

**M.C.S. Steel Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2023
and
Independent Auditor's Report

Independent Auditor's Report

To the shareholders of M.C.S. Steel Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of M.C.S. Steel Public Company Limited and its subsidiaries (the "Group") and of M.C.S. Steel Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2023, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2023 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matter

Key audit matter is that matter that, in my professional judgment, was of most significance in my audit of the consolidated and separate financial statements of the current period. This matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

Adequacy of provision for product warranty	
Refer to notes 16 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
The Company has warranted the quality of the products by compensating the customers for the damage arising from normal usage due to the quality of the products. The product warranty period is 2 years counting from the completion date of the construction projects in which the products were installed. Therefore, a provision of product warranty was recognized. The determination of the provision involves estimates of the probability and amount of damage under warranty through the use of management's judgement. Therefore, I consider this matter to be a key audit matter.	My audit procedures included, among others: <ul style="list-style-type: none">- Inquiring management to gain understanding on the process and method for estimation;- Testing the reliability of actual claims with warranties data including testing on sampling basis of relevant documents;- Considering the appropriateness of assumptions used for estimation of expected damage from warranty by comparing with historical actual claims data;- Testing the calculation of provision for product warranty by considering the value of the products in the warranty period, total actual warranty expense and average number of years being claimed; and- Considering the adequacy of the Company's disclosures in accordance with the related Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that 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, actions taken to eliminate threats or safeguards applied.

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

(Ekkasit Chuthamsatid)
Certified Public Accountant
Registration No. 4195

KPMG Phoomchai Audit Ltd.
Bangkok
25 February 2024

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2023	2022	2023	2022
		(in Baht)			
Current assets					
Cash and cash equivalents	5	153,192,730	197,655,467	112,005,169	131,649,650
Trade and other current receivables	4,6	1,033,691,233	870,674,081	1,465,779,174	1,339,923,426
Current portion of long-term loans to related party	4	-	-	-	25,734,200
Current portion of long-term loans to employees	8	6,472,568	7,831,200	6,472,568	7,831,200
Inventories	7	2,386,883,389	3,883,494,394	1,924,701,288	3,449,723,243
Total current assets		3,580,239,920	4,959,655,142	3,508,958,199	4,954,861,719
Non-current assets					
Investments in subsidiaries	9	-	-	158,184,279	172,957,034
Long-term loans to related party	4	-	-	393,995,413	398,777,163
Long-term loans to employees	8	57,118,977	71,355,557	57,118,977	71,355,557
Property, plant and equipment	11	1,243,008,672	1,379,476,202	794,283,425	895,649,482
Right-of-use assets	12	124,245,219	134,799,080	3,379,132	5,975,695
Goodwill		17,799,373	19,177,980	-	-
Other intangible assets		13,762,965	15,289,601	7,348,570	7,436,022
Deferred tax assets	20	-	910,404	4,496,168	5,305,805
Contract cost assets	18	235,041,718	216,281,509	235,041,718	216,281,509
Other non-current assets		567,641	544,879	34,775	34,775
Total non-current assets		1,691,544,565	1,837,835,212	1,653,882,457	1,773,773,042
Total assets		5,271,784,485	6,797,490,354	5,162,840,656	6,728,634,761

The accompanying notes form an integral part of the financial statements.

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity		2023	2022	2023	2022
		(in Baht)			
Current liabilities					
Short-term loans from financial institution	14, 23	120,600,078	120,071,283	-	-
Trade and other current payables	4, 13, 23	1,284,179,031	2,595,110,098	1,699,292,845	3,166,080,165
Current portion of lease liabilities	14, 23	2,265,428	2,759,490	2,184,744	2,632,679
Income tax payable		3,375,858	20,010,173	-	-
Total current liabilities		1,410,420,395	2,737,951,044	1,701,477,589	3,168,712,844
Non-current liabilities					
Lease liabilities	14, 23	2,049,191	4,191,150	1,924,595	4,145,575
Deferred tax liabilities	20	31,841,058	35,489,456	-	-
Non-current provisions for employee benefits	15	31,499,739	28,985,559	31,499,739	28,985,559
Provision for product warranty	16	33,312,527	47,370,597	26,001,952	42,826,361
Total non-current liabilities		98,702,515	116,036,762	59,426,286	75,957,495
Total liabilities		1,509,122,910	2,853,987,806	1,760,903,875	3,244,670,339
Equity					
Share capital:					
Authorised share capital (477 million ordinary shares, par value at Baht 1 per share)		477,000,000	477,000,000	477,000,000	477,000,000
Issued and paid-up share capital (477 million ordinary shares, par value at Baht 1 per share)		477,000,000	477,000,000	477,000,000	477,000,000
Share premium		140,000,000	140,000,000	140,000,000	140,000,000
Retained earning					
Appropriated					
Legal reserve	17	50,000,000	50,000,000	50,000,000	50,000,000
Unappropriated		4,548,726,655	4,479,515,264	4,236,272,736	4,099,021,740
Other components of equity		#####	#####	#####	#####
Equity attributable to owners of the parent		3,627,580,323	3,777,443,515	3,401,936,781	3,483,964,422
Non-controlling interests	10	135,081,252	166,059,033	-	-
Total equity		3,762,661,575	3,943,502,548	3,401,936,781	3,483,964,422
Total liabilities and equity		5,271,784,485	6,797,490,354	5,162,840,656	6,728,634,761

The accompanying notes form an integral part of the financial statements.

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of comprehensive income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended		Year ended	
		31 December		31 December	
		2023	2022	2023	2022
<i>(in Baht)</i>					
Income					
Revenue from sale of goods and rendering of services	18	5,517,987,172	3,988,030,942	5,498,176,103	3,911,608,406
Contract revenue	18	259,176,287	-	259,176,287	-
Net foreign exchange gain		-	27,459,817	-	-
Other income	4	41,919,601	26,888,028	44,866,574	22,970,363
Total income		5,819,083,060	4,042,378,787	5,802,218,964	3,934,578,769
Expenses					
Cost of sales of goods and rendering of services	4, 7, 19	4,570,601,459	3,055,041,165	4,595,017,651	3,191,966,531
Contract costs	7, 19	153,457,889	-	153,457,889	-
Distribution costs	19	506,761,820	481,530,563	506,761,820	481,530,563
Administrative expenses	19	312,792,858	303,581,147	202,965,757	207,611,569
Net foreign exchange loss		85,366,557	-	78,467,516	11,387,231
Total expenses		5,628,980,583	3,840,152,875	5,536,670,633	3,892,495,894
Profit from operating activities		190,102,477	202,225,912	265,548,331	42,082,875
Finance costs		36,777,494	10,727,349	32,059,516	8,973,875
Profit before income tax expense		153,324,983	191,498,563	233,488,815	33,109,000
Tax expense	20	8,726,941	56,935,407	838,339	24,271,005
Profit for the year		144,598,042	134,563,156	232,650,476	8,837,995
Other comprehensive income (expense)					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		(230,039,535)	(577,330,183)	(219,278,637)	(486,490,092)
Total item that will be reclassified subsequently to profit or loss		(230,039,535)	(577,330,183)	(219,278,637)	(486,490,092)
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Gain on remeasurements of defined benefit plans	15	-	1,171,063	-	1,171,063
Income tax relating to items that will not be reclassified subsequently to profit or loss	20	-	(158,498)	-	(158,498)
Total item that will not be reclassified subsequently to profit or loss		-	1,012,565	-	1,012,565
Other comprehensive income (expense) for the year, net of tax		(230,039,535)	(576,317,618)	(219,278,637)	(485,477,527)
Total comprehensive income (expense) for the year		(85,441,493)	(441,754,462)	13,371,839	(476,639,532)

The accompanying notes form an integral part of the financial statements.

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2023	2022	2023	2022
<i>(in Baht)</i>					
Profit attributable to:					
Owners of parent		164,610,871	119,868,639	232,650,476	8,837,995
Non-controlling interests	10	<u>(20,012,829)</u>	<u>14,694,517</u>	<u>-</u>	<u>-</u>
		<u>144,598,042</u>	<u>134,563,156</u>	<u>232,650,476</u>	<u>8,837,995</u>
Total comprehensive income (expense) attributable to:					
Owners of parent		(54,463,712)	(451,504,874)	13,371,839	(476,639,532)
Non-controlling interests	10	<u>(30,977,781)</u>	<u>9,750,412</u>	<u>-</u>	<u>-</u>
		<u>(85,441,493)</u>	<u>(441,754,462)</u>	<u>13,371,839</u>	<u>(476,639,532)</u>
Basic earnings per share <i>(in Baht)</i>	21	<u>0.35</u>	<u>0.25</u>	<u>0.49</u>	<u>0.02</u>

The accompanying notes form an integral part of the financial statements.

