract facilities of Baht 200 million.
- These credit facilities are secured by the mortgage of the Company's land with structures thereon, machinery and the fixed deposits account (See more details in the section asset used in business)

As of March 31, 2022, Alternative EnMat Company Limited has obtained credit facilities from various financial institutions and has collateral as follows:

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 22 million, Overdraft facilities of Baht 5 million and Forward foreign exchange contract facilities of Baht 30 million.
- These credit facilities are guaranteed by the Company.

As of March 31, 2022, NSC Metal Company Limited has obtained credit facilities from various financial institutions and has collateral as follows:

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 506 million, Overdraft facilities of Baht 60 million and Forward foreign exchange contract facilities a total approximately Baht 505 million.
- These credit facilities are secured by the mortgage of the condominium unit which is the office, the fixed deposits account and guaranteed by the company. (See more details in the section asset used in business)

1.3.3 Investment Policy in Subsidiaries and Associated Companies

At present, the Company holds shares in 3 subsidiary companies, which are engaged in business related to the Company's main business, namely (1) Auto Metal Company Limited (59.99 percent stake) engages in the business of manufacturing and distributing stainless steel pipes, car exhaust pipes and motorcycle exhaust pipes (2) Alternative Enmat Company Limited (99.99 percent share) engages in the distribution of metal and non-metal products (3) NSC Metal Company Limited (99.98 percent share) engages in the business of distributing metals and non-metals.

The Company has a policy to invest in subsidiaries and associated companies in supplementary businesses and businesses related to the Company's core business operations. Taking into account the appropriate return Depends on the type of business. As for the management policy, it gives freedom to operate the business of subsidiaries and associates by taking into account the interests of the shareholders as a whole. In addition, the Company considers sending representatives of the Company to join as directors or joint management in subsidiaries and associates. The company will consider it on a case by case basis.

1.4 Capital Structure

The Company's securities

As of March 31, 2022 the Company's registered and paid-up capital stood at Baht 383 million divided into 383,000,000 ordinary shares with a par value of Baht 1 per share.

Shareholder

The Company's shareholding proportion held on April 30, 2022 as follows.

Thai Shareholders	99.96 percent.	Free float	3,509
Foreign Shareholders	0.04 percent.	Free float(%)	23.10
Total	100 percent.		

Names and shareholding of the top 15 major shareholders of the Company as at March 31, 2022.

Names	As of March 31, 2022	
	Number of shares	Percentage (%)
1. Mr. Kasem Akarapongpisak	110,600,880	28.88
2. Mr. Prasert Akarapongpisak	64,188,900	16.76
3. Mr. Nucha Wattanopas	24,225,900	6.33
4. Mr. Vicharit Akarapongpisak	20,460,760	5.34
5. Mr. Vichaphol Akarapongpisak	20,275,760	5.29
6. Mr. Vittawat Akarapongpisak	16,030,760	4.19
7. Mrs. Yenjit Ninpai	12,960,760	3.38
8. Mr. Prasarn Akarapongpisakdi	7,500,960	1.96
9. Ms. Meena Akarapongpisak	2,700,000	0.70
The Akarapongpisak Family	278,944,680	72.83
10. Thai NVDR Company Limited	9,292,801	2.43
11. Mr. Thiratham Wirangsithonkawin	6,300,800	1.65
12. Mr. Somchai Thaisanguanwarakul	1,687,500	0.44
13. Mrs. Chantaraporn Pruetipat	1,685,300	0.44
14. Mr. Gorn Sangauthai	1,480,000	0.39
15. Mr. Kitti Tiravikant	1,110,000	0.29
Total	21,556,401	5.63

Dividend Policy

The Company's dividend policy is to pay out not less than 40% of the net profit after income tax. However, the Company may payout less than the above ratio in case that the Company needs to use such net profit to expand its business expansion.

Auto Metal Company Limited and Alternative EnMat Company Limited (formerly known as "Stainless alternative Ltd.") and NSC Metal Company Limited (formerly known as "Ngeck Seng Chiang Metal Ltd.") the Company's three subsidiaries, also have the dividend policy to payout

not less than 40% of their net profits. However, the subsidiaries may pay dividends of less than the above ratio in case that the subsidiaries need such net profits for their business expansions. Meanwhile, the long-term loan contract that Auto Metal Company Limited had entered into with one of the commercial bank has specified that Auto Metal Company Limited shall not pay dividend unless the lender sees that such dividend payment will not affect the repayment ability of Auto Metal Company Limited.

The Company paid dividend during the last 5 years as follows;

<u>Years</u>	<u>Baht / Share</u>	<u>Total</u>
2017	0.40	153,200,000
2018	0.44	168,520,000
2019	0.30	114,900,000
2020	0.22	84,260,000
2021	0.38	145,540,000

2. Risk Factors

2.1 Economic and Industrial Risk in Thailand in 2021 and 2022

In 2021, the Thai economy expanded by 1.6 percent, compared to a 6.2 percent contraction in 2020. Private consumption and total investment grew by 18.8 percent, 0.3 percent and 3.4 percent, respectively. The average headline inflation rate was +1.2 percent and the current account deficit was 2.2 percent of GDP. The Thai economy in 2021 started to recover gradually. After the easing of measures to control the spread of COVID-19 both in Thailand and abroad to open the country again, Private consumption and public investment returned to expand. and consumer confidence began to return. But household debt continues to rise. Private investment contracted in line with low business confidence. Government spending will remain a key economic driver in 2021.

Thai Economic Outlook 2022, Office of the National Economic and Social Development Council It is expected to grow by 2.5 - 3.5 percent, with key supporting factors comprising an improvement in domestic demand from the recovery of the tourism sector. including the continuous expansion of exports and driven by government investment It is expected that the value of merchandise exports in US dollar terms, the economic recovery trend and the world trade volume will expand at a slower rate. driven by government spending The return of private demand expansion in the country amid growing inflationary pressures Still need to focus on controlling the epidemic and preventing the return of severe epidemic within the country, with the vaccine factor as an important variable in determining the guidelines for opening the country. However, taking care of the economic sector is still very limited in recovery, such as the tourism and service sector, which still has restrictions on international travel including considering various assistance measures to more small and medium-sized businesses.

The driving force for economic growth in 2022 will come from the expansion of domestic demand with government spending and investment including exporting products to generate income and the recovery of the service sector, especially the tourism sector, due to the relaxation of measures to accept foreign tourists. and expanding economic and trade cooperation within the framework of key cooperation with important international agreements.

However, the Company and its subsidiaries have a policy to closely monitor the economic situation and the impacts that may occur. The Company and its subsidiaries focus on diversifying their business risks to cover the various industries in the country. This is to reduce the risk from dependency to any one industry.

2.2 Risk of depreciation in Baht Currency

In 2021, continuously to 2022, the overall Thai baht value in 2021 has a severe change and has significantly increased volatility. During this year the baht depreciated the most in Asia. But it strengthened in mid-August until it started to depreciate again to the present. The main factor is the uncertainty of the US economy and financial markets in the short term. Despite the easing of strict control policies to eradicate the spread of the epidemic Inflation is likely to remain high in the US and the epidemic situation both at home and abroad, The slowdown in the global economy Including the Thai economy itself, there are still problems and uncertainties in the matter of recovery. Therefore, the direction of the baht itself is not very clear.



However, the depreciation of the baht can be managed to prevent it. The Company regularly monitors the impact on the matter. The Company and its subsidiaries who are importers of some raw materials from overseas have increased their share of domestic purchases including purchases with other currencies than USD with less volatility, along with hedging foreign exchange risk in importing foreign raw materials into US dollars by entering into foreign currency forward contracts.

2.3 Risk from the price volatility of Nickel, Copper and Aluminum

Stainless steel, Copper and Aluminum are major raw materials with high turnover volume for the Company and its subsidiaries. Their prices change according to the global demand and supply. In case of Stainless Steel, its components including chromium, nickel and carbon, in which nickel as the major component has volatility in price and consequently drive volatility in stainless steel price.



However, the company closely monitors the price of the raw materials in order to properly consider purchasing and distributing with managing materials from various sources and quickly response to keep proper material cost in line with global market price and also reduce the significant effects over the cost of material and finished goods.

2.4 Risk from reliance on the producers and distributors of main materials

The cold rolled stainless steel coil, copper, aluminium and gravalnized steel are the company's major raw materials in which company is relying on the sole or few local producers and distributors. This nature brings risk to company in reliance to local material sourcing. The company ordered the cold rolled stainless steel coil from major local producers, Posco-Thainox PLC, who is the only local producers of the cold rolled stainless steel and the transportation from abroad is time-consuming, there is a risk that the company may face a raw material shortage if such major local producers fail to deliver the raw materials on schedule and the company cannot acquire the raw materials from any other sources to fulfill the customer demand.

However, through the supply chain management system, the company has installed a plan to pre-order materials from relevant producers. Moreover, the company has the strong relationship with relevant producers. Until now, there has never been a case of material shortage. Therefore, the company is confident that its operation will not be affected by such material shortage. Beside, the company has ability in importing stainless steel from main oversea manufacturers.

2.5 Risk from relocation of the customers' production in various industries

The customers of the Company and its subsidiaries are mainly foreign companies whose productions are based in Thailand; these include multinational companies in various industries such as electrical appliance, construction, computing and automobile. During the accounting years of 2021 and 2022, the revenues from domestic sale of the Company and its subsidiaries stood at Baht 2,226 million and Baht 2,761 million respectively. Consequently, there is a risk from relocation of the customer's production hub to other countries and that shall affect the revenues of the Company and its subsidiaries.

Thailand, however, has a comparative advantage because of its resources in terms of raw materials and manpower, basic utilities and a good investment policy and conducive to investment. Overall, the Thai government is encouraging entrepreneurs to use Thailand as a base for investment, research and development and the establishment of potential industries in the future by offering a variety of special benefits containing with Tax benefits and financial benefits.

The Office of the Board of Investment or the BOI disclosed the investment in 2021, there were 1,674 investment promotion projects with a total investment value of Baht 642,680 million, an increase of 59 percent compared to the same period last year for the targeted industries, which is the engine that drives the economy. The total investment value is Baht 340,490 million, representing 53 percent of the total application value, with the top 5 being 1) electrical appliances and electronics with investment value of Baht 104,490 million 2) medical industry with investment value of Baht 62,170 million 3) petrochemicals and chemicals of Baht 48,410 million 4) agriculture and food processing of Baht 47,660 million 5) automotive and parts of Baht 24,570 million. This is an opportunity for the company and its subsidiaries in finding new customers especially the electrical appliances and automotive segments, which are the industries in which the Company operates.

In the case of old customers, if the customer is to move the production base, there must be a long time in advance planning. The Company and its subsidiaries will be informed in advance which will enable the planning of production adjustments. The Company and its subsidiaries closely and continuously monitor the investment plans of the customers in various industries so that they can adjust the production plan according to the changes. The Company and its subsidiaries also diversify its business by providing products and service with quality material and qualify process to customers in various industries. This is in order to reduce its dependency on any specific industry. Furthermore, Auto Metal Co., Ltd., a subsidiary, has diversified the risk by providing stainless pipes and exhaust pipes to the auto and motorcycle industries. Alternative EnMat, another subsidiary and distributor of special grade stainless steel, has the potential to provide products to the electrical appliance, automobile, computer and food industries. NSC Metal Company Limited, a subsidiary, who is the authorized distributor of Copper, Brass, Stainless and Aluminum to customers in construction, electronic, electrical appliance and automotive industries.

2.6 Risk from the entry of new competitors

Currently, there are 2 or 3 local companies that conduct similar business to that of the Company. Furthermore, Auto Metal Co., Ltd., a subsidiary, produces and distributes stainless

exhaust pipes for the auto industry that applies the FFX technology machinery from Japan; which is the first and the only to do so in Southeast Asia. Therefore, the Company and its subsidiaries are faced with the risk from the entry of new competitors, which may have an adverse effect on their sales revenues and market shares. However, the business of the Company and its subsidiaries are reliant on several factors as following.

- (1) Specialized expertise and the long experience in developing quality products that is in accordance with the target customers' demands in various industries, which the Company has longer than 20 years of experience in the business
- (2) Personnel with knowledge, expertise, understanding the changes in market and experience in the business
- (3) Continuous strong relationship with the producer, distributor of raw materials and target customers
- (4) The business of the Company and its subsidiaries requires efficient machinery, equipment and production. Maintenance of machinery must be maintained at all times and control the production standards in order to get quality products and fast service.
- (5) The Company and a subsidiary produce and sell products for both metal and non-ferrous metal materials with a variety of materials, types and sizes. Thus, the Company and its subsidiaries are able to manage material planning and production quality with effective and competitive cost.
- (6) The company and its subsidiary are continually receiving the technical support in producing the good quality products and extending the new products to wider the market base. The company's business alliances are Mory Industries Inc. who is the minority shareholder in a subsidiary company

Such factors have given the Company and its subsidiaries the advantage over any new competitors

2.7 Risk in associating with liquidity

The Company and its subsidiaries are principally engaged in the conversion of stainless steel and there is a subsidiary who is the distributors of copper, brass, aluminum. The major assets of the Company and its subsidiaries are inventories and as at 31 March 2022, the Company and its subsidiaries had net inventories of Baht 745.56 million (representing 32.15 % of total assets). The Company is exposed to risk if such inventories are not properly rotated or there are non-resale goods.

In addition, the Company and its subsidiaries have net outstanding account receivable in the amount of Baht 661.51 million (representing 28.53 % of total assets). The company is at risk if the debtor can not repay the debt. This may affect the liquidity and financial position of the Company and its subsidiaries.

However, The Company and its subsidiaries have been continually developing and adopting the supply chain management in controlling the proper procurement of raw material, do the production and delivering at the customer requirement and schedule. The system helps the Company and its subsidiary in managing costs of doing business and effective inventory management. As a result of the effective inventory management, the Company and its subsidiaries have suitable financial liquidity and good standing of inventory proportion as well as proper material average costs in line to their market price and the financial liquidity is appropriate. As for the accounts receivable the Company and its subsidiaries are closely monitored by regular and continuous visits to customers so that they can be evaluated in depth. In cases there may be a problem, the company will change commercial conditions to a lower credit term or sell cash or ask for additional collateral from customers to manage the risk of default.

3. Sustainable Development

The Company intends to apply the principles and the framework for corporate social responsibility reporting, integrated and deployed in the administration and enterprise management. The Company recognizes the importance of social responsibility with the confidence that social responsibility is an approach that will lead to sustainable development in the future.

Policy and Overview

The Board of Directors has a policy to keep the business of the Company and its subsidiaries are subject with responsibility to society, environmental and group of stakeholders in accordance with the 8 core practices in the business process in order to contribute to the sustainability of the business.

1. The operation with fairness.
2. Anti-corruption
3. Respect for human rights.
4. Treating employee fairly.
5. Responsibilities to consumers.
6. Environmental care
7. The development of a community or society.
8. The innovation and dissemination of innovations derived from operations with responsibility to society, environment and stakeholders

In addition to conducting business in an ethical manner which is the important principal of The Company, Good governance which the Company keep instilling employees the clear corporate culture. The company also has commitment for the social responsibility by undertaking various public utilities on the continuous basis. That is the aim to raise awareness for being the supporters to society by giving the opportunities to all employees to participate in various public utilities and social activities. Each social activity has working group to responsible the activity in order to ensure the objective meet following the policy to return value to sustain community and society.

Sustainability Management in Economic Dimension

- **The operation with fairness**

Ethics in business operations of the Company cover the law respectful, no conflicts of interests, confidentiality and use of data, to treat customers and consumers, dealing with Competitors, procurement and practicing to business partners, responsibility to the community and society as a whole, to treat employees, the control and internal audit, to get or to give the asset and any other benefit, safety in health and environment and intellectual property and computer systems. The Company also ensures to give employee the orientation, training and also developing the suitable courses for existing employees. This is in order to ensure that all employees aware and understand. It also covers the process of measuring the effectiveness of the system to improve even further. The company has also provided a continuing awareness throughout the organization through communication media and events to ensure that employees can be ethical in their business applications to work effectively.

- **Responsibility to consumers**

The company has focused on providing service to the customers and have been surveying of customer satisfaction every year. This is for the evaluation and improve the better work efficiency.

Sustainability Management in Social Dimension

- **Developing community or social**

The company also consider and supports the health, safety, security and environment of the local communities. and supports fundamental human rights by emphasizing participation and creating value for stakeholders. The Company has developed a community and social development plan. Details of the project can be viewed on this topic.

Scope	Projects	The Beneficially	Outcome/Impact
Education	Donate money to support education and improve the school cooperative room for Wat Chomnimit School	Student	To give a good career opportunity
Social and population	Give money to employees who get a 1 st dose of the COVID-19 vaccine	employees	Employees and communities are safe
	arrange for employees to donate blood to the Faculty of Medicine Wachira Nursing Hospital 1. Date 12/5/64 2. Date 9/09/21 3. Date 18/03/65	population	People get better treatment and better health

- **Respect for human rights**

The Company has policy to comply with all laws and regulations pertaining to employees and principles of basic human rights following international criteria without distinction of origin, race, sex, age, color, religion, disability, personal status, education or else that is not directly related to operations, including also respect for the individuality and dignity of the human person. The past, the Company never had any complaints about violations of human rights.

- **To treat employee fairly**

The Company has always recognized that. All employees are the company's most valuable resource as the success factor in achieving the goals of the Company. The Company treat employee fairly in terms of remuneration, opportunities, promotions, rotation, proper facilities as following.

- Remuneration and benefits Management, taking into account the remuneration as the source of employee motivation to work in their full capability and fairness to them following the requirements of the law and practice on the same standard. There are evaluation and analyze job value to have updated status and remain suitable to the duty and responsibility that in line with business and also ensure the level of competitive or comparable remuneration of other companies in the same business.

- To develop employees potential by giving important to develop knowledge, capability and management skill through training, seminar and keep developing personnel to increase the ability of all employee level and on the continuing basis.

- In term of employment, business operation, career move, the company has set clear guidelines as standard which based on the principle of non-discrimination and compliance with various relevant laws.

By giving the opportunity to everyone equally, regarding to proportion of women, men, ethnic, origin, religion, age, disability, social status or education background.

- Safety and hygiene at work, the company has concerns in life and health of all employees so that the management of safety and work environment has to follow the standard as defined by relevant law. In addition, the Company also supports and encourages the ongoing security activities as well.

Sustainability Management in Environmental Dimension

- **Environmental care in business**

The Company has embarked on a campaign to save energy and natural together with raising awareness of employees.

- The campaign for employees transitioning to the transportation of company, arranging for the convenience, the savings in travel costs for employees, the environment care and to reduce air pollution.

- A campaign to turn off power and off computer screen during the lunch break between 12.00 - 13.00 hours in order to save energy and train employee to apply in everyday life, including publishing ways to save energy in their own society.

- Eliminating waste or toxic waste from the production to meet the standards and laws in relevant to various industries.

Sustainability Management in Corporate Governance Dimension

- **Anti-corruption policies**

Anti-Corruption the Company has policy to operate legally and for social benefit, encourage employees to work with integrity as good citizenship of the country and encourage the partners of the company and its subsidiary operates with accurate and transparent as well. So as society as a whole has continued in peace, the Company has determined that the anti-corruption and bribery policy is another important part of company policy.

However, on March 20, 2015, the Company announced its intentions to join the anti-corruption practices in the private sector Thailand (Collective Action Coalition) and received on April 3, 2015 in attendance. The Alliance will cooperate with the government, public sector, media and international organizations to make the clean business and participating companies will operate under the framework and procedures, which are based on international principles, including no.10th principle on the fight against corruption, according to The Ten Principles of the United Nations Global Compact (Business Principles for Countering Bribery), defined by Transparency International. The principles published by the World Bank and the Center for International Private Enterprise (CIPE) and other international organizations.

The Company has established an anti-corruption and bribery to be treated practically by define duties and responsibilities of the board, the Audit Committee and the Managing Director in order to ensure that policies against corruption and bribery practices have been followed and implemented correctly.

On April 22, 2016, the Company has been approved as a member of the Alliance to Thailand private sector in fighting against corruption

In the year 2019, the company has continued to renew the certificate of membership of the Private Sector Collective Action Coalition Against Corruption. The company still strictly follows the policy.

The innovation and dissemination of innovations derived from operations with social responsibility, environment and stakeholders

The Company study and plan for new innovative ideas to operate the company and to be effective under good control.

Implementing a solar panel installation project for energy saving

The Company has been studying and implementing a solar panel installation project for energy saving and use renewable energy in order to reduce the impact on the environment. The project was also promoted by the BOI on promoting investment to improve production efficiency. The company has proposed an investment plan to save energy with the use of renewable energy in the business or reduce the impact on the environment. The rights and benefits of the project are as follows.

1. Exemption of import duty on machinery
2. Exemption of corporate income tax for a period of 3 years, representing 50% of investment, excluding land and working capital for project improvement, shall be exempted from corporate income tax on the proceeds of the existing business.
3. Exemption period for corporate income tax start from the date of receipt of the investment promotion certificate.

The Company has filed a request for investment promotion. The project was granted on April 17, 2018, and the installation of a solar panel system is ready to commence.

The company has been obtained a license from the government agency, ERC and the Provincial Electricity Authority has been already paralleled the generator with the electricity system. Currently, the company has operated electricity to be used in the business successfully in 2019.

Innovation in Manufacturing Process for Sustainability

Although the situation of the Covid-19 epidemic has had a profound effect on the economy, but the company has continued to promote innovation in the organization from the past year. In year 2021, the company has carried out various activities and also have various projects related to innovation with external company to help enhance the development of the organization to have innovation that makes progress continuously which seeks to focus, especially innovation in the production process and production department to enhance the competitiveness arising from the appropriate cost. Following the relatively low economic conditions and maintain competitiveness which affects the sustainability of the business in the long term.

Projects to develop innovation that occurred in 2020-2021 are as follows:

1. The Smart Machine project that has installed OEE System on the main machine 1 production line, which the company can convert the information to be a report that is easy to track the status of the machine operation so that it can be analyzed. Including preventive operations and improvements in order to make machines have better performance in order to extend innovation. Therefore, after apply we have learned from the first major machines, we have developed a standardized measurement. And more studies have been conducted to make their application easier to use in the past year, the company expanded this issue with the second set of main machines with new innovations but has a lower investment value by still being able to get the desired results in the same way. This made it possible to expand the results to another 4 production lines with a much lower investment value.



OEE Monitoring System for First Line



New OEE Monitoring System in 2020

2. The innovative QR Code Scanning was introduced to assist in the development. This will help reduce costs in various areas within the organization such as paper (Paper less), reduce waste, reduce electricity consumption, use of human resources in document management. Here are some examples that have already begun working in 2021:

- Display the standard information of the 5S system within the company by creating a QR Code and placing it at various public relations points within the company area to allow employees in the organization to use a mobile phone to scan the said QR Code to read the information without using paper. Due to the large amount of data, each time it is updated, it will waste a lot of paper for copying new copies including the labor of the employee to copy out each time.



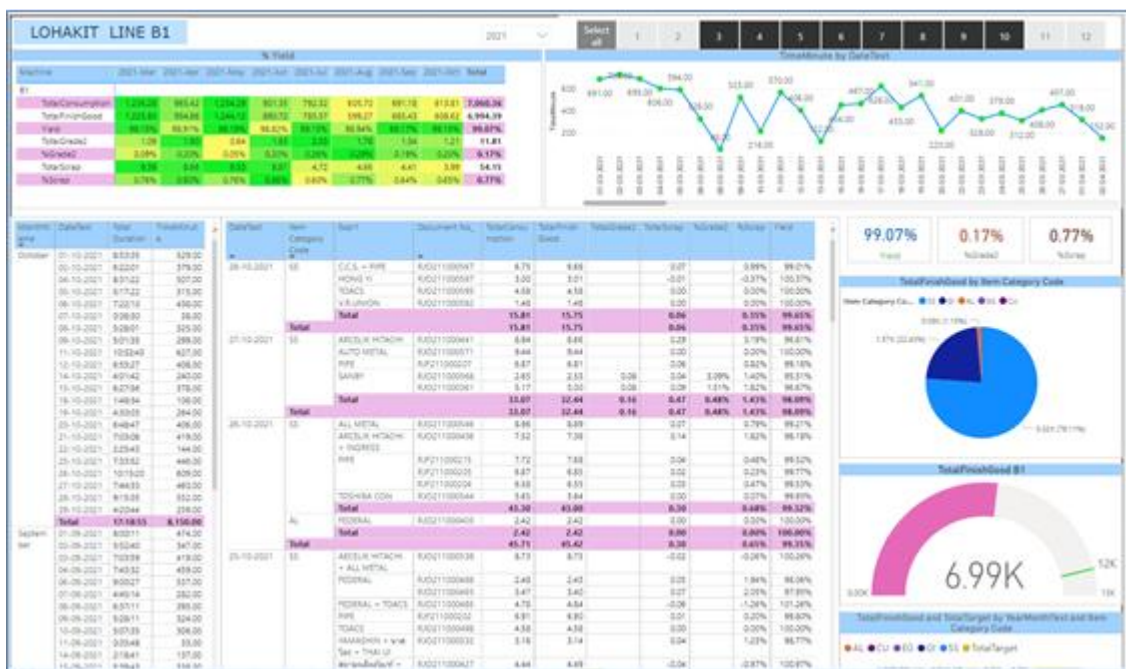
3. There was an idea to develop an inventory management system by using a bar code scanner. The objective is to make working more convenient and reduce errors by performing employee work. and to raise the standard of warehouse management systems (WMS) to be comparable to international organizations. The implementation of this project is still in the process of studying information.

4. A Power BI program has been implemented in the organization to aid in the analysis of various data sets and to make data easier to implement. Power BI is a computer-based application. Multiple data sources can be connected and combined to help connect, transform, and visualize data with Power BI. into the data model. This data model allows the creation of visuals and collections of visuals that can be shared as reports with others within the organization.

Power BI makes work more efficient at the same time. All the data is transformed into charts and graphs that visually represent the data with beautiful, colorful visuals. It's interesting to tell stories about insights into data. rather than a long list or grid of numbers and words.

- Make a data connection.
- Create visuals, such as charts or graphs, to represent information.
- Create a report with a visual collection on one or more report pages.
- Share reports with others using the Power BI service.

>> Generate interesting reports or extract data from different sources and create a data model. which can be shared with colleagues and personnel within the organization.



4. Management Discussion and Analysis

(A) Operating Performance

The Company and its subsidiaries are engaged in the main business of fully integrated stainless steel coil processing. Business operations of the Company and its subsidiaries consist of procurement, processing and distribution of cold-rolled stainless steel in coils and sheets. Production and distribution of stainless steel pipes, processing and distribution of galvanized steel and galvanized steel in coils and sheets and provides services in cutting, drilling, polishing, stainless steel and steel according to customer requirements. Stainless steel is a durable metal. Corrosion resistance and easy to clean the products of the Company and its subsidiaries are used in various industries such as the home appliance industry, Construction industries, automotive industries, computer industries and food industries, etc. The company was established and operated its business in 1989. Later, 3 subsidiaries and 1 associated company were established, consisting of

(1) On October 14, 2004, the Company established a subsidiary, Auto Metal Company Limited (the company holds 99.99 percent stake) to operate the business of manufacturing and distributing stainless steel pipes for the automotive industry, namely: car exhaust motorcycle exhaust. A subsidiary had commercial performance in fiscal year 2007. Subsequently, on October 1, 2010, the parent company sold 40.00 percent of the subsidiary's investment to a Japanese business partner Mory Industrial Inc. from Japan, resulting in The company's shareholding ratio has decreased to 59.99 percent.

In 2018, the Company purchased some plots of land with factory buildings on the land in Amata Nakorn Industrial Estate, the area close to the original factory, in order to transfer some of the production process and use it as a storage area to reduce the density of the original factory The aforementioned land is 5 rai 3 ngan with factory buildings and started to take advantage of the new factory in May 2019.

(2) On June 2, 2005, the company established a subsidiary, D-Stainless Co., Ltd. (the company holds 99.93 percent stake), registered capital of 1 million baht, later changed its name to the company. Alternative Stainless Co., Ltd. to engage in the business of manufacturing and distributing stainless steel products of specific grades. The said subsidiary had commercial results in fiscal year 2006, and on January 4, 2016, the company registered its name change to Alternative Enmat Company Limited and increased its registered capital to 10 million baht. Paid up 5.5 million baht and the shareholding is reduced to 74.99 percent and a businessman from Singapore holds 25.00 percent stake. The capital increase aims to expand the business into aluminum products in a new market.

On November 7, 2017, the Board of Directors' meeting resolved to approve the Company buy the company's ordinary shares

Alternative Enmat Co., Ltd. (subsidiary) from non-controlling stakeholders of Subsidiaries of 25,000 shares with a par value of 100 baht per share (2 fully paid-up shares and 50 percent paid-up 24,998 shares) in the amount of 1.25 million baht, increased to 100 percent of the registered capital of the said subsidiary Due to a businessman from Singapore requesting to withdraw the investment by selling back all shares to the company due to the inability to fully support the subsidiary's business due to the burden of personal business. As a result, the company becomes the total shareholder of this subsidiary. At present, the company has stopped its business in distributing aluminum products and is considering to continue doing other business.

