

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

Financial statements for the year ended  
31 December 2024

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 2024, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statement, including material accounting policies 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 2024 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.	<p>My audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>- Inquiring management to gain understanding on the process and method for estimation;</li> <li>- Testing the reliability of actual claims with warranties data including testing on sampling basis of relevant documents;</li> <li>- Considering the appropriateness of assumptions used for estimation of expected damage from warranty by comparing with historical actual claims data;</li> <li>- 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</li> <li>- Considering the adequacy of the Company's disclosures in accordance with the related Thai Financial Reporting Standards.</li> </ul>

### Other Matter

The consolidated and separate financial statements of the Group and the Company for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 25 February 2024.

### 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, related safeguards. 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.



(Banthit Tangpakorn)  
Certified Public Accountant  
Registration No. 8509

PKF Audit (Thailand) Ltd.  
Bangkok  
20 February 2025

**M.C.S. Steel Public Company Limited and its subsidiaries**  
**Statement of financial position**  
**As at 31 December 2024**

Assets	Note	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
		<i>(in Baht)</i>			
<b>Current assets</b>					
Cash and cash equivalents	5	142,043,347	153,192,730	84,717,471	112,005,169
Trade and other current receivables	4,6	1,647,289,007	1,033,691,233	1,831,895,967	1,465,779,174
Current portion of long-term loans to employees	8	5,904,654	6,472,568	5,904,654	6,472,568
Inventories	7	2,728,578,091	2,386,883,389	2,383,128,345	1,924,701,288
<b>Total current assets</b>		<b>4,523,815,099</b>	<b>3,580,239,920</b>	<b>4,305,646,437</b>	<b>3,508,958,199</b>
<b>Non-current assets</b>					
Investments in subsidiaries	9	-	-	141,529,763	158,184,279
Long-term loans to related party	4	-	-	-	393,995,413
Long-term loans to employees	8	53,792,622	57,118,977	53,792,622	57,118,977
Property, plant and equipment	11	1,204,932,179	1,243,008,672	808,663,419	794,283,425
Right-of-use assets	12	117,873,123	124,245,219	3,959,485	3,379,132
Goodwill		-	17,799,373	-	-
Other intangible assets		14,003,219	13,762,965	9,174,403	7,348,570
Deferred tax assets	20	-	-	1,936,360	4,496,168
Contract cost assets	18	149,593,094	235,041,718	149,593,094	235,041,718
Other non-current assets		1,244,656	567,641	795,258	34,775
<b>Total non-current assets</b>		<b>1,541,438,893</b>	<b>1,691,544,565</b>	<b>1,169,444,404</b>	<b>1,653,882,457</b>
<b>Total assets</b>		<b>6,065,253,992</b>	<b>5,271,784,485</b>	<b>5,475,090,841</b>	<b>5,162,840,656</b>

**M.C.S. Steel Public Company Limited and its subsidiaries**  
**Statement of financial position**  
**As at 31 December 2024**

Liabilities and Equity	Note	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
		<i>(in Baht)</i>			
<b>Current liabilities</b>					
Short-term loans from financial institution	14, 23	249,170,461	120,600,078	-	-
Trade and other current payables	4, 13, 23	1,667,624,862	1,284,179,031	2,030,320,857	1,699,292,845
Current portion of lease liabilities	14, 23	2,064,666	2,265,428	1,949,038	2,184,744
Income tax payable		10,494,410	3,375,858	-	-
<b>Total current liabilities</b>		<b>1,929,354,399</b>	<b>1,410,420,395</b>	<b>2,032,269,895</b>	<b>1,701,477,589</b>
<b>Non-current liabilities</b>					
Lease liabilities	14, 23	3,102,287	2,049,191	2,713,107	1,924,595
Long-term loans from financial institution	14, 23	275,289,089	-	-	-
Deferred tax liabilities	20	27,054,726	31,841,058	-	-
Non-current provisions for employee benefits	15	30,233,520	31,499,739	30,233,520	31,499,739
Provision for product warranty	16	41,034,682	33,312,527	37,972,468	26,001,952
<b>Total non-current liabilities</b>		<b>376,714,304</b>	<b>98,702,515</b>	<b>70,919,095</b>	<b>59,426,286</b>
<b>Total liabilities</b>		<b>2,306,068,703</b>	<b>1,509,122,910</b>	<b>2,103,188,990</b>	<b>1,760,903,875</b>
<b>Equity</b>					
Share capital:					
Authorised share capital					
<i>(477 million ordinary shares, par value at Baht 1 per share)</i>		477,000,000	477,000,000	477,000,000	477,000,000
Issued and paid-up share capital					
<i>(477 million ordinary shares, par value at Baht 1 per share)</i>		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		4,982,892,424	4,548,726,655	4,623,592,473	4,236,272,736
Other components of equity		(2,029,238,980)	(1,588,146,332)	(1,918,690,622)	(1,501,335,955)
<b>Equity attributable to owners of the parent</b>		<b>3,620,653,444</b>	<b>3,627,580,323</b>	<b>3,371,901,851</b>	<b>3,401,936,781</b>
Non-controlling interests	10	138,531,845	135,081,252	-	-
<b>Total equity</b>		<b>3,759,185,289</b>	<b>3,762,661,575</b>	<b>3,371,901,851</b>	<b>3,401,936,781</b>
<b>Total liabilities and equity</b>		<b>6,065,253,992</b>	<b>5,271,784,485</b>	<b>5,475,090,841</b>	<b>5,162,840,656</b>