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of changes in equity

		Consolidated financial statements										
		Retained earnings			Other components of equity							
					Difference from							
		Issued and	Shares	Legal	Exchange differences	change in shareholding	Total	Equity attributable	Non-	Total		
Note	share capital	premium	reserve	Unappropriated	on translating	proportion in	other components	to owners of	controlling	equity		
					financial statements	subsidiary	of equity	the parent	interests	equity		
		<i>(in Baht)</i>										
Year ended 31 December 2022												
	Balance at 1 January 2022	477,000,000	140,000,000	50,000,000	4,596,990,110	(781,435,610)	(15,250,061)	(796,685,671)	4,467,304,439	156,308,621	4,623,613,060	
Transactions with owners, recorded directly in equity												
<i>Distributions to owners of the parent</i>												
	Dividends	22	-	-	-	(238,356,050)	-	-	-	(238,356,050)	-	(238,356,050)
	Total transactions with owners, recorded directly in equity	-	-	-	(238,356,050)	-	-	-	(238,356,050)	-	(238,356,050)	
Comprehensive income (expense) for the year												
	Profit	-	-	-	119,868,639	-	-	-	119,868,639	14,694,517	134,563,156	
	Other comprehensive income (expense)	-	-	-	1,012,565	(572,386,078)	-	(572,386,078)	(571,373,513)	(4,944,105)	(576,317,618)	
	Total comprehensive income (expense) for the year	-	-	-	120,881,204	(572,386,078)	-	(572,386,078)	(451,504,874)	9,750,412	(441,754,462)	
	Balance at 31 December 2022	477,000,000	140,000,000	50,000,000	4,479,515,264	(1,353,821,688)	(15,250,061)	(1,369,071,749)	3,777,443,515	166,059,033	3,943,502,548	

The accompanying notes form an integral part of the financial statements.

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of changes in equity

		Consolidated financial statements										
		Retained earnings			Other components of equity							
					Difference from							
		Issued and paid-up share capital	Shares premium	Legal reserve	Unappropriated	Exchange differences on translating financial statements	change in shareholding proportion in subsidiary	Total other components of equity	Equity attributable to owners of the parent	Non- controlling interests	Total equity	
<i>Note</i>												
<i>(in Baht)</i>												
Year ended 31 December 2023												
	Balance at 1 January 2023	477,000,000	140,000,000	50,000,000	4,479,515,264	(1,353,821,688)	(15,250,061)	(1,369,071,749)	3,777,443,515	166,059,033	3,943,502,548	
Transactions with owners, recorded directly in equity												
<i>Distributions to owners of the parent</i>												
	Dividends	22	-	-	-	(95,399,480)	-	-	-	(95,399,480)	-	(95,399,480)
	Total transactions with owners, recorded directly in equity	-	-	-	(95,399,480)	-	-	-	(95,399,480)	-	(95,399,480)	
Comprehensive income (expense) for the year												
	Profit	-	-	-	164,610,871	-	-	-	164,610,871	(20,012,829)	144,598,042	
	Other comprehensive income (expense)	-	-	-	-	(219,074,583)	-	(219,074,583)	(219,074,583)	(10,964,952)	(230,039,535)	
	Total comprehensive income (expense) for the year	-	-	-	164,610,871	(219,074,583)	-	(219,074,583)	(54,463,712)	(30,977,781)	(85,441,493)	
	Balance at 31 December 2023	477,000,000	140,000,000	50,000,000	4,548,726,655	(1,572,896,271)	(15,250,061)	(1,588,146,332)	3,627,580,323	135,081,252	3,762,661,575	

The accompanying notes form an integral part of the financial statements.

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of changes in equity

	Note	Separate financial statements						Total equity
		Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity		
				Legal reserve	Unappropriated	Exchange differences on translating financial statements	Total other components of equity	
<i>(in Baht)</i>								
Year ended 31 December 2022								
Balance at 1 January 2022		477,000,000	140,000,000	50,000,000	4,327,527,230	(795,567,226)	(795,567,226)	4,198,960,004
Transactions with owners, recorded directly in equity								
<i>Distributions to owners</i>								
Dividends	22	-	-	-	(238,356,050)	-	-	(238,356,050)
Total transactions with owners, recorded directly in equity		-	-	-	(238,356,050)	-	-	(238,356,050)
Comprehensive income (expense) for the year								
Profit		-	-	-	8,837,995	-	-	8,837,995
Other comprehensive income (expense)		-	-	-	1,012,565	(486,490,092)	(486,490,092)	(485,477,527)
Total comprehensive income (expense) for the year		-	-	-	9,850,560	(486,490,092)	(486,490,092)	(476,639,532)
Balance at 31 December 2022		477,000,000	140,000,000	50,000,000	4,099,021,740	(1,282,057,318)	(1,282,057,318)	3,483,964,422

The accompanying notes form an integral part of the financial statements.

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of changes in equity

	Note	Separate financial statements						Total equity
		Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity		
				Legal reserve	Unappropriated	Exchange differences on translating financial statements	Total other components of equity	
<i>(in Baht)</i>								
Year ended 31 December 2023								
Balance at 1 January 2023		477,000,000	140,000,000	50,000,000	4,099,021,740	(1,282,057,318)	(1,282,057,318)	3,483,964,422
Transactions with owners, recorded directly in equity								
<i>Distributions to owners</i>								
Dividends	22	-	-	-	(95,399,480)	-	-	(95,399,480)
Total transactions with owners, recorded directly in equity		-	-	-	(95,399,480)	-	-	(95,399,480)
Comprehensive income (expense) for the year								
Profit		-	-	-	232,650,476	-	-	232,650,476
Other comprehensive income (expense)		-	-	-	-	(219,278,637)	(219,278,637)	(219,278,637)
Total comprehensive income (expense) for the year		-	-	-	232,650,476	(219,278,637)	(219,278,637)	13,371,839
Balance at 31 December 2023		477,000,000	140,000,000	50,000,000	4,236,272,736	(1,501,335,955)	(1,501,335,955)	3,401,936,781

The accompanying notes form an integral part of the financial statements.

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2023	2022	2023	2022
(in Baht)					
Cash flows from operating activities					
Profit for the year		144,598,042	134,563,156	232,650,476	8,837,995
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Tax expense		8,726,941	56,935,407	838,339	24,271,005
Finance costs		36,777,494	10,727,349	32,059,516	8,973,875
Depreciation and amortisation	19	144,339,060	139,727,314	101,189,682	110,222,857
Amortisation of contract cost assets		78,921,470	46,769,340	78,921,470	46,769,340
Provisions for employee benefits expense	15	3,356,968	2,757,809	3,356,968	2,757,809
Unrealised gain on exchange rate		(13,418,724)	(5,352,243)	(13,418,724)	(5,352,243)
(Reversal of) provision for warranty	16	47,222	29,670,440	(3,040,994)	29,244,039
Reversal of expected credit loss	6	-	(8,345,078)	-	(7,479,964)
Impairment loss on investment in subsidiary	9	-	-	2,339,759	-
Gain on disposal of equipment		(25,514)	(5,512,046)	(8,689,598)	(5,512,046)
Reversal of loss on inventories devaluation	7	-	(11,374,952)	-	(11,374,952)
Interest income		(5,489,413)	(1,673,101)	(5,489,413)	(5,133,133)
		<u>397,833,546</u>	<u>388,893,395</u>	<u>420,717,481</u>	<u>196,224,582</u>
Changes in operating assets and liabilities					
Trade and other current receivables		(137,161,703)	937,210,905	(91,482,717)	949,354,574
Inventories		1,496,611,005	(1,881,194,726)	1,525,021,955	(1,859,040,225)
Contract cost assets		(110,345,466)	(142,824,810)	(110,345,466)	(142,824,810)
Other non-current assets		(59,431)	2,183,761	-	-
Trade and other current payables		(1,318,773,956)	1,226,224,001	(1,474,624,604)	1,336,025,707
Exchange rate differences on translating of financial statements		(121,535,418)	(412,956,480)	(105,416,340)	(319,851,270)
Net cash generated from operating		<u>206,568,577</u>	<u>117,536,046</u>	<u>163,870,309</u>	<u>159,888,558</u>
Provisions for employee benefits paid	15	(880,164)	(125,000)	(880,164)	(125,000)
Provisions for product warranties paid	16	(10,749,950)	(31,181,230)	(10,749,950)	(31,181,230)
Taxes paid		<u>(34,890,824)</u>	<u>(89,777,035)</u>	<u>(10,773,084)</u>	<u>(55,616,047)</u>
Net cash from (used in) operating activities		<u>160,047,639</u>	<u>(3,547,219)</u>	<u>141,467,111</u>	<u>72,966,281</u>
Cash flows from investing activities					
Decrease in loans to employees	8	15,595,212	1,741,809	15,595,212	1,741,809
Increase in loans to related party	4	-	-	-	(38,601,300)
Proceeds from capital reduction in subsidiary		-	-	-	9,892,080
Acquisition of plant and equipment	11	(97,557,006)	(202,950,178)	(58,598,788)	(179,504,321)
Proceeds from sale of plant and equipment		1,583,585	5,632,963	3,782,914	5,587,861
Acquisition of other intangible assets		(1,611,342)	(1,258,619)	(1,611,342)	(1,258,618)
Interest received		6,615,581	1,694,564	4,526,594	5,610,997
Net cash used in investing activities		<u>(75,373,970)</u>	<u>(195,139,461)</u>	<u>(36,305,410)</u>	<u>(196,531,492)</u>

The accompanying notes form an integral part of the financial statements.