(3) Mory Lohakit (Thailand) Co., Ltd., a company jointly incorporated as a limited company on April 1, 2009, with Lohakit Metal Public Company Limited holding 49.0 percent stake and Mory Industries, Inc. holding Shares in the proportion of 49.0 percent as well are common shareholders. The Company's main business is brokerage business. Sales and marketing both domestically and internationally for major shareholder companies and companies in the group

(4) On January 31, 2013, the Company purchased ordinary shares of Ngk Seng Chiang Metal Company Limited (as of April 1, 2014 changed its name to NSC Metal Company Limited) in the proportion of 100.00 each, which is a distributor of copper, aluminum and stainless steel

Operating Performance

For the year ended 31st March 2022 the Company and its subsidiaries had net profit of Baht 211.68 million or increased by 110.32 million or 108.8 percent from previous year while sale increased, compared with the net profit of Baht 101.36 million in previous year. The increasing come from the economy began to recover. due to the widespread distribution of vaccines government economic stimulus measures and better export numbers Compared to the same period last year who have been heavily affected by the COVID-19 outbreak Including stainless steel and other metals, world market prices have risen sharply in the past nine months due to the more accommodative global trade situation. As a result, the company's various metal and non-metal products that are sold to customers in various channels benefit in terms of sales and gross profit as well. Including a manufacturer of automobile exhaust pipes. Its sale has returned to high volumes in sales and also having high production to support sales and to compensate the lower inventories in the earlier quarters. The automobile industry has recovered significantly in the latest quarter. Higher sales from auto exhaust products were with good gross margin, along with the electrical appliances industry began to have a recovery better trend and demand for products in global market continually higher.

The profit before interest and tax increased by Baht 1 5 8 . 5 4 million whereas corporate tax increased by 3 7 . 7 9 million. This was due to the company and a subsidiary's received income tax exemption from the Board of Investment in the Solar Roof Project in the previous year. The financial cost increased slightly by 0.47 million baht, while the net profit of the subsidiary's minority shareholders increased by 1 0 . 4 5 million baht in the current year.

For the year ended 31st March 2021 the Company and its subsidiaries had net profit of Baht 101.36 million or increased by 14.41 million or 16.6 percent from previous year while sale decreased, compared with the net profit of Baht 86.95 million in previous year. The drop in sales was mainly due to the coronavirus outbreak (COVID-19) and lockdown in many countries around the world. This included Thailand in the first quarter. The domestic and foreign purchasing power also contracted according to limited economic activity during the epidemic. The said impact affects the production chains of various industries and affecting the volume of sales weight that has decreased significantly during the year. However, the market price of raw materials declined initially but further recovered at the end of the year in line with the more relaxed global economic conditions from the availability of vaccines and vaccination in various countries together with the easing of monetary and fiscal policies of various countries to drive economic recovery. The higher net profit while lower sales came from inventory controls, restructuring and effective control of production costs and operating costs. In addition, the company has no obligation to set aside a one-time provision for employee benefits in the current year.

The profit before interest and tax increased by Baht 1.25 million whereas corporate tax increased by 3.58 million. This was due to a subsidiary's income tax exemption from the Board of Investment in the Solar Roof Project in the previous year, while the current year the Company received less investment income tax exemption. The financial cost decreased slightly by 1.80 million baht, while the net profit of the subsidiary's minority shareholders decreased by 0.61 million baht in the current year.

For the year ended 31st March 2020 the Company and its subsidiaries had net profit of Baht 86.95 million or decreased by 56.64 million or -39.4 percent from previous year, compared with the net profit of Baht 143.59 million in previous year. This is due to the continuously slowing economy in the country throughout the year. Foreign purchasing power was greatly contracted by the impact of trade war affecting the sales volume while the falling price of raw materials in global market and intensive competition among operators in the condition of excess supply have affected the selling price. The contracted volume and selling price therefore have a direct impact on the company's gross profit and net profit, although the Company and its subsidiaries have controlled the selling and administrative expenses during the year. Moreover, the Company and its subsidiaries have set aside provision in first quarter of the year for the additional employee benefits at the amount of approximately 7.7 million baht in administrative expenses in order to comply with the Labor Protection Act, revised and announced in 2019.

The profit before interest and tax decreased by Baht 93.98 million whereas corporate tax decreased by 25.89 million from the lower operating profit together with tax exemption of a subsidiary as granted by the Board of Investment Promotion for the Solar Roof Project, financial cost also slightly decreased by Baht 1.88 million and profit sharing to minority shareholders also decreased by Baht 9.76 million in current year.

Revenue

For the year ended 31st March 2022, the Company and its subsidiaries had revenue from sales and service of Baht 2,761.24 million compared with Baht 2,226.16 million in the same period of the previous year, which increased by 24.0 percent. This is due to the upper sales weight following lower production activities than the previous year in most industries but

world market price rising. As a result, the products of stainless steel, copper, aluminum by coil and sheet, which are the main product groups.

The majority sales of Company comprised of metal like stainless steel and non-ferrous metal like copper and aluminum whereas sales of a new subsidiary company mostly came from Stainless Copper and Aluminum as the main product groups among various industries, mainly in particular for automotive, electrical appliance and construction.

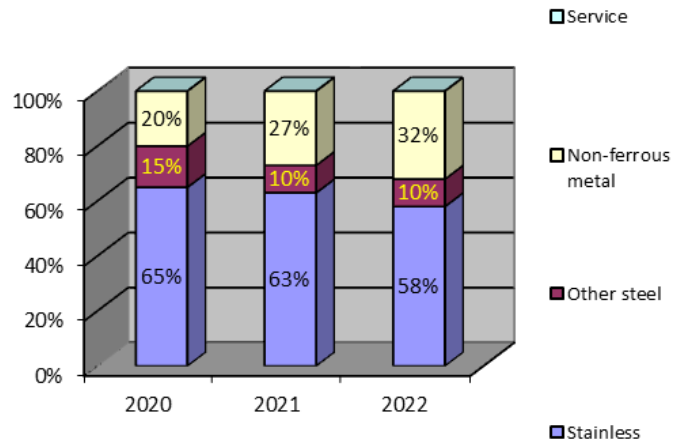
For the year ended 31st March 2021, the Company and its subsidiaries had revenue from sales and service of Baht 2,226.16 million compared with Baht 2,756.44 million in the same period of the previous year, which decreased by 19.2 percent. This is due to the lower sales weight following lower production activities than the previous year in most industries. As a result, the products of stainless steel, copper, aluminum by coil and sheet, which are the main product groups, decreased in line with the production activities.

The majority sales of Company comprised of metal like stainless steel and non-ferrous metal like copper and aluminum whereas sales of a new subsidiary company mostly came from Stainless Copper and Aluminum as the main product groups among various industries, mainly in particular for automotive, electrical appliance and construction.

For the year ended 31st March 2020, the Company and its subsidiaries had revenue from sales and service of Baht 2,756.44 million compared with Baht 3,293.90 million in the same period of the previous year, which decreased by 16.3 percent. The sales volume has decreased following the economic and export slowdown and the selling price has decreased in accordance with the intensive competition in the main products such as copper, aluminum and stainless pipes in accordance with lower in global raw material prices and increasing competition.

The majority sales of Company comprised of metal like stainless steel and non-ferrous metal like copper and aluminum whereas sales of a new subsidiary company mostly came from Stainless Copper and Aluminum as the main product groups among various industries, mainly in particular for automotive, electrical appliance and construction.

Sales & Service by Product Segments



In addition, the Company and its subsidiaries have income from service and other income as follows:

(1) Service revenues include cutting, drilling, polishing, round stamping, forming, stainless steel products for fiscal year 2020, 2021 and 2022 amounting to 1.82 million baht, 3.19 million baht, and 6.40 million baht, respectively.

(2) Other income is income from interest income. Revenue from scrap sales For fiscal year 2020, 2021 and 2022, amount 19.49 million baht, 21.38 million baht and 29.43 million baht, respectively, details are as follows:

(Unit : Million Baht)

Other Income	2020	2021	2022
Interest income	0.57	0.27	0.15
Dividend income	0.17	0.17	0.17
Income from scrap sales	15.16	15.15	26.13
Gain from asset sales	2.65	2.80	2.85
Other income	0.94	2.99	0.13
Total Other income	19.49	21.38	29.43

It can be seen that the other important income is income from the sale of stainless steel scraps. Which comes from the company and its subsidiaries bring raw materials such as cold-rolled stainless steel sheets, coils, sheets and strips through various processing processes according to customer orders, such as cutting according to the width, length as specified by the customer, and there are leftovers from such processing. The Company and its subsidiaries dispose of the aforementioned leftovers, and record the account as other income.

Total revenue of the company for fiscal year 2020, 2021 and 2022 in amounted to 2,775.93 million baht, amounted to 2,247.54 million baht and 2,790.68 million baht respectively.

Cost of goods sold & service

Majority of cost of goods sold are cost of raw material are cold rolled stainless steel sheet, coil and pipes which the Company and its subsidiaries process. For fiscal 2020, 2021 and 2022 the company and its subsidiaries had cost of goods sold of Baht 2,427.69 million, amounted to 1,920.39 million baht and 2,306.56 million baht respectively or accounting for 87.46 percent, for 85.44 percent and for 86.84 percent of total revenue respectively.

In the fiscal year 2022, the Company and its subsidiaries had an increase in cost of goods sold by 20.1 percent, increasing at a lower rate while sales revenue increased by 24.0 percent compared to the previous year.

In the fiscal year 2021, the Company and its subsidiaries had a decrease in cost of goods sold at by 20.9 percent, decreasing at a lower rate while sales revenue decreased by 19.2 percent compared to the previous year.

In the fiscal year 2020, the Company and its subsidiaries had cost of sales decreased by 15.8 percent, decreasing at a smaller rate, while sales revenue decreased by 16.3 percent compared to the previous year.

Cost of sales and services consisted of (1) raw material costs, or accounting for 91.62 - 92.19 percent of total cost of sales and services; (2) Direct labor costs, approximately 3.66 - 3.24 percent of total cost of sales and services; (3) depreciation, or accounting for 1.90 - 1.66 percent of total cost of sales and services and (4) other overhead cost, or accounting for 2.82 - 2.91 percent of total cost of sales and services. Details are as follows.

Description	(Percentage ratio)		
	2020	2021	2022
Raw material	91.62	91.42	92.19
Direct labor costs	3.66	3.91	3.24
Depreciation	1.90	2.19	1.66
Other overhead costs	2.82	2.48	2.91
Total cost of good sold	100.00	100.00	100.00

Selling & distribution expenses

Selling & distribution expenses mostly consist of sale staff expenses, transportation expenses and promotional expenses. For the year ended 31st March 2022, the Company and its subsidiaries had selling expenses of Baht 53.97 million, compared with selling expenses of Baht 52.88 million in the same period of the previous year which increased by 2.1 percent. Most of these expenses are staff expenses and delivery costs.

For the period of year ended 31st March 2022, the selling & distribution expenses were 1.95 percent, decreased when comparing to 2.38 percent of revenue from sales and service in the same period of previous year.

Selling & distribution expenses mostly consist of sale staff expenses, transportation expenses and promotional expenses. For the year ended 31st March 2021, the Company and its subsidiaries had selling expenses of Baht 52.88 million, compared with selling expenses of Baht 65.95 million in the same period of the previous year which decreased by 19.8 percent. Most of these expenses are staff expenses and delivery costs.

For the period of year ended 31st March 2021, the selling & distribution expenses were 2.38 percent, increased when comparing to 2.39 percent of revenue from sales and service in the same period of previous year.

Selling & distribution expenses mostly consist of sale staff expenses, transportation expenses and promotional expenses. For the year ended 31st March 2020, the Company and its subsidiaries had selling expenses of Baht 65.95 million, compared with selling expenses of Baht 67.77 million in the same period of the previous year which decreased by 2.7 percent. Most of these expenses are staff expenses and delivery costs.

For the period of year ended 31st March 2020, the selling & distribution expenses were 2.39 percent, increased when comparing to 2.06 percent of revenue from sales and service in the same period of previous year. This is due to the decrease in sales due to the impacts on quantity and selling price.

Administrative expenses

Administrative expenses consist of executive expenses and staff expenses other than sale department, office rental expenses and other management and administrative expenses. For the year ended 31st March 2022, the Company and its subsidiaries had administrative expenses of Baht 110.83 million, compared with administrative expenses of Baht 113.50 million in the previous year which decreased by 2.4 percent. The major expenses are mainly in area of personnel costs due to salary normally decreased year by year and other administrative expenses due to the retirement of one executive in the current year.

For the year ended 31st March 2022, the administrative expenses was 3.97 percent of total revenue, decreased in compared with administrative expenses of 5.05 percent of total revenue in the same period of the previous year.

Administrative expenses consist of executive expenses and staff expenses other than sale department, office rental expenses and other management and administrative expenses. For the year ended 31st March 2021, the Company and its subsidiaries had administrative expenses of Baht 113.50 million, compared with administrative expenses of Baht 122.77 million in the previous year which decreased by 7.6 percent. The lower expense was due to the Company and its subsidiaries have set aside provision in first quarter for additional employee benefits at the amount of approximately 7.7 million baht.

For the year ended 31st March 2021, the administrative expenses was 5.05 percent of total revenue, increased in compared with administrative expenses of 4.42 percent of total revenue in the same period of the previous year.

Administrative expenses consist of executive expenses and staff expenses other than sale department, office rental expenses and other management and administrative expenses. For the year ended 31st March 2020, the Company and its subsidiaries had administrative expenses of Baht 122.77 million, compared with administrative expenses of Baht 115.49 million in the previous year which increased by 6.3 percent. The higher was due to the Company and its subsidiaries have set aside provision in first quarter for additional employee benefits at the amount of approximately 7.7 million baht in order to comply with the Labor Protection Act, revised and announced in 2019.

For the year ended 31st March 2020, the administrative expenses was 4.42 percent of total revenue, increased in compared with administrative expenses of 3.48 percent of total revenue in the same period of the previous year.

Earning (loss) before interest and tax and Net Profit (loss)

For the year ended 31st March 2022, the Company and its subsidiaries had profit before interest and tax of Baht 319.31 million. After deducting the finance cost of Baht 2.34 million, income tax of Baht 64.87 million, net profit sharing to minority shareholders of subsidiary of Baht 42.25 million and adding the profit sharing from investment in related of Baht 1.83 million, the net profit of the Company and its subsidiaries stood at Baht 211.68 million, the net profit of Baht 253.93 million. When comparing to the profit before interest and tax and the net profit of the same period of the previous year which stood at Baht 160.77 million and Baht 133.16 million respectively, the net profit of the present year increased by 90.7 percent.

For the year ended 31st March 2021, the Company and its subsidiaries had profit before interest and tax of Baht 160.77 million. After deducting the finance cost of Baht 1.87 million, income tax of Baht 27.08 million, net profit sharing to minority shareholders of subsidiary of Baht 31.80 million and adding the profit sharing from investment in related of Baht 1.34 million, the net profit of the Company and its subsidiaries stood at Baht 101.36 million. When comparing to the profit before interest and tax and the net profit of the same period of the previous year which stood at Baht 159.52 million and Baht 86.95 million respectively, the net profit of the present year increased by 16.6 percent.

For the year ended 31st March 2020, the Company and its subsidiaries had profit before interest and tax of Baht 159.52 million. After deducting the finance cost of Baht 3.67

million, income tax of Baht 23.50 million, net profit sharing to minority shareholders of subsidiary of Baht 47.35 million and adding the profit sharing from investment in related of Baht 1.95 million, the net profit of the Company and its subsidiaries stood at Baht 86.95 million. When comparing to the profit before interest and tax and the net profit of the same period of the previous year which stood at Baht 253.50 million and Baht 143.59 million respectively, the net profit of the present year decreased by 39.4 percent.

Profitability

From the operating results When considering the profitability ratio of the Company and its subsidiaries for the fiscal year 2020, 2021 and 2022 , the Company and subsidiaries had gross profit margin of 11.93 percent, 13.74 percent and 16.47 percent respectively.

Operating profit margin for fiscal year 2020, 2021 and 2022 , the Company and its subsidiaries have operating profit margin of 5.08 percent, 6.26 percent and 10.50 percent respectively.

Net profit margin for fiscal year 2020, 2021 and 2022, the Company and its subsidiaries have net profit margin of 3.13 percent, 4.51 percent and 7.59 percent respectively.

Return on Equity

When considering the return on equity for fiscal year 2020, 2021 and 2022, the return on equity equal 6.08 percent, 7.11percent and 19.22 percent respectively.

Dividend payment

On 25 May 2022, the meeting of the Company's Board of Directors passed a resolution to propose an approval by the Annual General Meeting of its shareholders, of the dividend payment to the Company's shareholders of Baht 0.65 per share, or totalling Baht 248.95 million from its net operating profit for the year ended 31 March 2022. However, by the resolution of the meeting of the Company's Board of Directors held on 11 November 2021, the Company paid out the interim dividend of Baht 0.20 per share, for 383 million ordinary shares, to the Company's shareholders totalling Baht 76.6 million on 9 December 2021. The remaining dividend is Baht 0.45 per share, or totalling Baht 172.35 million

On 27 May 2021, the meeting of the Company's Board of Directors No. 2/2021 passed a resolution to propose for an approval by the Annual General Meeting of its shareholders, of the dividend payment to the Company's shareholders of Baht 0.30 per share, or totaling Baht 114.9 million from its net operating profit for the year ended 31 March 2021. However, by the resolution of the meeting of the Company's Board of Directors No. 4/2020 held on 12 November 2020, the Company paid out the interim dividend of Baht 0.12 per share, or totaling Baht 45.96 million, on 9 December 2020. The remaining dividend is Baht 0.18 per share, or totaling Baht 68.94 million.

On 27 May 2020, the meeting of the Company's Board of Directors passed a resolution to propose for approval by the Annual General Meeting of its shareholders, the dividend payment to the Company's shareholders of Baht 0.22 per share, or totaling Baht 84.26 million from its net operating profit for the year ended 31 March 2020. However, by the resolution of the meeting of the Company 's Board of Directors No. 4/2019 held on 11

November 2019, the Company had paid out the interim dividend of Baht 0.12 per share, for 383 million ordinary shares, totaling Baht 45.96 million on 7 December 2019. The remaining dividend is Baht 0.10 per share, or totaling Baht 38.30 million.

(B) Financial Status

Asset

For the fiscal year 2020, 2021 and 2022, the Company and its subsidiaries had total assets of Baht 2,118.54 million, of Baht 2,093.21 million and Baht 2,319.00 million respectively. The Company and its subsidiaries operated integrated stainless center which provided many kinds of services such as procurement, transformation, manufacture and stainless products wholesale and a subsidiary who is the finish goods trader of metal and non-ferrous metal. Therefore, the Company and its subsidiaries' major assets are inventories, account receivables, land, plant and equipment as details below:

- (1) The short-term investments as at March 31, 2019 amounted to Baht 4.38 million (0.19% of total assets) were invested in SCB Fixed Income Fund and Asset Plus Daily Plus Fixed Income Fund, which focuses on investing in debt instruments issued by governments or private companies in a subsidiary. and money market bonds and deposits. Investments are made in SCB Fixed Income Fund, which focuses on investing in debt instruments issued by governments or private companies. Money market bonds in subsidiaries (changed to other current financial assets) in verse (4)
- (2) Inventories as at 31st March 2022, 2021 and 2020 the Company and its subsidiaries had net inventories of Baht 745.56 million (or 32.15 percent of total assets), Baht 506.04 million (or 24.18 percent of total assets) and Baht 588.75 million (or 27.79 percent of total assets) respectively. The increase in inventories were mainly following the upper sales and increase in global material price.
- (3) Trade account receivables – other parties: As at and 31st March 2022, 2021 and 2020, the Company and its subsidiaries had Trade account receivables, net – other parties of Baht 661.51 million (or 28.53 percent of total assets) Baht 556.31 million (or 26.58 percent of total assets) and Baht 542.27 million (or 25.60 percent of total assets) respectively.
- (4) Financial Assets as at 31st March 2022, 2021 and 2020 the Company and its subsidiaries had short term investment of Baht 8.35 million (or 0.36 percent of total assets), Baht 73.87 million (or 3.53 percent of total assets) and Baht 107.03 million (or 5.05 percent of total assets) respectively. The higher investment value came from the investment in unit value of mutual fund due to the excessive cash balance of a subsidiary company

- (5) Land, plant and equipments - Land and improvements, building, machinery, office equipments, vehicles and work on progress of construction : As at 31st March 2022, 2021 and 2020, the Company and its subsidiaries had Land, plant and equipments – net of Baht 522.49 million (or 22.53 percent of total assets), Baht 551.66 million (or 26.35 percent of total assets) and Baht 581.78 million (or 27.46 percent of total assets) respectively.
- (6) Restricted bank deposit : As at 31st March 2022, 2021 and 2020, the Company and its subsidiaries had net value of Baht 46.18 million, Baht 46.18 million and Baht 46.18 million (or 1.99 percent of total assets, 2.21 percent and 2.18 of total assets) respectively. The restricted fix deposit by a subsidiary was used as guarantee for loans from financial institution.
- (7) Deferred tax assets: As at 31st March 2022, 2021 and 2020, the Company and its subsidiaries had net value of Baht 12.63 million , Baht 14.29 million and Baht 16.90 million (or 0.54 percent, 0.68 percent and 0.80 percent of total assets respectively). The Company and its subsidiaries still adhere to financial reporting standards. Deferred income tax on temporary differences between the carrying amounts of assets and liabilities at the end of the reporting period and the tax base of those assets and liabilities involved, using the tax rates in effect at the end of the reporting period.
- (8) Current assets : As of 31st March 2022, 2021 and 2020, the Company and its subsidiaries have current assets of Baht 1,713.59 million (or 73.89 percent of total assets), Baht 1,458.24 million (69.67percent of total assets) and Baht 1453.46 million (68.61 percent of total assets), respectively. The proportion in 2022 compared to 2021 mainly increased from trade accounts receivable and inventories. While deposits at financial institutions and other current financial assets decreased in the proportion of total assets.

Asset Managements

The Company and its subsidiaries have trade and other receivables as at 31st March 2020, 2021 and 2022, with the balance of such trade and other receivables. Divided by age of outstanding debts from the due date as follows:

(Unit: Thousand Baht)

Trade Receivables – unrelated parties	2020	2021	2022
Not yet due	425,084	430,068	532,137
Past due			
Not over 3 months	116,445	127,043	130,163
Over 3 months to 6 months	1,481	-	37
Over 6 months to 6 months	-	-	300
Over 12 months	4,387	5,722	5,722
Total	547,397	562,833	668,359
<u>Less</u> Allowance for expected credit losses	(5,127)	(6,778)	(7,119)
Total trade receivables – unrelated parties-net	542,270	556,055	661,240
<u>Other receivables</u>			
Other receivables	7	242	265
Interest receivables	34	11	7
Total other receivables	41	253	272
Total trade and other receivables - net	542,311	556,308	661,512

As at 31st March 2020, 2021 and 2022, the Company and its subsidiaries have no net trade accounts receivable - related companies outstanding.

The Company and its subsidiaries will give credit to trade accounts receivable approximately 30 - 90 days for fiscal year 2020, 2021 and 2022. The Company and subsidiaries have average collection periods of 80 days, 90 days and 60 days, respectively has a policy to collect debts for a specified period of time.

The Company and its subsidiaries have a policy to set an allowance for doubtful accounts that may arise from inability to collect receivables, which is generally considered based on collection experience and analysis of receivable aging. As at 31st March 2020, 2021 and 2022, the Company and its subsidiaries set up an allowance for doubtful accounts for trade accounts receivable - other companies in the amount of Baht 5.13 million, Baht 6.78 million and Baht 7.12 million respectively. The allowance for doubtful accounts has been set aside for trade accounts receivable as follows:

(1) Trade accounts receivable overdue more than 3 months to 6 months, set up an allowance for doubtful accounts in the proportion of 20 percent.

(2) For debtors overdue more than 6 months to 12 months, set up an allowance for doubtful accounts in the proportion of 50 percent.

(3) Trade accounts receivable more than 12 months past due, set up an allowance for doubtful accounts in the proportion of 100 percent.

The Group uses a simplified method for calculating the expected credit losses for trade accounts receivable. Therefore, the Group does not monitor changes in credit risk. Instead, an allowance for loss on expected credit losses is recognized over the life of the trade account receivable. Based on historical credit loss data and adjusted with forward-looking information about the debtor and the economic environment. It has set up an allowance for expected credit losses based on possible defaults in the next 12 months for trade accounts receivable as follows:

Customer group	Expected credit losses (period of time) Percentage		
	1 - 6 Months	7 - 9 Months	10 - 12 Months
End-Users	0.0	2.5	5.0
Stockists	1.0	45.0	90.0

The Company and its subsidiaries have inventories - net as of 31st March 2020, 2021 and 2022, amounting to Baht 588.75 million, Baht 506.05 million and Baht 745.56 million respectively, with details as follows:

(Unit: Thousand Baht)

Inventories	2020	2021	2022
Raw Materials	207,892	140,626	336,630
Finished goods	388,300	354,280	379,603
Goods in transit	9,253	19,038	31,136
Supplies	22,665	22,943	22,684
Total	628,110	536,887	770,053
<u>Less</u> Allowance for defective products	(39,363)	(30,842)	(24,490)
Inventories – net	588,747	506,045	745,563

For fiscal year 2020, 2021 and 2022, the Company and its subsidiaries have average sales periods of 63 days, 70 days and 43 days, respectively. As a result, it is possible to plan the purchase of raw materials at the desired time and turnover products quickly to prevent the impact of raw material price risks and to maintain an appropriate level of inventories sufficient to deliver to customers on time. The Company and its subsidiaries have a policy to set an allowance for defective inventories by considering damaged inventories, long storage, obsolescence, and reduced inventories.

Land Building and Equipment

The company and its subsidiaries have a fix asset - net book value as at 31st March 2020, 2021 and 2022, detail as follow.

(Unit : Thousand Baht)

Description	2020	2021	2022
Land and land improvement	194,022	194,022	194,022
Buildings and Building improvement fixture	242,764	226,137	209,557
Right of use asset -Building**	-	4,578	1,346
Machinery and Equipment	73,764	63,927	97,909
Furniture and office Equipment	2,658	2,472	2,793
Motor Vehicles	22,404	17,550	14,229
Asset under installation and under construction	46,163	42,969	2,636
Total	581,775	551,655	522,492

As at March 31, 2022, the Group has certain machineries and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation of those asset amounted to approximately Baht 940 million, 2021 Baht 874 million and 2020 Baht 864 million.

Investment

On December 24, 2015, the Extraordinary General Meeting of Shareholders of the Company Alternative Enmat Co., Ltd. has a resolution to increase its registered capital from 1 million baht (10,000 common shares with a par value of 100 baht) to 10 million baht (100,000 common shares with a par value of 100 baht). 100 baht per share) by issuing 90,000 new ordinary shares with a par value of 100 baht per share and 50 baht per share paid-up. The subsidiary registered the capital increase with the Ministry of Commerce on January 4, 2016. However, the Company has increased investment in the subsidiary for 65,002 shares with a par value of 100 baht per share and paid-up of 50 baht per share, amounting to 3.25 million baht, resulting in a change in the Company's shareholding proportion from the original shareholding ratio. 100%, remaining 75% stake

On November 7, 2017, a meeting of the Board of Directors of the Company passed a resolution approving the Company to purchase the Company's ordinary shares. Alternative Enmat Co., Ltd. (subsidiary) from non-controlling interests of the subsidiary, amounting to 25,000 shares with a par value of 100 baht per share (fully paid for 2 shares, and 50 percent paid-up amount 24,998 shares) in the amount of 1.25 million baht, which will increase the proportion of investment in the Company to 100 percent of the registered capital of the subsidiary.

On January 31, 2013, the Company purchased all the Company's ordinary shares. Ngeck Seng Chiang Metal Co., Ltd. ("NSCM") amounting to 2.3 million shares at a price of 107.37 baht per share, totaling 246.96 million baht, resulting in the company holding 100.00 percent of the shares in NSCM. 320 million baht (320 million ordinary shares with a par value of 1 baht) in the amount of 383 million baht (383 million ordinary shares with a par value of 1 baht) by issuing 63 million ordinary shares at a par value 1 baht to the private placement by

allocating the said 63 million newly issued ordinary shares to the existing shareholders of NSCM to pay for the purchase of investment in NSCM's ordinary shares. The Company and NSCM have already done so, and the Company registered the change in paid-up capital on February 1, 2013.

On April 1, 2014, Neng Seng Chiang Metal Company Limited registered the name and registered address of the Company to be NSC Metal Company Limited.

Liquidity

(Unit : Thousand Baht)

Description	2020	2021	2022
Net cash flows from operation activities	289,915	239,427	136,927
Net cash flows from Investing activities	(191,609)	20,281	50,542
Net cash flows used in financing activities	(201,349)	(153,148)	(216,964)
Decrease (increase) in translation adjustments	48	(58)	90
Net increase (decrease) in cash and cash equivalents	(102,996)	106,502	(29,405)

For the year ended 2022 and 2021, the Company and its subsidiaries generated net increase in cash from operating activities of Baht 136.93 million, consisting of baht 313.22 million positively from operating performance and net negative in working capital of Baht -176.21 million. The net positive cash flow in working capital came from upper trade account receivables, trade account payable and inventories.

Net cash flow from investing activities was amount to 50.54 million baht. Most of which are net investments of 65.65 million baht and payment of equipment of -21.78 million baht.

The financing part was net Baht -216.96 million with some received of short term loan Baht 14.50 million and payment of dividend by Baht -228.10 million.

In total, net cash for the period was decreased by Baht 29.40 million.

For the year ended 2021 and 2020, the Company and its subsidiaries generated net increase in cash from operating activities of Baht 239.22 million, consisting of baht 191.22 million positively from operating performance and net positive in working capital of Baht 48.00 million. The net positive cash flow in working capital came from lower inventories.

Net cash flow from investing activities was amount to 20.28 million baht. Most of which are net investments of -37.00 million baht and payment of equipment of -18.57 million baht.

The financing part was net Baht -152.94 million with some settlement of short term loan -13.20 million and payment of dividend by Baht -136.58 million.

In total, net cash for the period was decreased by Baht 106.50 million.

For the year ended 2020 and 2019, the Company and its subsidiaries generated net increase in cash from operating activities of Baht 289.91 million, consisting of baht 185.98 million positively from operating performance and net positive in working capital of Baht

103.93 million. The net positive cash flow in working capital came from less account receivable and inventory over net payment of trade payable.