**M.C.S. Steel Public Company Limited and its subsidiaries**  
**Statement of comprehensive income**  
For the year ended 31 December 2024

	Note	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
<i>(in Baht)</i>					
<b>Revenues</b>					
Revenue from sale of goods and rendering of services	18	5,482,311,809	5,517,987,172	5,466,308,890	5,498,176,103
Contract revenue	18	124,859,557	259,176,287	124,859,557	259,176,287
Other income	4	79,931,849	41,919,601	73,823,310	44,866,574
<b>Total revenues</b>		<b>5,687,103,215</b>	<b>5,819,083,060</b>	<b>5,664,991,757</b>	<b>5,802,218,964</b>
<b>Expenses</b>					
Cost of sale of goods and rendering of services	4, 7, 19	3,937,945,222	4,570,601,459	4,126,558,162	4,595,017,651
Contract costs	7, 19	92,351,151	153,457,889	92,351,151	153,457,889
Distribution costs	19	493,086,100	506,761,820	496,042,235	506,761,820
Administrative expenses	19	324,984,305	312,792,858	255,953,929	202,965,757
Net foreign exchange loss		112,737,336	85,366,557	46,756,271	78,467,516
<b>Total expenses</b>		<b>4,961,104,114</b>	<b>5,628,980,583</b>	<b>5,017,661,748</b>	<b>5,536,670,633</b>
<b>Profit from operating activities</b>		<b>725,999,101</b>	<b>190,102,477</b>	<b>647,330,009</b>	<b>265,548,331</b>
Finance costs		21,146,890	36,777,494	13,137,727	32,059,516
<b>Profit before income tax expense</b>		<b>704,852,211</b>	<b>153,324,983</b>	<b>634,192,282</b>	<b>233,488,815</b>
Tax expenses	20	14,374,625	8,726,941	2,434,047	838,339
<b>Profit for the year</b>		<b>690,477,586</b>	<b>144,598,042</b>	<b>631,758,235</b>	<b>232,650,476</b>
<b>Other comprehensive income (expense)</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		(449,515,374)	(230,039,535)	(417,354,667)	(219,278,637)
<b>Total comprehensive income (expense) for the year</b>		<b>(449,515,374)</b>	<b>(230,039,535)</b>	<b>(417,354,667)</b>	<b>(219,278,637)</b>
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Gain on remeasurements of defined benefit plans	15	3,886,702	-	3,886,702	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	20	(306,272)	-	(306,272)	-
<b>Total item that will not be reclassified subsequently to profit or loss</b>		<b>3,580,430</b>	<b>-</b>	<b>3,580,430</b>	<b>-</b>
<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>(445,934,944)</b>	<b>(230,039,535)</b>	<b>(413,774,237)</b>	<b>(219,278,637)</b>
<b>Total comprehensive income (expense) for the year</b>		<b>244,542,642</b>	<b>(85,441,493)</b>	<b>217,983,998</b>	<b>13,371,839</b>



**M.C.S. Steel Public Company Limited and its subsidiaries**  
**Statement of comprehensive income**  
For the year ended 31 December 2024

	Note	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
		<i>(in Baht)</i>			
<b>Profit attributable to:</b>					
Owners of parent		678,604,267	164,610,871	631,758,235	232,650,476
Non-controlling interest	10	11,873,319	(20,012,829)	-	-
		<u>690,477,586</u>	<u>144,598,042</u>	<u>631,758,235</u>	<u>232,650,476</u>
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of parent		241,092,049	(54,463,712)	217,983,998	13,371,839
Non-controlling interest	10	3,450,593	(30,977,781)	-	-
		<u>244,542,642</u>	<u>(85,441,493)</u>	<u>217,983,998</u>	<u>13,371,839</u>
<b>Basic earnings per share (in Baht)</b>	21	<u>1.42</u>	<u>0.35</u>	<u>1.32</u>	<u>0.49</u>

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

**Statement of changes in equity**

**For the year ended 31 December 2024**

**Consolidated financial statements**

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

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

**Statement of changes in equity**

**For the year ended 31 December 2024**

**Consolidated financial statements**

	Consolidated financial statements									
	Retained earnings				Other components of equity					
	Issued and paid-up	Share premium	Legal reserve	Unappropriated	Exchange differences on translating financial statements	Difference from change in shareholding proportion in subsidiary	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Note	share capital	Share premium	Legal reserve	Unappropriated	statements	subsidary	of equity	the parent	interests	Total equity
(in Baht)										
<b>Balance at 1 January 2024</b>	<b>477,000,000</b>	<b>140,000,000</b>	<b>50,000,000</b>	<b>4,548,726,655</b>	<b>(1,572,896,271)</b>	<b>(15,250,061)</b>	<b>(1,588,146,332)</b>	<b>3,627,580,323</b>	<b>135,081,252</b>	<b>3,762,661,575</b>
<b>Transactions with owners, recorded directly in equity</b>										
<b>Distributions to owners of the parent</b>										
Dividends	22	-	-	(248,018,928)	-	-	-	(248,018,928)	-	(248,018,928)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>(248,018,928)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(248,018,928)</b>	<b>-</b>	<b>(248,018,928)</b>
<b>Comprehensive income (expense) for the year</b>										
Profit for the year		-	-	678,604,267	-	-	-	678,604,267	11,873,319	690,477,586
Other comprehensive income (expense) for the year		-	-	3,580,430	(441,092,648)	-	(441,092,648)	(437,512,218)	(8,422,726)	(445,934,944)
<b>Total comprehensive income (expense) for the year</b>		<b>-</b>	<b>-</b>	<b>682,184,697</b>	<b>(441,092,648)</b>	<b>-</b>	<b>(441,092,648)</b>	<b>241,092,049</b>	<b>3,450,593</b>	<b>244,542,642</b>
<b>Balance at 31 December 2024</b>	<b>477,000,000</b>	<b>140,000,000</b>	<b>50,000,000</b>	<b>4,982,892,424</b>	<b>(2,013,988,919)</b>	<b>(15,250,061)</b>	<b>(2,029,238,980)</b>	<b>3,620,653,444</b>	<b>138,531,845</b>	<b>3,759,185,289</b>