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2023	2022	2023	2022
<i>(in Baht)</i>					
Cash flows from financing activities					
Increase in short-term loans from financial institution		528,795	80,227,648	-	-
Decrease in short-term loan from related party	4	-	-	-	(5,809,400)
Payment of lease liabilities	12	(2,541,302)	(3,088,379)	(2,394,721)	(2,948,357)
Dividend paid to owners of the Company	22	(95,399,480)	(238,356,050)	(95,399,480)	(238,356,050)
Interest paid		(36,771,889)	(12,055,126)	(32,059,516)	(9,914,764)
Net cash used in financing activities		(134,183,876)	(173,271,907)	(129,853,717)	(257,028,571)
Net decrease in cash and cash equivalents, before effect of exchange rate changes		(49,510,207)	(371,958,587)	(24,692,016)	(380,593,782)
Effect of exchange rate changes on cash and cash equivalents		5,047,470	3,239,163	5,047,535	3,239,163
Net decrease in cash and cash equivalents		(44,462,737)	(368,719,424)	(19,644,481)	(377,354,619)
Cash and cash equivalents at 1 January		197,655,467	566,374,891	131,649,650	509,004,269
Cash and cash equivalents at 31 December	5	153,192,730	197,655,467	112,005,169	131,649,650
Non-cash transactions					
Other current receivables from sale of equipment		-	-	6,428,596	-

The accompanying notes form an integral part of the financial statements.

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Notes to the financial statements
For the year ended 31 December 2023

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 25 February 2024.

1 General information

M.C.S. Steel Public Company Limited, the “Company”, is incorporated in Thailand since 1992 and was listed on the Stock Exchange of Thailand in February 2005. The Company’s registered office at 70 Moo 2, Changyai, Bangsai, Ayutthaya. The Company’s major shareholders during the financial year were Thai NVDR Co., Ltd. (8.57% shareholding), incorporated in Thailand, and Nomura Securities Co., Ltd. (7.00% shareholding), incorporated in Japan.

The principal activities of the Company and the Group are production and distribution of structural steel products for building construction, and residential development project for sale. Details of the Company’s subsidiaries as at 31 December 2023 are described in notes 9.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

(a) Functional and presentation currency

Item included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). These financial statements are presented in Thai Baht which is different from the functional currency of the Company, which is Japanese Yen. The presentation currency in Thai Baht is in accordance with the regulatory requirements in Thailand. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated. Condensed financial statements presented in Japanese Yen, which is the Company’s functional currency, are disclosed in note 27.

(b) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”)

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there is a change in the Group's interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control are accounted for as other surpluses/deficits in shareholders' equity.

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

(b) Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(c) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency difference are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to functional currency at the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated to functional currency at rates approximating the exchange rates at the dates of the transactions. Foreign exchange differences are recognised in other comprehensive income, except to the extent that the translation difference is allocated to non-controlling interests. Foreign exchange differences are accumulated in the translation reserve until disposal of the investment

M.C.S. Steel Public Company Limited and its Subsidiaries
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For the year ended 31 December 2023

(d) Financial instruments

(1) Classification and measurement

Financial assets and financial liabilities (except trade accounts receivable (see note 3(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

(2) Derecognition and offset

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(3) Impairment of financial assets other than trade accounts receivable

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'. The Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

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The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 270 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group takes action such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

(4) Write offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which have maturities of three months or less from the date of acquisition.

(f) Trade and other current receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost of inventories are calculated by the following methods:

Work in process	By actual cost specific to weight of the work piece
Raw materials, spare parts and factory supplies	By the first-in, first-out method

Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

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Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction and installation.

The estimated useful lives are as follows:

Buildings and building improvement	5, 20 years
Machinery and factory equipment	5 - 20 years
Furniture, fixtures and office equipment	3 - 5 years
Vehicles	5 years

(i) Intangible assets

Goodwill

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment.

Other intangible assets

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of other intangible assets and recognised in profit or loss. The estimated useful lives are as follows:

Software licences	5 - 10 years
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No amortisation is provided on software under installation.

The amortisation of other intangible assets is included in administrative expenses.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which are recognised as expense on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

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The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero. The Group remeasured lease liabilities using the original discount rate and recognised the impact of the change in lease liability in profit or loss.

(k) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and other intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Employee benefits

Defined contribution plan

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(n) 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 market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(o) Revenue

(1) Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax or other sales taxes and is after deduction of any trade discounts and volume rebates.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers.

Revenue for rendering of services is recognised over time based on stage of completion. The stage of completion is assessed based on surveys of work performed. The related costs are recognised in profit or loss when they are incurred.

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Notes to the financial statements

For the year ended 31 December 2023

For bundled packages, the Group recognises revenue from sales of products and rendering of services separately if a product or service is separately identifiable from other items and a customer can benefit from it or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices.

(2) Contract balances

Contract assets are recognised when the Group has recognised revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Group is entitled to, less allowance for expected credit loss. The contract assets are classified as trade receivables when the Group has an unconditional right to receive consideration.

Contract liabilities are the obligation to transfer goods or services to the customer. The contract liabilities are recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

A refund liability is the obligation to refund some or all of the consideration received from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The refund liability is reassessed at each reporting date and the Group makes a corresponding change to the amount of revenue recognised.

(3) Contract cost assets

Contract cost assets are the incremental costs to obtain a contract with a customer. The Group expects to recover these costs.

Contract cost assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is charged to profit or loss on systematic basis over the term of the contract it relates to, consistent with the related revenue recognition.

(p) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(q) Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

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4 Related parties

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that is under common control or under the same significant influence as the Group; or a person or entity over which the Group has direct or indirect control or has significant influence over the financial and managerial decision-making.

Relationships with subsidiaries are described in notes 9. Other related parties which the Group had significant transactions with during the year were as follows:

Persons	Nationality	Nature of relationships	Consolidated		Separate	
			financial statements		financial statements	
Key management personnel	Multi-nationalities	Persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company	2023	2022	2023	2022
Significant transactions with related parties			<i>(in thousand Baht)</i>			
Subsidiaries						
Interest income			-	-	4,306	4,556
Purchase goods and services			-	-	1,380,340	2,053,478
Technical assistance expense			-	-	16,234	17,511
Interest expense			-	-	-	88
Gain from sale of machinery and factory equipment			-	-	8,628	-
Key management personnel						
Key management personnel compensation						
Short-term benefits			41,305	46,601	33,293	38,342
Post-employment benefits			164	214	164	214
Total key management personnel compensation			<u>41,469</u>	<u>46,815</u>	<u>33,457</u>	<u>38,556</u>
Balances with related parties			<i>(in thousand Baht)</i>			
At 31 December						
Other current receivables						
Subsidiaries			-	-	484,932	545,546
Less allowance for expected credit loss			-	-	-	(16,779)
Net			<u>-</u>	<u>-</u>	<u>484,932</u>	<u>528,767</u>

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Movement of long-term loans to related party

	Interest rate (% per annum)	At 1 January	Separate financial statements		Translation adjustment	At 31 December
			Increase	Decrease		
2023						
Subsidiary	1.00	446,488	-	-	(32,096)	414,392
Less allowance for expected credit loss		<u>(21,977)</u>	-	-	1,580	<u>(20,397)</u>
Net		<u>424,511</u>				<u>393,995</u>
2022						
Subsidiary	1.00	454,754	38,601	-	(46,867)	446,488
Less allowance for expected credit loss		<u>(24,502)</u>	-	-	2,525	<u>(21,977)</u>
Net		<u>430,252</u>				<u>424,511</u>

<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Trade accounts payable</i>				
Subsidiaries	-	-	529,101	861,923
Total	<u>-</u>	<u>-</u>	<u>529,101</u>	<u>861,923</u>
<i>Other current payables</i>				
Subsidiaries	-	-	74,388	63,047
Total	<u>-</u>	<u>-</u>	<u>74,388</u>	<u>63,047</u>

Significant agreements with related parties

Loans to subsidiary

At 31 December 2023, The Company has unsecured loan agreements with a subsidiary with totalling amount of Yen 1,735.00 million or equivalent to Baht 394.00 million, bearing interest at 1.00% per annum and was repayable from December 2027 to December 2038.