Net cash flow from investing activities was amount to -191.61 million baht with the short-term investment by -103.00 million baht and also investing in new machines and equipment in solar roof-top project and other by -93.56 million baht.

The financing part was net Baht -201.35 million with some settlement of short term loan -36.53 million and payment of dividend by Baht -164.82 million.

In total, net cash for the period was decreased by Baht -103.00 million.

Liquidity ratio

Liquidity ratio for fiscal year 2020, 2021 and 2022 were 3.30 times, 3.46 times and 2.75 times, respectively. The liquidity ratio increased from net profits which consisted of current assets with a value greater than current liabilities by about 49.54 percent. The company's key assets are cash and deposits at financial institutions. Temporary investment Long-term investments, accounts receivable and inventories While the Company's major current liabilities include short-term loans from banks and trade accounts payable.

Quick liquidity ratios for fiscal year 2020, fiscal year 2021 and fiscal year 2022 are 1.71 times, 2.07 times, and 1.53 times, respectively.

Fiscal Year 2020, 2021 and 2022, Average collection periods are 80 days, 90 days and 60 days, with average sales periods of 63 days, 70 days and 43 days, and average repayment periods of 76 days, 76 days and 57 days. As a result, Cash Cycle tends to increase. Fiscal Year 2020 is 67 days, Fiscal Year 2021 is 83 days and Fiscal Year 2022 is 46 days, respectively. This is because the Company and its subsidiaries have adopted the Supply Chain Management system, which results in planning for the purchase of raw materials at the desired time and management of rapid product turnover in order to maintain an appropriate level of inventories sufficient to deliver to customers on time. Slightly faster average repayment period consequently, the Company and its subsidiaries have adjusted the conditions for credit sales to be reduced or sell cash from the current year. The economic situation is still progressing gradually while the government is still the leader. However, the company has planned to purchase raw materials in advance by applying the supply chain management system to make estimates. Ordering of key raw materials efficiently in advance and from past operations of the company and the repayment period to the seller has been reduced slightly. To be in line with the economic downturn following the global market and to control the cost of goods to be cheaper resulting in increased cash cycle due to faster raw material turnover from purchasing in more domestics.

Source of capital

Debt

The total liabilities of the Company and its subsidiaries as of 31 March 2020, 2021 and 2022 amounting to Baht 440.19 million, Baht 421.38 million and Baht 622.47 million, respectively. The major liabilities were bank overdrafts and short-term loans from financial institutions, Accounts Payable and Trust Receipt Payable.

On 31st March 2020, 2021 and 2022, the Company and its subsidiaries had overdrafts, Trust receipts and short-term loans from financial institutions amounting to Baht 55.72 million , Baht 42.51 million and Baht 57.01 million, respectively.

Short-term loans from banks as at 31 March 2020, 2021, 2022

<u>Type of dept</u>	<u>Interest rate (percent per annum)</u>			<u>Consolidated financial statements</u>		
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Trust receipts	3.25 – 3.70	2.80 – 3.10	2.80 – 3.15	55,717	42,513	57,014
Total				<u>55,717</u>	<u>42,513</u>	<u>57,014</u>

Bank overdrafts, short-term loans and trust receipts facilities are secured by the Group's land with structures thereon, unit of condominium, machinery and fixed deposit accounts and guarantees provided by the Company.

Shareholders' equity

As of 31st March 2020, 2021 and 2022, shareholders' equity from the consolidated financial statements amounted to Baht 1,635.13 million , Baht 1,632.09 million and Baht 1,661.11 million, respectively.

As at and 31st March 2022 and 2021, shareholders' equity was Baht 1,661.11 million and Baht 1,632.09 million or increase by Baht 29.02 million. The major changes were the net profit amounting to Baht 257.13 million and dividend payment of Baht 228.10 million. Therefore, existing portions of company shareholding interest and non-controlling interest of subsidiary stood at Baht 1,503.22 million and Baht 157.89 million respectively.

Debt to Equity ratio as at and 31st March 2022 and 2021 were 0.40 and 0.28 times respectively. The upper D/E ratio was due to large current liabilities as a result of big size of business transactions in the latest quarter.

As at and 31st March 2021 and 2020, shareholders' equity was Baht 1,632.09 million and Baht 1,635.13 million or decrease by 3.04 million. The major changes were the net profit amounting to Baht 134.79 million and dividend payment of Baht 136.58 million. Therefore, existing portions of company shareholding interest and non-controlling interest of subsidiary stood at Baht 1,434.42 million and Baht 197.67 million respectively.

Debt to Equity ratio as at and 31st March 2021 and 2020 were 0.28 and 0.30 times respectively. The lower D/E ratio was due to smaller current liabilities as a result of smaller size of business transactions in the latest quarter.

As at and 31st March 2020 and 2019, shareholders' equity was Baht 1,635.13 million and Baht 1,666.41 million or decrease by 31.38 million. The major changes were the net profit amounting to Baht 86.22 million and dividend payment of Baht -164.82 million.

Therefore, existing portions of company shareholding interest and non-controlling interest of subsidiary stood at Baht 1,416.93 million and Baht 218.20 million respectively.

Debt to Equity ratio as at and 31st March 2020 and 2019 were 0.30 and 0.41 times respectively. The lower D/E ratio was due to smaller current liabilities as a result of smaller size of business transactions in the latest quarter.

Suitability of the capital structure

Debt to equity ratio at the end of fiscal year 2020, 2021 and 2022 are equal 0.30 times, 0.28 times, and 0.40 times, respectively.

The Company and its subsidiaries operate a comprehensive stainless steel coil processing business. This includes the procurement, processing, production and distribution of stainless steel products, Metals and non-metals of the new subsidiary. Most of the important assets are in the form of inventories, Trade accounts receivable and property, plant and equipment, with the proportion of current assets and non-current assets to total assets as follows:

Description	2020		2021		2022	
	Million Baht	Percentage to total assets	Million Baht	Percentage to total assets	Million Baht	Percentage to total assets
Current Assets	1,453.46	68.61	1,458.24	69.67	1,713.58	73.89
Non-Current Assets	665.08	31.39	634.97	30.33	605.42	26.11
Total Assets	2,118.54	100.00	2,093.21	100.00	2,319.00	100.00

The Company and its subsidiaries provide funding sources in accordance with the asset structure. Most of the funding sources are in the form of current liabilities, Equity and non-current liabilities Details are as follows.

Description	2020		2021		2022	
	Million Baht	Percentage to total assets	Million Baht	Percentage to total assets	Million Baht	Percentage to total assets
Current Liabilities	440.19	20.78	421.38	20.13	622.47	26.84
Non-Current Liabilities	43.22	2.04	39.74	1.90	35.41	1.53
Total Liabilities	483.41	22.82	461.12	22.03	657.88	28.37
Paid-up Capital	383.00	18.08	383.00	18.30	383.00	16.52
Total Shareholders' Equity	1,635.13	77.18	1,632.09	77.97	1,661.12	71.63

Commitments and contingent liabilities

As at 31 March 2022, the company and its subsidiary had commitments of approximately Baht 4 million, in fiscal year 2021 approximately Baht 4 million and fiscal year 2020 approximately Baht 7 million relating to a technical assistance service agreement and other agreements.

As at 31 March 2022, the Company had outstanding commitments of Baht 4.5 million, 2021 Baht 4.5 million and 2020 Baht 4.5 million in respect of uncalled portion of investment in a subsidiary.

Events after the date of the financial statements 2021

On 18 May 2022, the meeting of Board of Directors of NSC Metal Company Limited (a subsidiary) passed a resolution to propose an approval by the Annual General Meeting of its shareholders, of the dividend payment to the subsidiary's shareholders of Baht 17.95 per share, or totalling Baht 41.28 million from its net operating profit for the year ended 31 March 2022. However, by the resolution of the meeting of the subsidiary's Board of Director held on 5 November 2021, the subsidiary paid out the interim dividend of Baht 7.95 per share, totalling Baht 18.28 million, to the subsidiary's shareholders on 26 November 2021. The remaining dividend is Baht 10 per share, or totalling Baht 23 million

On 24 May 2022, the meeting of the Board of Directors of Auto Metal Company Limited (a subsidiary) passed a resolution to propose an approval by the Annual General Meeting of its shareholders, of the dividend payment to the subsidiary's shareholders of Baht 85 per share, or totalling Baht 204 million, from its net operating profit for the year ended 31 March 2022 and from retained earnings as at 31 March 2021. However, by the resolution of the meeting of the subsidiary's Board of Directors held on 10 November 2021, the subsidiary paid out the interim dividend of Baht 59 per share, for 2.4 million ordinary shares, totalling Baht 141.6 million on 7 December 2021. The remaining dividend is Baht 26 per share, or totalling Baht 62.4 million.

On 25 May 2022, the meeting of the Company's Board of Directors passed a resolution to propose an approval by the Annual General Meeting of its shareholders, of the dividend payment to the Company's shareholders of Baht 0.65 per share, or totalling Baht 248.95 million from its net operating profit for the year ended 31 March 2022. However, by the resolution of the meeting of the Company's Board of Directors held on 11 November 2021, the Company paid out the interim dividend of Baht 0.20 per share, for 383 million ordinary shares, to the Company's shareholders totalling Baht 76.6 million on 9 December 2021. The remaining dividend is Baht 0.45 per share, or totalling Baht 172.35 million.

Management Analysis and Explanation

1. Performance

Lohakit Metal Plc. (the “Company”) would like to notify the financial status and operating performance for the year ended 31st March 2022 of the Company and its subsidiaries as details below:

(Unit: Baht millions)

Consolidated financial statement	For the year ended 31 st March			
	Apr 2021 - Mar 2022	Apr 2020 - Mar 2021	Change	% Change
Revenue from sales & service	2,761.24	2,226.16	535.08	24.0%
Other income	29.43	21.38	8.05	37.7%
Total revenue	2,790.67	2,247.54	543.13	24.2%
Cost of goods sold & service	2,306.56	1,920.39	386.17	20.1%
Selling & distribution expenses	53.97	52.88	1.09	2.1%
Administrative expenses	110.83	113.50	-2.67	-2.4%
Total expenses	2,471.36	2,086.77	384.59	18.4%
Earning before interest and tax	319.31	160.77	158.54	98.6%
Finance cost	-2.34	-1.87	-0.47	25.1%
Share of profit from investment in associate	1.83	1.34	0.49	36.6%
Income tax expenses	-64.87	-27.08	-37.79	139.5%
Net profit	253.93	133.16	120.77	90.7%
Minority interest in subsidiary	-42.25	-31.80	-10.45	32.9%
Net profit of the Company	211.68	101.36	110.32	108.8%

Operating Performance

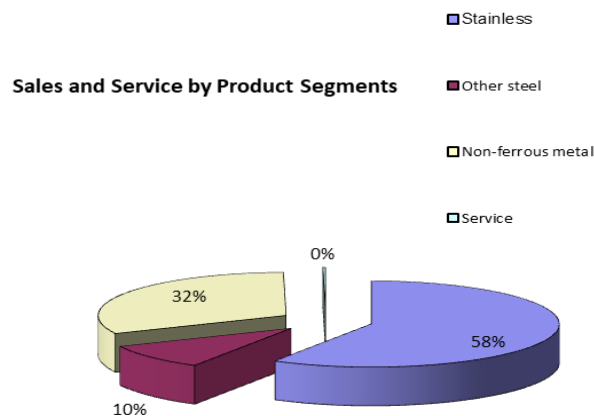
For the year ended 31st March 2022 the Company and its subsidiaries had net profit of Baht 211.68 million or increased by 110.32 million or 108.8 percent from previous year while sale increased, compared with the net profit of Baht 101.36 million in previous year. The increasing come from the economy began to recover. due to the widespread distribution of vaccines government economic stimulus measures and better export numbers Compared to the same period last year who have been heavily affected by the COVID-19 outbreak Including stainless steel and other metals, world market prices have risen sharply in the past nine months due to the more accommodative global trade situation. As a result, the company's various metal and non-metal products that are sold to customers in various channels benefit in terms of sales and gross profit as well. Including a manufacturer of automobile exhaust pipes. Its sale has returned to high volumes in sales and also having high production to support sales and to compensate the lower inventories in the earlier quarters. The automobile industry has recovered significantly in the latest quarter. Higher sales from auto exhaust products were with good gross margin, along with the electrical appliances industry began to have a recovery better trend and demand for products in global market continually higher.

The profit before interest and tax increased by Baht 158.54 million whereas corporate tax increased by 37.79 million. This was due to the company and a subsidiary's received income tax exemption from the Board of Investment in the Solar Roof Project in the previous year. The financial cost increased slightly by 0.47 million baht, while the net profit of the subsidiary's minority shareholders increased by 10.45 million baht in the current year.

1.1 Revenue

For the year ended 31st March 2022, the Company and its subsidiaries had revenue from sales and service of Baht 2,761.24 million compared with Baht 2,226.16 million in the same period of the previous year, which increased by 24.0 percent. This is due to the upper sales weight following lower production activities than the previous year in most industries but world market price rising. As a result, the products of stainless steel, copper, aluminum by coil and sheet, which are the main product groups.

The majority sales of Company comprised of metal like stainless steel and non-ferrous metal like copper and aluminum whereas sales of a new subsidiary company mostly came from Stainless Copper and Aluminum as the main product groups among various industries, mainly in particular for automotive, electrical appliance and construction.



1.2 Other income

Other income consists of interest income, gain from asset sales and revenue from scrap sales. For the year ended 31st March 2022, the Company and its subsidiaries had other income of Baht 29.43 million or increased by 37.7 percent.

The significant other income is income from scrap sales which are the results from the processing of cold rolled stainless steel sheet and coil such cut to length as per customers' requirements. The Company and its subsidiaries therefore sold scrap and disposal of unused machines and equipment to record as the other income.

1.3 Cost of goods sold & service

Majority of cost of goods sold are cost of raw material are cold rolled stainless steel sheet, coil and pipes which the Company and its subsidiaries process. For the year ended 31st March 2022, the Company and its subsidiaries had cost of goods sold of Baht 2,306.56 million, or accounting for 82.65 percent of the total revenue in comparing with Baht 1,920.39 million, or accounting for 85.44 percent of total revenue of previous year. Cost of goods sold increased by 20.1 percent whereas sales & service increased by 24.0 percent.

1.4 Selling & distribution expenses

Selling & distribution expenses mostly consist of sale staff expenses, transportation expenses and promotional expenses. For the year ended 31st March 2022, the Company and its subsidiaries had selling expenses of Baht 53.97 million, compared with selling expenses of Baht 52.88 million in the same period of the previous year which increased by 2.1 percent. Most of these expenses are staff expenses and delivery costs.

For the period of year ended 31st March 2022, the selling & distribution expenses were 1.95 percent, decreased when comparing to 2.38 percent of revenue from sales and service in the same period of previous year.

1.5 Administrative expenses

Administrative expenses consist of executive expenses and staff expenses other than sale department, office rental expenses and other management and administrative expenses. For the year ended 31st March 2022, the Company and its subsidiaries had administrative expenses of Baht 110.83 million, compared with administrative expenses of Baht 113.50 million in the previous year which decreased by 2.4 percent. The major expenses are mainly in area of personnel costs due to salary normally decreased year by year and other administrative expenses due to the retirement of one executive in the current year.

For the year ended 31st March 2022, the administrative expenses was 3.97 percent of total revenue, decreased in compared with administrative expenses of 5.05 percent of total revenue in the same period of the previous year.

1.6 Earning (loss) before interest and tax and Net Profit (loss)

For the year ended 31st March 2022, the Company and its subsidiaries had profit before interest and tax of Baht 319.31 million. After deducting the finance cost of Baht 2.34 million, income tax of Baht 64.87 million, net profit sharing to minority shareholders of subsidiary of Baht 42.25 million and adding the profit sharing from investment in related of Baht 1.83 million, the net profit of the Company and its subsidiaries stood at Baht 211.68 million, the net profit of Baht 253.93 million. When comparing to the profit before interest and tax and the net profit of the same period of the previous year which stood at Baht 160.77 million and Baht 133.16 million respectively, the net profit of the present year increased by 90.7 percent.

1.7 Share of income from investment in associate

In April 2009, the Company invested in the ordinary shares of Mory Lohakit (Thailand) Co., Ltd. by holding 49 percent of total shares. As for the accounting year ended 31st March 2022 and 2021, the company and its subsidiary recognized share of profit by equity method of Baht 1.83 million and Baht 1.34 million respectively.

1.8 Income tax expense

For the year ended 31st March 2022, the Company and its subsidiaries had corporate tax of Baht 64.87 million or increase by 139.5 percent. This was due to the company and a subsidiary's received less investment income tax exemption from the Board of Investment in the Solar Roof Project in the previous year, while the current year the Company had net profit increased.

1.9 Profit sharing to minority shareholders of subsidiary company

On 1 October 2010, the company sold partial investment in a subsidiary company to Japanese alliance, Mory Industrial Inc., As of 31st March 2022, the Company and its subsidiaries recognized profit sharing to minority shareholders according to the percentage of its shareholding in full year which was amount of Baht 42.25 million, increased from amount by Baht 10.45 million of previous year by 32.9 percent. The higher profit share was due to the upper net profit of the subsidiary, a manufacturer of exhaust pipe in the automotive industry.

1.10 Profitability

For the year ended 31st March 2022, the Company and its subsidiaries had upper gross profit margin of 16.47 percent compared with gross profit margin of 13.74 percent in the same period the previous year. The main reason is that sales of automobile exhaust pipes with a high gross profit accounted for a higher percentage of total sales.

For the year ended 31st March 2022, the Company and its subsidiaries had net profit margin of 7.59 percent compared with net profit of 4.51 percent in the same period of the previous year.

(Unit: Baht million)

Consolidated balance sheets	As at 31 st Mar 2022		As at 31 st Mar 2021	
	Amount	%	Amount	%
Assets				
Current Assets				
Cash and cash equivalents	288.42	12.44%	317.82	15.18%
Financial Assets (Short-term investment)	8.35	0.36%	73.88	3.53%
Account receivable, trade and others	661.51	28.53%	556.31	26.58%
Inventories	745.56	32.15%	506.04	24.18%
Other current assets	9.74	0.42%	4.19	0.20%
Total current assets	1,713.58	73.89%	1,458.24	69.67%
Non-current assets				
Restricted bank deposits	46.18	1.99%	46.18	2.21%
Investment in associate	14.80	0.64%	12.97	0.62%
Non-Current Financial Assets (Long-term investment)	3.02	0.13%	3.30	0.16%
Property, plant and equipment	522.49	22.53%	551.66	26.35%
Intangible assets	2.89	0.12%	3.25	0.15%
Deferred tax assets	12.63	0.54%	14.29	0.68%
Other non-current assets	3.41	0.15%	3.32	0.16%
Total non-current assets	605.42	26.11%	634.97	30.33%
TOTAL ASSETS	2,319.00	100.00%	2,093.21	100.00%
LIABILITIES				
Current liabilities				
Short term loans from banks	57.01	2.46%	42.51	2.03%
Account payables, trade and others	523.85	22.59%	349.36	16.69%
Lease payable due within one year	1.39	0.06%	3.26	0.16%
Income tax payable	33.30	1.44%	16.23	0.78%
Other current liabilities	6.92	0.30%	10.02	0.47%
Total current liabilities	622.47	26.84%	421.37	20.13%
Non-current liabilities				
Lease Payable	-	-	1.39	0.07%
Provision for long-term employee benefits	35.40	1.53%	38.34	1.83%
Other non-current liabilities	0.02	-	0.02	-
Total non-current liabilities	35.42	1.53%	39.75	1.90%
TOTAL LIABILITIES	657.89	28.37%	461.12	22.03%
SHAREHOLDERS' EQUITY				
Shareholder equity				
Registered capital	383.00		383.00	
Issued and Paid up capital	383.00	16.52%	383.00	18.30%
Premium on stock	519.67	22.41%	519.67	24.83%
Retained earnings				
Legal reserve	78.70	3.39%	76.40	3.65%
Un-appropriated	521.85	22.50%	455.35	21.75%
Non-controlling interest of the subsidiary	157.89	6.81%	197.67	9.44%
Total shareholders' equity	1,661.11	71.63%	1,632.09	77.97%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,319.00	100.00%	2,093.21	100.00%

2. Financial Status

2.1 Assets

As for the assets value as at and 31st March 2022 and 2021, the Company and its subsidiaries had total assets of Baht 2,319.00 million and Baht 2,093.21 million respectively. The Company and its subsidiaries operated integrated stainless center which provided many kinds of services such as procurement, transformation, manufacture and stainless products wholesale and a subsidiary who is the finish goods trader of metal and non-ferrous metal. Therefore, the Company and its subsidiaries' major assets are inventories, account receivables, land, plant and equipment as details below:

2.1.1 Inventories: As at and 31st March 2022 and 2021 the Company and its subsidiaries had net inventories of Baht 745.56 million (or 32.15 percent of total assets) and Baht 506.04 million (or 24.18 percent of total assets) respectively. The increase in inventories were mainly following the upper sales and increase in global material price.

2.1.2 Trade account receivables – other parties: As at and 31st March 2022 and 2021, the Company and its subsidiaries had Trade account receivables, net – other parties of Baht 661.51 million (or 28.53 percent of total assets) and Baht 556.31 million (or 26.58 percent of total assets) respectively.

2.1.3 Financial Assets: As at and 31st March 2022 and 2021 the Company and its subsidiaries had short term investment of Baht 8.35 million (or 0.36 percent of total assets) and Baht 73.88 million (or 3.53 percent of total assets) respectively. The higher investment value came from the investment in unit value of mutual fund due to the excessive cash balance of a subsidiary company.

2.1.4 Land, plant and equipments - Land and improvements, building, machinery, office equipments, vehicles and work on progress of construction: As at and 31st March 2022 and 2021, the Company and its subsidiaries had Land, plant and equipments – net of Baht 522.49 million (or 22.53 percent of total assets) and Baht 551.66 million (or 26.35 percent of total assets) respectively.

2.1.5 Restricted bank deposit: As at and 31st March 2022 and 2021, the Company and its subsidiaries had net value of Baht 46.18 million (or 1.99 percent of total assets and 2.21 percent of total assets) respectively. The restricted fix deposit by a subsidiary was used as guarantee for loans from financial institution.

2.1.6 Deferred tax assets: As at and 31st March 2022 and 2021, the Company and its subsidiaries had net value of Baht 12.63 million and Baht 14.29 million respectively (0.54 percent and 0.68 percent of total assets respectively).

2.2 Liabilities

The total liabilities of the Company and its subsidiaries as at and 31st March 2022 and 2021 stood at Baht 622.47 million and Baht 421.37 million respectively. The current liabilities increased following the lower volume of raw material purchases but market price rising and less long-term liabilities as the Company paid compensation for employee benefits for the executives who have due to retirement.

2.3 Shareholders' equity

As at 31st March 2022 and 2021, shareholders' equity was Baht 1,661.11 million and Baht 1,632.09 million or increase by Baht 29.02 million. The major changes were the net profit amounting to Baht 257.13 million and dividend payment of Baht 228.10 million. Therefore, existing portions of company shareholding interest and non-controlling interest of subsidiary stood at Baht 1,503.22 million and Baht 157.89 million respectively.

Debt to Equity ratio as at and 31st March 2022 and 2021 were 0.40 and 0.28 times respectively. The upper D/E ratio was due to large current liabilities as a result of big size of business transactions in the latest quarter.

3. Cash flows

(Unit: million Baht)

Consolidated cash flows statement	As at 31 st Mar 2022	As at 31 st Mar 2021
Net cash from (used in) operating activities	136.93	239.22
Net cash used in investing activities	50.54	20.28
Net cash from (used in) financing activities	-216.96	-153.15
Effect of exchange rate to cash and cash equivalent	0.09	-0.06
Net increase (decrease) in cash	-29.40	106.50

For the year ended 2022 and 2021, the Company and its subsidiaries generated net increase in cash from operating activities of Baht 136.93 million, consisting of baht 313.22 million positively from operating performance and net negative in working capital of Baht -176.21 million. The net positive cash flow in working capital came from upper trade account receivables, trade account payable and inventories.

Net cash flow from investing activities was amount to 50.54 million baht. Most of which are net investments of 65.65 million baht and payment of equipment of -21.78 million baht.

The financing part was net Baht -216.96 million with some received of short term loan Baht 14.50 million and payment of dividend by Baht -228.10 million.

In total, net cash for the period was decreased by Baht 29.40 million.

5. General Information and Other Information

Lohakit Metal Public Company Limited (the Company) and the subsidiaries including Auto Metal Company Limited and Alternative EnMat Company Limited (formerly known as "Stainless alternative Ltd." changed its name on January 4, 2016) and NSC Metal Co., Ltd. (formerly Ngeck Seng Chiang Metal Company Limited, On April 1, 2014, the company has changed the registered name) and Mory Lohakit (Thailand) Co., Ltd. (related company) engage in procuring stainless steel coil products where the Supply Chain Management has been adopted to manage the raw material, the procurement, the distribution and the services provided to the customers.

Head office	66/1 Moo 6 Soi Suksawad 76, Suksawad Rd., Bangjak, Prapradang, Samutprakarn 10130, Telephone 0-2463-0158 Fax. 0-2463-7299 Homepage: www.lohakit.co.th , The registration number 0107548000315
The Company branch	43 Thai CC Tower, room no 167-169, 16th floor, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120, Telephone 0-2673-9559 Fax. 0-2673-9579
Auto Metal Company Limited (the subsidiary)	Head Office 700/650 Moo 1, Panthong subdistrict, Panthong district, Chonburi, 20160 Telephone 0-3821-0270-77 Fax. 0-3821-0268-9 Branch 700/608 Moo7, Donhualo subdistrict, Chonburi district, Chonburi, 20000
Alternative EnMat Company Limited (the subsidiary) (formerly known as "Stainless alternative Ltd." changed the registered name on January 4, 2016)	66/1 Moo 6, Soi Suksawas 76, Suksawas Road, Bangjak, Prapradang, Samutprakarn 10130, Telephone 0-2463-0158 Facsimile 0-2463-7299
Mory Lohakit (Thailand) Co.,Ltd. (related company)	43 Thai CC Tower, room no 167-169, 16th floor, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120, Telephone 0-2673-9559 Fax. 0-2673-9579
NSC Metal Co., Ltd. (the subsidiary) (Formerly Ngeck Seng Chiang Metal Company Limited, On 1 April 2014, The company has changed the registered name)	108/8 Yotha Road, Talan Noi, Samphanthawong, Bangkok Thailand 10100 Telephone 0-2693-4151 Fax. 0-2693-4159

Registrar: Thailand Securities Depository Company Limited
The Stock Exchange of Thailand building,
93 Ratchadapisek Road, Dindaeng,
Dindaeng, Bangkok 10400,
Telephone 0-2009-9000, Fax. 0-2009-9991

Accounting Auditor: EY Office Limited
33th floor, Lake Ratchada building,
193/136-137, Ratchadapisek Road,
Klongtoey, Bangkok 10110,
Telephone 0-2264-0777, Fax. 0-2264-0789-90

Legal Advisor: Seri, Manop and Doyle Company Limited
21 Suthisarn-Ratchadapisek Road,
Samsennok, Huaykwang, Bangkok 10320,
Telephone 0-2693-2036, Fax. 0-2693-4189

Company secretary 43 Thai CC Tower, room no 167-169,
16th floor, South Sathorn Road, Yannawa,
Sathorn, Bangkok 10120,
Telephone 0-2673-9559
Fax. 0-2673-9579
E-mail : vittawat@lohakit.co.th

Investor Relation officer 43 Thai CC Tower, room no 167-169,
16th floor, South Sathorn Road, Yannawa,
Sathorn, Bangkok 10120,
Telephone 0-2673-9559 Ext. 207
Fax. 0-2673-9579
E-mail : ird@lohakit.co.th

Part 2

Corporate Governance

6. Good Corporate Governance

The Company has realized the importance of the operation under the good corporate governance where the board of directors is determined to comply with the code of good corporate governance specified by the Stock Exchange of Thailand under the Code of Best Practice for Directors of Listed Companies.

Moreover, the Company is complied with the 5 Principle of Good Corporate Governance set by the Stock Exchange of Thailand for the benefit of the Company's business operation and for the transparency and efficiency enhancement. This should build up the creditability of the Company for the shareholder, the investors and other relevant parties. The details of the Company's good corporate governance practice are as follows:

(1) Shareholder's Rights

The Company has realized the importance of the equitable treatment to the shareholders where at each shareholder's meeting, the invitation letter and the relevant information shall be sent to the shareholders for not less than 21 days in advance. Moreover, the Company shall equitably encourage the shareholders to review the performance and to express their opinions and/or recommendations. Furthermore, the Company has an effective shareholder's meeting minutes filing system which is easy to refer and check.

For the shareholders who cannot be present at the shareholder's meeting, they can delegate their power of attorney to the independent director and the audit committee to vote for them.

During the shareholder's meeting, the chairman shall equitably encourage all shareholders to raise questions and to express their opinions and other recommendations.

1.1 The Company has upheld the principle to supervise rights of shareholders. It aims to protect and promote the rights of shareholders as follows.

- Shareholders have the right to ownership and controls through the committee to act on their behalf.
- Shareholders have the right to make decisions about significant changes in the Company.
- Shareholders should have the opportunity to propose the agenda and entitle to appoint a proxy to attend the meeting on his behalf.
- Shareholders should have the opportunity to ask questions to directors at the meeting but submit questions in advance.
- Shareholders should receive documents and details or information sufficient to determine the agenda prior to the meeting at the appropriate time.
- Shareholders should aware of the rules and know how to join the meeting at reasonable time.
- Companies should promote the rights of shareholders and does not violate or infringe the rights of shareholders.

1.2 Apart from the basic rights or legal rights of the shareholders, the company was also considering the rights and equitable treatment of all shareholders. The actions to promote the rights of shareholders are as follows.