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

**Statement of changes in equity**

**For the year ended 31 December 2024**

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

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

**Statement of changes in equity**

**For the year ended 31 December 2024**

	Note	Separate financial statements				Other components of equity	Total equity	
		Issued and paid-up share capital	Share premium	Retained earnings				Exchange differences on translating financial statements
				Legal reserve	Unappropriated			
(in Baht)								
<b>Balance at 1 January 2024</b>		<b>477,000,000</b>	<b>140,000,000</b>	<b>50,000,000</b>	<b>4,236,272,736</b>	<b>(1,501,335,955)</b>	<b>3,401,936,781</b>	
<b>Transactions with owners, recorded directly in equity</b>								
<i>Contributions by and distributions to owners</i>								
Dividends	22	-	-	-	(248,018,928)	-	(248,018,928)	
<b>Total contributions by and distributions to owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(248,018,928)</b>	<b>-</b>	<b>(248,018,928)</b>	
<b>Comprehensive income (expense) for the year</b>								
Profit for the year		-	-	-	631,758,235	-	631,758,235	
Other comprehensive income (expense) for the year		-	-	-	3,580,430.00	(417,354,667)	(413,774,237)	
<b>Total comprehensive income (expense) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>635,338,665</b>	<b>(417,354,667)</b>	<b>217,983,998</b>	
<b>Balance at 31 December 2024</b>		<b>477,000,000</b>	<b>140,000,000</b>	<b>50,000,000</b>	<b>4,623,592,473</b>	<b>(1,918,690,622)</b>	<b>3,371,901,851</b>	

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

### Statement of cash flows

For the year ended 31 December 2024

	Consolidated financial statements		Separate financial statements		
	Note	2024	2023	2024	2023
		<i>(in Baht)</i>			
<b>Cash flows from operating activities</b>					
Profit for the year		690,477,586	144,598,042	631,758,235	232,650,476
Adjustments to reconcile profit to net cash provided by (paid from) operating activities:					
Tax expenses		14,374,625	8,726,941	2,434,047	838,339
Finance costs		21,146,890	36,777,494	13,137,727	32,059,516
Depreciation and amortisation	19	149,872,725	144,339,060	104,655,248	101,189,682
Amortisation of contract cost assets		64,551,035	78,921,470	64,551,035	78,921,470
Provision for employee benefits expense	15	3,334,812	3,356,968	3,334,812	3,356,968
Unrealised gain on exchange rate		(22,503,124)	(13,418,724)	(22,503,124)	(13,418,724)
Provision (reverse) for product warranty	16	23,123,471	47,222	26,642,496	(3,040,994)
Loss from write-off assets		10,346,363	-	10,346,363	-
Reverse the expected credit loss impairment	4	-	-	(19,072,211)	-
Reverse of impairment loss on investments in subsidiaries	9	-	-	(1,128,372)	2,339,759
Gain on disposal of equipment		(810,583)	(25,514)	(3,395,545)	(8,689,598)
Interest income		(1,174,719)	(5,489,413)	(5,071,816)	(5,489,413)
Profit from operating activities before changes in operating assets and liabilities		952,739,081	397,833,546	805,688,895	420,717,481
<b>Operating assets (increase) decrease</b>					
Trade and other current receivables		(580,129,440)	(137,161,703)	(352,533,120)	(91,482,717)
Inventories		(341,694,702)	1,496,611,005	(458,427,057)	1,525,021,955
Contract cost assets		-	(110,345,466)	-	(110,345,466)
Other non-current assets		(736,596)	(59,431)	(760,483)	-
Operating liabilities increase (decrease)					
Trade and other current payables		373,477,184	(1,318,773,956)	321,968,105	(1,474,624,604)
Exchange rate differences on translating of financial statements		(314,497,065)	(121,535,418)	(253,523,791)	(105,416,340)
Net cash generated from operations		89,158,462	206,568,577	62,412,549	163,870,309
Provisions for employee benefit paid	15	(714,329)	(880,164)	(714,329)	(880,164)
Provision for warranties paid	16	(11,828,453)	(10,749,950)	(11,828,453)	(10,749,950)
Taxes paid		(10,775,265)	(34,890,824)	(3,760,268)	(10,773,084)
<b>Net cash from operating activities</b>		<b>65,840,415</b>	<b>160,047,639</b>	<b>46,109,499</b>	<b>141,467,111</b>