Service agreement

The Company entered into a fabrication steel service agreement with M.C.S. Steel (Xiamen) Co., Ltd. to conduct the fabrication work according to design drawing and to delivery according to the project schedule. Under the agreement, the Company has to prepay for material to M.C.S. Steel (Xiamen) Co., Ltd. to provide procurement main steel materials used in the project as requirement identifying in agreement.

Technical service agreement

The Company entered into a technical service agreement with M.C.S. - JAPAN Co., Ltd. to obtain technical and proficiency skills for improving efficiency of the fabrication work. The Company is committed to pay service charges at amounts specified in the agreements. The agreement is for the periods within one year, which are automatically renewable unless either party notified for termination.

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5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Cash on hand	768	818	644	652
Cash at banks	151,776	196,192	110,712	130,353
Highly liquid short-term investments	649	645	649	645
Cash and cash equivalents in the statement of financial position and statement of cash flows	153,193	197,655	112,005	131,650

6 Trade and other current receivables

At 31 December	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		<i>(in thousand Baht)</i>			
Trade accounts receivable					
Other parties					
Within credit terms		526,509	446,789	489,855	397,969
Overdue:					
Less than 3 months		172,491	16,454	172,491	16,454
3 - 6 months		11,098	54,014	11,098	54,014
6 - 12 months		-	26,329	-	26,329
More than 12 months		103,553	102,537	-	-
Total		813,651	646,123	673,444	494,766
Less allowance for expected credit loss		(103,553)	(102,537)	-	-
Net		710,098	543,586	673,444	494,766
Net - Trade accounts receivable		710,098	543,586	673,444	494,766
Other current receivables					
Related parties					
Product and service advance payment	4	-	-	474,117	542,052
Others		-	-	10,815	3,494
Total		-	-	484,932	545,546
Less allowance for expected credit loss		-	-	-	(16,779)
Net		-	-	484,932	528,767
Other parties					
Retention receivables		178,615	133,490	178,615	133,490
Contract assets	18	-	7,480	-	7,480
Product and service advance payment		63,708	112,546	36,791	101,303
Revenue department receivables		72,282	84,294	53,968	51,328
Others		57,617	37,438	38,029	22,789
Total		372,222	375,248	307,403	316,390
Less allowance for expected credit loss		(48,629)	(48,160)	-	-
Net		323,593	327,088	307,403	316,390
Net - other current receivables		323,593	327,088	792,335	845,157
Net - trade and other current receivables		1,033,691	870,674	1,465,779	1,339,923

Allowance for expected credit loss	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
At 1 January	150,697	167,944	-	7,480
Reversal	-	(8,345)	-	(7,480)
Effect of movements in exchange rates	1,485	(8,902)	-	-
At 31 December	152,182	150,697	-	-

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7 Inventories

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Work in progress	1,021,109	1,229,930	725,923	1,063,415
Raw materials	997,325	1,990,035	932,121	1,950,567
Spare parts and factory supplies	260,933	406,707	159,142	178,919
Goods in transit	107,516	256,822	107,515	256,822
Total	<u>2,386,883</u>	<u>3,883,494</u>	<u>1,924,701</u>	<u>3,449,723</u>
Inventories recognised in ‘cost of sales of goods and rendering of services’ and ‘contract costs’:				
- Cost of goods and rendering of services	4,724,059	3,066,416	4,748,476	3,203,342
- Reversal of write-down	-	(11,375)	-	(11,375)
Net	<u>4,724,059</u>	<u>3,055,041</u>	<u>4,748,476</u>	<u>3,191,967</u>

As at 31 December 2023 and 2022, the Company’s certain portion of raw materials are pledged as collateral for credit facilities with a local financial institution as disclosed in note 14.

8 Loans to employees

	Consolidated financial statements / Separate financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
At 1 January	79,187	80,928
Decrease	(15,595)	(1,741)
At 31 December	<u>63,592</u>	<u>79,187</u>
Current	6,473	7,831
Non-current	57,119	71,356
At 31 December	<u>63,592</u>	<u>79,187</u>

According to the Board of Directors Meeting No. 3/2018 dated 24 March 2018, it had resolution to approve the Company to provide loans to employees as welfare and support employees to have accommodation at low cost by calculating interest at 2% per annum. The period of payment is not over 20 years.

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9 Investments in subsidiaries

	Type of business	Country of operation	Ownership interest		Paid-up capital		Separate financial statements						Dividend income for the year					
							2023		2022		Cost				Impairment		At cost - net	
							2023	2022	2023	2022	2023	2022			2023	2022	2023	2022
<i>Direct subsidiaries</i>																		
Tanaka Welding Center Co., Ltd.	Welder training and Real estate	Thailand	99.92	99.92	Baht 14.85 million	Baht 14.85 million	9,842	10,604	(2,340)	-	7,502	10,604	-	-				
M.C.S. - JAPAN Co., Ltd.	Design and production of structural steel product	Japan	98.00	98.00	Yen 50 million	Yen 50 million	11,703	12,610	-	-	11,703	12,610	-	-				
M.C.S. Steel (Xiamen) Co., Ltd.	Production and distribution of structural steel product	China	74.00	74.00	Yuan 64 million	Yuan 64 million	151,147	162,853	(12,168)	(13,110)	138,979	149,743	-	-				
Total							<u>172,692</u>	<u>186,067</u>	<u>(14,508)</u>	<u>(13,110)</u>	<u>158,184</u>	<u>172,957</u>	<u>-</u>	<u>-</u>				

At the Extraordinary General Meeting of shareholders of a subsidiary, Tanaka Welding Center Co., Ltd., held on 2 September 2022, the shareholders of the subsidiary approved to decrease the registered share capital of the subsidiary in amount of Baht 9.90 million from amount of Baht 24.75 million (99,000 ordinary shares, at par value of Baht 25 per share) to Baht 14.85 million (99,000 ordinary shares, at par value of Baht 15 per share). The subsidiary registered the decrease of share capital with the Ministry of Commerce on 7 October 2022.

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Notes to the financial statements
For the year ended 31 December 2023

10 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	M.C.S. Steel (Xiamen) Co., Ltd.	
	2023	2022
	<i>(in thousand Baht)</i>	
Non-controlling interest percentage	26.00	26.00
Current assets	449,344	717,852
Non-current assets	263,670	281,843
Current liabilities	(232,663)	(435,555)
Non-current liabilities	(33,681)	(35,817)
Net assets	446,670	528,323
Carrying amount of non-controlling interest	<u>135,081</u>	<u>166,059</u>
Revenue	703,011	1,607,552
Profit (loss)	(76,972)	56,518
Other comprehensive income (expense)	(42,173)	(19,019)
Total comprehensive income (expense)	(119,145)	37,499
Profit (loss) allocated to non-controlling interest	(20,013)	14,695
Other comprehensive income (expense) allocated to non-controlling interest	(10,965)	(4,945)
Total	(30,978)	9,750
Cash flows from operating activities	13,962	(49,954)
Cash flows from investing activities	(7,992)	(382)
Cash flows from financing activities	(163)	83,336
Effect of exchange rate changes on cash and cash equivalents	6,788	8,156
Net increase in cash and cash equivalents	12,595	41,156

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For the year ended 31 December 2023

11 Property, plant and equipment

	Consolidated financial statements						
	Land and land improvement	Buildings and building improvement	Machinery and factory equipment	Furniture, fixtures and office equipment <i>(In thousand Baht)</i>	Vehicles	Assets under construction and installation	Total
<i>Cost</i>							
At 1 January 2022	369,507	1,054,824	1,310,102	164,496	57,910	56,089	3,012,928
Additions	-	57	18,406	11,591	6,546	166,350	202,950
Transfers	-	8,257	5,294	10,694	-	(24,245)	-
Disposals	-	-	(105)	(851)	(19,120)	-	(20,076)
Effect of movements in exchange rates	(38,081)	(95,647)	(127,755)	(11,448)	(5,750)	(5,781)	(284,462)
At 31 December 2022 and 1 January 2023	331,426	967,491	1,205,942	174,482	39,586	192,413	2,911,340
Additions	-	9,511	12,475	10,206	2,866	62,499	97,557
Transfers	-	5,092	-	-	-	(5,092)	-
Disposals	-	(1,216)	(21,560)	(875)	-	-	(23,651)
Effect of movements in exchange rates	(27,823)	(61,225)	(82,974)	(9,547)	(2,613)	(13,683)	(197,865)
At 31 December 2023	303,603	919,653	1,113,883	174,266	39,839	236,137	2,787,381