- So that all shareholders receive the necessary information and enough about the meeting date and an agenda in advance, the company has communicated the documents and information relating to the AGM via the company's website (www.lohakit.co.th / Investor Relations / Shareholder Information) Date: June 22, 2020 onwards, a period of 30 days before the AGM (Shareholders' Meeting on July 22, 2020) by the same set of data as documents that the Company has submitted with the notice of meeting to shareholders by mail prior to the meeting.

- In the invitation that contain information about the agenda, reasons and the opinion of the Committee on the proposed agenda, date, time and place of the meeting, guidelines procedures and documentation to register to attend the meeting.

- For the benefit of the shareholders, the company also provides an opportunity for shareholders to submit questions or the proposal to be included on the agenda and the names of persons to be considered for appointment as directors in advance at website (www.lohakit.co.th / Investor Relations / Shareholder Information). The criteria and define clear procedures to inform its shareholders through SET system and posting them on the Company's website during April 3, 2021 until May 7, 2021

At the shareholders meeting for the year 2021, the meeting was conducted by order of the agenda set out in the notice of meeting to inform shareholders in advance. No matters have been added to the agenda or critical data changes without notice to shareholders in advance and to allow shareholders to express opinions and ask questions on various matters. The Directors and senior management participated in meeting to answer the questions of the shareholders at the meeting, which details have been recorded in the minutes of the shareholders.

1.3 Before meeting begun, chairman of the meeting has authorized investor relations officer clearly explained to shareholders of how to vote, the audit of the vote count and the rights of shareholders

- One share represents one vote. For agenda items resolutions shall be passed by a majority of votes, acknowledgement matters for shareholders have no votes. Agenda for the capital reduction, capital increased, amendment of company memorandum of association and regulation shall be passed by votes of not less than three in four of the votes of the shareholders present at the meeting and have voting rights. The agenda of the Remuneration of the directors shall be passed by votes of not less than two third of the total votes of the shareholders present at the meeting.

- The vote on the election of directors, each shareholder is entitled to vote are all as discussed above, selecting one person or several persons as directors but can't divide their votes among the candidates.

- The shareholders who give proxies with indicating their votes. Staff will collect votes on their computer. For proxies to attend the meeting without indicating their votes, The Company assigned legal counsel which is an independent agency to act as a counter and check the votes in the AGM so as to be transparent, legalization and regulation.

- The voting ballots with the following characteristics are considered the invalid voting.

1. The ballots were voted incorrectly to its agenda.
2. There are no marks in the voting box.

3. Any ballots marked in more than one ballot box except in the case of a proxy, a custodian who can divide the votes in each agenda item, agree, disagree or abstain.
4. The damage ballots and it can not be determined what voters wish to vote.

For shareholders who attended the meeting, the officers have prepared a ballot to use in the case of disagree or abstain. And to consider the rights and equitable treatment of all shareholders, the Company provided shareholders in attendance even after the conference has already started with the right to vote on agenda items under the consideration and has not voted yet.

The company has submitted its report to the Stock Exchange of Thailand within 14 days of the meeting and the minutes are simultaneously published to the shareholders via the company's website in order for shareholders to comment and review with no need to wait until the next meeting. Including disclosing the vote counting inspectors in the shareholders' meeting in the minutes of the meeting.

Shareholders have the right to review the remuneration of directors. The company offers attendance fee and bonus for shareholders approve every year. This year, the company paid to its directors the attendance fee only and no other benefit paid to directors. "Executive Remuneration" section, other benefits are not paid to the directors.

(2) The Equitable Treatment to Shareholders

The Company treats the shareholders equitably in allowing them to check and express their opinions toward the Company's operation. The Company has a policy to comply with the article of association where the shareholders who cannot be present at the shareholder's meeting can delegate their power of attorney to the independent director and the audit committee to vote for them.

At a meeting of shareholders, the company has taken advance notice of the meeting of shareholders into the website at least 30 days before the AGM date and the Company has taken a minority shareholders have the right to propose agenda into AGM in advance and nominate qualified person to be elected as Directors. According to the company scheduled during the April 3, 2021 until May 7, 2021 and informed the shareholders through the Stock Exchange of Thailand and posting them on the Company's website (www.lohakit.co.th / Investor Relations / Shareholder Information) with specifying the clear and transparent procedures and methods. And on the Company's website, predefined form for proposing the agenda and nominating candidates for election as directors can be downloaded as well. During the AGM in 2021, no shareholders propose agenda and nominate candidates for director in.

Accordance with the rules in the voting for election of directors, the company has a cumulative voting rules (Cumulative Voting) is used for the election of directors only. In principle, it is for the channel to provide minorit shareholders the opportunity to choose their directors to be executive.

In order to avoid the conflict of interests, the delegation of the board of directors specifies that the delegated person must not approve any transactions that may lead to the conflict of interests. In addition, the Company and the subsidiaries shall comply with the regulations of the Stock Exchange of Thailand with regard to the connected transaction and the acquisition and disposition of assets of listed companies as the case may be.

The Company has set the procedure to undertake the related transaction as follows:

(a) In case of the normal business transactions or the transactions to support the normal business with general terms and conditions and compensations that can be calculated from assets or reference prices, the procedure to undertake those transactions shall be in accordance with the regulations of the SEC office and the Stock Exchange of Thailand with regard to the connected transaction. The undertaken transactions shall be reported to the audit committee on a quarterly basis.

(b) In case of other related transactions apart from those described in (a), the audit committee shall provide their opinions with regard to the necessity of the transaction and the reasonableness of the transaction's price by considering the normal business practice of the industry and comparing the undertaken price with the price of others or the market price. In case that the audit committee has no expertise on any transaction, the Company would hire an independent specialist or an auditor to provide their opinion on such transaction for the consideration of the audit committee, the board of directors or the shareholders as the case may be. The directors who may have any conflict of interests of the transaction will not be able to vote on such transaction.

The Control of the use of internal information for the benefit of the management, the Company has a procedure to control the use of the undisclosed information for the benefit of the management or their related parties as follows:

(a) The Company has prevented the use of internal information by specifying that the departments which are accessible to such information must keep the information confidential to other irrelevant departments or parties.

(b) The management who has accessed the Company's financial information must not use such information for their own benefits before the disclosure of such information to public. The management is prohibited to trade the Company's securities within one month before the public disclosure of the Company's financial statements.

(c) The Company shall guide the management to report the change of their shareholdings to the SEC office as per clause 59 of the Securities and Exchange Act B.E. 2535. In addition, the management and employees who have accessed to the internal information are prohibited to share such information to others or irrelevant parties. They are also prohibited to trade the Company's securities within 30 days before the public disclosure of the financial statements.

(3) Roles of Stakeholders**The Company has taken into account the rights of all stakeholders as follows:**

(a) Employees: The Company always recognizes that all employees are the key resources of the company. It is the success factor of the company's achievement. The Company provides care and fairness in terms of opportunities, returns, appointments, relocation as well as staff development. The Company has adhered to the following principles.

- Treat employees with respect, honor and privacy.
- Maintaining a safe working environment for the lives and assets of employees
- Appointment and relocation including rewards and punishment for employees, act in good faith and based on the knowledge and ability of each employee
- Pay attention to the development of staff knowledge. The development of employees in various forms such as seminars, training, etc

In the Year 2021, the company had employees trained by internal and external agencies as follows:

Department	Internal Agencies Total / Hours	External Agencies Total / Hours
Purchase	-	2 / 14
Finance	2 / 4	-
Sales & Marketing	1 / 4	-
Human resource	4 / 20	2 / 24
Quality assurance	18 / 64	1 / 12
Inventory / Logistics	13 / 54	1 / 12
Planning/Production/Maintenance	94 / 341	-

In the Year 2021 Accident statistics Stop rate and the rate of illness from work as follows:

Department	Accident rate	Stop rate	Illness rate
Purchase	-	-	-
Finance	-	-	-
Sales & Marketing	-	-	-
Human resource	-	-	-
Production	-	-	-
Quality assurance	-	-	-
Inventory/Logistics	-	-	-
Planning/Production/Maintenance	3	180	-

- Determination of employees' compensation policy and welfare are fair. This is consistent with the company's performance both in the short term, such as market conditions, business competition, nature of work, performance and profitability each year, etc. and in the long term such as performance evaluation, Balance Scorecard etc.

- Listen to comments and suggestions based on professional knowledge.

- To educate and train staff on environmental issues both in the workplace and outside the organization, this is in order to be aware of the importance of natural resources.

(b) Suppliers and Creditors: The Company treats all suppliers and creditors equitably and fairly under mutual terms and/or contracts to create the valuable relationship which shall benefit all parties.

(c) Customers: The Company takes good care and responsibility of the customers by sourcing, fabricating, manufacturing and distributing quality products as well as by taking into consideration the customer's recommendations and opinions.

(d) Competitors: The Company complies with the framework of fair competition and avoids the use of dishonest means to destroy the competitors's reputations.

(e) Shareholders: The Company focuses on the sustainable growth in terms of of revenue and profit. As a result, the shareholders will receive the appropriate returns according to the business condition.

(f) Community and Society: The Company takes the responsibility towards to environment of the community and society by taking part in the social activities.

The Company has issued the Code of Ethics for the directors, management and all employees to comply with honest and integrity. The Company shall govern and ensure that such Code of Ethics is strictly complied. The Code of Ethics and the penalty are approved by the board of directors No. 4/2007 on August 15, 2007.

Company committed to social and environmental responsibility, The integrated data management framework, framework for management and organization management. Social responsibility reports are included in the section. "Sustainable Development Page 52."

The company has been giving the important on operation with responsibility to social and environment. By that, company in cooperation with stock exchange of Thailand has set up the activities for social.

The Company has enhanced the efficient internal control and audit systems for both the management and operational levels by issuing the statement of duties and authorities of the management and the employees. The duties of execution, control and evaluate are segregated for the check and balance of power purpose. Moreover, the Company has undertaken the internal control over the financial system with the financial report system for the responsible management. The Company has the internal control system audited and appointed A.M.T. Services Office Limited as the Company's internal auditor for year 2021 (April 1, 2021 – March 31, 2022). The auditing shall emphasize on the internal control system and the analysis of the system risks. The summary of the auditing is as follow:

1. To evaluate the sufficiency of the internal control system.
2. To review the procedure of each working system.
3. To review the accounting transactions with the related parties.
4. To review the obligations.
5. To review the contingent liabilities.
6. To report the sufficient of internal controls during the year.

The internal auditor shall report the result of the auditing to the audit committee on a quarterly basis. In addition, the internal auditor shall review the significant related transactions as per the request of the audit committee. The secretary of the audit committee shall coordinate between the internal auditor and the audit committee.

Risk Management, the Board of director has been focusing on risk management very seriously. In the meeting of the Board of Directors no. 2/2016 had appointed the Risk Management Committee to define and assess of the business risks, to protect and manage risk. These include risks affecting the Company's operations, as defined in "The Risk Factors".

Board of Lohakit Metal Public Co., Ltd. (the Company) has scheduled its business practices with principles of good governance, adhering to the responsibility of all aspects of the business and to focus on the fight against corruption. On April 3, 2015 the company attended the announcement of the intention of a unified practice (Collective Action Coalition) Thailand's private sector in the fight against corruption. The Company has been approved as a member of the coalition against corruption in the private sector in Thailand on April 22, 2016 to the guidelines of the Committee, all employees. The company has made "policy against corruption" in writing to provide a clear guideline in the sector which is divided into three main policies

On February 9, 2022, the Board of Directors Meeting No. 1/2022 approved the company to use the policy anti-corruption 1st revised edition as a guideline for directors. All employees are divided into 3 main policies as follows:

Definition

Corruption refers to bribery in all its forms by offer or promise to provide the money, property or other benefits incorrect and inappropriate to authorities, government agencies or private individuals to do duty, omission to do duty, to obtain or retain any improper business benefits. Unless, they are comply by the law, regulatorion, customs or local tradition.

1. Anti-Corruption Policy

Directors, executives and employees of company are prohibited to action or to accept corruption in any form, either directly or indirectly. It covers businesses in all countries and all agencies involved. The review of the implementation of the policy against corruption is required to review regularly, including also review practices and the requirement to take steps to comply with changes in business regulations and legal requirements.

Responsibilities

1. Board of Directors has duties and responsibility to establish policies and a regulatory system that effectively supports anti-corrupt ion in order to ensure that management is aware of the importance of anti-corrupt and to cultivate a corporate culture.
2. The Audit Committee has duties and responsibility to review financial reports and accounts, internal control system, Internal audit system and risk management system in order to ensure the compilation to international standards, appropriate, modern and efficient.
3. Chief Executive Officer, board of executive management has duties and responsibility to establish the system, to promote and advocate policies against the corruption, to communicate to employees and stakeholders and to review the appropriateness of systems and measures in order to comply with changes in business, regulatory and legal requirements.
4. Risk Management Committee responsible for supervision and support the implementation of anti-corruption management and review the anti-corruption policy and then presented to the Board of Directors.
5. Anti-Corruption Working Group has duties and responsibility to monitor and review the work that is going to be required to meet the operational policy guidelines, regulatory and legal requirements of the regulatory authorities in order to ensure that controls are adequate to the risk of corruption and report to the Board of Directors.
6. Employees are responsible for complying with the Anti-Corruption Policy and related regulations including giving clues or providing information about corruption.

Guidelines and action

1. Director, Management, Employee of LHK at all levels must strictly adhere to the policy without exception.
2. Employees must not be ignored or neglected when find any action relating on corruption. The notification to their supervisors or the person responsible is required.
3. Company will ensure fairness and protect employees who report for clues about corruption as defined in "Policies to protect complainants, witnesses, information user or clue about illegal and unethical (Whistle Blower Policy)".

4. Those who commit corruption must be considered for disciplinary action as prescribed without exception.

5. Company will disseminate the knowledge and understanding to others who have duties relating to the company subject to compliance with this policy.

6. Policies against corruption cover personnel administration since the recruitment, selection, promotion, training, evaluation and compensation. The supervisors at all levels communicate the clear understanding to the staff.

7. To clarify to operating in high risk to have the corruption, directors and executives and employees at all levels must be in caution in the following.

7.1 To give or receive gifts, entertainment must comply as prescribed in the manual and a code of conduct for employees.

7.2 Donations to charity or providing financial support or donations or grant must be transparent and legalization.

7.3 Business relationship, prohibit giving or receiving bribes in conducting business in all aspects must be transparent, honest and is in accordance with the relevant legislation.

2. Policy to protect complainants, witnesses, information user or clue about illegal and unethical (Whistle Blower Policy).

Definition

The complaint Refers to employees of the Company and its subsidiaries whether normal staff, diary staff or special staff.

Complaints recipient Refers to one among the directors, audit committee, executive directors Chief Executive Director, Company Secretary, Anti-Corruption Working Group or Human Resources Department.

Complaint subject or provide information

Corruption, illegal, regulations or ethics that impact on reputation, image, norm, financial position or conflict with the policy of the business and involved with high position management.

Channels of complaints or information, access to information and advice

1. Verbal or written to

Company Secretary
or E-Mail: whistleblower@lohakit.co.th

2. E-mail via the company's website: www.lohakit.co.th

3. Mail sent to

Company Secretary
Lohakit Metal Public Company Limited
No. 43, Thai CC Tower, 16th Floor, Room 167-169
Sathorn Road, Yannawa, Sathorn, Bangkok 10120.

The complaint guideline

1. The complainant can appeal to more than one channel and do not necessarily reveal the identity. But self-disclosure will help the complaint recipient inform the result of action against complaint.

2. If the complainant chooses not to reveal his name, have to identify enough fact or evidence to show that there is reason to believe that the actual act according to the information, including inform the channels of communication in return in order to inform the results of the action on the complaint. The complaints are treated as confidential.

The process of investigation of the complaint

1. The recipient of the complaint will be processed by own or assigned to individuals or group of persons to perform on their behalf and presented to Executive Directors to consider the penalties according to the rules and regulations of the company
2. Make sure that is true. If it is important for the image, reputation or norm, they must be submitted to the Executive Board for consideration and presented to the Board of Directors in the following order in order to determine action or punishment according to the guidelines of the company.

The protection for complainant or information provider

1. Protection occurs immediately right after complainant inform and give clues.
2. The relevant information is considered confidential and will be disclosed in consideration of damage and safety of complaints.
3. Where the complaint said, it may not be safe or damage occurred. The complainant may request the Company to determine the appropriate protective measures or the company may impose protective measures for the complainant even with no request if that is likely to be suffered and unsafe.
4. If the investigation does not find any wrongdoing as reported a complaint, the Company will not punish the whistleblower with good faith and person who affected will be compensated as appropriate and fair.
5. The company will not demote, penalize, or give negative consequences to employees who make complaints, employees who cooperate in the investigation or employees who reject corruption. Even if it will be caused the company to lose business opportunities.
6. In case there is clear and sufficient evidence that the whistleblowing, complaints or providing such information is done with dishonest intent which affect the complainant or the company. The company will investigate and punish according to disciplinary measures and/or take legal action against whistleblowers. If whistleblowers are outsiders, the Company will consider legal proceedings.

3. Policies and procedures to support the political/ charitable donations/ grants. (Sponsorships)/ paying bills/ gift and hospitality expenses.

The Board of Directors has established business practices with the good governance that recognizes its responsibility for the impact of all aspects of doing business and declared policy against corruption (Anti-Corruption Policy) to guide practice strictly for directors, management and all the staff there. The Company has established policies and measures related to anti-corruption functions in the practice of contributing to political / charitable donations / grants. (Sponsorships) / paying bills / gift and hospitality expenses as following

1. Policies and practices involved in this matter in accordance with the policy set out in the Anti-Corruption policy and the ethical conduct of managers and employees
2. If it is not listed, shall comply with the policies and guidelines that have been identified

Policies governing political contributions

Company adheres to the policy of political neutrality, not support the funding or help in other ways to help the political parties both direct and indirect

Political contributions meant to help whether it be financial or to help in other ways (In-kind), such as providing goods or services, advertising, promoting or supporting political parties, to purchase tickets, to join the event to raise funds or donate to organizations with close ties to political parties or to be the agent for co-operation on political campaign etc.

The company provides support of political democracy and that employees have rights and duties as citizens by law to participate in or support any political activities freely in private but prohibiting all employees act on behalf of the company or using assets of the company to support or any other actions.

Policy on Charitable Giving and Donations Accepting

Charitable giving or accepting of donations means giving or receiving in the form of money, things or any other benefits which aims to provide public benefits without expecting return or benefits from organizations that the company provides support and social responsibility.

Charitable donations or donations accepting made to/by any person or juristic person such as associations, foundations, public organizations, religious places, hospitals, establishments of education or socially beneficial organizations must be done openly, transparently, is required by law and must not be used as a pretext in order to bribery.

Donations to charity will be made on behalf of the Company and proceed through the process of approval by an authorized person of company. It must be donated to organizations or entities for benefit to education society or the public and is not affiliated with any reciprocal benefits, such as foundations, corporate philanthropy and establishments of education, etc., except for the honorary announcement according to general practice such as affixing a logo (Logo), announcing names at the venue or in other public relations media, etc. which have to be evidence of a credible and verifiable.

The company has no policy of accepting donations for any benefit, except being a representative in receiving donations to help victims of floods, storms, fires, or other natural disasters or for charity.

Funding policy for sponsorships

Funding refers to money paid to or received from customers, suppliers and business partners for the purpose of business, product brand or company reputation. It is beneficial to create The Commercial Trust (Goodwill) help intensify business relations and must be appropriate to the occasion

The use of funds or assets of the company to fund sponsorships must be conducted openly and transparently is required by law and must not be used as a pretext in order to bribery

Funding will be made on behalf of the Company and proceed through the process of approval by an authorized person of the company. The grants paid aimed at businesses image or reputation of the company shall have the reliable evidence, indentity clear objectives and can be detect

Receiving financial support must receive a notice of supporting to the Company and proceeded through the approval process by an authorized person of the company that must be truly brings benefits to society. However, the reliable evidence must be issued with clearly specify objectives and can be detect.

Policies about gifts, entertainment, hospitality service and other expenses

Giving and receiving gifts, entertainment and hospitality service means giving or receiving things or any other benefits, giving or receiving entertainment or giving or receiving hospitality to build good relationship with business partners.

Company policy prohibits directors and employees must not accept or give gifts, souvenirs of any stakeholder in the work that they are responsible both direct and indirect to government officials, government sector, private organizations and business partners so as to obtain benefits illegally and in an induced abstinence in the performance of their duties, except for the giving or receiving gifts, souvenir on the occasion of the agenda or the like, according to tradition, local custom, tradition of trade or the suitable opportunity. It is worth not much more than normal or worth less than the prohibition on public officials should have been.

The expenses for the entertainment of business and other expenses associated with implementing business contracts can be done but the level and extent appropriate must be reasonable and can be audited

Facilitation Payment

Facilitation Payment are expenses paid to government officials informally to ensure that government officials will proceed or to encourage quicker action which does not require the discretion of government officials in accordance with the duties of state official that the company should have already right under the law such as applying for a license, requesting a certificate and receiving public services, etc.

The company has a policy not to pay facilitation to government officials under any circumstances. This is because facilitation payments paid to government officials have a very high risk of becoming bribery or an unlawful expense.

The company has the operating requirements as following:

Employees are prohibited from giving, asking or accepting that facilitation payments or bribes in the form of property are prohibited or any other benefits to government officials, foreign government officials, an officer of international organization to induce action, not to act, or to delay action which affects the operation of the company and contacts with the government must be transparent, be honest and must strictly comply with applicable laws.

Hiring of government employees

Hiring of government employees is a person from the government sector work in the private company or a person in the private company work in the government policy that undermines the image of the credibility and integrity of the government's functions or policy has a risk of corruption in terms of conflicts of interest and impartial governance of government organizations

Therefore the Company has a preventive measure which is not a prohibition against accepting a position or prohibiting hiring government employees but management with clear regulations and guidelines to prevent corruption risks and ensure that the employment of government employees or government officials has clear operational measures which there are requirements as follows.

1. The Company has process of persons background investigation, the nominate for the position of consultants, directors, executives and employees to investigate conflicts of interest prior appointment or employment.
2. Employment and compensation for hiring government employees or government officials must be carefully considered for reasons of necessity and must be approved by the Deputy Managing Director upwards except financial advisor, Legal advisors, etc., must be approved by the Board of Directors.
3. Hiring of government employees must be disclosed in the annual report (56-1 One Report) for transparency.

Conflict of Interests

Conflict of Interest Policy means any activity with personal interest needs or related persons to influence making decision which may hinder or obstacle the highest benefit of the Company.

The company has operating requirements as following:

Directors, executives and employees will realize of the Company's benefit as a priority and avoid involving in any activities that may cause conflicts of interest in the form of being a partner, holding a position, having financial involvement or having a relationship with a third party or a person who is related by blood or any other means a conflict of interest and report annually.

Remark : Persons who may have conflicts of interest according to the Notification of the Securities and Exchange Commission (SEC) are directors or executives, major shareholder, controller including persons who are related by blood, marriage or by legal registration with the above persons and a juristic person in which the above person holds shares or has control or interest.

Monitor and Review

The company must monitor and review anti-corruption measures in order to be informed of the changing situation and risks related to this policy. The Audit Committee is responsible for anti-corruption measures reviewing and related internal controls. And the Risk Management Committee must be reviewed the corruption risk assessment and report the results to the Board of Directors regularly.

Penalty

Directors, Executives and Employees or those who do anything by willful or negligent which does not comply with this regulation including behaviors that are implied in the way of bullying threaten disciplinary action or discriminate against due to whistleblowing / complaints to whistleblowers, complaints, or persons involved in the implementation of this regulation shall

be deemed to have committed a breach of discipline and must be liable for the damage that occurs to the company and those affected by considering the punishment according to the severity of the offense from the written warning until dismissal or dismissal from office as well as civil and criminal liability under the law.

In the case of a business partner or a person who is involved in the company's business failure to comply with these policies and regulations both in the event that the offender or ignoring the wrongdoing or providing false information, the Company may consider canceling the contract.

Procedure

Procedure of receiving gifts, entertainment, hospitality service and other expenses

1. Employees refrain from accepting gifts, assets or any other benefits in any case and also has a duty to inform outsiders of the anti-corruption policy thoroughly.
2. If it is necessary to receive gifts, assets or any other benefits and cannot be returned, should follow these steps:
 - Notify to the supervisor immediately.
 - Employees prepare a report on giving or receiving gifts / entertainment / hospitality services and submit documents together with gifts, assets or any other benefits to the Anti-Corruption Working Group as follows:
Head Office : Human Resources Department
Thai CC Office : Anti-Corruption Working Group
 - The working group records the data and attaches a photo in the control register.
 - Deputy Managing Director will consider and set options for handling gifts, assets, or any other benefits donated to charitable organizations or any other appropriate method and report to the Risk Management Committee meeting annually.
3. In the case of entertainment or hospitality service such as meals, accommodation, travel expenses, attending the show and events, etc., considering that such entertainment or hospitality must be reasonable, traditional, not lavish, or excessively wasteful. And the place does not qualify for pornography or sexual services by the party providing the hospitality service must be present at the event.
 - Notify to the supervisor immediately. Employees prepare a report on giving or receiving gifts / entertainment / hospitality and submit documents and photographs to the Anti-Corruption Working Group.
 - The working group records the data and attaches a photo in the control register and report to the Risk Management Committee meeting annually.

Procedure of giving gifts, entertainment, hospitality service and other expenses

1. Giving gifts, assets or any other benefits according to tradition can do without contravening the law related and local customs.
2. The giving of gifts, assets or any other benefits should be carried out in accordance with the same standards to avoid discrimination and is not construed as a bribe.
 - In case of purchasing gifts, the process for gift procurement must be approved by the Deputy Managing Director before proceeding. The value must not exceed Baht3,000 per person per opportunity.

- If it is necessary to purchase gifts which worth more than Baht3,000 per person per occasion. There should be the reasonable cause and approval by the Chief Executive Officer.
 - Employees prepare a report on giving or receiving gifts / entertainment / hospitality and submit documents and photographs to the Anti-Corruption Working Group.
 - The working group records the data and attaches a photo in the control register and report to the Risk Management Committee meeting annually.
3. In case of providing entertainment or hospitality services such as meals, accommodation, travel expenses, attending the show and events, etc., considering that such entertainment or hospitality must be in accordance with business etiquette, reasonable traditions, no luxury or unnecessary waste.
- In case of entertainment or hospitality services, person in charges shall submit hospitality or hospitality services for approval by Deputy Managing Director before proceeding. The value must not exceed Baht3,000 per person per opportunity.
 - If it is necessary to have entertainment or hospitality worth more than Baht3,000 per person per opportunity, there should be a reasonable cause and approval from Chief Executive Officer.
 - Employees prepare a report on giving or receiving gifts / entertainment / hospitality services. and submit documents and photographs to the Anti-Corruption Working Group.
 - The working group records the data and attaches a photo in the control register and report to Risk Management Committee meeting annually.

Charitable donations and sponsorships

The company wishes to donate money or property to charity, funding or pay gift / hospitality services and expenses related to the organization or agency shall take steps as below.

- The company wishes / external organization or agencies to request donations or sponsorships
- Human Resources Department consider whether it is in accordance with the company's policies and objectives as well as to examine the supporting information for support with clear objectives, suitability of quantity and amount, an agency has a fixed address and have clear responsibility.
- Company's representative join the event or the applicant for donation or sponsorship must send a letter of appreciation together with evidence of public relations such as photos, news images, publications, etc. to the company to ensure that the donations or sponsorship have performed the activities according to the requested objectives and bring benefits to society.
- The working group records the data and attaches a photo in the control register. and report to Risk Management Committee meeting annually.

Receiving donation or sponsorship

The company has no policy of accepting donations for any benefit except being an agent in receiving donations to help victims of floods, storms, fires, or other natural disasters or for charity.

- When the company wishes to be a donor representative.

- Human Resources Department consider whether it is in accordance with the company's policies and objectives as well as to examine the supporting information for support with clear objectives, suitability of quantity and amount, an agency has a fixed address and have clear responsibility.
- Company's representative participate in donation activities and the donor directly give money or things to the recipients and to be considered as accepting donations on behalf of the company. The activities must be publicized.
- Person in charges record information and attach photos in the control register and report to Risk Management Committee meeting annually.

If the Company receives sponsorship from a customer or business partner

- Person in charges presents details of funding applications to Chief Executive Officer or Deputy Managing Director for acknowledgment.
- Human Resources Department consider whether it is in accordance with the company's policies and objectives as well as to examine the objectives clearly not for personal benefit, either directly or indirectly. It is not related to politics, it is not a bribe. The receiving sponsorship must be by check or transfer of funds to the company's bank account only.
- Person in charges issue a thank you letter along with evidence of funds receipt such as evidence of money transfer, copy of check, etc., to Accounting Department to verify the receipt of money and issue proof of payment.
- Accounting Department review evidence of receiving fund. If the evidence provided is insufficient, notify or further clarification. If it can be proven that the support failure to comply with the Company's guidelines or use it as an excuse for corruption, the company will punish offenders according to the highest measures.
- The working group records the data and attaches a photo in the control register and report to the Risk Management Committee meeting annually.

Conflict of Interest

1. Directors, Executives and employees avoid taking any action that may cause conflicts of interest with the Company and does not act in any manner which is contrary to the interests of the company or is seeking personal gain and/or related persons.
2. Do not use or allow others to use their position directly or indirectly to seek benefits from the company.
3. Do not bring secrets or company information for personal benefits and/or those involved.
4. In the event that directors, executives and employees or related persons to participate or be shareholders in any business which may have benefits or cause conflicts of interest with the Company have to inform the Chief Executive Officer in writing.