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

### Statement of cash flows

For the year ended 31 December 2024

		Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
<i>(in Baht)</i>					
<b>Cash flows from investing activities</b>					
Decrease in loans to employees	8	3,894,269	15,595,212	3,894,269	15,595,212
Proceeds from repayment of loans to related parties	4	-	-	368,057,695	-
Acquisition of plant and equipment	11	(218,390,218)	(97,557,006)	(192,167,789)	(58,598,788)
Proceeds from disposal of equipment		4,829,705	1,583,585	4,829,705	3,782,914
Acquisition of intangible assets		(6,411,873)	(1,611,342)	(6,411,873)	(1,611,342)
Interest received		1,172,366	6,615,581	7,158,450	4,526,594
<b>Net cash from (used in) investing activities</b>		<b>(214,905,751)</b>	<b>(75,373,970)</b>	<b>185,360,457</b>	<b>(36,305,410)</b>
<b>Cash flows from financing activities</b>					
Increase of short-term loans from financial institution		403,859,472	528,795	-	-
Payment of lease liabilities	12	(2,044,596)	(2,541,302)	(1,959,155)	(2,394,721)
Dividend paid	22	(248,018,928)	(95,399,480)	(248,018,928)	(95,399,480)
Financial cost paid		(20,629,466)	(36,771,889)	(13,529,042)	(32,059,516)
<b>Net cash from (used in) financing activities</b>		<b>133,166,482</b>	<b>(134,183,876)</b>	<b>(263,507,125)</b>	<b>(129,853,717)</b>
Net increase in cash and cash equivalents,					
before effect of exchange rate changes		(15,898,854)	(49,510,207)	(32,037,169)	(24,692,016)
Effect of exchange rate changes on cash and cash equivalents		4,749,471	5,047,470	4,749,471	5,047,535
<b>Net decrease in cash and cash equivalents</b>		<b>(11,149,383)</b>	<b>(44,462,737)</b>	<b>(27,287,698)</b>	<b>(19,644,481)</b>
Cash and cash equivalents at 1 January		153,192,730	197,655,467	112,005,169	131,649,650
<b>Cash and cash equivalents at 31 December</b>	5	<b>142,043,347</b>	<b>153,192,730</b>	<b>84,717,471</b>	<b>112,005,169</b>
<b>Non-cash transactions</b>					
Other current receivables from sale of equipment		-	-	-	6,428,596
Increase of right-of-use assets from lease liabilities		2,867,049	-	2,867,049	-
Payable for purchase Fix assets		4,948,476	-	4,948,476	-

**M.C.S. Steel Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

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**M.C.S. Steel Public Company Limited and its Subsidiaries**  
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These notes form an integral part of the financial statements.

The interim 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 20 February 2025.

**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 is at 70 Moo 2, Changyai, Bangsai, Ayutthaya.

The principal activities of the Company and the Group are production and distribution of structural steel products for building construction. Details of the Company’s subsidiaries as at 31 December 2024 are described in notes 9.

**2 Basis of preparation of the financial statements**

**(a) Statement of compliance**

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.

***Financial reporting standards that became effective in the current period***

The revised financial reporting standards, which are effective for annual accounting periods beginning on or after 1 January 2024 do not have any significant impact on the Group’s financial statements.

***Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2025***

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2025. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The Group’s management is currently assessing the impact on the financial statements of these revised financial reporting standards.

The financial statements in Thai language are the official statutory financial statements of the Company. The English language financial statements have been translated from the Thai language financial statements.

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

## **Notes to the financial statements**

**For the year ended 31 December 2024**

### **(b) *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.

### **(c) *Use of judgements, estimates and accounting policies***

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group's accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2024.

## **3 Material accounting policies information**

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.

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.

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

### **Notes to the financial statements**

**For the year ended 31 December 2024**

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 Company'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

#### **(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.

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

### **Notes to the financial statements**

**For the year ended 31 December 2024**

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.

**M.C.S. Steel Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

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.

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 the Group has no reasonable expectations of recovering.

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

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

## Notes to the financial statements

For the year ended 31 December 2024

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.

#### *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.

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

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.

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



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

**(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.

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

### **Notes to the financial statements**

**For the year ended 31 December 2024**

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.

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.

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*(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 or at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences and differences relating to investments in subsidiaries 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**

The calculation of basic EPS has been based on the profit attributable to ordinary shareholders of the Company and the weighted-average number of ordinary shares outstanding.

**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.

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

<b>Name of entities</b>	<b>Nationalities</b>	<b>Nature of relationship</b>			
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			
		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2024	2023	2024	2023
		<i>(in thousand Baht)</i>			
<b>Significant transactions with related parties for the year ended 31 December</b>					
<b>Subsidiaries</b>					
Interest income		-	-	3,742	4,306
Purchase goods and services		-	-	1,525,329	1,380,340
Technical assistance expense		-	-	22,392	16,234
Gain from sale of machinery and factory equipment		-	-	-	8,628
<b>Key management personnel</b>					
<b>Key management personnel compensation</b>					
Short - term benefits		51,572	41,305	42,994	33,293
Post - employment benefits		171	164	171	164
<b>Total key management personnel Compensation</b>		<b>51,743</b>	<b>41,469</b>	<b>43,165</b>	<b>33,457</b>
		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2024	2023	2024	2023
		<i>(in thousand Baht)</i>			
<b>Balances with related parties at 31 December</b>					
<b>Other current receivables</b>					
Subsidiaries		-	-	231,653	484,932
Less allowance for expected credit loss		-	-	-	-
<b>Net</b>		<b>-</b>	<b>-</b>	<b>231,653</b>	<b>484,932</b>