M.C.S. Steel Public Company Limited and its Subsidiaries
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	Consolidated financial statements						
	Land and land improvement	Buildings and building improvement	Machinery and factory equipment	Furniture, fixtures and office equipment <i>(In thousand Baht)</i>	Vehicles	Assets under construction and installation	Total
<i>Depreciation</i>							
At 1 January 2022	3,241	590,870	779,303	136,526	45,677	-	1,555,617
Depreciation charge for the year	-	47,270	78,232	10,781	5,081	-	141,364
Disposals	-	-	(105)	(730)	(19,119)	-	(19,954)
Effect of movements in exchange rates	(334)	(54,855)	(74,155)	(11,009)	(4,810)	-	(145,163)
At 31 December 2022 and 1 January 2023	2,907	583,285	783,275	135,568	26,829	-	1,531,864
Depreciation charge for the year	-	42,060	73,497	12,915	3,353	-	131,825
Disposals	-	(10)	(21,183)	(249)	-	-	(21,442)
Effect of movements in exchange rates	(209)	(36,267)	(51,946)	(7,560)	(1,893)	-	(97,875)
At 31 December 2023	2,698	589,068	783,643	140,674	28,289	-	1,544,372
<i>Net book value</i>							
At 31 December 2022	328,519	384,206	422,667	38,914	12,757	192,413	1,379,476
At 31 December 2023	300,905	330,585	330,240	33,592	11,550	236,137	1,243,009

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	Separate financial statements						
	Land and land improvement	Buildings and building improvement	Machinery and factory equipment	Furniture, fixtures and office equipment <i>(In thousand Baht)</i>	Vehicles	Assets under construction and installation	Total
<i>Cost</i>							
At 1 January 2022	132,236	671,022	1,071,669	79,517	46,364	54,772	2,055,580
Additions	-	-	457	10,607	2,159	166,281	179,504
Transfers	-	8,257	4,112	10,694	-	(23,063)	-
Disposals	-	-	(105)	(692)	(19,078)	-	(19,875)
Effect of movements in exchange rates	(13,629)	(69,155)	(110,446)	(8,194)	(4,778)	(5,645)	(211,847)
At 31 December 2022 and 1 January 2023	118,607	610,124	965,687	91,932	24,667	192,345	2,003,362
Additions	-	4,868	2,940	6,687	-	44,104	58,599
Transfers	-	4,304	-	-	-	(4,304)	-
Disposals	-	(1,216)	(21,362)	(712)	-	-	(23,290)
Effect of movements in exchange rates	(8,524)	(43,860)	(69,418)	(6,610)	(1,773)	(13,827)	(144,012)
At 31 December 2023	110,083	574,220	877,847	91,297	22,894	218,318	1,894,659

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	Separate financial statements						
	Land and land improvement	Buildings and building improvement	Machinery and factory equipment	Furniture, fixtures and office equipment (In thousand Baht)	Vehicles	Assets under construction and installation	Total
Depreciation							
At 1 January 2022	3,240	404,969	632,115	64,058	38,701	-	1,143,083
Depreciation charge for the year	-	21,927	69,108	8,979	2,220	-	102,234
Disposals	-	-	(105)	(616)	(19,078)	-	(19,799)
Effect of movements in exchange rates	(332)	(41,736)	(65,146)	(6,602)	(3,989)	-	(117,805)
At 31 December 2022 and 1 January 2023	2,908	385,160	635,972	65,819	17,854	-	1,107,713
Depreciation charge for the year	-	20,077	61,224	10,950	1,809	-	94,060
Disposals	-	(10)	(21,362)	(396)	-	-	(21,768)
Effect of movements in exchange rates	(209)	(27,688)	(45,717)	(4,732)	(1,283)	-	(79,629)
At 31 December 2023	2,699	377,539	630,117	71,641	18,380	-	1,100,376
Net book value							
At 31 December 2022	115,699	224,964	329,715	26,113	6,813	192,345	895,649
At 31 December 2023	107,384	196,681	247,730	19,656	4,514	218,318	794,283

As at 31 December 2023, the Group and the Company's land and building with a net book value of Baht 126.03 million (2022: Baht 137.03 million) are pledged as collateral for bank credit facilities and as at 31 December 2023 and 2022, the Company committed not to sell, transfer or make any restriction to the machinery for the such credit facilities with a local financial institution.

M.C.S. Steel Public Company Limited and its Subsidiaries
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12 Leases

<i>Right-of-use assets</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Land	120,866	128,823	-	-
Equipment	2,112	3,631	2,112	3,631
Vehicles	1,267	2,345	1,267	2,345
Total	124,245	134,799	3,379	5,976

In 2023, additions to the right-of-use assets of the Group and the Company were Baht 1.22 million (2022: Baht 1.32 million).

In 2023 and 2022, the Group leased a office equipment for 4 - 5 years and paid fixed lease payment. These payment terms are common in Thailand.

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Land	2,977	3,137	-	-
- Equipment	1,308	1,697	1,308	1,697
- Vehicles	945	1,019	945	1,019
Interest on lease liabilities	110	161	110	161
Expenses relating to short-term leases - office equipment	40	40	40	40

In 2023, total cash outflow for leases of the Group and the Company were Baht 2.65 million and Baht 2.50 million, respectively (2022: Baht 3.17 million and Baht 3.11 million, respectively).

13 Trade and other current payables

<i>At 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		<i>(in thousand Baht)</i>			
<i>Trade accounts payable</i>					
Related parties	4	-	-	529,101	861,923
Other parties		969,437	2,129,568	865,475	1,882,622
Total trade accounts payable		969,437	2,129,568	1,394,576	2,744,545
<i>Other current payables</i>					
<i>Related parties</i>					
Accrued expenses	4	-	-	13,179	2,975
Other		-	-	61,209	60,072
Total		-	-	74,388	63,047
<i>Other parties</i>					
Accrued expenses		191,540	320,990	115,740	224,322
Contract liabilities	18	66,616	104,433	66,616	104,433
Other		56,586	40,119	47,973	29,733
Total		314,742	465,542	230,329	358,488
Total other current payables		314,742	465,542	304,717	421,535
Trade and other current payables		1,284,179	2,595,110	1,699,293	3,166,080

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14 Interest-bearing liabilities

	Consolidated financial statements					
	2023			2022		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Short-term loans from financial institution	120,600	-	120,600	120,071	-	120,071
Lease liabilities	1,699	2,616	4,315	2,842	4,109	6,951
Total interest-bearing liabilities	122,299	2,616	124,915	122,913	4,109	127,022

	Separate financial statements					
	2023			2022		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Lease liabilities	1,493	2,616	4,109	2,669	4,109	6,778

At 31 December 2023, a subsidiary has outstanding short-term loans from a financial institution amounting to Yuan 24.74 million or equivalent to Baht 120.60 million (2022: Yuan 23.84 million or equivalent to Baht 120.07 million) which bear interest rate between 3.90% to 4.20% per annum (2022: 4.20% to 4.55% per annum), which will become due within August 2024. The short-term loans were guaranteed by right-of-use assets of the subsidiary.

At 31 December 2023, the Group and the Company has unutilized credit facilities with financial institutions for overdrafts, trust receipt and loan totalling Baht 1,631.27 million and Baht 1,630.00 million, respectively (2022: Baht 1,635.87 million and Baht 1,630.00 million, respectively).

<i>Assets pledged as security for liabilities</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Inventories	791,985	1,758,919	791,985	1,758,919
Property, plant and equipment	126,025	137,033	126,025	137,033
Right-of-use assets	120,866	135,452	-	-
Total	1,038,876	2,031,404	918,010	1,895,952

15 Non-current provisions for employee benefits

<i>At 31 December</i>	Consolidated Financial statements / Separate financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
Defined benefit plan	31,500	28,986
Total	31,500	28,986

Defined benefit plan

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

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	Consolidated financial statements / Separate financial statements	
	2023	2022
<i>(in thousand Baht)</i>		
<i>Present value of the defined benefit obligations</i>		
At 1 January	28,986	27,529
Recognised in profit or loss:		
Current service cost	2,717	2,413
Interest on obligation	640	345
	3,357	2,758
Recognised in other comprehensive income		
Actuarial (gain) loss		
- Financial assumptions	-	(2,731)
- Experience adjustment	-	1,560
	-	(1,171)
Effect of movements in exchange rates	37	(5)
Benefit paid	(880)	(125)
At 31 December	31,500	28,986

	Consolidated financial statements / Separate financial statements	
	2023	2022
<i>(%)</i>		
<i>Principal actuarial assumptions</i>		
Discount rate	2.70	2.70
Future salary growth	5.00	5.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2023, the weighted-average duration of the defined benefit obligation was 6.20 years (2022: 6.20 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements / Separate financial statements			
	Increase in assumption		Decrease in assumption	
Effect to the defined benefit obligation At 31 December	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Discount rate (0.5% change)	(824)	(873)	872	925
Future salary growth (1% change)	2,014	2,135	(1,829)	(1,939)

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16 Provision for product warranty

	Consolidated financial statement	Separate financial statement
	<i>(in thousand Baht)</i>	
At 1 January 2022	54,404	49,821
Provisions made	29,670	29,244
Provisions used	(31,181)	(31,181)
Effect of movements in exchange rates	(5,522)	(5,058)
At 31 December 2022 and 1 January 2023	47,371	42,826
Provisions made (reversal)	47	(3,041)
Provisions used	(10,750)	(10,750)
Effect of movements in exchange rates	(3,355)	(3,033)
At 31 December 2023	33,313	26,002

Warranties

The provision for warranty relates mainly to structural steel products. The provision has been estimated based on historical warranty data associated with similar products.