Examples of events that may cause conflicts of interest

1. Accept gifts or any other benefits for personal gain and/or related persons from the Company's business partners.
2. Use the internal information for their own benefit and/or related persons.
3. Use the Company's assets such as data, computers, software for personal use.
4. Use employess to work in personal.

5. Working or running your own business during work hours
6. Make agreement or operate a business that has an interest in that business whether directly or indirectly
7. Holding a position of director, advisor or employee in the company of competitors, customers or business partners
8. Doing personal business with the business partners while holding the position that is involved in the decision of business partners selection.
9. Participate in the process of promote or evaluating the performance of employees whom they have a personal or financial relationship
10. Family members make purchases or conducting any transactions with the Company where such personnel is responsible for that work.
11. Offer or accept any offers of personal loans, guarantees, discounts or benefits from business partners or competitors

The Control of the use of internal information

The Company has set the strict procedure to control the use of internal information especially the financial information which has to be audited by the certified auditor and approved by the audit committee before being proposed to the board of directors and disclosed to the Stock Exchange of Thailand and to public.

The Company's policy to control the use of internal information is as follows:

(1) The directors, management and their spouses or minor child are prohibited to use the internal information to trade or transfer the Company's securities before the public disclosure of such information especially 30 days before the disclosure of the Company's financial statement. In addition, after the disclosure of any information, those specified persons are also prohibited to trade the Company's securities until the public has sufficient period of time to analyst such information (within 7 days after the disclosure).

(2) The directors and management who are responsible to report the shareholding of them together with their spouses and minor child are educated with the shareholding report procedure in case that any of the directors, management, their spouses or their minor child have purchased, sold, transferred or received the Company's securities as per the regulation of the SEC office, Sor. Jor. 14/2540, Re, The preparation and disclosure of securities holding report and the penalty as per the Securities and Exchange Act B.E. 1992.

In case of violation, the appropriate penalties shall be enforced such as written warning, salary reduction, suspension or employment termination.

Personnels

(a) Number of personnel as of March 31, 2021 consist of 188 person and March 31, 2022 consist of 190 person dividing into the following :

Department	2021 (01/04/20 –31/03/21)	2022 (01/04/21 –31/03/22)
Purchase	6	6
Finance/MIS	11	11
Sales & Marketing	17	19
Administrative	3	4
Human resource	11	10
Quality assurance	11	14
Planning/Inventory/Logistics	55	56
Production/Maintenance	74	70
Total	188	190

(b) Labor dispute in past three years (31 March 2020 – 31 March 2022)
1 cases

(c) Remunerations to non-executive personnel

Remunerations	2021 (01/04/20 –31/03/21)	2022 (01/04/21 –31/03/22)
Salary/wages	56,892,587	56,218,984
Bonus	4,481,983	5,148,225
Other benefits	1,211,285	3,939,139
Total	62,585,855	65,306,348
No. of personnel	181	253

(d) Personnel development policy

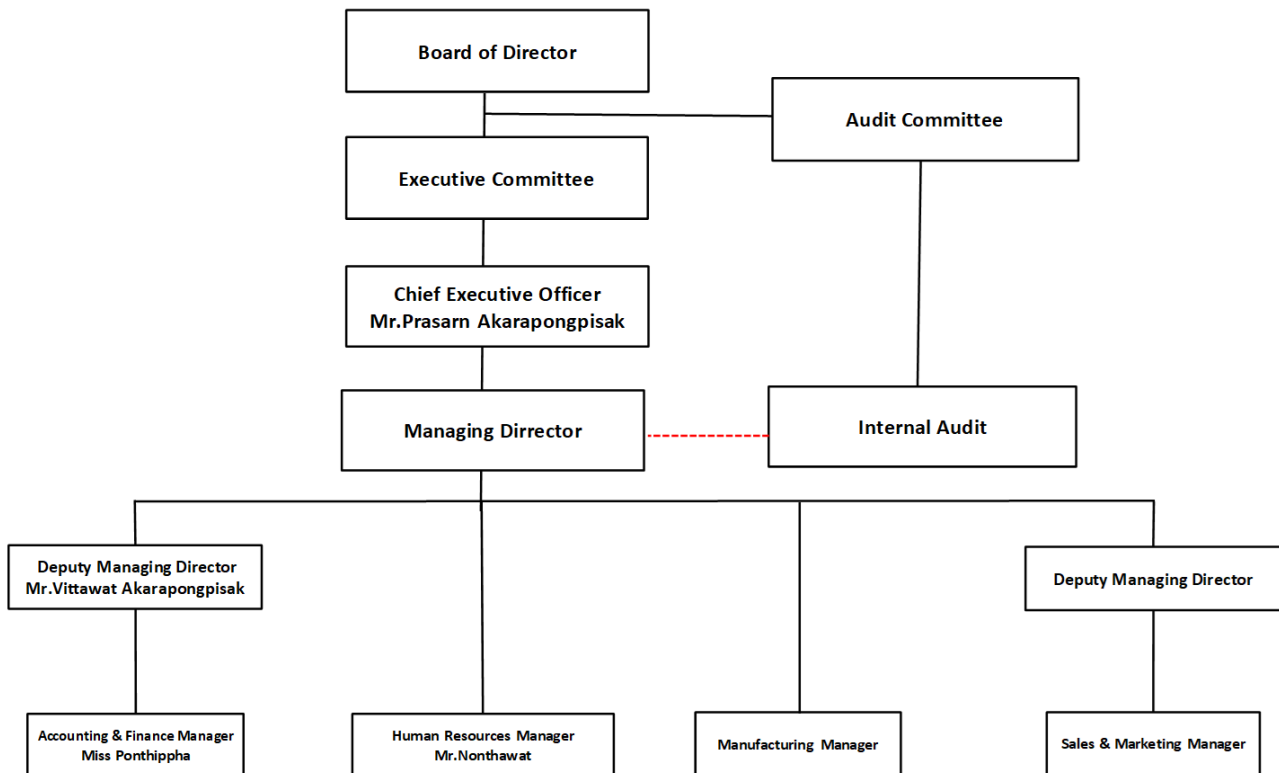
The company and its subsidiaries main business are in the full service of stainless steel manufacturing. The business requires procurement, manufacturing, servicing and selling of stainless steel products to industrial customers. The company has policy in focusing to development personnel in deliver the utmost benefits to satisfy customers.

Human resource department has duty to host the in-house training by having inside and outside guest speaker as subject lecturers. In respect of outside training, the attendee will be considered from position and responsibility to determine the proper subject and trainer.

7. Corporate Governance Structure and Information of Board of Directors, Sub-committee, Management, Employees and Others

7.1 Management Structure

LOHAKIT METAL PUBLIC COMPANY LIMITED Organization Chart



* Internal Auditor is A.M.T. Service Office Limited

The company has various committees, including the Board of Directors, Executive Committee, Audit Committee, The Nomination and Compensation Committee and Risk Management Committee as details are as follows:

(a) The board of directors consists of 6 members including

- | | | |
|----|------------------------------|--|
| 1. | Mr. Wanchai Umpungart | Chairman of the board, Independent Director, Chairman of the audit committee and Member of The Nomination and Compensation Committee |
| 2. | Mr. Prasarn Akarapongpisakdi | Director, Chief Executive Officer, and Chairman of the Risk Management Committee |
| 3. | Mr. Teera Na Wangkanai | Director, Independent director, member of the audit committee, Chairman of The Nomination and Compensation Committee |
| 4. | Mr. Lert Nittheranont | Director, Independent director, member of the audit committee, Member of The Nomination and Compensation Committee |
| 5. | Mr. Anurut Vongvanij | Director and Independent director |
| 6. | Mr. Vittawat Akarapongpisak | Director, Deputy Managing Director, and Member of the Risk Management committee |

Where Mr. Vittawat Akarapongpisak served as the Company's secretary.

The Authorized Director

The Company's authorized directors include "Mr. Prasarn Akarapongpisakdi and Mr. Vittawat Akarapongpisak are jointly signs with affix the Company's seal."

Scope of authorities, duties and responsibilities of the board of directors

The board of directors has the authorities, duties and responsibilities to manage the Company to be in compliance with laws, the Company's objectives, the articles of association and the legitimate shareholder's resolutions with honest and care for the benefits of the Company. The major duties and responsibilities can be summarized as follows:

- (1) To convene the annual ordinary general shareholder meeting within 4 months after the end of the accounting period.
- (2) To convene the board of director's meeting at least every 3 month.
- (3) To prepare a balance sheet and a profit and loss statement of the Company as of the end of the accounting period and to propose such reports which are audited by the external auditor to the shareholder's meeting for their consideration and approval.
- (4) The board of directors shall authorize one or many of director(s) or any other person to perform the duties on behalf of the board of directors under the board of directors's supervision or delegate such persons to have authorities and over the period the

board of directors deems appropriate where the board of directors can revoke or alter such delegation of authorities as they deem appropriate.

However, the board of directors may delegate their authorities to the management to perform the duties as per the scope of the duties of the management where such delegation must not incur the authorities for the management to consider and approve the transactions that might lead to any conflicts of interest between the management or their related persons and the Company and its subsidiaries except for the transactions that are complied with the policies or procedures considered and approved by the board of directors.

(5) To set goals, procedures, policies, plans and budgets of the Company, to govern the administration of the management to be in compliance with the specified policies except for the transactions which the board of directors must have the approval from the shareholder's meeting including the transactions required by laws to have the shareholder's approval such as the capital increase, the capital decrease, the issuance of debentures, the disposition or transfer of the part or the whole of the Company to others, the acquisition of the part or the whole of others, the revision of the memorandum of association, etc.

In addition, the board of directors shall have the duty and responsibility to govern the Company to comply with the laws related to the securities and the stock exchange including the undertaking of the connected transaction and the acquisition and disposition of major assets as per the rules and regulations of the stock exchange of Thailand and other relevant laws.

(6) To consider the organization structure, to nominate the management and other committee as appropriate.

(7) To evaluate the operation and ensure that the plan and budget are followed.

(8) The directors must not operate or compete in the same business as the Company, or be a partner in an ordinary partnership, or be a unlimited partner in a partnership limited, or be a director of a private company and other companies that engage in the same business as and compete with the Company unless the directors have disclosed such facts to the shareholder's meeting before the nomination.

(9) The directors must report to the Company promptly in case that they have any direct or indirect conflict of interest with any of the Company's contracts or in case of the changes in their shareholding/debenture holding in the Company or its affiliates.

Scope of authorities, duties and responsibilities of the Chairman of the Board

(1) To be responsible as the leader of the Board of Directors to oversee, monitor and supervise the operations of the Executive Board and other Committees to make them achieve the objectives pursuant to the specified plan.

(2) To act as the Chairman of the Board of Directors' meeting and the Shareholders' meeting.

(3) To have a casting vote in case the Board of Directors' meeting has a tie vote.

(b) The Executive Committee consist 2 members including:

- | | | |
|----|------------------------------|--------------------|
| 1. | Mr. Prasarn Akarapongpisakdi | Executive Chairman |
| 2. | Mr. Vittawat Akarapongpisak | Executive Director |

(c) The delegation of authorities from the board of directors

The board of directors's meeting No. 1/2007 dated February 21, 2007 which the independent directors and the audit committee were present had considered and approved the scope of authorities, duties and responsibilities of the Executive Committee as follows:

Scope of Authorities, duties and responsibilities of the Executive Committee

The Executive Committee have the authorities, duties and responsibilities to manage the normal business operation and administration of the Company, to set policies, business plan, budget, organization structure and administrative authorities of the Company in accordance with the economic condition to propose for the consideration and approval of the board of directors and to review and evaluate the Company's operation to follow the business plan. The authorities, duties and responsibilities of the Executive Committee are as follows:

(1) To consider and allocate the annual budget as proposed by the management before proposing for consideration and approval of the board of directors as well as to consider and approve the alteration and increase of the annual budget during the period where no urgent board of director's meeting is convened and to report such matter to the next board of director's meeting.

(2) To approve the normal business transaction of not exceeding Baht 200 million per transaction and not exceeding Baht 600 million per month.

(3) To approve the investment expenditure (including the maintenance of machine and equipment) that is not included in the annual budget in the amount not exceeding Baht 10 million.

(4) To approve the major capital expenditure that is included in the annual budget approved by the board of directors or the one which its concept is approved by the board of directors.

(5) To be the advisor of the management with regard to the policies in finance, marketing, human resource and other operations.

(6) To allocate the bonus approved by the board of directors to the employees of the Company.

(7) To operate the Company's businesses.

After the Executive Committee has approved any of the above transactions, such transactions shall be report to the board of directors's meeting.

However, the authorities of the Executive Committee shall not include the approval of any transaction that may lead to a conflict of interest between the Executive Committee or their related parties and the Company or the subsidiaries as per the rules and regulations of the Stock Exchange of Thailand. Such connected transactions shall be proposed to the board of director's meeting and/or the shareholder's meeting for their consideration and approval in accordance to the article of association or the relevant laws except the approval of the normal business transactions as per the procedure clearly set by the board of directors.

The Board of Directors Meeting No. 3/2019, held on August 14, 2019 with independent directors and the audit committee attended the meeting to consider the scope of duties and responsibilities of the Chief Executive Officer and the managing director. The said authorization can be summarized as follows:

Scope of duties and responsibilities of the Chief Executive Officer

(1) The administration of company, including the supervision and control of operations or operations in accordance with the objectives, regulations, policies, work plans and budgets as approved by the Board of Directors and / or the Executive Committee of the Company and / or other sub-committees.

(2) Approve the capital investments (including repairs of machinery and equipment) other than those specified in the annual budget in an amount not exceeding 5 million baht per transaction

(3) Define the organizational structure, administration method, recruitment, training, employment and the determination of salary rates, compensation, bonuses and various benefits including the termination of staff

(4) Be a leader and act as a role model in accordance with the ethics and business ethics of the company. This also includes promoting, supervising, sustainability principles, social responsibility and act in accordance with anti-corruption measures and practices.

(5) Being the company's attorney in managing the business of the company to be in accordance with the objectives, regulations, policies, rules, regulations, orders, resolutions of the shareholders' meeting and / or resolutions of the board of directors and the executive committee of the company in all respects.

However, the authority of the Chief Executive Officer does not include approving any transactions that may cause conflicts with any items that the Chief Executive Officer and connected person with the Chief Executive Officer have an interest or any other benefits which conflict with the company or subsidiary in accordance with the regulations of the Stock Exchange of Thailand. Such transaction approval must be proposed to the Board of Directors meeting and / or the shareholders' meeting for consideration and approval as specified by the company's regulations or relevant laws, except for the approval of transactions that are a normal business transaction nature of the company that the Board has clearly defined the consideration framework.

Scope of duties and responsibilities of the managing director

(1) Supervise the business operations and / or manage daily operations of the company

(2) Approve the purchase and sale which are in the normal course of business in an amount not exceeding 100 million baht per transaction and not exceeding 250 million baht per month

(3) Perform or operate in accordance with policies, plans and budgets approved by the Board of Directors and / or the Executive Committee of the Company and / or the Chief Executive Officer and / or other sub-committees.

(4) Monitor and evaluate regularly the company's operations to prevent risks from various factors, whether internal or external

(5) Having the power to carry out any transaction and present himself as a representative of the company to a third party in a business related to and beneficial to the company.

(6) Having the power to issue orders, regulations, announcements, memorandums for the operations to be in accordance with the policy to protect the interests of the company and work discipline

(7) Approve the appointment of various consultants necessary for the company's operations

(8) Be a leader and act as a role model in accordance with the ethics and business ethics of the company. This also includes promoting, supervising, sustainability principles, social responsibility and act in accordance with anti-corruption measures and practices

(9) Being the company's attorney in managing the business of the company to be in accordance with the objectives, regulations, policies, rules, regulations, orders, resolutions of the shareholders' meeting and / or the resolutions of the board of directors and the executive committee and the orders of the chief executive officer.

However, the power of the managing director does not include approving any transactions that may cause conflicts with any items that the managing director or the connected persons with the managing director having an interest or any other benefits which conflict with the company or subsidiary In accordance with the regulations of the Stock Exchange of Thailand. Such transaction approval must be proposed to the Board of Directors 'meeting and / or the shareholders' meeting for consideration and approval as specified by the company's regulations or relevant laws, except for the approval of transactions that are a normal business transaction nature of the company that the Board has clearly defined the consideration framework.

(d) The audit committee consists of 3 members including:

- | | | |
|----|------------------------|---------------------------------|
| 1. | Mr. Wanchai Umpungart | Chairman of the audit committee |
| 2. | Mr. Teera Na Wangkanai | Member of the audit committee |
| 3. | Mr. Lert Nitheranont | Member of the audit committee |

Where Ms. Methaporn Sriphraram serves as the secretary of the audit committee.

The office period of the audit committee

Chairman of the audit committee	3 Years
Member of the audit committee	3 Years

After the end of the office period, chairman and member(s) of the audit committee can be re-elected to serve the positions.

The Board of Directors Meeting No. 2/2009 held on May 29' 2009 with having the independent directors and audit committee in the meeting considered the scope of authority and the responsibilities of the audit committee. The delegation details were concluded as follows.

Scope of Authorities, Duties and Responsibilities of the audit committee

(1) To review and ensure that the Company's financial reports are accurate and sufficiently disclosed where the audit committee shall cooperate with the external auditor and the management who is responsible for the preparation of the quarter and annual financial reports. The audit committee may request the external auditor to review or audit any transactions as appropriate and necessary.

(2) To review and ensure that the Company's internal control system and internal audit system are appropriate and efficient, independent in auditing. To give the resolution in selecting, rotating and dismissing the internal audit chief or the audit organization that responsible for internal audit.

(3) To review and ensure that the Company's operation is complied with the Securities and Stock Exchange laws, the rules and regulations of the Stock Exchange and other relevant laws.

(4) Selection and nomination, reselection and dismiss the auditor of the company and to consider the remuneration of such auditor by taking into consideration their reputation, capability and workload of such office, the experiences of the auditor who is responsible for the Company's accounting audit as well as join the meeting with external auditor at least once a year.

(5) To consider the disclosure of the Company with regard to the connected transactions or any transactions that may lead to the conflict of interest and to ensure that such disclosure is sufficient and complete.

(6) To perform any other duties delegated by the board of directors and agreed to do so by the audit committee such as to review the financial and risk management policies, to review the management compliance to the business ethics and to review the major reports required to be disclosed to public i.e. the management discussion and analysis.

(7) To prepare the report with regard to the activities of the audit committee and disclose such report which is signed by chairman of the audit committee in the Company's annual report. The report must retain at least the following information.

(a) The opinion in regarding to the correctness, completeness and reasonably reliable of the financial statements of the Company.

(b) The opinions in regarding to the sufficient internal control in placed

(c) The opinions in regarding to the company's compliance to the Securities and Stock Exchange laws or the rules and regulations from stock exchange of Thailand and other relevant laws.

(d) The opinions for the appropriateness of external auditor

(e) The opinions for the connected transactions that may have the conflict of interest.

(f) The numbers of audit committee meeting and the attendance of individual audit committee director during the year.

(g) The general opinions or notices that audit committee obtain during the audit performing according to the charter.

(h) Disclosure under the assignment from board of director of any information deemed necessary to be known by shareholders or investors.

(8) To report the audit committee's activities and results to the board of directors at least once every quarter.

(9) To report to the board of director of the finding or suspect of any transactions that may have the significant impacts to the financial status and operating performance of the Company such as conflict of interest, fraud or dishonest practices, unusual or weakness in internal controls, breach against Securities and Stock Exchange laws or the rules and regulations from stock exchange of Thailand and other relevant laws to the normal business of the Company.

Audit Fees for External and Internal Auditor

For the year ended 31st March 2022, the Company and its subsidiaries had the audit fees for independence auditor, which was EY office Limited by Baht 3,025,000 as the audit fee for the company Baht 1,170,000 by the group Baht 1,855,000 and from the above mention, The Company and its subsidiaries do not have any other fees payable to the auditor, audit firm and the related parties to the auditor or audit firm.

For the year ended 31st March 2022, The Company also had an internal audit fee, which was A.M.T Office Services Limited by Baht 480,000 for the year.

(e) The 4 independent directors include.

- | | | |
|----|------------------------|----------------------|
| 1. | Mr. Wanchai Umpungart | Independent director |
| 2. | Mr. Teera Na Wangkanai | Independent director |
| 3. | Mr. Lert Nitheranont | Independent director |
| 4. | Mr. Anurut Vongvanij | Independent director |

(f) The Nomination and Compensation Committee consists of members.

- | | | |
|----|------------------------|---|
| 1. | Mr. Teera Na Wangkanai | Chairman of The
Nomination and
Compensation Committee |
| 2. | Mr. Wanchai Umpungart | Member of The
Nomination and
Compensation Committee |
| 3. | Mr. Lert Nitheranont | Member of The
Nomination and
Compensation Committee |

Mr.Vittawat Akarapongpisak is the secretary of the Nomination Committee and Remuneration Committee.

The Board of Directors Meeting No. 2/2016 held on May 26, 2016 with the independent directors and Audit Committee attending the meeting have considered the scope of duties and responsibilities of the Nominating Committee and the Compensation Committee. The delegation concluded such key details as follows

The Nomination and Compensation Committee of the Company is consisting of three independent directors and each meeting must be attended by not less than one-half of the total members in order to qualify as a quorum

The Nomination and Compensation Committee has the term for three years but the term of each director shall hold only for the remaining term of the incumbent directors. It must be selected and appointed by the Board of Directors. Directors who retire by rotation may be appointed again.

The Nomination and Remuneration Committee shall set up meeting according to the necessary and appropriate to the duties and responsibilities in accordance with the Nomination Committee and Remuneration Committee regulation but at least one year a time. The Chairman of the Nomination and Remuneration Committee shall be notified in advance to schedule a meeting, including deliver agendas and supporting documents prior to the meeting in a reasonable time. The Directors have considered the documents before the meeting and to propose to committee. Committee will report its activities to the Board of Directors to note after a meeting of the Nomination Committee and the Remuneration Committee each time.

Duties and responsibilities of the Nominating Committee and the Compensation Committee as follows:

- (1) Propose policies to nomination committee, there must be a procedure, clear rules, fair and reasonable in order to be presented to the Board of Directors or the shareholders' meeting for approval, as appropriate
- (2) Propose selection and recruitment policy accordingly, there must be clear guidelines, fair and reasonable in order to be presented to the Board of director for consideration
- (3) Review and approval of the Board of Directors on matters of policy and strategy, human resources, which should be in line with the strategy of the business
- (4) Recruitment, selection and nomination of qualified ethical and qualified candidates deserved appointment as Director or Managing Director, as appropriate
- (5) Review experience and stature of directors, including a recommendation for the nomination of directors to replace the vacant position
- (6) Ensuring there are plans to replace the specific location of Directors and Managing Director
- (7) Define terms in the contract for employing managing director, including evaluation and recommendation qualified candidates to replace the position
- (8) Define policies and forms of remuneration committee and managing director in accordance with the strategy of the business. There must have clear procedures and criteria, fair and reasonable in order to be presented to the Board of Directors or the shareholders for consideration
- (9) Propose guidance on how to pay either in cash or other forms of remuneration to the Board of Directors, other committees appointed by the Board of Directors and managing director of the company.
- (10) Consider and review the structures and systems of remuneration and remuneration in line with the current market conditions and fit for duty, responsibility and results of operations of the Company and the performance of the directors and managing director
- (11) Remuneration to the Directors for propose to the Annual General Meeting of Shareholders of the Company for approval
- (12) The Nomination and Remuneration Committees appointed by the Board of Directors in order to study and review, committee have duty to report to the Board of Directors at all times after the meeting of the Nomination Committee and Remuneration Committee and

report the results of operations in recent years to the shareholders in the annual report of the company

(13) Perform other tasks assigned by the board of director in relating to the nomination and remuneration

(g) The Risk Management Committee consists of 3 members.

- | | |
|---------------------------------|---|
| 1. Mr. Prasarn Akarapongpisakdi | Chairman of the Risk Management Committee |
| 2. Mr. Vittawat Akarapongpisak | Member of the Risk Management Committee and Secretary |
| 3. Mr. Vichaphol Akarapongpisak | Member of the Risk Management Committee |

Remark : Mr. Wisit Worayosgovit resigned in January 2022

The Board of Directors Meeting No. 2/2016 held on May 26, 2016 with the independent directors and Audit Committee attending the meeting has considered the scope of duties and responsibilities of The Risk Management Committee. The delegation concluded such key details as follows

Risk Management Committee of Lohakit Metal Public Company Limited comprised of individuals executive directors of the company and qualified individuals totaling 3 persons with chairman of the executive board of the company to be the Chairman of Risk Management Committee

Risk Management Committee retired upon death, resignation from the Company, the Board of Directors has resolved to issue to resign and resignation from the member of committee which will take effect when filing the resignation to the Chairman of the Board of Director

Duties and responsibilities of the risk management committee

(1) The review and assessment of the risks that may occur, the likely impacts it may have on the organization, including the risk of internal and external to the Company

(2) Propose risk management policies and the risk management direction of the Company to the Board of directors which covers risks affecting the operation of various types of risks, such as commodity prices, risks from market, exchange rate risk, liquidity risk and operational risk

(3) Define risk management strategies to comply risk management policies and business direction of the Company

(4) Review, monitoring and evaluation of risk management result according to risk management policies defined

(5) Other issues assigned by the Board of Directors

(6) The Committee must provide meeting at least twice times per year or as circumstances and needs

(a) At a meeting of the Board Risk Management Committee, there will be attending at least half of the total members in order to be a quorum

(b) Resolution of the Board Risk Management Committee is considered by the majority of the directors present at the meeting

(c) If the Chairman of the committee is not present at the meeting or is unable to perform his duties, the members present shall elect one to chaired the meeting

(d) The Committee may invite the management or the relevant staff attending the meeting and provide information or documentation in respect of them

(e) Secretary of Risk Management Committee are responsible for preparing for meetings by appointment, preparing documents for the meeting, preparation of reports and other duties as assigned by the Risk Management Committee

(7) The Risk Management Committee is responsible for reporting duty to the Board of director after the meeting and to prepare a report of doing duties in the past year to shareholders in the annual report. The details are as follows:

(a) Number of Meetings

(b) Number of attending the meeting by individual member

(c) The duties prescribed by the Charter

(h) Management

The Company's management includes

- | | |
|--------------------------------------|--------------------------------|
| 1. Mr. Prasarn Akarapongpisakdi | Chief Executive Officer |
| 2. Mr. Vittawat Akarapongpisak | Deputy Managing Director |
| 3. Miss Pornthippa Wongphunga* | Accounting and Finance Manager |
| 4. Mr. Nonthawat Khruarattanapaiboon | Human Resource Manager |

Remark : Mr. Wisit Worayosgovit and Mr. Anocha wannapintu resigned in January 2022 and October 2021, respectively

* Appointed in January 2022

(l) Corporate Secretary

As of November 11, 2019: Mr.Vittawat Akarapongpisak Position Corporate Secretary

Scope, Duties, and Responsibilities of the Corporate Secretary

Responsible for organizing the meetings of the Board of directors, committees and shareholders, and preparing the minutes of the Board's meeting, the minutes of other Committees' meeting, the minutes of Shareholders' meeting and annual report as well as filing documents as specified by laws. Support and supervise the Company to perform in compliance with the laws and regulation of the Stock Exchange of Thailand.

The Nomination of directors and management

(a) The nomination of directors

Board of Directors Assign the Nomination and Remuneration Committee to nominate suitable persons to serve as directors by considering factors such as knowledge, skills and experience relevant to the business or it can be beneficial to the company's future, and to present to the Board of director and further to the annual general meeting. The Company has set the criteria for the appointment of directors as follow:

(1) The board of directors shall consist of at least 5 directors where not less than half of the directors must be the residents of the Country and must hold the qualifications as specified by law.

(2) The shareholder's meeting shall elect the directors as per the following procedure:

(2.1) Each shareholder shall have the number of votes equal to the number of shares held.

(2.2) The shareholder shall be able to exercise the entire votes as described in 2.1 for one person or a group of persons as director or directors but shall not allot his/her votes to any person in any number.

(2.3) The voting results of each candidate shall be ranked in order from the highest number of votes received to the lowest, and those candidates shall be appointed as directors in that order until all of the director positions are filled. In case of a tied vote, the chairman of the shareholder's meeting shall vote.

(3) 1/3rd of the directors shall resign on the annual general shareholder's meeting, however, in case that the number of directors is not dividable by 3, the number of directors closest to 1/3rd shall resign.

The directors resigning in the first and second years after the registration of the Company shall be selected by drawing. In subsequent years, the director who has been in the post longest shall resign. A director who resigns under this procedure may be re-elected.

Nomination and Appointment of Executives

Human Resource Unit will recruit and select qualified individuals with knowledge, experience, skill and understanding of business and propose to authorized persons for consideration.

Executives shall be nominated and appointed in line with the Corporate Authorization Index as follows:

1. The appointment of Group Chief Executive Officer and/or Chief Executive Office must be proposed to the Board of Directors for approval.
2. The appointment of executives (C-Level); Chief Finance Officer, Chief Investment Officer, Chief Administrative Officer, Shall be approved by Group Executive Committee.
3. Appointment of executives below the level specified in 2, shall be approved by Group Chief Executive Officer and below level-executives (depending on the case).

(b) The nomination of independent directors and audit committee

The independent directors and the audit committee consist of 4 directors who shall be elected by the board of directors's meeting and/or the shareholder's meeting. The term of the independent directors and the audit committee shall be 3 years. The Company has a policy to elect the appropriate person(s) by considering their independence, the capability to represent the minor shareholders, knowledge and relevant experience. The nomination criteria are as follows:

(1) Holding not more than 5 percent of the paid up shares of the Company, sister companies, affiliates and other related parties where the shareholding of the related parties shall be included

(2) Neither be a managerial director of the Company, parent company, sister companies, affiliates and other related parties nor be an employee or advisor who receives normal salary from the Company, parent company, sister companies, affiliates, other related parties and major shareholder of the Company.