**M.C.S. Steel Public Company Limited and its Subsidiaries**  
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***Movement of long-term loans to related party***

	Interest rate (% per annum)	At 1 January	Separate financial statements			At 31 December
			Increase	Decrease	Translation adjustment	
<b>2024</b>						
Subsidiary	1.00	414,392	-	(368,058)	(46,334)	-
Less allowance for expected credit loss		(20,397)	-	19,072	1,325	-
<b>Net</b>		<b>393,995</b>				<b>-</b>
<b>2023</b>						
Subsidiary	1.00	446,488	-	-	(32,096)	414,392
Less allowance for expected credit loss		(21,977)	-	-	1,580	(20,397)
<b>Net</b>		<b>424,511</b>				<b>393,995</b>

<b><i>Balances with related parties at 31 December</i></b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
<i>(in thousand Baht)</i>				
<b><i>Trade accounts payable</i></b>				
Subsidiaries	-	-	402,860	529,101
<b>Total</b>	<b>-</b>	<b>-</b>	<b>402,860</b>	<b>529,101</b>
<b><i>Other current payables</i></b>				
Subsidiaries	-	-	126,073	74,388
<b>Total</b>	<b>-</b>	<b>-</b>	<b>126,073</b>	<b>74,388</b>

***Significant agreements with related parties***

***Loans to subsidiary***

At 31 December 2023, The Company has a unsecured loan agreements with a subsidiary with totaling amount of Yen 1,735.00 million or equivalent to Baht 394.00 million, bearing interest at 1.00% per annum. During 2024, the subsidiary has repayment the loans in whole amount.

***Service agreement***

The Company entered into a service agreement with M.C.S. Steel (Xiamen) Co., Ltd. for the fabrication of steel based on design drawing and delivery according to the project schedule. Under the agreement, the Company pays M.C.S. Steel (Xiamen) Co., Ltd. in advance for procurement of steel materials as identified in the project agreement.

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

## Notes to the financial statements

For the year ended 31 December 2024

### Technical service agreement

The Company entered into a technical service agreement with M.C.S. - JAPAN Co., Ltd. to obtain technical and proficiency skills to improve the efficiency of the steel fabrication process. The Company is required to pay service charges as specified in the agreement. The agreement is for one year and is automatically renewed unless either party notifies it be terminated.

## 5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Cash on hand	811	768	732	644
Cash at banks	140,576	151,776	83,329	110,712
Highly liquid short-term investments	656	649	656	649
<b>Cash and cash equivalents in the statement of financial position and statement of cash flows</b>	<b>142,043</b>	<b>153,193</b>	<b>84,717</b>	<b>112,005</b>

## 6 Trade and other current receivables

	Note	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
		<i>(in thousand Baht)</i>			
<b>Trade accounts receivable</b>					
<b>Other parties</b>					
Within credit terms		1,177,458	526,509	1,128,454	489,855
Overdue:					
Less than 3 months		-	172,491	-	172,491
3 - 6 months		-	11,098	-	11,098
6 - 12 months		3,269	-	3,269	-
More than 12 months		62,589	103,553	-	-
<b>Total</b>		<b>1,243,316</b>	<b>813,651</b>	<b>1,131,723</b>	<b>673,444</b>
Less allowance for expected credit loss		(99,396)	(103,553)	-	-
<b>Net</b>		<b>1,143,920</b>	<b>710,098</b>	<b>1,131,723</b>	<b>673,444</b>
<b>Trade accounts receivables - Net</b>		<b>1,143,920</b>	<b>710,098</b>	<b>1,131,723</b>	<b>673,444</b>
<b>Other current receivables</b>					
<b>Related parties</b>	4				
Product and service advance payment		-	-	231,653	474,117
Others		-	-	-	10,815
<b>Total</b>		<b>-</b>	<b>-</b>	<b>231,653</b>	<b>484,932</b>
Less allowance for expected credit loss		-	-	-	-
<b>Net</b>		<b>-</b>	<b>-</b>	<b>231,653</b>	<b>484,932</b>

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

## Notes to the financial statements

For the year ended 31 December 2024

Note	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
<b>Other parties</b>				
Retention receivables	345,661	178,615	345,661	178,615
Product and service advance payment	73,843	63,708	33,067	36,791
Revenue department receivables	94,721	72,282	83,190	53,968
Others	18,586	57,617	6,602	38,029
<b>Total</b>	<b>532,811</b>	<b>372,222</b>	<b>468,520</b>	<b>307,403</b>
Less allowance for expected credit loss	(29,442)	(48,629)	-	-
<b>Net</b>	<b>503,369</b>	<b>323,593</b>	<b>468,520</b>	<b>307,403</b>
<b>Other current receivables - Net</b>	<b>503,369</b>	<b>323,593</b>	<b>700,173</b>	<b>792,335</b>
<b>Trade and other current receivables - Net</b>	<b>1,647,289</b>	<b>1,033,691</b>	<b>1,831,896</b>	<b>1,465,779</b>

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
<b>Allowance for expected credit loss</b>				
At 1 January	152,182	150,697	-	-
Reversal	(15,809)	-	-	-
Effect of movements in exchange rates	(7,535)	1,485	-	-
<b>At 31 December</b>	<b>128,838</b>	<b>152,182</b>	<b>-</b>	<b>-</b>