17 Legal reserve

Section 116 of the Public Limited Companies Act B.E. 2535 (1992) Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

18 Segment information and disaggregation of revenue

(a) Segment information

Segment results that are reported to the Group’s CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Management determined that the Group has three reportable segments on the basis of geographical of the entities, as described below, which are the Group’s strategic divisions. The strategic divisions offer different operations separately. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group’s reportable segments.

- Segment 1 Thailand
- Segment 2 China
- Segment 3 Japan

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit, as included in the internal management reports that are reviewed by the Group’s CODM. Segment operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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Consolidated financial statements

<i>Year ended 31 December</i>	Thailand		China		Japan		Elimination of inter-segment revenues		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	<i>(in thousand Baht)</i>									
Information about reportable segments										
External revenues	5,757,352	3,911,608	19,270	-	541	76,423	-	-	5,777,163	3,988,031
Inter-segment revenue	-	-	689,381	1,567,199	757,572	410,416	(1,446,953)	(1,977,615)	-	-
Total revenue	<u>5,757,352</u>	<u>3,911,608</u>	<u>708,651</u>	<u>1,567,199</u>	<u>758,113</u>	<u>486,839</u>	<u>(1,446,953)</u>	<u>(1,977,615)</u>	<u>5,777,163</u>	<u>3,988,031</u>
Disaggregation of revenue										
Primary geographical markets										
Thailand	259,176	-	-	-	-	-	-	-	259,176	-
China	-	-	19,270	-	-	-	-	-	19,270	-
Japan	5,498,176	3,911,608	689,381	1,567,199	758,113	486,839	(1,446,953)	(1,977,615)	5,498,717	3,988,031
Total revenue	<u>5,757,352</u>	<u>3,911,608</u>	<u>708,651</u>	<u>1,567,199</u>	<u>758,113</u>	<u>486,839</u>	<u>(1,446,953)</u>	<u>(1,977,615)</u>	<u>5,777,163</u>	<u>3,988,031</u>
Major products/service lines										
Fabrication and sell of structural steel	5,127,567	3,574,531	708,651	1,567,199	758,113	486,839	(1,446,953)	(1,977,615)	5,147,378	3,650,954
Fabrication including installation of structural steel	259,176	-	-	-	-	-	-	-	259,176	-
Rendering of services	370,609	337,077	-	-	-	-	-	-	370,609	337,077
Total revenue	<u>5,757,352</u>	<u>3,911,608</u>	<u>708,651</u>	<u>1,567,199</u>	<u>758,113</u>	<u>486,839</u>	<u>(1,446,953)</u>	<u>(1,977,615)</u>	<u>5,777,163</u>	<u>3,988,031</u>
Timing of revenue recognition										
At a point in time	5,127,567	3,574,531	708,651	1,567,199	758,113	486,839	(1,446,953)	(1,977,615)	5,147,378	3,650,954
Over time	629,785	337,077	-	-	-	-	-	-	629,785	337,077
Total revenue	<u>5,757,352</u>	<u>3,911,608</u>	<u>708,651</u>	<u>1,567,199</u>	<u>758,113</u>	<u>486,839</u>	<u>(1,446,953)</u>	<u>(1,977,615)</u>	<u>5,777,163</u>	<u>3,988,031</u>
Segment profit before income tax	<u>233,489</u>	<u>32,745</u>	<u>(74,870)</u>	<u>83,512</u>	<u>11,597</u>	<u>15,074</u>	<u>(16,891)</u>	<u>60,168</u>	<u>153,325</u>	<u>191,499</u>
Segment assets as at 31 December	<u>5,171,900</u>	<u>6,738,914</u>	<u>728,585</u>	<u>1,029,145</u>	<u>865,353</u>	<u>711,266</u>	<u>(1,494,054)</u>	<u>(1,681,835)</u>	<u>5,271,784</u>	<u>6,797,490</u>
Segment liabilities as at 31 December	<u>1,762,455</u>	<u>3,246,222</u>	<u>271,317</u>	<u>491,133</u>	<u>866,746</u>	<u>712,725</u>	<u>(1,391,395)</u>	<u>(1,596,092)</u>	<u>1,509,123</u>	<u>2,853,988</u>

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(b) *Major customer*

Revenues from one customer of the Group's segment 1 and 3 represents approximately Baht 2,938.25 million (2022: Baht 2,852.82 million) of the Group's total revenue.

(c) *Promotional privileges*

The Group has been granted promotional certificates by the Office of the Board of Investment for the manufacturing of gasket under fabrication of metal structure products or platform repair. The Group has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates, which the Group must comply with.

(d) *Contract Balances*

<i>Contract assets</i>	<i>Note</i>	Consolidated financial statements / Separate financial statements	
		2023	2022
		<i>(in thousand Baht)</i>	
Construction contract	6	-	7,480
Material movement			
Year ended 31 December			
Recognised as revenue during the year		259,176	-
Transfer to trade accounts receivable		(324,772)	-

The contract assets primarily relate to the Group's rights to consideration for project installation service agreements which the Group has rendered the services but not yet billed the customers at the reporting date.

<i>Contract liabilities</i>	<i>Note</i>	Consolidated financial statements / Separate financial statements	
		2023	2022
		<i>(in thousand Baht)</i>	
Advances received according to construction contract		58,116	-
Advances received for goods		8,500	104,433
Total	13	66,616	104,433

The Group's and the Company's contract liabilities at 31 December 2022 amounted of Baht 104.43 million, have been recognised as revenue in 2023.

(e) *Contract cost assets*

At 31 December 2023, the Group and the Company have net costs to obtain a contract amounted of Baht 235.04 million (2022: Baht 216.28 million).

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19 Expenses by nature

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<i>(in thousand Baht)</i>					
Changes in inventories of finished goods and work in progress		226,002	(486,005)	337,492	(530,723)
Raw materials and consumables used		3,380,604	2,700,468	2,223,440	1,244,788
Shipping cost		553,812	622,276	469,004	479,295
Personnel expenses		571,755	422,580	376,663	257,480
Subcontract cost		119,710	112,038	1,494,471	2,082,315
Depreciation and amortisation		144,339	139,727	101,190	110,223
Amortisation of contract cost assets		78,921	46,769	78,921	46,769
Utilities expense		65,229	48,105	54,827	36,621
Repair and maintenance		26,128	33,194	18,936	10,413
Professional and consultation fee		18,484	20,384	7,797	25,013
Reversal of write-down	7	-	(11,375)	-	(11,375)
Others		358,630	191,992	295,462	130,290
Total cost of sales of goods and service, contract cost, distribution costs and administrative expenses		5,543,614	3,840,153	5,458,203	3,881,109

20 Income tax

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<i>(in thousand Baht)</i>				
Income tax recognised in profit or loss				
Current tax expense				
Current year	10,319	35,704	-	-
Adjustment for prior years	-	21,322	-	21,322
	10,319	57,026	-	21,322
Deferred tax expense				
Movements in temporary differences	(1,592)	(91)	493	2,551
Exchange differences	-	-	345	398
Total income tax expense	8,727	56,935	838	24,271

	Consolidated financial statements / Separate financial statements					
	2023			2022		
Income tax	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
<i>(in thousand Baht)</i>						
Recognised in other comprehensive income						
Defined benefit plan actuarial gains	-	-	-	1,171	(158)	1,013
Total	-	-	-	1,171	(158)	1,013

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Reconciliation of effective tax rate

	Rate (%)	Consolidated financial statements	
		2023 (in thousand Baht)	2022 (in thousand Baht)
Profit before income tax expense		153,325	191,499
Income tax using the Thai corporation tax rate	20.00	30,665	38,300
Difference from taxable currency		(37,093)	(38,423)
Expenses not deductible for tax purposes		279	829
Expenses allowed increase in determine taxable		(83)	(1,075)
Income not subject to tax		(150)	(9,246)
The exemption of profit of the promoted business (BOI)		(33,059)	(17,309)
Effect of different tax rates in foreign jurisdictions		(3,150)	7,585
Taxable loss unrecognised as deferred tax assets		41,291	78,375
Under provided in prior years		-	21,322
Elimination and others		10,027	(23,423)
Total	5.69	8,727	56,935

Reconciliation of effective tax rate

	Rate (%)	Separate financial statements	
		2023 (in thousand Baht)	2022 (in thousand Baht)
Profit before income tax expense		233,489	33,109
Income tax using the Thai corporation tax rate	20.00	46,698	6,622
Difference from taxable currency		(37,093)	(38,423)
Expenses not deductible for tax purposes		279	829
Expenses allowed increase in determine taxable		(83)	(1,075)
Income not subject to tax		(150)	(9,320)
The exemption of profit of the promoted business (BOI)		(33,059)	(17,309)
Taxable loss unrecognised as deferred tax assets		25,540	78,375
Under provided in prior years		-	21,322
Others		(1,294)	(16,750)
Total	0.35	838	24,271