(3) Not having any conflict of interests directly or indirectly with regard to the financial and operation affairs of the Company, parent company, sister companies, affiliates, and major shareholder within 1 year before the nomination except for the case that the board of directors have determined that such interests shall not intervene the independence of the audit committee.

(4) Not being related to the management and the major shareholders.

(5) Not being a representative of the directors, the major shareholders, or any other shareholders related to the major shareholders.

(6) Being able to perform duties, provide opinion on and report results of the assignments delegated by the board of directors independently. Not being under the control of management, major shareholder and their related parties.

(c) The numbers of director representing the major shareholder.

There are 2 directors who represent the Akrapongpisak family including Mr. Prasarn Akrapongpisakdi and Mr. Vittawat Akrapongpisak.

Management's Remuneration

- (a) Cash Remuneration
- Director's Remuneration

Directors	2021		2022	
	(01/04/20 – 31/03/21)		(01/04/21 – 31/03/22)	
	Meeting Allowance	Bonus	Meeting Allowance	Bonus
	(Baht)	(Baht)	(Baht)	(Baht)
1. Mr. Wanchai Umpungart	280,000	-	280,000	-
2. Mr. Prasarn Akrapongpisakdi	-	-	-	-
3. Mr. Vittawat Akrapongpisak	-	-	-	-

Directors	2021		2022	
	(01/04/20 – 31/03/21)		(01/04/21 – 31/03/22)	
	Meeting Allowance	Bonus	Meeting Allowance	Bonus
	(Baht)	(Baht)	(Baht)	(Baht)
4. Mr. Somnuik Thanasarn	-	-	-	-
5. Mr. Anurut Vongvanij	80,000	-	80,000	-
6. Mr. Teera Na Wangkanai	180,000	-	220,000	-
7. Mr. Lert Nitheranont	200,000	-	200,000	-
Total	740,000	-	780,000	-

- Management's Remuneration (Management whose names is in management list)

Remuneration	2021		2022	
	(01/04/20 – 31/03/21)		(01/04/21 – 31/03/22)	
	Number of Person	Amount (Baht)	Number of Person	Amount (Baht)
Salary	7	33,196,669	5	18,880,798
Bonus	7	1,238,600	4	1,860,120
Other Remuneration (Communication expenses)	1	12,000	1	12,000
Total	7	34,447,269	4	20,752,918

(b) Other Cash Remuneration

The Company and its employees jointly established a provident fund. The Company contributes 5% of its employee salary and no other remuneration to its directors.

8. Corporate Governance Report

8.1 The information disclosure and the transparency

The Corporate Governance Policy: the board of directors has specified the corporate governance policy as they deemed that such policy is necessary for the sustainable growth of business. The board of directors is determined and intended to comply with such code of conducts where the business policies and directions have emphasized the importance of the internal control system and internal audit to govern the management to efficiently operate for the long-term benefit of the shareholders under the scope of laws and business ethics. The board of directors is also determined to emphasize the appropriate transparency of business operation, the information disclosure and the risk management.

The board of directors's meeting: The board of directors's meetings shall normally be convened once every quarter where the additional board of directors's meetings can be convened as necessary. The Company's secretary shall submit the invitation letter and the meeting agendas to the directors 7 days in advance thus the directors shall have sufficient time to study the information before the meeting. The minutes of the meetings are recorded in writing where the past minutes which have been approved by the board of directors are filed for the reference of the directors or other relevant parties.

In 2021 and 2022, the details of the board of director's meeting are as follows:

Directors	2021 (01/04/20–31/03/21)	%	2022 (01/04/21–31/03/22)	%
	Number of meetings convened / Number of meetings attended		Number of meetings convened / Number of meetings attended	
1. Mr. Wanchai Umpungart	4/4	100%	4/4	100%
2. Mr. Prasarn Akarapongpisakdi	4/4	100%	4/4	100%
3. Mr. Vittawat Akarapongpisak	4/4	100%	4/4	100%
4. Mr. Anurut Vongvanij	4/4	100%	4/4	100%
5. Mr. Teera Na Wangkanai	4/3	75%	4/4	100%
6. Mr. Lert Nitheranont	4/4	100%	4/4	100%

In 2021 and 2022, the details of the audit committee meeting are as follows:

Directors	2021 (01/04/20–31/03/21)		2022 (01/04/21 – 31/03/22)	
	Number of meetings convened / Number of meetings attended	%	Number of meetings convened / Number of meetings attended	%
1. Mr. Wanchai Umpungart	4/4	100%	4/4	100%
2. Mr. Teera Na Wangkanai	4/3	75%	4/4	100%
3. Mr. Lert Nitheranont	4/4	100%	4/4	100%

In 2021 and 2022, the details of The Nomination and Compensation Committee meeting are as follows:

Directors	2021 (01/04/20–31/03/21)		2022 (01/04/21 – 31/03/22)	
	Number of meetings convened / Number of meetings attended	%	Number of meetings convened / Number of meetings attended	%
1. Mr. Teera Na Wangkanai	2/2	100%	2/2	100%
2. Mr. Wanchai Umpungart	2/2	100%	2/2	100%
3. Mr. Lert Nitheranont	2/2	100%	2/2	100%

In 2021 and 2022, the details of The Risk Management Committee meeting are as follows:

Directors	2021 (01/04/20 – 31/03/21)		2022 (01/04/21 – 31/03/22)	
	Number of meetings convened / Number of meetings attended	%	Number of meetings convened / Number of meetings attended	%
1. Mr. Prasarn Akarapongpisakdi	2/2	100%	2/2	100%
3 Mr. Wisit Worayosgovit*	2/2	100%	2/2	100%
4. Mr. Vittawat Akarapongpisak	2/2	100%	2/2	100%

Remark : *Resigned on January 2022

In 2021 and 2022, the details of the Directors and Company's management holding as follows:

Director / Company's management	2021 (01/04/20 – 31/03/21)		2022 (01/04/21 – 31/03/22)	
	Directors	Spouse / child	Directors	Spouse / child
1. Mr. Wanchai Umpungart	-	-	-	-
2. Mr. Prasarn Akarapongpisakdi	7,500,960	-	7,500,960	-
3. Mr. Teera Na Wangkanai	-	-	-	-
4. Mr. Anurut Vongvanij	-	-	-	-
5. Mr. Lert Nitheranont	-	-	-	-
6. Mr. Vittawat Akarapongpisak	16,030,760	-	16,030,760	-
7. Mr. Nonthawat Khruarattanapaiboon	-	-	-	-
8. Ms. Pornthippha Wongphunga	-	-	-	-

Director's report: The board of directors is responsible for the Company's financial statements and financial information disclosed in the annual report. The Company's financial statements are prepared in accordance with the general accepted accounting principles where the appropriate accounting policies are adopt and regularly complied with care and the best financial forecasts are prepared. The significant information is sufficiently disclosed in the notes to the financial statements.

In addition, the audit committee is responsible to consider the information and the disclosure of the financial statements.

Investor's Relation: The board of directors shall assign a person to be responsible for the information disclosure of the Company that is accurate, timely and transparently. In the near future, the board of directors shall consider to set up the Investor Relation department to be responsible to communicate with the institutional investors, shareholders and securities analysts.

The committee also gives important on disclosing the complete information with covering both general and financial information. There are press conferences to reporter and 3rd parties through the event of SET Opportunity Day every quarter. The company has also assigned investor relation staff to responsible for disclosure the important information and acting for company to relate the communication with institution investor, shareholders and general analysts. All general investors are welcome to contact for company information by phone at 0-2673-9559 ext 207 or by email at ird@lohakit.co.th.

The Company focuses on the development of knowledge and training of board directors as follows:

Directors Name	Institutions / Associations	Training course	Year
Mr. Vittawat Akarapongpisak	Thai Institute of Directors Association (IOD)	Family Business Governance (FBG) 11/2018	2018

Directors Name	Institutions / Associations	Training course	Year
Mr. Vittawat Akarapongpisak	Thailand Securities Institute (TSI)	CFO's ORIENTATION COURSE FOR NEW IPOs 3/2019	2019
	NYC Management Co., Ltd.	Thai Financial Reporting Standards : TFRS 9	2019
		Analyze the present and know the future through financial statements	2020
	Thai Listed Companies Association (TLCA)	TLCA CFO Professional Development Program (TLCA CFO CPD) No. 1/2021 "Economic update for CFO"	2021
		TLCA CFO CPD No. 2/2021 "COVID 19 Implications for Financial Reporting and Audit"	2021
		TLCA CFO CPD No. 5/2021 "Fraud & Cyber Security Risk"	2021
	The Stock Exchange of Thailand (SET)	ESG Showcase: "Disclosure ESG data in one report" By Total Access Communication Pcl. : dtac	2021
		HCM Webinar 4/2564 "Work and Well-being during COVID-19 : CP Group"	2021
		Webinar on the topic "Trends M&A direction, key issues to consider and strategy M&A to be successful."	2021
		The course "Summary of the essence TFRS for PAEs to be aware of and changes in 2021."	2021
	EY Office Company limited	Webinars on the topic "Sustainability, ESG and a company's reporting (Sustainability Concepts and Reporting Information)"	2021

The Company has the channel to report the offenders about illegal and ethics (Whistle Blower Policy) on the Company's website and channels as defined in the policy covered the complainant or witnesses to report information about illegal and unethical (Whistle Blower Policy)

8.2 Director's Responsibility

The Company's board of directors participates in setting vision, mission, strategy, business goal, business plan and budget. The Company and also participation in reviewing and approving vision, goals, strategies and directions for each year. The Company also monitors the implementation of the Company's strategy. The board also governs the management to run the business according to the goal, plan and budget efficiently and effectively to increase the economic value of the Company and the stability of the shareholders.

The balance of power of non-executive directors

The Company's board of directors consists of 6 members including

- 2 Executive Directors
- 4 Independent Directors

Therefore, the Company has 4 independent directors, accounting for 66.66% of the total number of directors.

The Company has an Audit Committee with expertise and expertise in accounting. (See data from "Director and Executive Profiles: Mr. Wanchai Umpueg-art and Mr. Teera Na Wangkanai) There are roles in nomination and dismissal of external auditors. (See data from "Title, Scope of Duties, and Responsibilities of the Audit Committee Article 4"

As for the segregation and aggregation of positions, the chairman position is segregated from the Managing Director position to separate the duties of policy governance and day-to-day operation.

Policies and Procedures for Other Company Directorships of Directors and Chief Executive Officer.

The Board emphasizes the efficiency of the directors' performance. The directors can devote their time to supervise the company. The policy is to limit the number of listed companies for which no more than 5 directors are present. There are currently no board members who hold the position of listed company directors in excess of the specified criteria.

In addition, the Board of Directors has set the policy for directorships of other companies for directors and Chief Executive Officer as follows: Director and Chief Executive Officer must not conduct business with the same conditions and compete with the business of the company or a partnership in a partnership or a partnership in limited partnership or a director of a private company or other companies operating the same business. It is a competition for the company's business, whether for its own benefit or for the benefit of others except for the notice to the shareholders meeting prior to the appointment.

At present, the directors and the Chief Executive Officer does not hold the position of director of another company that conducts business with the same conditions and is in competition with the Company. In addition, the directors and the Chief Executive Officer do not participate in the partnership or a partnership in limited partnership or a director of a private company or other companies that conduct the same business and compete with the Company.

Board of Directors' Meeting.

Board of Directors meetings are scheduled in advance every year. Each meeting has a clear agenda for the meeting and the agenda for consideration. There is sufficient documentation for the meeting. The meeting agenda must be submitted to the Board of Directors at least 7 days in advance so that the Board has sufficient time to study the information before attending the meeting. At the meeting, chairman had allocated sufficient time to allow all directors to discuss and express their views in an open manner. Opinions and conclusions reached by the meeting are recorded in writing by the Secretary of the Board of Directors and after being certified by the meeting. They will be stored at the company storage room. The office is located on the 16th Floor, Thai CC Tower, to be inspected by directors and related persons.

The Company has set a policy on minimum quorum at the Board of Directors' meeting, whereby the Board of Directors is required to have at least two-thirds of the total number of directors.

The Company's policy is to conduct an orientation for all new directors, to build knowledge and understanding of the business and implementation of various aspects of the company to prepare to perform the duties of a director by presentation of the business characters and policies, an overview of business operations and operating results so that the new director has a clear picture.

Annual meeting schedule of the Board of Directors for the year 2022

Q1	Q2	Q3	Q4
August 11, 2022	November 11, 2022	February 9, 2023	May 25, 2023

Note: Accounting period start April 2022 to March 2023

Information essential to the duties of directors in the introduction of new directors.

1. The company must comply with the law such as trading company shares and reporting possible conflict of interest of them, their spouses, close relatives who are the major shareholders, executive director in any businesses relating to the company, etc.
2. Memorandum and Articles of Association
3. The duties and responsibilities of the Board of Directors and Board Committees
4. Board of Directors and meeting schedule
5. Policy on Corporate Governance
6. Maintenance of internal information.
7. Risk Policy
8. Internal Control
9. Relating Transactions (Conflict of Interest).
10. Business Conduct and practices in work (Code of Conduct).
11. Policy against corruption and violations (Whistle Blowing)
12. Legal disputes (if any)
13. Report of organization that supervise the company
The company secretary to prepare the relevant documents.

Evaluation of Chief Executive Officer and Remuneration Policy.

Board of Directors set the annual performance for the Chief Executive Officer by using the goals and criteria for the assessment that linked to the Key Performance Indicators (KPIs) and the proper incentive.

The remuneration policy of the Managing Director, It depends on the performance evaluation (KPI) as mentioned above. Also set in accordance with the capabilities, status including industry compensation. The remuneration has both short-term and long-term compensation such as bonuses and salary etc.

Remuneration for Directors and Executives.

The Company provides the Nomination and Remuneration Committee has performed duties within the scope of authority and responsibility of “the Nomination and Remuneration Committee” as assigned by the Board of Directors. The remuneration policy is clearly and transparently set at the same level as the industry include the experience, obligations, scope of roles and responsibilities in order to maintain qualified directors. In the year 2021, the Nomination and Remuneration Committee had 2 meetings.

Sub-Committee.

The board of directors appointed the audit committee to assist governing the Company where the scope of authorities has been clearly specified. The Company has no remuneration committee; however, the Company has the appropriate procedure to fix the remuneration where the remunerations of others in the same industry and size as well as the Company’s performance are taken into consideration.

9. Internal Audit and Connected Transaction

9.1 The Internal Control System

Summary of the board of directors's opinion on the sufficiency and appropriateness of the Company's internal control system

The Board of Directors No. 2/2021 dated May 27, 2021 which 3 independent directors and the audit committee were present. has assessed 5 aspects of the company's internal control 5 aspects which are Control Organization, Risk Assessment, Control Activities, Information and communications and monitoring activities by assessing the adequacy of the internal control system that has been prepared based on the concept of the COSO (The Committee of Sponsoring Organization of the Treadway Commission), which was optimized for the listed companies in Thailand.

The Board was of the opinion that. Internal control systems of the company are suitable to operate in accordance with the objectives, legal requirements associated with efficiency and sufficient to prevent risks or damage that may occur to the company and stakeholders (For details on the authentication of data in internal control questionnaire of the company).

1. The Control Organization

The company has a corporate structure, Segregation of duties and the clear scope and authorities of the management and staff and having a series of meetings to target to the common goal. The Company specifies the business goals annually where the actual performance is taken into consideration and reviewed with the business goals in board of director every quarter. In addition, the Company has issued the clear organization chart, the line of command, job description in order smooth the management according to its line of command. It also has a policy to sell and to treat customers honestly and fairly. The company also has a written policy on ethics (Code of Conduct) for management and employees, and policies against corruption and bribery. The right practices and penalties if they are violated are stated clearly. All employees have to sign to acknowledge the terms and penalties.

2. The Risk Assessment

Management regularly assesses the situation of the economy and the country's overall to analyze the all relevant risks that may occur in organizations both internal and external factors. This includes risk strategy, operations, reporting, compliance criteria and Information Technology. The company monitors the implementation of operational management on a monthly basis. Meetings are held regularly and continuously to analyze the results and situations, including the risk and the measures to reduce the risks incurred. The Company's risk assessment found no significant impact that may impact on the internal controls and the accuracy of financial statements in conformity with generally accepted accounting principles appropriate to the company.

3. The Control Activities

The company has policies, scope of duties, processes and procedures, approval authority, segregation of duties and responsibilities and clear controls in all levels and departments. They are reviewed the appropriateness every year. In addition, the internal auditor has conducted an audit of transactions throughout the year. The company also has adequate and concise measures for transactions with major shareholders, directors and persons connected with them. The audit committee will also consider the transactions on a quarterly

basis and assigned internal auditors to audit the transactions and to report directly to the Audit Committee. Moreover, the company disclosed the details and conditions of such transactions in the notes to the financial statements which was audited or reviewed by the auditors of the Company.

4. The information and communication

The Company set up Board of Directors meeting at least once every quarter by sending a notice of meeting and meeting documents not less than seven days before meeting. As for storing and maintaining accounting records, the company gave attention on the collection and accounting of the data. The company is using EY office limited as auditors. The company also ensures that the company's accounting policies are complies with generally accepted accounting principles. This is in order to report to management and the board and can be used for the right decisions especially the accounting and financial information.

In addition, as for anti-corruption policy, the company has also opens to receive information from both inside and outside to the secretary of the Board by telephone or email or the Website.

5. The monitoring activities

The Audit Committee has assigned the internal auditors to investigate the various types of transactions on a quarterly basis to assess internal controls and report directly to the Audit Committee. Any issues raised from the audits, audit committee will inform the Board of Directors and management in order to take corrective action and will be checked later that issues has been fixed.

In addition, the company set target of the business and compare actual performance against targets set. Difference must be explained why they occurred, including analysis of the cause of the difference in order to find measures to take corrective action in a timely manner.

The opinions of the external auditor, the internal auditor and the audit committee over the Company's internal control system

(a) The opinion of the external auditor over the internal control system

After auditing the Company's financial statements for the period ended on March 31, 2022, the external auditor studied and evaluated the efficiency of the internal control system of the Company's accounting system and found that the internal control system of the Company's accounting system is sufficient in good level.

(b) The opinion of the internal auditor over the internal control system

A.M.T Services Office Limited has been appointed as the Company's internal auditor where the results of the internal control assessment in corporate level were presented to the audit committee's meeting No. 2/2021 dated May 27, 2021. The evaluation of the internal control systems of Control Organization, Risk Assessment, Control Activities, Information and communications and Monitoring Activities that the Company's system is in the good level.

In addition, internal auditor had audits over company internal controls over the activities and presented the internal audit report to the audit committee every quarter

according to quarterly internal audit plans for the year 2021 (April 1, 2021 – March 31, 2022) and found that the audit result according to the audit plans showed the proper and sufficient internal controls.

(c) **The opinion of the audit committee over the internal control system**

The audit committee's meeting No. 2/2021 dated May 27, 2021 considered and acknowledged the reports of the internal auditor and the results of the internal auditing as per the 2021 plan (April 1, 2021 – March 31, 2022) of the major activities which found that the Company has sufficient and appropriate internal control systems of such activities. The audit committee deemed that the Company has sufficient internal control systems.

9.2 Related Transactions

1. Summary of related transactions of the Company, the subsidiary, related companies and other parties who may have conflicts of interest with the Company for the accounting period ended on March 31, 2021.

- None –

2. The necessity and reasonableness of the transactions

The audit committee deemed that those related transactions are necessary and reasonable as the undertaken prices were in accordance with the normal business practice where those prices were close to the prices offered to the major customers of the Company.

3. Procedure to undertake the related transactions

The related transactions must be considered by the board of directors or the shareholders as the case may be. The board of directors or the person(s) delegated by the board of directors must not approve any transactions that may lead to the conflict of interests between them, their related parties and the Company or its subsidiaries.

The procedure to undertake the related transactions between the Company, the subsidiaries (if any or the affiliates (if any) and the related parties are as follow:

(1) In case of the normal business transactions or the transactions to support the normal business with general terms and conditions and compensations that can be calculated from assets or reference prices, the procedure to undertake those transactions shall be in accordance with the regulations of the SEC office and the Stock Exchange of Thailand with regard to the connected transaction. The undertaken transactions shall be reported to the audit committee on a quarterly basis.

(2) In case of other related transactions apart from those described in (1), the audit committee shall provide their opinions with regard to the necessity of the transaction and the reasonableness of the transaction's price by considering the normal business practice of the industry and comparing the undertaken price with the price of others or the market price. In case that the audit committee has no expertise on any transaction, the Company would hire an independent specialist or an auditor to provide their opinion on such transaction for the consideration of the audit committee, the board of directors or the shareholders as the case may be. The directors who may have any conflict of interests of the transaction will not be able to vote on such transaction.

(3) The Company shall disclose the related transaction in the notes to the audited financial statements, form 56-1 and the annual report.

(4) The Company shall comply with the securities and exchange laws and in case that the Company has its securities listed on the Stock Exchange of Thailand, the Company shall comply with rules, announcements, order and regulations of the Stock Exchange of Thailand as well as the regulation with regard to the disclosure of the connected transaction and the acquisition and disposition of assets.

4. The policy to undertake the future related transactions

The policy to undertake the future related transaction, the board of directors shall consider the necessity and reasonableness of the transaction as well as the maximum benefit of the Company. The transaction price and terms shall be in accordance with normal business practice which must be comparable to the price offered to the outsiders. The Company shall

direct the audit committee, the accounting auditor or the independent specialist to consider, review and provide their opinions on the appropriateness of the price and the reasonableness of the transactions. Also, the Company shall comply with the regulations with regard to the connected transaction of relevant authorities such as the SEC office and the Stock Exchange of Thailand.

Part 3

Financial Report

Lohakit Metal Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 March 2022

Independent Auditor's Report

To the Shareholders of Lohakit Metal Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Lohakit Metal Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2022, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Lohakit Metal Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lohakit Metal Public Company Limited and its subsidiaries and of Lohakit Metal Public Company Limited as at 31 March 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures performed in response to each matter are described below.

Revenue recognition

Revenue from sales of the Group are significant amount and the Group sell their goods to a large number of customers under different commercial terms. I therefore determined revenue recognition as a key audit matter and focused on the occurrence of revenue recognition.

I performed audit procedures on the recognition of revenue from sales of the Group including:

- Assessed and tested the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applied a sampling method to select sales documents to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- On a sampling basis, examined supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewed credit notes that the Company issued after the period-end.
- Performed analytical procedures on disaggregated data of sales transactions throughout the period.

Allowance for diminution in value of inventories

As at 31 March 2022, the Group had outstanding inventories of Baht 746 million and inventories are valued at the lower of cost and net realisable value. Estimating the net realisable value of inventory, as disclosed in Note 9 to the consolidated financial statements, is an area of significant management judgment, particularly with regard to the estimation of allowance for diminution in the value of slow-moving and obsolete inventory. This requires detailed analysis of the product life cycle.

I assessed the determination of the allowance for diminution in the value of inventories. The procedures that I performed included:

- Gained an understanding of the methods and assumptions applied by the management in determining the allowance for diminution in value of inventories, and reviewed the consistency of the application of that basis.
- Compared the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Compared proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory for each group of products.

Other Information

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

I am responsible for the audit resulting in this independent audit's report.



Gingkarn Atsawarangsalit
Certified Public Accountant (Thailand) No. 4496

EY Office Limited
Bangkok: 25 May 2022

Lohakit Metal Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	7	288,419,457	317,824,738	213,196,227	160,233,385
Trade and other receivables	8	661,511,858	556,308,350	254,963,005	243,729,631
Inventories	9	745,562,958	506,044,720	477,872,440	266,015,711
Other current financial assets	10	8,349,129	73,874,699	-	-
Other current assets		9,743,149	4,185,084	8,646,773	3,186,400
Total current assets		1,713,586,551	1,458,237,591	954,678,445	673,165,127
Non-current assets					
Restricted bank deposits	11	46,180,000	46,180,000	6,080,000	6,080,000
Other non-current financial assets	12	3,021,437	3,303,097	-	-
Investment in associate	13	14,798,748	12,967,659	4,900,000	4,900,000
Investments in subsidiaries	14	-	-	405,653,412	405,954,978
Property, plant and equipment	15	522,492,023	551,655,282	273,552,361	290,409,144
Intangible assets	16	2,887,582	3,251,889	1,552,104	1,727,200
Deferred tax assets	23	12,632,028	14,294,784	6,816,559	7,472,477
Other non-current assets		3,407,229	3,317,829	2,525,550	2,525,550
Total non-current assets		605,419,047	634,970,540	701,079,986	719,069,349
Total assets		2,319,005,598	2,093,208,131	1,655,758,431	1,392,234,476

The accompanying notes are an integral part of the financial statements.

Lohakit Metal Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	17	57,013,577	42,513,268	6,853,569	6,453,725
Trade and other payables	18	523,853,555	349,355,721	305,282,734	159,839,904
Current portion of lease liabilities	19	1,390,470	3,261,656	1,390,470	3,261,656
Income tax payable		33,298,879	16,231,900	13,266,188	-
Other current liabilities		6,914,504	10,015,648	2,157,728	4,992,203
Total current liabilities		622,470,985	421,378,193	328,950,689	174,547,488
Non-current liabilities					
Lease liabilities, net of current portion	19	-	1,390,470	-	1,390,470
Provision for long-term employee benefits	20	35,399,949	38,335,917	14,304,154	16,980,834
Deferred tax liabilities	23	14,628	13,734	-	-
Other non-current liabilities		1,200	1,200	-	-
Total non-current liabilities		35,415,777	39,741,321	14,304,154	18,371,304
Total liabilities		657,886,762	461,119,514	343,254,843	192,918,792

The accompanying notes are an integral part of the financial statements.

Lohakit Metal Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Shareholders' equity					
Share capital					
Registered					
383,000,000 ordinary shares of Baht 1 each		383,000,000	383,000,000	383,000,000	383,000,000
Issued and fully paid-up					
383,000,000 ordinary shares of Baht 1 each		383,000,000	383,000,000	383,000,000	383,000,000
Share premium		519,672,600	519,672,600	519,672,600	519,672,600
Retained earnings					
Appropriated - statutory reserve	21	78,700,000	76,400,000	38,300,000	38,300,000
Unappropriated		521,851,394	455,347,200	371,530,988	258,343,084
Equity attributable to owners of the Company		1,503,223,994	1,434,419,800	1,312,503,588	1,199,315,684
Non-controlling interests of the subsidiary		157,894,842	197,668,817	-	-
Total shareholders' equity		1,661,118,836	1,632,088,617	1,312,503,588	1,199,315,684
Total liabilities and shareholders' equity		2,319,005,598	2,093,208,131	1,655,758,431	1,392,234,476
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

Directors

Lohakit Metal Public Company Limited and its subsidiaries

Statement of income

For the year ended 31 March 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Revenues					
Sales and service income		2,761,238,241	2,226,165,617	1,109,886,785	1,008,647,435
Dividend income	14.2	173,093	171,556	155,280,371	86,805,611
Other income		29,264,052	21,206,384	27,907,545	26,418,566
Total revenues		2,790,675,386	2,247,543,557	1,293,074,701	1,121,871,612
Expenses					
Cost of sales and service		2,306,560,628	1,920,390,713	923,358,924	911,595,320
Selling and distribution expenses		53,975,384	52,884,019	30,745,701	32,657,678
Administrative expenses		110,827,991	113,494,508	53,818,251	59,196,253
Total expenses		2,471,364,003	2,086,769,240	1,007,922,876	1,003,449,251
Operating profit		319,311,383	160,774,317	285,151,825	118,422,361
Share of profit from investment in associate	13.2	1,831,089	1,342,015	-	-
Finance cost		(2,340,060)	(1,870,147)	(653,051)	(693,335)
Profit before income tax expenses		318,802,412	160,246,185	284,498,774	117,729,026
Income tax expenses	23	(64,870,771)	(27,083,634)	(27,338,728)	(1,718,670)
Profit for the year		253,931,641	133,162,551	257,160,046	116,010,356
Profit attributable to:					
Equity holders of the Company		211,685,024	101,363,909	257,160,046	116,010,356
Non-controlling interests of the subsidiary		42,246,617	31,798,642		
		<u>253,931,641</u>	<u>133,162,551</u>		
Earnings per share					
24					
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)		<u>0.55</u>	<u>0.26</u>	<u>0.67</u>	<u>0.30</u>
Weighted average number of ordinary shares (shares)		<u>383,000,000</u>	<u>383,000,000</u>	<u>383,000,000</u>	<u>383,000,000</u>

The accompanying notes are an integral part of the financial statements.

Lohakit Metal Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 March 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit for the year		<u>253,931,641</u>	<u>133,162,551</u>	<u>257,160,046</u>	<u>116,010,356</u>
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain - net of income tax	20, 23	<u>3,199,209</u>	<u>1,625,238</u>	<u>1,567,858</u>	<u>3,000,213</u>
Other comprehensive income for the year		<u>3,199,209</u>	<u>1,625,238</u>	<u>1,567,858</u>	<u>3,000,213</u>
Total comprehensive income for the year		<u><u>257,130,850</u></u>	<u><u>134,787,789</u></u>	<u><u>258,727,904</u></u>	<u><u>119,010,569</u></u>
Total comprehensive income attributable to					
Equity holders of the Company		<u>214,344,825</u>	<u>102,999,593</u>	<u><u>258,727,904</u></u>	<u><u>119,010,569</u></u>
Non-controlling interests of the subsidiary		<u>42,786,025</u>	<u>31,788,196</u>		
Total comprehensive income for the year		<u><u>257,130,850</u></u>	<u><u>134,787,789</u></u>		

The accompanying notes are an integral part of the financial statements.