**M.C.S. Steel Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**7 Inventories**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Work in progress	864,513	1,021,109	719,940	725,923
Raw materials	1,531,811	997,325	1,462,855	932,121
Spare parts and factory supplies	262,946	260,933	131,025	159,142
Goods in transit	69,308	107,516	69,308	107,515
<b>Total</b>	<b><u>2,728,578</u></b>	<b><u>2,386,883</u></b>	<b><u>2,383,128</u></b>	<b><u>1,924,701</u></b>
Inventories recognised in 'cost of sales of goods and rendering of services' and 'contract costs':				
- Cost of goods and rendering of services	<u>4,030,296</u>	<u>4,724,059</u>	<u>4,218,909</u>	<u>4,748,476</u>
<b>Net</b>	<b><u>4,030,296</u></b>	<b><u>4,724,059</u></b>	<b><u>4,218,909</u></b>	<b><u>4,748,476</u></b>

As at 31 December 2024 and 2023, 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**

	<b>Consolidated and Separate</b>	
	<b>financial statements</b>	
	2024	2023
	<i>(in thousand Baht)</i>	
At 1 January	63,592	79,187
Decrease	<u>(3,894)</u>	<u>(15,595)</u>
<b>At 31 December</b>	<b><u>59,698</u></b>	<b><u>63,592</u></b>
Current	5,905	6,473
Non-current	<u>53,793</u>	<u>57,119</u>
<b>At 31 December</b>	<b><u>59,698</u></b>	<b><u>63,592</u></b>

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.



**M.C.S. Steel Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**9 Investments in subsidiaries**

Investment in subsidiaries in the separate financial statements as at 31 December 2024 and 2023 which are stated at cost are as follow:

	Country of operation	Percentage of shareholding		Paid-up capital		Cost		Separate financial statements				Dividend Income for the year	
		2024	2023	2024	2023	2024	2023	Impairment		Net Cost		2024	2023
		<i>(Percent)</i>						2024	2023	2024	2023	2024	2023
<b>Direct subsidiaries</b>													
TANAKA WELDING CENTER Co., Ltd. <sup>(1)</sup>	Thailand	99.92	99.92	Baht 14.85 million	Baht 14.85 million	8,741	9,842	(1,045)	(2,340)	7,696	7,502	-	-
M.C.S. - JAPAN Co., Ltd. <sup>(2)</sup>	Japan	98.00	98.00	Yen 50 million	Yen 50 million	10,395	11,703	-	-	10,395	11,703	-	-
M.C.S. Steel (Xiamen) Co., Ltd. <sup>(3)</sup>	China	74.00	74.00	Yuan 64 million	Yuan 64 million	134,246	151,147	(10,807)	(12,168)	123,439	138,979	-	-
<b>Total</b>						<b>153,382</b>	<b>172,692</b>	<b>(11,852)</b>	<b>(14,508)</b>	<b>141,530</b>	<b>158,184</b>	<b>-</b>	<b>-</b>

(1) Subsidiaries operate the businesses of weldet training and real estate.

(2) Subsidiaries operate the businesses of design and production of structural steel product.

(3) Subsidiary operates the business of production and distribution of structural steel product.

**M.C.S. Steel Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**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.	
	2024	2023
	<i>(in thousand Baht)</i>	
Non-controlling interest percentage	26.00	26.00
Current assets	657,597	449,344
Non-current assets	242,694	263,670
Current liabilities	(389,750)	(232,663)
Non-current liabilities	(31,414)	(33,681)
<b>Net assets</b>	<b>479,127</b>	<b>446,670</b>
Carrying amount of non-controlling interest	<u>138,532</u>	<u>135,081</u>
Revenue	1,162,107	703,011
Profit (loss)	45,667	(76,972)
Other comprehensive income (expense)	(32,395)	(42,173)
<b>Total comprehensive income (expense)</b>	<b>13,272</b>	<b>(119,145)</b>
Profit (loss) allocated to non-controlling interest	11,873	(20,013)
Other comprehensive income (expense) allocated to non-controlling interest	(8,422)	(10,965)
<b>Total</b>	<b>3,451</b>	<b>(30,978)</b>
Cash flows from operating activities	(143,717)	13,962
Cash flows from investing activities	(7,186)	(7,992)
Cash flows from financing activities	143,624	(163)
Effect of exchange rate changes on cash and cash equivalents	16,413	6,788
<b>Net increase in cash and cash equivalents</b>	<b>9,134</b>	<b>12,595</b>

**M.C.S. Steel Public Company Limited and its Subsidiaries**  
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**11 Property, plant and equipment**

	<b>Consolidated financial statements</b>						
	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
<b>Cost</b>							
At 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)
<b>At 31 December 2023 and 1 January 2024</b>	<b>303,603</b>	<b>919,653</b>	<b>1,113,883</b>	<b>174,266</b>	<b>39,839</b>	<b>236,137</b>	<b>2,787,381</b>
Additions	-	258	24,023	18,359	4,893	175,806	223,339
Transfers	-	89,083	148,060	-	-	(237,143)	-
Disposals	-	-	(13,781)	(12,927)	(10,635)	-	(37,343)
Effect of movements in exchange rates	(30,396)	(79,977)	(129,985)	(16,110)	(7,035)	(26,535)	(290,038)
<b>At 31 December 2024</b>	<b>273,207</b>	<b>929,017</b>	<b>1,142,200</b>	<b>163,588</b>	<b>27,062</b>	<b>148,265</b>	<b>2,683,339</b>