<i>Deferred tax</i> <i>At 31 December</i>	Consolidated financial statements			
	Assets		Liabilities	
	2023	2022	2023	2022
	(in thousand Baht)			
Total	2,697	3,933	(34,538)	(38,512)
Set off of tax	(2,697)	(3,023)	2,697	3,023
Net deferred tax assets (liabilities)	-	910	(31,841)	(35,489)

<i>Deferred tax</i> <i>At 31 December</i>	Separate financial statements			
	Assets		Liabilities	
	2023	2022	2023	2022
	(in thousand Baht)			
Total	6,776	8,329	(2,280)	(3,023)
Set off of tax	(2,280)	(3,023)	2,280	3,023
Net deferred tax assets	4,496	5,306	-	-

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<i>Deferred tax</i>	At 1 January	Consolidated financial statements (Charged) / Credited to			At 31 December
		Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	Exchange differences	
2023					
<i>Deferred tax assets</i>					
Lease liabilities	9	(8)	-	-	1
Provisions for employee benefits	3,924	(1,228)	-	-	2,696
Total	3,933	(1,236)	-	-	2,697
<i>Deferred tax liabilities</i>					
Property, plant and equipment	(12,590)	2,090	-	309	(10,191)
Prepaid land rental expense	(25,922)	738	-	837	(24,347)
Total	(38,512)	2,828	-	1,146	(34,538)
Net	(34,579)	1,592	-	1,146	(31,841)
2022					
<i>Deferred tax assets</i>					
Inventories (<i>allowance for decline in value</i>)	1,460	(1,460)	-	-	-
Lease liabilities	11	(2)	-	-	9
Provisions for employee benefits	2,902	1,180	(158)	-	3,924
Other current receivables	789	(789)	-	-	-
Total	5,162	(1,071)	(158)	-	3,933
<i>Deferred tax liabilities</i>					
Property, plant and equipment	(13,628)	400	-	638	(12,590)
Prepaid land rental expense	(28,174)	762	-	1,490	(25,922)
Total	(41,802)	1,162	-	2,128	(38,512)
Net	(36,640)	91	(158)	2,128	(34,579)

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<i>Deferred tax</i>	At 1 January	Separate financial statements (Charged) / Credited to			At 31 December
		Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	Exchange differences	
2023					
<i>Deferred tax assets</i>					
Lease liabilities	9	(8)	-	-	1
Provisions for employee benefits	3,924	(1,228)	-	-	2,696
Loan to related party	4,396	-	-	(317)	4,079
Total	8,329	(1,236)	-	(317)	6,776
<i>Deferred tax liabilities</i>					
Property, plant and equipment	(3,023)	743	-	-	(2,280)
Total	(3,023)	743	-	-	(2,280)
Net	5,306	(493)	-	(317)	4,496
2022					
<i>Deferred tax assets</i>					
Inventories <i>(allowance for decline in value)</i>	1,460	(1,460)	-	-	-
Lease liabilities	11	(2)	-	-	9
Provisions for employee benefits	2,902	1,180	(158)	-	3,924
Loan to related party	4,900	-	-	(504)	4,396
Other current receivables	789	(789)	-	-	-
Total	10,062	(1,071)	(158)	(504)	8,329
<i>Deferred tax liabilities</i>					
Property, plant and equipment	(1,543)	(1,480)	-	-	(3,023)
Total	(1,543)	(1,480)	-	-	(3,023)
Net	8,519	(2,551)	(158)	(504)	5,306

<i>Unrecognised deferred tax assets</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Tax losses	119,666	78,375	103,915	78,375

(in thousand Baht)

The tax losses expire in 2027 and 2028. The deductible temporary differences do not expire under current tax legislation. The Group and the Company has not recognised these items as deferred tax assets because it is not probable that the Group and the Company will have sufficient future taxable profit to utilise the benefits therefrom.

Global minimum top-up tax

On 28 December 2023, the Group has adopted International Tax Reform – Pillar Two Model Rules – Amendments to TAS 12 Income Taxes. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and accounts for a current tax when it is incurred. In addition, Amendments to TAS 12 Income Taxes require the Group to disclose about the Pillar Two exposure in the financial statements for the year ended 31 December 2024. The mandatory exception applies retrospectively.

The Group operates in Japan, where a new tax legislation to implement the global minimum top-up tax has been enacted. However, since the newly enacted legislation in Japan will be effective from 2024, there is no current tax impact in the 2023 and 2022 financial statements.

At 31 December 2023 and 2022, the minimum top-up tax in relation to its operations in China which no new legislation to implement the top-up tax was enacted or substantively enacted in any jurisdiction in which the Group operates, there is no impact on the Group's financial statements.

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21 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Profit attributable to ordinary shareholders</i>				
Profit attributable to ordinary shareholders of the Company (basic)	164,611	119,869	232,651	8,838
<i>Ordinary shares outstanding</i>				
Number of ordinary shares outstanding at 1 January	477,000	477,000	477,000	477,000
Number of ordinary shares outstanding (basic) at 31 December	477,000	447,000	477,000	477,000
Earnings per share (basic) (in Baht)	0.35	0.25	0.49	0.02

22 Dividends

	Approval date	Payment schedule	Dividend rate per share <i>(in Baht)</i>	Amount <i>(in thousand Baht)</i>
2023				
Annual dividend 2022	17 April 2023	8 May 2023	0.20	95,399
				95,399
2022				
Annual dividend 2021	7 April 2022	5 May 2022	0.50	238,356
				238,356

23 Financial instruments

(a) *Carrying amounts and fair values*

The Group's financial assets and financial liabilities measured at amortised cost and the carrying amount is a reasonable approximation of fair value.

(b) *Financial risk management policies*

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(b.1.1) Trade accounts receivable and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 18.

The Group limits its exposure to credit risk from trade accounts receivable by establishing a maximum payment period of 365 days. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivable and contract assets are disclosed in note 6 and 18, respectively.

(b.1.2) Cash and cash equivalents

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(b.2) Liquidity risk

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

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

<i>At 31 December</i>	Consolidated financial statements					Total
	Carrying amount	1 year or less	Contractual cash flows More than 1 year but less than 5 years	More than 5 years		
<i>2023</i>						
<i>Non-derivative financial liabilities</i>						
Short-term loans from financial institutions	120,600	120,600	-	-		120,600
Trade and other current payables	1,203,685	1,203,685	-	-		1,203,685
Lease liabilities	4,315	2,434	2,158	-		4,592
	<u>1,328,600</u>	<u>1,326,719</u>	<u>2,158</u>	<u>-</u>		<u>1,328,877</u>
<i>2022</i>						
<i>Non-derivative financial liabilities</i>						
Short-term loans from financial institutions	120,071	120,071	-	-		120,071
Trade and other current payables	2,490,677	2,490,677	-	-		2,490,677
Lease liabilities	6,951	2,931	4,336	-		7,267
	<u>2,617,699</u>	<u>2,613,679</u>	<u>4,336</u>	<u>-</u>		<u>2,618,015</u>

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<i>At 31 December</i>	Carrying amount	Separate financial statements			Total
		1 year or less	More than 1 year but less than 5 years	More than 5 years	
<i>(in thousand Baht)</i>					
2023					
<i>Non-derivative financial liabilities</i>					
Trade and other current payables	1,618,799	1,618,799	-	-	1,618,799
Lease liabilities	4,109	2,228	2,158	-	4,386
	<u>1,622,908</u>	<u>1,621,027</u>	<u>2,158</u>	<u>-</u>	<u>1,623,185</u>
2022					
<i>Non-derivative financial liabilities</i>					
Trade and other current payables	3,061,647	3,061,647	-	-	3,061,647
Lease liabilities	6,778	2,758	4,336	-	7,094
	<u>3,068,425</u>	<u>3,064,405</u>	<u>4,336</u>	<u>-</u>	<u>3,068,741</u>

(b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies.