Lohakit Metal Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 March 2022

(Unit: Baht)

Consolidated financial statements								
Equity attributable to owners of the Company								
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated			
Balance as at 1 April 2020		383,000,000	519,672,600	75,250,000	437,757,995	1,415,680,595	218,200,621	1,633,881,216
Profit for the year		-	-	-	101,363,909	101,363,909	31,798,642	133,162,551
Other comprehensive income for the year		-	-	-	1,635,684	1,635,684	(10,446)	1,625,238
Total comprehensive income for the year		-	-	-	102,999,593	102,999,593	31,788,196	134,787,789
Dividend paid	27	-	-	-	(84,260,388)	(84,260,388)	-	(84,260,388)
Transferred to appropriated retained earnings - statutory reserve	21	-	-	1,150,000	(1,150,000)	-	-	-
Dividend paid for subsidiary		-	-	-	-	-	(52,320,000)	(52,320,000)
Balance as at 31 March 2021		<u>383,000,000</u>	<u>519,672,600</u>	<u>76,400,000</u>	<u>455,347,200</u>	<u>1,434,419,800</u>	<u>197,668,817</u>	<u>1,632,088,617</u>
Balance as at 1 April 2021		383,000,000	519,672,600	76,400,000	455,347,200	1,434,419,800	197,668,817	1,632,088,617
Profit for the year		-	-	-	211,685,024	211,685,024	42,246,617	253,931,641
Other comprehensive income for the year		-	-	-	2,659,801	2,659,801	539,408	3,199,209
Total comprehensive income for the year		-	-	-	214,344,825	214,344,825	42,786,025	257,130,850
Dividend paid	27	-	-	-	(145,540,631)	(145,540,631)	-	(145,540,631)
Transferred to appropriated retained earnings - statutory reserve	21	-	-	2,300,000	(2,300,000)	-	-	-
Dividend paid for subsidiary		-	-	-	-	-	(82,560,000)	(82,560,000)
Balance as at 31 March 2022		<u>383,000,000</u>	<u>519,672,600</u>	<u>78,700,000</u>	<u>521,851,394</u>	<u>1,503,223,994</u>	<u>157,894,842</u>	<u>1,661,118,836</u>
		-	-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

Lohakit Metal Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 March 2022

(Unit: Baht)

	Note	Separate financial statements				Total shareholders' equity
		Issued and fully paid-up share capital	Share premium	Retained earnings		
				Appropriated - statutory reserve	Unappropriated	
Balance as at 1 April 2020		383,000,000	519,672,600	38,300,000	223,592,515	1,164,565,115
Profit for the year		-	-	-	116,010,356	116,010,356
Other comprehensive income for the year		-	-	-	3,000,213	3,000,213
Total comprehensive income for the year		-	-	-	119,010,569	119,010,569
Dividend paid	27	-	-	-	(84,260,000)	(84,260,000)
Balance as at 31 March 2021		<u>383,000,000</u>	<u>519,672,600</u>	<u>38,300,000</u>	<u>258,343,084</u>	<u>1,199,315,684</u>
Balance as at 1 April 2021		383,000,000	519,672,600	38,300,000	258,343,084	1,199,315,684
Profit for the year		-	-	-	257,160,046	257,160,046
Other comprehensive income for the year		-	-	-	1,567,858	1,567,858
Total comprehensive income for the year		-	-	-	258,727,904	258,727,904
Dividend paid	27	-	-	-	(145,540,000)	(145,540,000)
Balance as at 31 March 2022		<u>383,000,000</u>	<u>519,672,600</u>	<u>38,300,000</u>	<u>371,530,988</u>	<u>1,312,503,588</u>
		-	-	-	-	-
		-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

Lohakit Metal Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 March 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before tax	318,802,412	160,246,185	284,498,774	117,729,026
Adjustments to reconcile profit before tax to net cash provided by (used in) operating activities:				
Depreciation	47,434,003	52,181,828	27,033,961	30,755,711
Amortisation	378,557	391,504	189,346	229,443
Allowance for expected credit loss (reversal)	340,860	(180,748)	1,244	(267,085)
Reversal of the reduction of inventories to net realisable value	(6,352,534)	(8,520,118)	(989,746)	(7,579,039)
Allowance for impairment of investment in subsidiary	-	-	301,566	622,234
Gain on sale of investments	(131,726)	(228,505)	-	-
Unrealised gain from fair value measurement of the other current financial assets	10,994	(60,194)	-	-
Unrealised loss from fair value measurement of the other non-current financial assets	281,660	153,632	-	-
Unrealised loss (gain) on change fair value in forward contract	73,546	(53,721)	112,634	-
Gain on sales of assets	(2,850,419)	(2,511,359)	(1,474,483)	(697,242)
Provision for long-term employee benefits	3,627,963	6,560,788	1,848,062	4,475,445
Unrealised gain on foreign exchange	(16,893)	(143,385)	(13,777)	(144,476)
Share of profit from investment in associate	(1,831,089)	(1,342,015)	-	-
Dividend income	(173,093)	(171,556)	(155,280,371)	(86,805,611)
Interest income	(153,232)	(230,726)	(26,308)	(62,139)
Interest expenses	1,354,352	1,035,887	130,521	313,043
Profit from operating activities before changes in operating assets and liabilities	360,795,361	207,127,497	156,331,423	58,569,310
Operating assets (increase) decrease				
Trade and other receivables	(105,548,692)	(15,671,466)	(11,234,618)	40,780,199
Inventories	(233,165,704)	91,222,938	(210,866,983)	82,848,762
Other current assets	(6,061,697)	670,991	(6,003,094)	(1,054,848)
Other non-current assets	(89,400)	84,400	-	(130,900)
Operating liabilities increase (decrease)				
Trade and other payables	174,432,007	(18,463,567)	145,378,361	(52,159,325)
Other current liabilities	(3,213,778)	257,668	(2,947,109)	(28,669)
Cash paid for long-term employee benefits	(2,564,920)	(9,410,000)	(2,564,920)	(6,200,000)
Cash flows from operating activities	184,583,177	255,818,461	68,093,060	122,624,529
Interest paid	(1,258,806)	(881,962)	(39,449)	(159,117)
Corporate income tax paid	(46,397,223)	(15,509,340)	(13,265,865)	(542,721)
Net cash flows from operating activities	136,927,148	239,427,159	54,787,746	121,922,691

The accompanying notes are an integral part of the financial statements.

Lohakit Metal Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 March 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from investing activities				
Cash paid for acquisitions of assets and intangible assets	(21,781,823)	(18,576,261)	(12,615,333)	(8,180,306)
Cash paid for acquisition of investment in open-end fund	(45,000,000)	(37,000,000)	-	-
Cash received from sales of investment in open-end fund	110,646,302	70,500,000	-	-
Dividend received	173,093	171,556	155,280,371	86,805,611
Proceeds from sales of assets	6,347,248	4,933,208	3,898,388	2,685,544
Interest received	157,555	252,969	26,308	62,139
Net cash flows from investing activities	50,542,375	20,281,472	146,589,734	81,372,988
Cash flows from financing activities				
Increase (decrease) in short-term loans from banks	14,500,309	(13,204,202)	399,844	(24,801,763)
Cash receipt from long-term loan from bank	-	8,000,000	-	-
Repayment of long-term loan from bank	-	(8,000,000)	-	-
Payment of principal portion of lease liabilities	(3,364,200)	(3,364,200)	(3,364,200)	(3,364,200)
Dividend paid	(228,100,631)	(136,580,388)	(145,540,000)	(84,260,000)
Net cash flows used in financing activities	(216,964,522)	(153,148,790)	(148,504,356)	(112,425,963)
Decrease (increase) in translation adjustments	89,718	(57,957)	89,718	(57,957)
Net increase (decrease) in cash and cash equivalents	(29,405,281)	106,501,884	52,962,842	90,811,759
Cash and cash equivalents at beginning of year	317,824,738	211,322,854	160,233,385	69,421,626
Cash and cash equivalents at end of year (Note 7)	288,419,457	317,824,738	213,196,227	160,233,385
	-	-	-	-
Supplemental cash flows information				
Non-cash items:				
Actuarial gain for long-term employee benefits	3,999,011	2,031,548	1,959,822	3,750,266

The accompanying notes are an integral part of the financial statements.

Lohakit Metal Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 March 2022

1. General information

1.1 General information of the Company

Lohakit Metal Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the processing, distribution and shearing of stainless steel, steel and metal products. The registered office of the Company is at 66/1 Moo 6 Suksawad Road, Bangjak, Prapradaeng, Samutprakarn.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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 the Thai language financial statements.

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Lohakit Metal Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022 (Percent)	2021 (Percent)
Auto Metal Company Limited	Production and distributing stainless steel pipe for automotive industry	Thailand	60	60
Alternative EnMat Company Limited	Distribution of metal and non-ferrous metal products	Thailand	100	100
NSC Metal Company Limited	Distribution of stainless steel, aluminum, brass, copper, zinc and galvanized steel products	Thailand	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. 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 Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised 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 discounts.

Rendering of services

Service revenue is recognised at a point in time upon completion of the service.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

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

4.3 Inventories

Finished goods and work in process are valued at the lower of cost (weighted average basis) and net realisable value. Cost includes all production costs and attributable factory overheads. Cost of purchased finished goods consists of purchase cost and related direct expenses less discounts and sale rebate.

Raw materials and supplies are valued at the lower of cost (weighted average basis) and net realisable value and are charged to production costs whenever consumed.

Allowance for stock obsolescence is made for damaged, slow-moving and obsolete stock.

4.4 Investments in subsidiaries and associate

Investment in associate is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

4.5 Property, plant and equipment and depreciation

Land is stated at cost, buildings and equipment are stated at cost less accumulated depreciation, and less allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment are calculated by reference to their costs on a straight-line basis over the following estimated useful lives.

Buildings, fixture and building improvement	-	20 and 5 years
Machinery and equipment	-	5 and 10 years
Furniture and office equipment	-	5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land, land improvement and assets under installation and under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.7 Intangible assets

The intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss. The Group have intangible assets with finite lives which is computer software amortised over the economic useful life of 5 years.

4.8 Leases

At inception of contract, the Group assesses whether a 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 Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

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

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term. The Group amortised buildings over lease term of 3 years.

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is 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

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.9 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.11 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment or intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Group have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service cost are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

4.13 Provisions

Provisions are recognised when the Group have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.15 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and 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.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value including interest income recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.16 Derivatives

The Group uses derivatives is forward currency contracts to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

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

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

5. 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 reported amounts and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Allowance for diminution in value of inventories

In determining an allowance for diminution in value of inventories, the management needs to make judgment in estimating the loss that will be incurred on the sale of the inventories, taking into account net realisable value, aging profile of outstanding inventories and the stock conditions, among other factors.

Property, plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Group's plant and equipment and to review estimate useful lives and residual values when there are any changes.

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

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (both bank and counterparty) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Deferred tax assets

Deferred tax assets are recognised 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 utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate 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.

6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	For the years ended 31 March				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements		financial statements		
	2022	2021	2022	2021	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Sales of goods and service income	-	-	26,880	22,978	Sale of goods: Market price and cost plus a margin at rate of 5% Service income: Close to the market price
Rental income	-	-	2,400	2,400	Contract price that close to the market price
Other service income	-	-	13,020	14,154	Accordance with the negotiation price
Dividend income	-	-	155,280	86,806	As approved by Shareholders' Meeting and Board of Directors' Meeting
<u>Transactions with related companies</u>					
Commission fee	5,942	4,719	-	-	Not over 2% of sales

As at 31 March 2022 and 2021, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Trade receivable - related parties (Note 8)</u>				
Subsidiaries	-	-	6,280	3,368
<u>Other payables - related party (Note 18)</u>				
Associated company	1,684	1,504	-	-

Directors and management's benefits

During the years ended 31 March 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
Short-term employee benefits	44,010	54,729	19,505	28,987
Post-employment benefits	975	2,656	356	217
Total	<u>44,985</u>	<u>57,385</u>	<u>19,861</u>	<u>29,204</u>

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
Cash	140	140	70	70
Bank deposits	<u>288,279</u>	<u>317,685</u>	<u>213,126</u>	<u>160,163</u>
Total	<u>288,419</u>	<u>317,825</u>	<u>213,196</u>	<u>160,233</u>

As at 31 March 2022, bank deposits in saving accounts and fixed deposits carried interests between 0.05 and 0.20 percent per annum (2021: 0.05 and 0.20 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Trade receivables - related parties</u> (Note 6)				
Aged on the basis of due dates				
Not yet due	-	-	5,306	3,343
Past due				
Not over 3 months	-	-	974	25
Total trade receivables - related parties	-	-	6,280	3,368
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	532,137	430,068	201,044	196,166
Past due				
Not over 3 months	130,163	127,043	47,515	44,549
Over 3 months but less than 12 months	337	-	300	-
Over 12 months	5,722	5,722	3,412	3,412
Total	668,359	562,833	252,271	244,127
Less: Allowance for expected credit losses	(7,119)	(6,778)	(3,853)	(3,851)
Total trade receivables - unrelated parties - net	661,240	556,055	248,418	240,276
Total trade receivables - net	661,240	556,055	254,698	243,644
<u>Other receivables</u>				
Other receivables	265	242	265	86
Interest receivables	7	11	-	-
Total other receivables	272	253	265	86
Total trade and other receivables - net	661,512	556,308	254,963	243,730

9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
	Finished goods	379,603	354,280	(21,537)	(29,472)	358,066
Raw materials	336,630	140,626	(2,953)	(1,370)	333,677	139,256
Supplies	22,684	22,943	-	-	22,684	22,943
Goods in transit	31,136	19,038	-	-	31,136	19,038
Total	770,053	536,887	(24,490)	(30,842)	745,563	506,045

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
	Finished goods	151,212	149,909	(14,143)	(16,716)	137,069
Raw materials	319,485	120,575	(2,953)	(1,370)	316,532	119,205
Supplies	13,299	12,959	-	-	13,299	12,959
Goods in transit	10,972	659	-	-	10,972	659
Total	494,968	284,102	(17,096)	(18,086)	477,872	266,016

During the current year, the Group reversal the reduction of cost of inventories by Baht 6 million (2021: reversal the reduction of Baht 9 million) (Separate financial statements: reversal the reduction of Baht 1 million (2021: reversal the reduction of Baht 8 million)), to reflect the net realisable value. This was presented as cost of sales.

10. Other current financial assets

(Unit: Thousand Baht)

	Consolidated financial statements	
	2022	2021
<u>Investment in debt instruments designated at fair value through profit or loss</u>		
Investment units in open-end fund	8,349	73,821
Forward contract	-	54
Total other current financial assets	<u>8,349</u>	<u>73,875</u>

As at 31 March 2022 and 2021, its subsidiaries have investments in open-end fund. The funds focuses on investing in bonds issued by the government or corporate, money market instrument and deposit.

11. Restricted bank deposits

As at 31 March 2022, the Group have deposits with banks of Baht 46 million (2021: Baht 46 million) which are pledged with the banks to secure credit facilities as described in Note 28.4 to the consolidated financial statements.

12. Other non-current financial assets

(Unit: Thousand Baht)

	Consolidated financial statements	
	2022	2021
<u>Other non-current financial assets designated at fair value through profit or loss</u>		
Industrial freehold and leasehold real estate investment trust	<u>3,021</u>	<u>3,303</u>

13. Investment in associated company

13.1 Details of associate

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Separate financial statements		Consolidated financial statements	
			Carrying amount based on equity method		Cost method		Carrying amount based on equity method	
			2022	2021	2022	2021	2022	2021
			(%)	(%)				
Mory Lohakit (Thailand) Co., Ltd.	Agent	Thailand	49	49	4,900	4,900	14,799	12,968

13.2 Share of profit and dividend received

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in associate		Dividend received	
	2022	2021	2022	2021
Mory Lohakit (Thailand) Co., Ltd.	1,831	1,342	-	-

13.3 Summarised financial information about material associate

Summarised information about financial position

(Unit: Million Baht)

	2022	2021
Current assets	31.0	27.2
Current liabilities	(0.6)	(0.5)
Non-current liabilities	(0.2)	(0.2)
Net assets	30.2	26.5
Shareholding percentage (%)	49.0	49.0
Share of net assets	14.8	13.0
Carrying amounts of associates based on equity method	14.8	13.0

Summarised information of comprehensive income.

	(Unit: Million Baht)	
	For the years ended	
	31 March	
	2022	2021
Revenue	6.0	4.7
Profit	3.7	2.8
Other comprehensive income	-	-
Total comprehensive income	3.7	2.8

14. Investments in subsidiaries

14.1 Details of subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost method		Allowance for impairment of investment		Carrying amount based on cost method	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(Million Baht)	(Million Baht)	(%)	(%)						
Auto Metal Company Limited	240	240	60	60	144,000	144,000	-	-	144,000	144,000
Alternative EnMat Company Limited	6	6	100	100	5,499	5,499	(2,084)	(1,782)	3,415	3,717
NSC Metal Company Limited	230	230	100	100	258,238	258,238	-	-	258,238	258,238
Total					<u>407,737</u>	<u>407,737</u>	<u>(2,084)</u>	<u>(1,782)</u>	<u>405,653</u>	<u>405,955</u>

14.2 Dividend income

	(Unit: Thousand Baht)	
Company's name	2022	2021
Auto Metal Company Limited	123,839	78,480
NSC Metal Company Limited	31,441	8,326
Total	<u>155,280</u>	<u>86,806</u>

Auto Metal Company Limited

On 18 June 2021, the Annual General Meeting of the shareholders of Auto Metal Company Limited (a subsidiary) passed a resolution to approve the payment of a dividend of Baht 31.5 per share from the operating profit for the year ended 31 March 2021, the subsidiary had paid out the interim dividend of Baht 4.5 per share. The remaining dividend was Baht 27 per share and was paid on 25 June 2021.

On 10 November 2021, a meeting of Board of Directors of Auto Metal Company Limited (a subsidiary) passed a resolution to approve the interim dividend payment of Baht 59 per share or total of Baht 141.6 Million from the subsidiary's operating results from 1 April 2021 to 30 September 2021 and from retained earnings as at 31 March 2021 to the subsidiary's shareholders and was paid on 7 December 2021.

NSC Metal Company Limited

On 18 June 2021, the Annual General Meeting of the shareholders of NSC Metal Company Limited (a subsidiary) passed a resolution to approve the payment of a dividend of Baht 8.4 per share from the operating profit for the year ended 31 March 2021, the subsidiary had paid out the interim dividend of Baht 2.68 per share. The remaining dividend was Baht 5.72 per share and was paid on 25 June 2021.

On 5 November 2021, a meeting of Board of Directors of NSC Metal Company Limited (a subsidiary) approved the payment of an interim dividend of Baht 7.95 per share to the subsidiary's ordinary shareholders for the subsidiary's operations from 1 April 2021 to 30 September 2021. This constitutes a total dividend of Baht 18.28 million and was paid on 26 November 2021.

15. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

	Land and land improvement	Buildings and improvement fixture	Right of use asset- Building	Machinery and equipment	Furniture and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost								
1 April 2020	194,022	447,448	7,810	868,394	18,499	78,677	46,163	1,661,013
Acquisitions	-	73	-	8,737	660	5,811	1,393	16,674
Disposals / write-off	-	-	-	(612)	(100)	(12,341)	-	(13,053)
Transfer in (out)	-	292	-	4,295	-	-	(4,587)	-
31 March 2021	194,022	447,813	7,810	880,814	19,059	72,147	42,969	1,664,634
Acquisitions	-	-	-	11,909	1,295	5,827	2,729	21,760
Disposals / write-off	-	-	-	(8,871)	-	(10,751)	-	(19,622)
Transfer in (out)	-	8	-	43,054	-	-	(43,062)	-
31 March 2022	194,022	447,821	7,810	926,906	20,354	67,223	2,636	1,666,772
Accumulated depreciation								
1 April 2020	-	204,684	-	794,630	15,841	56,273	-	1,071,428
Depreciation for the year	-	16,992	3,232	22,869	846	8,243	-	52,182
Depreciation for disposals / write-off	-	-	-	(612)	(100)	(9,919)	-	(10,631)
31 March 2021	-	221,676	3,232	816,887	16,587	54,597	-	1,112,979
Depreciation for the year	-	16,588	3,232	19,487	974	7,153	-	47,434
Depreciation for disposals / write-off	-	-	-	(7,377)	-	(8,756)	-	(16,133)
31 March 2022	-	238,264	6,464	828,997	17,561	52,994	-	1,144,280
Net book value								
31 March 2021	194,022	226,137	4,578	63,927	2,472	17,550	42,969	551,655
31 March 2022	194,022	209,557	1,346	97,909	2,793	14,229	2,636	522,492
Depreciation for the year								
2021 (Baht 44 million included in manufacturing cost, and the balance in selling and administrative expenses)								52,182
2022 (Baht 39 million included in manufacturing cost, and the balance in selling and administrative expenses)								47,434

Separate financial statements

	Buildings and						Assets under	Total
	Land and land improvement	Buildings improvement fixture	Right of use asset- Building	Machinery and equipment	Furniture and office equipment	Motor vehicles	installation and under construction	
Cost								
1 April 2020	94,745	220,063	7,810	482,809	9,022	46,101	46,163	906,713
Acquisitions	-	-	-	4,518	380	1,200	1,100	7,198
Disposals / write-off	-	-	-	(612)	(100)	(6,423)	-	(7,135)
Transfer in (out)	-	-	-	4,294	-	-	(4,294)	-
31 March 2021	94,745	220,063	7,810	491,009	9,302	40,878	42,969	906,776
Acquisitions	-	-	-	6,570	841	3,468	1,715	12,594
Disposals / write-off	-	-	-	(8,871)	-	(4,233)	-	(13,104)
Transfer in (out)	-	8	-	42,040	-	-	(42,048)	-
31 March 2022	94,745	220,071	7,810	530,748	10,143	40,113	2,636	906,266
Accumulated depreciation								
1 April 2020	-	122,790	-	424,189	8,115	35,664	-	590,758
Depreciation for the year	-	6,046	3,232	17,718	334	3,426	-	30,756
Depreciation for disposals / write-off	-	-	-	(612)	(100)	(4,435)	-	(5,147)
31 March 2021	-	128,836	3,232	441,295	8,349	34,655	-	616,367
Depreciation for the year	-	6,028	3,232	14,400	419	2,955	-	27,034
Depreciation for disposals / write-off	-	-	-	(7,377)	-	(3,310)	-	(10,687)
31 March 2022	-	134,864	6,464	448,318	8,768	34,300	-	632,714
Net book value								
31 March 2021	94,745	91,227	4,578	49,714	953	6,223	42,969	290,409
31 March 2022	94,745	85,207	1,346	82,430	1,375	5,813	2,636	273,552
Depreciation for the year								
2021 (Baht 25 million included in manufacturing cost, and the balance in selling and administrative expenses)								30,756
2022 (Baht 22 million included in manufacturing cost, and the balance in selling and administrative expenses)								27,034

As at 31 March 2022, the Group have certain equipment items which have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 940 million (2021: Baht 874 million) (Separate financial statements: Baht 543 million (2021: Baht 493 million)).

The Company and a subsidiary have mortgaged a part of their land with structures thereon and pledged a part of machinery with banks, and another subsidiary has mortgaged unit of condominium with bank, to secure loans and other credit facilities granted to the Group by the banks as described in Note 28.4 to the consolidated financial statements.

The book value of machinery of the Company and a subsidiary pledged with banks are summarised below:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Cost	253	253	153	153
Net book value	-	-	-	-

16. Intangible assets

The net book value of intangible assets which are computer software as at 31 March 2022 and 2021 are presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Cost	17,641	17,627	12,951	12,936
Less: Accumulated amortisation	(14,753)	(14,375)	(11,399)	(11,209)
Net book value	2,888	3,252	1,552	1,727

A reconciliations of the net book value of intangible assets for the years 2022 and 2021 are presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Net book value at beginning of year	3,252	1,741	1,727	975
Acquisitions during the year - at cost	14	1,903	14	982
Amortisation	(378)	(392)	(189)	(230)
Net book value at end of year	2,888	3,252	1,552	1,727

17. Short-term loans from banks

	Interest rate		Consolidated		(Unit: Thousand Baht)	
	(percent per annum)		financial statements		Separate	
	2022	2021	2022	2021	2022	2021
Trust receipts	2.80 - 3.15	2.80 - 3.10	57,014	42,513	6,854	6,454
Total			57,014	42,513	6,854	6,454

Bank overdrafts, short-term loans and trust receipts facilities are secured by the Group's land with structures thereon, unit of condominium, machinery and fixed deposit accounts and guarantees provided by the Company as described in Note 28.4 to the consolidated financial statements.

18. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2022	2021	2022	2021
Trade payable - unrelated parties	500,511	325,199	294,912	147,480
Other payables - unrelated parties	19,827	21,297	9,159	11,659
Other payables - related party (Note 6)	1,684	1,504	-	-
Accrued commission expenses - unrelated parties	34	6	34	6
Accrued expenses	1,798	1,350	1,178	695
Total	523,854	349,356	305,283	159,840

19. Leases

The Company has entered into a lease agreement in respect of the office building space. The term of the agreement is 3 years.

Lease liabilities

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2022	2021
Lease payments	1,402	4,766
Less: Deferred interest expenses	(12)	(114)
Total	1,390	4,652
Less: Portion due within one year	(1,390)	(3,262)
Lease liabilities - net of current portion	-	1,390

Movements of the lease liability account during the years ended 31 March 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	For the years ended 31 March	
	2022	2021
Balance at beginning of year	4,652	7,810
Accretion of interest	102	206
Repayments	(3,364)	(3,364)
Balance at end of year	1,390	4,652

An analysis of the maturity of the lease payments as of 31 March 2022 and 2021 is presented as follows:

	(Unit: Thousand Baht)		
	Consolidated/Separate financial statements		
	2022		
	Less than 1 year	1 to 3 years	Total
Lease liabilities	1,390	-	1,390

	(Unit: Thousand Baht)		
	Consolidated/Separate financial statements		
	2021		
	Less than 1 year	1 to 3 years	Total
Lease liabilities	3,364	1,402	4,766

Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	For the years ended 31 March	
	2022	2021
Depreciation expense of right-of-use assets	3,232	3,232
Interest expense on lease liabilities	102	206

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire as at 31 March 2022 and 2021, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Provision for long-term employee benefits at beginning of year	38,336	43,216	16,981	22,456
Included in profit or loss:				
Current service cost	3,136	5,796	1,570	4,048
Interest cost	493	765	278	427
Long-term employee benefits paid	(2,565)	(9,410)	(2,565)	(6,200)
Reversed due to employee resignation	-	(1)	-	-
Included in other comprehensive income:				
Loss (profit) on basis of estimates actuarial assumptions				
Demographic assumptions changes	(186)	210	(132)	111
Financial assumptions changes	(2,879)	720	(1,428)	171
Experience adjustments	(935)	(2,960)	(400)	(4,032)
Total	(4,000)	(2,030)	(1,960)	(3,750)
Provision for long-term employee benefits at end of year	35,400	38,336	14,304	16,981

The Group expect to pay Baht 10 million of long-term employee benefits during the next year (Separate financial statements: Baht 1 million) (2021: Baht 12 million (Separate financial statements: Baht 3 million)).

As at 31 March 2022, the weighted average duration of the liabilities for long-term employee benefit of monthly and daily employee are 4 - 29 years and 11 years (Separate financial statements: 12 years and 11 years) (2021: 5 - 15 years and 13 - 20 years (Separate financial statements: 11 years and 13 years)).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Discount rate	1.20 - 3.27	0.62 - 1.82	2.47 - 2.53	1.50
Salary increase rate	4.00 - 5.00	4.00 - 5.00	4.00 - 5.00	4.00 - 5.00
Turnover rate	0 - 49	0 - 49	0 - 49	0 - 49

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 March 2022 are summarised below:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5%	0.5%
Discount rate	(1.2)	1.3	(0.6)	0.7
Salary increase rate	1.3	(1.2)	0.6	(0.6)
Turnover rate	(1.3)	1.4	(0.7)	0.7

21. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve of the Company has fully been set aside.

According to Section 1202 of the Civil and Commercial Code, the subsidiaries are required to set aside to a statutory reserve at least 5 percent of its net income each time the subsidiaries pay a dividend, until such reserve reaches 10 percent of its registered share capital. The statutory reserve can neither be used to offset with deficit nor be used for dividend payment.

22. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Salary and wages and other employee benefits	180,260	186,623	88,019	100,783
Depreciation	47,434	52,182	27,034	30,756
Amortisation	379	392	189	229
Raw materials used	1,384,060	1,226,545	834,209	823,762
Consumables used	25,709	20,829	18,852	16,378
Purchase of finished goods	767,983	497,486	-	-
Changes in inventories of finished goods	(25,323)	34,020	(1,303)	5,052
Reversal of reduce cost of inventories to net realisable value	(6,352)	(8,520)	(990)	(7,579)

23. Income tax

Income tax expenses for the years ended 31 March 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Current income tax:				
Current corporate income tax charge	64,007	24,559	27,075	-
Deferred tax:				
Relating to origination and reversal of temporary differences	864	2,525	264	1,719
Income tax expenses reported in profit and loss	64,871	27,084	27,339	1,719

The amounts of income tax relating to each component of other comprehensive Income for the years ended 31 March 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
Deferred tax on actuarial gain	800	406	392	750

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 March 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
Accounting profit before tax	318,802	160,246	284,499	117,729
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	63,760	32,049	56,900	23,546
Effects of:				
Promotional privileges	-	(5,532)	-	(4,899)
Dividend income from subsidiaries and associate	-	-	(31,056)	(17,361)
Non-deductible expenses	2,548	921	2,046	494
Tax-exempt revenues	(669)	(3)	(329)	-
Additional expense deductions allowed	(295)	(295)	(222)	(198)
Unused tax loss	64	359	-	-
Others	(537)	(415)	-	137
Total	1,111	(4,965)	(29,561)	(21,827)
Income tax expenses reported in profit and loss	64,871	27,084	27,339	1,719

As at 31 March 2022 and 2021, the components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax assets				
Allowance for impairment of investment in subsidiary	-	-	417	356
Allowance for expected credit losses	741	673	88	88
Allowance for diminution in value of inventories	4,898	6,169	3,419	3,617
Provision for long-term employee benefits	7,080	7,667	2,861	3,396
Lease liabilities	9	15	9	15
Unrealised loss from fair value measurement of forward contract	20	-	23	-
Total	12,748	14,524	6,817	7,472
Deferred tax liabilities				
Unrealised gain from fair value Measurement of other current financial assets	(15)	(60)	-	-
Unrealised gain from fair value measurement of other non-current financial assets	(116)	(172)	-	-
Unrealised gain from fair value measurement of forward contract	-	(11)	-	-
Total	(131)	(243)	-	-
Deferred tax assets - net	12,632	14,295	6,817	7,472
Deferred tax liabilities	15	14	-	-

As at 31 March 2022, a subsidiary has deductible temporary differences and unused tax losses totaling Baht 1.3 million (2021: Baht 1.5 million), on which deferred tax assets have not been recognised as the subsidiary believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses. The unused tax losses will expire by 2023-2026.

24. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

25. Segment information

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 chief operating decision maker has been identified as Managing Director.

For management purposes, the Group are organised into business units based on its products and services and operate 2 segments as follows:

- Production and distribution
- Procurement and distribution.

No operating segments have been aggregated to form the above reportable operating.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Group's operating segments for the years ended 31 March 2022 and 2021, respectively.

(Unit: Million Baht)

	For the year ended 31 March 2022				
	Production and distribution	Procurement and distribution	Total reportable segments	Eliminations	Consolidated
Revenue					
Revenue from external customers	1,875	886	2,761	-	2,761
Inter-segment revenue	27	-	27	(27)	-
Total revenues	1,902	886	2,788	(27)	2,761
Operating result					
Segment profit	362	93	455	-	455
Other income					29
Selling and distribution expenses					(54)
Administrative expenses					(111)
Share of profit from investment in associate accounted for by the equity method					2
Finance cost					(2)
Income tax expenses					(65)
Profit for the year					254
Segment total assets					
Segment total assets	1,845	474	2,319	-	2,319
Investment in associate accounted for by the equity method	15	-	15	-	15
Additions (reduction) to non-current assets other than financial instruments and deferred tax assets	(29)	-	(29)	(1)	(30)

(Unit: Million Baht)

	For the year ended 31 March 2021				
	Production and distribution	Procurement and distribution	Total reportable segments	Eliminations	Consolidated
Revenue					
Revenue from external customers	1,615	611	2,226	-	2,226
Inter-segment revenue	23	-	23	(23)	-
Total revenues	1,638	611	2,249	(23)	2,226
Operating result					
Segment profit	240	66	306	-	306
Other income					21
Selling and distribution expenses					(53)
Administrative expenses					(113)
Share of profit from investment in associate accounted for by the equity method					1
Finance cost					(2)
Income tax expenses					(27)
Profit for the year					133
Segment total assets					
Investment in associate accounted for by the equity method	1,672	419	2,091	2	2,093
Additions (reduction) to non- current assets other than financial instruments and deferred tax assets	(30)	-	(30)	1	(29)

The Group carry on operations in the main geographic area in Thailand with gained revenue from domestic sales and export sales. As a result, all of revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the years 2022 and 2021, the Group have no major customer with revenue of 10 percent or more of the Group's revenues.

26. Provident fund

The Company, 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 5 percent of basic salary. The fund, which is managed by SCB Asset Management Co., Ltd. will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2022 amounting to approximately Baht 4 million (2021: Baht 5 million) (Separate financial statements: Baht 2 million (2021: Baht 3 million)) were recognised as expenses.

27. Dividend

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Dividends for the year ended 31 March 2021 (net of interim dividend payment)	Annual General Meeting of the shareholders on 22 July 2021	68.94	0.18
Interim dividends for the year ending 31 March 2022	The Board of Directors Meeting on 11 November 2021	76.60	0.20
Total dividends paid during the year ended 31 March 2022		145.54	0.38
Dividends for the year ended 31 March 2020 (net of interim dividend payment)	Annual General Meeting of the shareholders on 24 July 2020	38.30	0.10
Interim dividends for the year ending 31 March 2021	The Board of Directors Meeting on 12 November 2020	45.96	0.12
Total dividends paid during the year ended 31 March 2021		84.26	0.22

28. Commitments and contingent liabilities

28.1 Other service commitment

As at 31 March 2022, a subsidiary had commitments of approximately Baht 4 million relating to a technical assistance service agreement and other agreements (2021: Baht 4 million).

28.2 Other commitments

As at 31 March 2022, the Company had outstanding commitments of Baht 4.5 million (2021: Baht 4.5 million) in respect of uncalled portion of investment in a subsidiary.

28.3 Guarantees

As at 31 March 2022, the Company has guaranteed bank credit facilities for a subsidiary amounting to Baht 350 million (2021: Baht 350 million).

28.4 Credit facilities

As at 31 March 2022, the Group have been granted credit facilities by various banks for which they have placed collaterals, as follows:-

The Company

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 1,462 million, of which totaling Baht 47 million (2021: Baht 9 million) of the utilised amount are outstanding. These credit facilities are secured by the mortgage of the Company's land with structures thereon and machinery.
- Overdraft facilities of Baht 30 million, have not yet been utilised (2021: have not yet been utilised). These credit facilities are secured by the mortgage of the Company's land with structures thereon, machinery and the fixed deposits account.
- Forward foreign exchange contract facilities of Baht 1,000 million, of which totaling Baht 26 million (2021: have not yet been utilised) of the utilised amount are outstanding. These credit facilities are secured by the mortgage of the Company's land with structures thereon and machinery.

A subsidiary

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 300 million, of which totaling Baht 4 million (2021: have not yet been utilised) of the utilised amount are outstanding. These credit facilities are secured by the mortgage of the subsidiary's land with structures thereon and machinery.
- Overdraft facilities of Baht 10 million, have not yet been utilised (2021: have not yet been utilised). These credit facilities are secured by the mortgage of the subsidiary's land with structures thereon.
- Forward foreign exchange contract facilities of Baht 200 million, have not yet been utilised (2021: have not yet been utilised). These credit facilities are secured by the mortgage of the subsidiary's land with structures thereon and machinery.

A subsidiary

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 506 million, of which Baht 75 million (2021: Baht 60 million) of the utilised amount are outstanding. These credit facilities are secured by the mortgage of the subsidiary's unit of condominium which is the subsidiary's office, the subsidiary's fixed deposit accounts and a guarantee provided by the Company.
- Overdraft facilities of Baht 60 million, have not yet been utilised (2021: have not been utilised). These credit facilities are secured by the subsidiary's fixed deposit accounts and a guarantee provided by the Company.
- Forward foreign exchange contract facilities, comprising USD 11.7 million (equivalent to Baht 390 million) and Baht 115 million, or a total approximately Baht 505 million, of which USD 0.15 million of the utilised amount outstanding (equivalent to Baht 5 million) (2021: of which USD 0.1 million of the utilised amount outstanding (equivalent to Baht 2.7 million)).

A subsidiary

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 22 million, have not yet been utilised (2021: have not yet been utilised).
- Overdraft facilities of Baht 5 million have not yet been utilised (2021: have not yet been utilised).
- Forward foreign exchange contract facilities of Baht 30 million, have not yet been utilised (2021: have not yet been utilised).

Such credit facilities above totaling Baht 57 million, guaranteed by the Company of Baht 30 million.

29. Fair value hierarchy

the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated Financial Statements as at
31 March 2022

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other current financial assets				
Investment units in open-end fund	-	8.3	-	8.3
Other non-current financial assets				
Investments in marketable units	3.0	-	-	3.0
Liabilities measured at fair value				
Other current liabilities				
Forward contracts	-	0.1	-	0.1

(Unit: Million Baht)

Consolidated Financial Statements as at
31 March 2021

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other current financial assets				
Investment units in open-end fund	-	73.8	-	73.8
Forward contracts	-	0.1	-	0.1
Other non-current financial assets				
Investments in marketable units	3.3	-	-	3.3

(Unit: Million Baht)

Separate Financial Statements as at
31 March 2022

	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value				
Other current liabilities				
Forward contracts	-	0.1	-	0.1

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

30. Financial instruments

30.1 Derivatives not designated as hedging instruments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Derivative assets				
Derivative assets not designated as hedging instruments	98	54	112	-

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 to 3 months.

Its subsidiary has outstanding balance of forward foreign exchange contracts which to reduce the exchange rate risk arising from their financial liabilities dominated in foreign currency with the mature within one year. The details are summarised below.

Foreign currency	Bought amount	Sold amount	Contractual exchange rate	
			Bought	Sold
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
<u>As at 31 March 2022</u>				
US Dollar	0.86	-	32.06 - 33.75	-
SG Dollar	0.08	-	24.82	-
<u>As at 31 March 2021</u>				
US Dollar	0.10	-	30.38 - 30.88	-

30.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other accounts receivable, investments, restricted bank deposits, short-term loans from banks and trade and other accounts payable. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other accounts receivable, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

The management manages to maintain this risk at low level by adopting appropriate credit control policies and procedures and credit term is short-term. Therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. However, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days sale of goods for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating, past experience, and future forecast of economic which may impact. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off when the Company has taken final result of legal action against trade receivable.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty.

The credit risk on debt instruments and derivatives is low because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are three types of market risk comprising currency risk, interest rate risk, and commodity price risk.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its purchases and receive services or sales transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 March		as at 31 March		as at 31 March	
	2022	2021	2022	2021	2022	2021
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	0.08	0.04	1.03	0.14	33.25	31.29
Japanese Yen	0.5	0.5	-	2.33	0.2683	0.2828
SG Dollar		-	0.08	0.01	24.90	23.56

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks and short-term loan. Most of the Group's financial assets and liabilities are short-term, with floating interest rates or fixed interest rates which are close to the market rate.

As at 31 March 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements as at 31 March 2022

	Fixed interest rate				Total	Effective interest rate (% p.a.)
	Within		Floating interest rate	Non-interest bearing		
	1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	2	-	19	267	288	0.05 - 0.20
Trade and other receivables	-	-	-	662	662	-
Other current financial assets	-	-	-	8	8	-
Restricted bank deposits	46	-	-	-	46	0.10 - 0.30
Other non - current financial assets	-	-	-	3	3	-
	<u>48</u>	<u>-</u>	<u>19</u>	<u>940</u>	<u>1,007</u>	
Financial liabilities						
Short-term loans from banks	57	-	-	-	57	2.80 - 3.15
Trade and other payables	-	-	-	524	524	-
Lease liabilities	1	-	-	-	1	3.24
	<u>58</u>	<u>-</u>	<u>-</u>	<u>524</u>	<u>582</u>	

(Unit: Million Baht)

Consolidated financial statements as at 31 March 2021

	Fixed interest rate				Total	Effective interest rate (% p.a.)
	Within		Floating interest rate	Non-interest bearing		
	1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	2	-	51	265	318	0.05 - 0.20
Trade and other receivables	-	-	-	556	556	-
Other current financial assets	-	-	-	74	74	-
Restricted bank deposits	46	-	-	-	46	0.10 - 0.30
Other non - current financial assets	-	-	-	3	3	-
	<u>48</u>	<u>-</u>	<u>51</u>	<u>898</u>	<u>997</u>	
Financial liabilities						
Short-term loans from banks	43	-	-	-	43	2.80 - 3.10
Trade and other payables	-	-	-	349	349	-
Lease liabilities	3	2	-	-	5	3.24
	<u>46</u>	<u>2</u>	<u>-</u>	<u>349</u>	<u>397</u>	

(Unit: Million Baht)

Separate financial statements as at 31 March 2022

	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	2	-	4	207	213	0.05 - 0.20
Trade and other receivables	-	-	-	255	255	-
Restricted bank deposits	6	-	-	-	6	0.20
	<u>8</u>	<u>-</u>	<u>4</u>	<u>462</u>	<u>474</u>	
Financial liabilities						
Short-term loans from banks	7	-	-	-	7	3.15
Trade and other payables	-	-	-	305	305	-
Lease liabilities	1	-	-	-	1	3.24
	<u>8</u>	<u>-</u>	<u>-</u>	<u>305</u>	<u>313</u>	

(Unit: Million Baht)

Separate financial statements as at 31 March 2021

	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	2	-	2	156	160	0.05 - 0.20
Trade and other receivables	-	-	-	244	244	-
Restricted bank deposits	6	-	-	-	6	0.20
	<u>8</u>	<u>-</u>	<u>2</u>	<u>400</u>	<u>410</u>	
Financial liabilities						
Short-term loans from banks	6	-	-	-	6	3.10
Trade and other payables	-	-	-	160	160	-
Lease liabilities	3	2	-	-	5	3.24
	<u>9</u>	<u>2</u>	<u>-</u>	<u>160</u>	<u>171</u>	

Commodity price risk

The Group is affected by the price volatility of certain commodities at low level. Its operating activities require the ongoing purchase of raw materials to be converted and distributed as metal and non-metal products on demand of the Group's customers, and therefore continuous supply of the raw materials is required. However, the Group has established a risk management strategy for commodity price risk and its mitigation by adjusting the selling price to reflect costs of raw materials, and therefore is able to manage the commodity risk to be low.

Liquidity risk

The Group's risk of a shortage of liquidity is low because its current assets exceed total liabilities and the Group access to a sufficient variety of sources of funding.

The Group's financial liabilities as at 31 March 2022 and 2021 are all due within 1 year.

30.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

31. Capital management

The primary objective of the Group capital management is to ensure that they have appropriate capital structure in order to support their business and maximise shareholders value. As at 31 March 2022, the Group total debt-to-equity ratio was 0.40:1 (2021: 0.28:1) and the Company's total debt-to-equity ratio was 0.26:1 (2021: 0.16:1).

32. Events after the reporting period

- 32.1 On 18 May 2022, the meeting of Board of Directors of NSC Metal Company Limited (a subsidiary) passed a resolution to propose an approval by the Annual General Meeting of its shareholders, of the dividend payment to the subsidiary's shareholders of Baht 17.95 per share, or totalling Baht 41.28 million from its net operating profit for the year ended 31 March 2022. However, by the resolution of the meeting of the subsidiary's Board of Director held on 5 November 2021, the subsidiary paid out the interim dividend of Baht 7.95 per share, totalling Baht 18.28 million, to the subsidiary's shareholders on 26 November 2021. The remaining dividend is Baht 10 per share, or totalling Baht 23 million.

- 32.2 On 24 May 2022, the meeting of the Board of Directors of Auto Metal Company Limited (a subsidiary) passed a resolution to propose an approval by the Annual General Meeting of its shareholders, of the dividend payment to the subsidiary's shareholders of Baht 85 per share, or totalling Baht 204 million, from its net operating profit for the year ended 31 March 2022 and from retained earnings as at 31 March 2021. However, by the resolution of the meeting of the subsidiary's Board of Directors held on 10 November 2021, the subsidiary paid out the interim dividend of Baht 59 per share, for 2.4 million ordinary shares, totalling Baht 141.6 million on 7 December 2021. The remaining dividend is Baht 26 per share, or totalling Baht 62.4 million.
- 32.3 On 25 May 2022, the meeting of the Company's Board of Directors passed a resolution to propose an approval by the Annual General Meeting of its shareholders, of the dividend payment to the Company's shareholders of Baht 0.65 per share, or totalling Baht 248.95 million from its net operating profit for the year ended 31 March 2022. However, by the resolution of the meeting of the Company's Board of Directors held on 11 November 2021, the Company paid out the interim dividend of Baht 0.20 per share, for 383 million ordinary shares, to the Company's shareholders totalling Baht 76.6 million on 9 December 2021. The remaining dividend is Baht 0.45 per share, or totalling Baht 172.35 million.

33. Approval of consolidated financial statements

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 25 May 2022.

Attachment

Attachment 1 : Information of Directors, Management, Controlling Person, Chief Financial Officer, Accounting Controller, Company Secretary

Mr. Wanchai Umpungart

74 years

Position/ Date of being appointed

Chairman of the Board of Directors, Independent Director, Chairman of the Audit Committee and Member of The Nomination and Compensation Committee. **(July 24, 2020)**

Educational Background

- MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- BA Accounting, Chulalongkorn University

Director training Program (IOD)

- Directors Accreditation Program (DCP) 35/2005
- Director Accreditation Program (DAP) 102/2008

Work Experience for the last 5 years

2005 – Present	Director, Chairman of Executive Committee, Chairman of the Risk Management Committee and Managing Director/ Lohakit Metal Public Company Limited
2002 – Present	Independent Director and Audit Committee/ Muramoto Electron (Thailand) Plc.
2013 – Present	Independent Director and Audit Committee/ OCC Public Company Limited

Shareholding in Company (As of March 31, 2022)

- None -

Relation between the Director Member

- None -

Holding any position in venture or organization that are non-listed companies as per core working experience for **3** places

Holding any position in the past year in another venture or organization had significant impact with time devoted on the Company - **None** -

Mr. Prasarn Akarapongpisakdi

64 Years

Position/ Date of being appointed

Director, Chairman of Executive Committee, Chairman of the Risk Management Committee and Chief Executive Officer (July 25, 2019)

Educational Background

- MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Technology and Industrial Management King Mongkut's University of Technology North Bangkok

Director training Program (IOD)

- Directors Accreditation Program (DAP) 37/2005
- Directors Certification Program (DCP) 60/2005

Work Experience for the last 5 years

1989 – Present	Director, Chairman of Executive Committee, Chairman of the Risk Management Committee and Chief Executive Officer/ Lohakit Metal Public Company Limited
2001 – Present	Director/ Zoom Room Co., Ltd.
2002 – Present	Director/ Truemind & Partners Co., Ltd.
2004 – Present	Director/ Auto Metal Co., Ltd.
2004 – Present	Director/ Mory Lohakit (Thailand) Co., Ltd.
2005 – 2018	Director/ Alternative EnMat Co., Ltd.
2013 – 2018	Director/ NSC Metal Co., Ltd.

Shareholding in Company (As of March 31, 2022)

- 1.96% (7,500,960 Shares)

Relation between the Director Member

- Father Mr. Vittawat Akarapongpisak

Holding any position in venture or organization that are non-listed companies as per core working experience for **4** places

Holding any position in the past year in another venture or organization had significant impact with time devoted on the Company - **None** -

Mr. Anurut Vongvanij

60 Years

Position/ Date of being appointedDirector and Independent Director (**July 24, 2020**)**Educational Background**

- MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- BA. In Economics and Political Science, Hawaii University, Hawaii, U.S.A.

Director training Program (IOD)

- Directors Certification Program (DCP) 41/2004

Work Experience for the last 5 years

2005 – Present	Director, Independent Director/ Lohakit Metal Public Company Limited
1996 – Present	President/ The British Dispensary (L.P.) Co., Ltd.
1996 – Present	President/ The British Dispensary Co., Ltd.
2004 – Present	President/ Vongvanij Holding Co., Ltd.
2008 – Present	President/ The British Dispensary Pharmacomet Public Company Limited
2016 – Present	Vice President/ Thai Red Cross Organ Donation Centre
2017 – 2020	Director The Thai Chamber of Commerce
1990 – 2012	President/ Young Buddhists Association of Thailand under Royal Patronage (Y.B.A.T.)
1998 – 2000	Chapter Chairman/ Young President Organization (Y.P.O.) – Thailand Chapter
2000 – 2012	Association President/ The world Fellowship of Buddhist Youth (W.F.B.Y.)

Shareholding in Company (As of March 31, 2022)

- None -

Relation between the Director Member

- None -

Holding any position in venture or organization that are non-listed companies as per core working experience for **5** places

Holding any position in the past year in another venture or organization had significant impact with time devoted on the Company - **None** -

Mr. Teera Na Wangkanai

65 Years

Position/ Date of being appointed

Director, Independent Director, Member of Audit Committee and Chairman of The Nomination and Compensation Committee (July 25, 2019)

Educational Background

- Senior Executive Program Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Sugar Technology College, Queensland, Australia
- Western Australian Institute of Technology, Australia

Director training Program (IOD)

- Directors Certification Program (DCP) 54/2005
- Audit Committee Program 6/2005
- Financial Statements for Directors (FSD) 20/2013
- Monitoring the System of Internal Control and Risk Management (MIR) 15/2013
- Monitoring of the Internal Audit Function (MIA) 5/2013
- Monitoring the Quality of Financial Reporting (MFR) 18/2013
- Role of Nomination and Governance Committee (RNG) 5/2013
- How to Measure the Success of corporate Strategy (HMS) 3/2013
- Anti Corruption The Practical Guide (ACPG) 8/2014
- Director Certification Program Update (DCPU) 2/2014
- Ethical Leadership Program (ELP) 3/2016
- Corporate Governance for Executive (CGE) 6/2016
- Board Thai Make a Difference (BMD) 2/2016
- Tax Management Strategies/ 36

Work Experience for the last 5 years

2005 – Present	Director, Independent Director, Member of Audit Committee and Chairman Of The Nomination and Compensation Committee/ Lohakit Metal Public Company Limited
1986 – Present	Director/ Chaochom Warehouse Co., Ltd.,
1987 – Present	Director/ Sugar Industry Trading Co., Ltd.
1987 – Present	Director/ Wangkanai Sugar Co., Ltd.
1987 – Present	Director/ T.N. Sugar Industry Co., Ltd.
1988 – Present	Director/ Wang Sugar Holding Co., Ltd.
1988 – Present	Director/ Wangkanai Terminal Co., Ltd.
1991 – Present	Director/ Wang Business Co., Ltd.
1992 – Present	Director/ Mahawang Sugar Co., Ltd.
1992 – Present	Director/ Ratchasima Sugar Co., Ltd.
1992 – Present	Director/ Chaimongkol Refined Sugar Co., Ltd.
1992 – Present	Director/ Ang Thong Warehouse Co., Ltd.
1992 – Present	Director/ Aow Thai Warehouse Co., Ltd.
1994 – Present	Director/ Credence Co., Ltd.
2012 – Present	Director/ Angvian Industry Co., Ltd.
2012 – Present	Director/ Wang Sugar Holding Co., Ltd
2012 – Present	Director/ Wang Chainart Co., Ltd.

Shareholding in Company (As of March 31, 2022)

- None -

Relation between the Director Member

- None -

Holding any position in venture or organization that are non-listed companies as per core working experience for **16** places

Holding any position in the past year in another venture or organization had significant impact with time devoted on the Company - **None** -

Mr. Lert Nitheranont

60 Years

Position/ Date of being appointed

Director, Independent Director, Member of Audit Committee and Member of The Nomination and Compensation Committee (July 24, 2020)

Educational Background

- Master of Business Administration (International Business) University of Southern California U.S.A.
- Bachelor of Science Mechanical Engineering and Applied Mechanics University of Pennsylvania U.S.A.

Director training Program (IOD)

- Directors Accreditation Program (DCP) 35/2005

Work Experience for the last 5 years

2005 – Present	Director, Independent Director, Member of Audit Committee and Member of The Nomination and Compensation Committee/ Lohakit Metal Public Company Limited
1984 – Present	Director/ Royal Concord Interrade Co., Ltd.

Shareholding in Company (As of March 31, 2022)

- None -

Relation between the Director Member

- None -

Holding any position in venture or organization that are non-listed companies as per core working experience for **1** places

Holding any position in the past year in another venture or organization had significant impact with time devoted on the Company - **None** -

Mr. Vittawat Akarapongpisak

41 Years

Position/ Date of being appointed

Director, Member of Executive Committee, Member of the Risk Management Committee, Deputy Managing Director, Chief Financial Officer and Company Secretary (**July 22, 2021**)

Educational Background

- MBA, Finance University of San Francisco
- Bachelor of Engineering, Chulalongkorn University

Director training Program (IOD)

- Directors Certification Program (DCP) 231/2016
- How to Develop a Risk Management Plan (HRP) 10/2016
- Family Business Governance (FBG) 11/2018

Director training Program (SET)

- Strategic CFO in Capital Markets Program 3/2016

Work Experience for the last 5 years

2013 – Present	Director, Member of Executive Committee, Deputy Managing Director and Member of the Risk Management Committee/ Lohakit Metal Public Company Limited
2013 – Present	Director/ Auto Metal Co., Ltd.
2013 – Present	Director/ NSC Metal Co., Ltd.
2013 – Present	Director and Managing Director/ Alternative EnMat Co., Ltd.
2016 – Present	Director/ Mory Lohakit (Thailand) Co., Ltd.

Shareholding in Company (As of March 31, 2022)

- 4.19% (16,030,760 Shares)

Relation between the Director Member

- Child of Mr.Prasarn Akarapongpisakdi

Holding any position in venture or organization that are non-listed companies as per core working experience for **4** places

Holding any position in the past year in another venture or organization had significant impact with time devoted on the Company - **None** -

Mr. Nonthawat Khruarattanapaiboon

45 Years

Position

Human Resource Manager

Educational Background

Bachelor of Art Ramkhamheang University

Work Experience for the last 5 years

2018 – Present	Human Resource Manager Lohakit Metal PLC.
2017 - 2018	Human Resource Manager Aerofluid Co.,Ltd.
2015 – 2017	Human Resource Manager C A S Holding Group Co.,Ltd

Shareholding in Company (As of March 31, 2022)

- None -

Relation between the Director Member

- None -

Holding any position in venture or organization that are non-listed companies as per core working experience – **None** -

Holding any position in the past year in another venture or organization had significant impact with time devoted on the Company - **None** -

Ms. Pornthippa Wongphunga

49 Years

Position

Accounting and Finance Manager

Educational background

Bachelor of Business Administration (Accounting) Ramkhamhaeng University

Work Experience for the Last 5 Years

2022 - Present	Accounting and Finance Manager Lohakit Metal public Company Limited
2010 - 2021	Accounting and Finance Manager Auto Metal Co., Ltd.

Shareholding in Company (As of March 31, 2022)

- None -

Relation between the Director Member

- None -

Holding any position in venture or organization that are non-listed companies as per core working experience - **None** -

Holding any position in the past year in another venture or organization had significant impact with time devoted on the Company - **None** -

Attachment 2 : Directors in Subsidiaries Companies

Subsidiaries Companies Directors	Auto Metal Company Limited	Alternative EnMat Company Limited (Formerly known as : Alternative Stainless Company Limited)	Mory Lohakit Company Limited	NSC Metal Company Limited (Formerly known as : Ngeck Seng Chiang Metal Company Limited)
Mr.Prasarn Akarapongpisakdi	<i>/, //</i>	-	<i>/, //</i>	-
Mr.Prasert Akarapongpisakdi	-	-	-	<i>/, //</i>
Mr.Vittawat Akarapongpisak	<i>/, //</i>	<i>/, //</i>	<i>/, //</i>	<i>/, //</i>

Remark : / = Director

// = Authorized Director

Attachment 3 : Details about the Company's Internal Audit Supervisor and Supervisor of the operation

Internal Audit Supervisor

The Audit Committee has approved the appointment of the A.M.T. Service Office to plan and conduct audits or review of internal control systems in accordance with the plans approved by the Audit Committee. The main responsible person for performing the duties of the Company's internal auditors is:

Mr. Chaiyuth Angsuwithaya

Education

- M.P.A. – HR, National Institute of Development Administration (NIDA), 1993
- LL.B. – Law, Thammasat University, 1979
- B.B.A. – Accounting, Thammasat University, 1975
- Certified Auditor, 1981
- Certificate of Higher Administration Program – Class # 2 (NMU) Thammasat University
- Certificate of Chief Financial Officer Certification Program (CFO) Class 5, Federation of Accounting Professions
- Certificate of Higher Manager Training Program, Eastern and China Free Trade Area (CAFTA) Class 1 Beijing Economics Administration University
- Certificate of Technology Use for Business Advantage, Chulalongkorn University, 1997
- ISO 9000 Auditor Training Program Certificate - Moody International, 2000
- Forensic Accounting Certificate: FAC Class 1/2020

Work History

Present

- Audit Office Partner, A. M.T. Associates Office
- Member of the Audit Committee, Compensation Fund, Social Security Office
- Ad hoc committee to review the drafting of parcel regulations Accounting & Finance Royal College of Chulabhorn

Former

- Member of the Professional Development Committee, The Federation of Accounting Professions under the Royal Patronage
- Assistant Secretary-General of the Federation of Accounting Professions under royal patronage
- Referee On the Audit Standards Committee, the Federation of Accounting Professions under the Royal Patronage
- Subcommittee on The Coordination of Branch Management, The Federation of Accounting Professions under the Royal Patronage
- Subcommittee The subcommittee establishes standards or measures regarding national audit.
- Subcommittee on Strategic Management Development, PTTEP Office
- Advisor to the Internal Control and Risk Management System Thailand Post Co., Ltd.
- Director and Executive Vice President, Asoke Motor Group Co., Ltd.
- Preparatory Working Group on WTO Dispute Resolution Process

- Working group to determine the facts presented by Advanced Info Service Plc. to review the NEB announcement. Re: Rules and Procedures for Preparing Ledger Reports in Telecommunications Neb.
- AMT representatives at the Russell Bedford regional meeting in Hoi An, Vietnam.
- Representative of the Federation of Accounting Professions At the 93rd Asian Federation of Accounting Meeting in Danang, Vietnam.
- Representative of the Federation of Accounting Professions At the 94th Asian Federation of Accounting Meeting in Laos
- Representative of the Federation of Accounting Professions At the 95th Asian Federation of Accounting Meeting in Kuala Lumpur, Malaysia.
- Representative of the Federation of Accounting Professions At the IASB's Meet The Expert 2010 conference in the UK
- Assistant Chief Accountant, Chavalit Hotel
- Assistant Auditor, SGV Na Thalang Office

Supervisor of the Company's Operations

Company Secretary Perform duties as supervisor of operations.

Attachment 4 : Information of Asset Appraisal

- None -