**M.C.S. Steel Public Company Limited and its Subsidiaries**  
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	<b>Consolidated financial statements</b>						
	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
<b><i>Depreciation</i></b>							
At 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)
<b>At 31 December 2023 and 1 January 2024</b>	<b>2,698</b>	<b>589,068</b>	<b>783,643</b>	<b>140,674</b>	<b>28,289</b>	-	<b>1,544,372</b>
Depreciation charge for the year	-	44,573	38,576	28,672	29,737	-	141,558
Disposals	-	-	(13,528)	(12,812)	(6,983)	-	(33,323)
Effect of movements in exchange rates	(301)	(57,009)	(57,391)	(26,021)	(33,478)	-	(174,200)
<b>At 31 December 2024</b>	<b>2,397</b>	<b>576,632</b>	<b>751,300</b>	<b>130,513</b>	<b>17,565</b>	-	<b>1,478,407</b>
<b><i>Net book value</i></b>							
<b>At 31 December 2023</b>	<b>300,905</b>	<b>330,585</b>	<b>330,240</b>	<b>33,592</b>	<b>11,550</b>	<b>236,137</b>	<b>1,243,009</b>
<b>At 31 December 2024</b>	<b>270,810</b>	<b>352,385</b>	<b>390,900</b>	<b>33,075</b>	<b>9,497</b>	<b>148,265</b>	<b>1,204,932</b>

**M.C.S. Steel Public Company Limited and its Subsidiaries**  
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	<b>Separate financial statements</b>						
	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
<b>Cost</b>							
At 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)
<b>At 31 December 2023 and 1 January 2024</b>	<b>110,083</b>	<b>574,220</b>	<b>877,847</b>	<b>91,297</b>	<b>22,894</b>	<b>218,318</b>	<b>1,894,659</b>
Additions	-	113	5,648	15,442	107	175,806	197,116
Transfers	-	89,083	141,612	-	-	(230,695)	-
Disposals	-	-	(11,251)	(12,829)	(4,701)	-	(28,781)
Effect of movements in exchange rates	(12,309)	(64,206)	(98,156)	(10,208)	(2,560)	(24,411)	(211,850)
<b>At 31 December 2024</b>	<b>97,774</b>	<b>599,210</b>	<b>915,700</b>	<b>83,702</b>	<b>15,740</b>	<b>139,018</b>	<b>1,851,144</b>

**M.C.S. Steel Public Company Limited and its Subsidiaries**  
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	<b>Separate financial statements</b>						Total
	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	
<b><i>Depreciation</i></b>							
At 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)
<b>At 31 December 2023 and 1 January 2024</b>	<b>2,699</b>	<b>377,539</b>	<b>630,117</b>	<b>71,641</b>	<b>18,380</b>	-	<b>1,100,376</b>
Depreciation charge for the year	-	23,196	23,128	26,681	28,398	-	101,403
Disposals	-	-	(11,251)	(12,726)	(3,370)	-	(27,347)
Effect of movements in exchange rates	(302)	(46,436)	(33,233)	(22,734)	(29,246)	-	(131,951)
<b>At 31 December 2024</b>	<b>2,397</b>	<b>354,299</b>	<b>608,761</b>	<b>62,862</b>	<b>14,162</b>	-	<b>1,042,481</b>
<b><i>Net book value</i></b>							
<b>At 31 December 2023</b>	<b>107,384</b>	<b>196,681</b>	<b>247,730</b>	<b>19,656</b>	<b>4,514</b>	<b>218,318</b>	<b>794,283</b>
<b>At 31 December 2024</b>	<b>95,377</b>	<b>244,911</b>	<b>306,939</b>	<b>20,840</b>	<b>1,578</b>	<b>139,018</b>	<b>808,663</b>

As at 31 December 2024, the Group and the Company's land and building with a net book value of Baht 320.66 million (2023: Baht 126.03 million) are pledged as collateral for bank credit facilities and as at 31 December 2024 and 2023, 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**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**12 Right-of-use assets**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Land	113,914	120,866	-	-
Equipment	1,397	2,112	1,397	2,112
Vehicles	2,562	1,267	2,562	1,267
<b>Total</b>	<b>117,873</b>	<b>124,245</b>	<b>3,959</b>	<b>3,379</b>

In 2024, additions to the right-of-use assets of the Group and the Company were Baht 2.87 million (2023: Baht 1.22 million).

In 2024 and 2023, the Group leased a office equipment for 4 - 5 years and paid fixed lease payment. These payment terms are common in Thailand.

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2024	2023	2024	2023
<b>For the year ended 31 December</b>	<i>(in thousand Baht)</i>			
<b>Amounts recognised in profit or loss</b>				
Depreciation of right-of-use assets:				
- Land	3,803	2,977	-	-
- Equipment	1,197	1,308	1,197	1,308
- Vehicles	901	945	901	945
Interest on lease liabilities	176	110	176	110
Expenses relating to short-term leases - office equipment	654	40	654	40

In 2024, total cash outflow for leases of the Group and the Company were Baht 2.22 million and Baht 2.13 million, respectively (2023: Baht 2.65 million and Baht 2.50 million, respectively).