<i>Exposure to foreign currency</i> <i>At 31 December</i>	Consolidated financial statements			
	USD	THB	CNY	Total
<i>(in thousand Baht)</i>				
2023				
Cash and cash equivalents	745	10,361	23,609	34,715
Trade and other current receivables	-	153,780	49,727	203,507
Interest-bearing liabilities	-	(4,109)	(120,600)	(124,709)
Trade and other current payables	(17,305)	(114,267)	(69,373)	(200,945)
Net statement of financial position exposure	<u>(16,560)</u>	<u>45,765</u>	<u>(116,637)</u>	<u>(87,432)</u>
2022				
Cash and cash equivalents	32,048	23,180	11,169	66,397
Trade and other current receivables	-	207,387	34,551	241,938
Interest-bearing liabilities	-	(6,778)	(120,071)	(126,849)
Trade and other current payables	(26,734)	(99,296)	(224,333)	(350,363)
Net statement of financial position exposure	<u>5,314</u>	<u>124,493</u>	<u>(298,684)</u>	<u>(168,877)</u>

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<i>Exposure to foreign currency</i> <i>At 31 December</i>	Separate financial statements		
	USD	THB <i>(in thousand Baht)</i>	Total
2023			
Cash and cash equivalents	745	10,361	11,106
Trade and other current receivables	-	153,780	153,780
Interest-bearing liabilities	-	(4,109)	(4,109)
Trade and other current payables	(17,305)	(114,267)	(131,572)
Net statement of financial position exposure	(16,560)	45,765	29,205
2022			
Cash and cash equivalents	32,048	23,180	55,228
Trade and other current receivables	-	207,387	207,387
Interest-bearing liabilities	-	(6,778)	(6,778)
Trade and other current payables	(26,734)	(99,296)	(126,030)
Net statement of financial position exposure	5,314	124,493	129,807

Sensitivity analysis

A reasonably possible strengthening (weakening) of Japanese Yen against all other foreign currencies at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i>Impact to profit or loss</i>	Movement (%)	Consolidated financial statements		Separate financial statements	
		Strengthening	Weakening <i>(in thousand Baht)</i>	Strengthening	Weakening
2023					
USD	10	(1,656)	1,656	(1,656)	1,656
THB	10	4,577	(4,577)	4,577	(4,577)
CNY	10	(11,664)	11,664	-	-
2022					
USD	10	531	(531)	531	(531)
THB	10	12,449	(12,449)	12,449	(12,449)
CNY	10	(29,868)	29,868	-	-

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (see note 14) are mainly fixed. So the Group has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Group.

24 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

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25 Commitments with non-related parties

	Consolidated financial statements / Separate financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Buildings and other constructions	200	150
Total	200	150
<i>Other commitments</i>		
Unused letters of credit for goods and supplies that have been opened but have not yet recognise liabilities	462,573	718,962
Purchase orders for goods and supplies	14,294	3,739
Bank guarantees	75,911	1,041,314
Other agreements	5,572	5,357
Total	558,350	1,769,372

Hiring job search agent agreement

On 1 December 2018, the Company entered into job search agreement with Creation Import Distribution Inc. Such company will be an agent in negotiating with the new customers under the rate of service fee specified in 2 year agreement. If either party does not give the advance notice not less than 3 months, it considers as the extension of this agreement.

26 Events after the reporting period

Approval of annual dividend

At the Board of Directors Meeting held on 25 February 2024, the Board of Directors approved the annual dividend payment in cash based on the operating result for the year of 2023 of Baht 0.32 per share, totaling Baht 152.64 million. The dividend is subject to approve by the shareholders at the annual general meeting to be held in April 2024.

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27 Condensed functional currency financial statements

The statements of financial position as at 31 December 2023 and 2022 and statements of comprehensive income for the year ended 31 December 2023 and 2022 presented in Japanese Yen currency which is used in its operations as major sales and purchases transactions are denominated in Japanese Yen currency. The detail are as follows:

<i>Statement of financial position</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Yen)</i>			
Assets				
Current assets				
Cash and cash equivalents	641,395	768,065	468,949	511,575
Trade and other current receivables	4,327,911	3,383,335	6,136,999	5,206,781
Current portion of long-term loans to related party	-	-	-	100,000
Current portion of long-term loans to employees	27,100	30,431	27,099	30,431
Inventories	9,993,525	15,090,791	8,058,437	13,405,209
Total current assets	14,989,931	19,272,622	14,691,484	19,253,996
Non-current assets				
Investments in subsidiaries	-	-	662,294	672,090
Long-term loans to related party	-	-	1,649,600	1,549,600
Long-term loans to employees	239,149	277,279	239,149	277,279
Property, plant and equipment	5,204,292	5,360,478	3,325,546	3,480,386
Right-of-use assets	520,196	523,813	14,148	23,221
Goodwill	74,523	74,523	-	-
Other intangible assets	57,623	59,414	30,767	28,895
Deferred tax assets	-	3,538	18,825	20,618
Contract cost assets	984,085	840,444	984,085	840,444
Other non-current assets	2,377	2,117	145	135
Total non-current assets	7,082,245	7,141,606	6,924,559	6,892,668
Total assets	22,072,176	26,414,228	21,616,043	26,146,664

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<i>Statement of financial position</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Yen)</i>			
Liabilities and equity				
Current liabilities				
Short-term loans from financial institution	490,739	453,980	-	-
Trade and other current payables	5,225,508	9,811,900	6,914,665	11,970,691
Current portion of lease liabilities	9,218	10,433	8,890	9,954
Income tax payable	13,737	75,657	-	-
Total current liabilities	5,739,202	10,351,970	6,923,555	11,980,645
Non-current liabilities				
Lease liabilities	8,338	15,846	7,831	15,674
Deferred tax liabilities	129,517	134,183	-	-
Non-current provisions for employee benefits	128,177	109,592	128,177	109,592
Provision for product warranty	135,553	179,104	105,806	161,923
Total non-current liabilities	401,585	438,725	241,814	287,189
Total liabilities	6,140,787	10,790,695	7,165,369	12,267,834
Equity				
Share capital:				
Authorised share capital	1,269,343	1,269,343	1,269,343	1,269,343
Issued and paid-up share capital	1,269,343	1,269,343	1,269,343	1,269,343
Share premium	371,008	371,008	371,008	371,008
Retained earning				
Appropriated				
Legal reserve	153,579	153,579	153,579	153,579
Unappropriated	13,309,474	13,073,000	12,656,744	12,084,900
Other components of equity	414,065	116,399	-	-
Equity attributable to owners of the parent	15,517,469	14,983,329	14,450,674	13,878,830
Non-controlling interests	413,920	640,204	-	-
Total equity	15,931,389	15,623,533	14,450,674	13,878,830
Total liabilities and equity	22,072,176	26,414,228	21,616,043	26,146,664

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<i>Statement of comprehensive income</i>	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
	<i>(in thousand Yen)</i>			
Income				
Revenue from sale of goods and rendering of services	22,246,152	14,546,812	22,178,583	14,458,550
Contract revenue	1,040,892	-	1,040,892	-
Net foreign exchange gain	-	99,051	-	-
Other income	168,614	100,140	181,471	85,570
Total income	23,455,658	14,746,003	23,400,946	14,544,120
Expenses				
Cost of sales of goods and rendering of services	18,407,752	11,205,543	18,523,248	11,883,208
Contract costs	614,459	-	614,459	-
Distribution costs	2,041,363	1,767,493	2,041,363	1,767,493
Administrative expenses	1,259,159	1,127,279	819,284	770,353
Net foreign exchange loss	349,679	-	323,459	43,825
Total expenses	22,672,412	14,100,315	22,321,813	14,464,879
Profit from operating activities	783,246	645,688	1,079,133	79,241
Finance costs	149,514	40,747	130,552	34,117
Profit before income tax expense	633,732	604,941	948,581	45,124
Tax expense	35,437	209,055	3,013	86,247
Profit (loss) for the year	598,295	395,886	945,568	(41,123)
Other comprehensive income (expense)				
<i>Item that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	(86,045)	(141,081)	-	-
Total item that will be reclassified subsequently to profit or loss	(86,045)	(141,081)	-	-
<i>Items that will not be reclassified to profit or loss</i>				
Gain on remeasurements of defined benefit plans	-	4,427	-	4,427
Income tax relating to items that will not be reclassified	-	(599)	-	(599)
Total items that will be reclassified to profit or loss	-	3,828	-	3,828
Other comprehensive income (expense) for the year, net of tax	(86,045)	(137,253)	-	3,828
Total comprehensive income (expense) for the year	512,250	258,633	945,568	(37,295)

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<i>Statement of comprehensive income</i>	Consolidated financial statements Year ended 31 December		Separate financial statements Year ended 31 December	
	2023	2022	2023	2022
	<i>(in thousand Yen)</i>			
Profit (loss) attributable to:				
Owners of parent	675,400	339,754	945,568	(41,123)
Non-controlling interests	<u>(77,105)</u>	<u>56,132</u>	<u>-</u>	<u>-</u>
	<u>598,295</u>	<u>395,886</u>	<u>945,568</u>	<u>(41,123)</u>
Total comprehensive income (expense) attributable to:				
Owners of parent	611,727	239,182	945,568	(37,295)
Non-controlling interests	<u>(99,477)</u>	<u>19,451</u>	<u>-</u>	<u>-</u>
	<u>512,250</u>	<u>258,633</u>	<u>945,568</u>	<u>(37,295)</u>
Basic earnings (losses) per share (in Yen)	<u>1.42</u>	<u>0.71</u>	<u>1.98</u>	<u>(0.09)</u>