**13 Trade and other current payables**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2024	2023	2024	2023
		<i>(in thousand Baht)</i>			
<b>Trade accounts payable</b>					
Related parties	4	-	-	402,860	529,101
Other parties		1,354,614	969,437	1,279,470	865,475
<b>Total trade accounts payable</b>		<b>1,354,614</b>	<b>969,437</b>	<b>1,682,330</b>	<b>1,394,576</b>
<b>Other current payables</b>					
<b>Related parties</b>					
Accrued expenses	4	-	-	15,757	13,179
Other		-	-	110,316	61,209
<b>Total</b>		<b>-</b>	<b>-</b>	<b>126,073</b>	<b>74,388</b>

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

## Notes to the financial statements

For the year ended 31 December 2024

	Note	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
<i>(in thousand Baht)</i>					
<b>Other parties</b>					
Accrued expenses		282,453	191,540	199,817	115,740
Contract liabilities	18	-	66,616	-	66,616
Other		30,558	56,586	22,101	47,973
<b>Total</b>		<b>313,011</b>	<b>314,742</b>	<b>221,918</b>	<b>230,329</b>
<b>Total other current payables</b>		<b>313,011</b>	<b>314,742</b>	<b>347,991</b>	<b>304,717</b>
<b>Trade and other current payables</b>		<b>1,667,625</b>	<b>1,284,179</b>	<b>2,030,321</b>	<b>1,699,293</b>

### 14 Interest-bearing liabilities

	Consolidated financial statements					
	2024			2023		
	Secured	Unsecured	Total	Secured	Unsecured	Total
<i>(in thousand Baht)</i>						
Short-term loans from financial institution	249,170	-	249,170	120,600	-	120,600
Long-term loans from financial institution	275,289	-	275,289	-	-	-
Lease liabilities	3,394	1,773	5,167	1,699	2,616	4,315
<b>Total interest-bearing liabilities</b>	<b>527,853</b>	<b>1,773</b>	<b>529,626</b>	<b>122,299</b>	<b>2,616</b>	<b>124,915</b>

  

	Separate financial statements					
	2024			2023		
	Secured	Unsecured	Total	Secured	Unsecured	Total
<i>(in thousand Baht)</i>						
Lease liabilities	2,889	1,773	4,662	1,493	2,616	4,109

At 31 December 2024, a subsidiary has outstanding loans from a financial institution amounting to Yuan 55.55 million or equivalent to Baht 261.81 million (2023: Yuan 24.74 million or equivalent to Baht 120.60 million) which bear interest rate between 3.80% to 3.90% per annum (2023: 3.90% to 4.20% per annum), which will become due within October 2025. The short-term loans were guaranteed by right-of-use assets of the subsidiary.

At 31 December 2024, a subsidiary has outstanding loans from a financial institution amounting to Yen 1,200 million or equivalent to Baht 262.65 million, which bear interest rate TIBOR, and will become due within December 2029. The long-term loans were guaranteed by assets of the subsidiary.

At 31 December 2024, the Group and the Company has unutilized credit facilities with financial institutions for overdrafts, trust receipt and loan totalling Baht 398.52 million and Baht 377.55 million, respectively (2023: Baht 1,631.27 million and Baht 1,630.00 million, respectively).



**M.C.S. Steel Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

<i>Assets pledged as security for liabilities at 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Inventories	1,354,457	791,985	1,354,457	791,985
Property, plant and equipment	320,658	126,025	122,935	126,025
Right-of-use assets	113,914	120,866	-	-
<b>Total</b>	<b>1,789,029</b>	<b>1,038,876</b>	<b>1,477,392</b>	<b>918,010</b>

**15 Non-current provisions for employee benefits**

<i>At 31 December</i>	<b>Consolidated and Separate financial statements</b>	
	2024	2023
	<i>(in thousand Baht)</i>	
Defined benefit plan	30,234	31,500
<b>Total</b>	<b>30,234</b>	<b>31,500</b>

***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.

<i>Present value of the defined benefit obligations</i>	<b>Consolidated and Separate financial statements</b>	
	2024	2023
	<i>(in thousand Baht)</i>	
At 1 January	31,500	28,986
<b><i>Recognised in profit or loss:</i></b>		
Current service cost	2,624	2,717
Interest on obligation	711	640
	<u>3,335</u>	<u>3,357</u>
<b><i>Recognised in other comprehensive income</i></b>		
Actuarial (gain) loss		
- Financial assumptions	652	-
- Experience adjustment	(4,539)	-
	<u>(3,887)</u>	<u>-</u>
Effect of movements in exchange rates	-	37
Benefit paid	(714)	(880)
<b>At 31 December</b>	<b>30,234</b>	<b>31,500</b>

**M.C.S. Steel Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

<i>Principal actuarial assumptions</i>	<b>Consolidated and Separate financial statements</b>	
	2024	2023
	(%)	
Discount rate	2.40	2.70
Future salary growth	5.00	5.00
Turnover rate	3.82 – 45.84	3.82 – 45.84

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

At 31 December 2024 the weighted-average duration of the defined benefit obligation was 7.31 years (2023: 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.

<i>Effect to the defined benefit obligation At 31 December</i>	<b>Consolidated and Separate financial statements</b>			
	Increase in assumption		Decrease in assumption	
	2024	2023	2024	2023
	(in thousand Baht)			
Discount rate (0.5% change)	(1,074)	(824)	1,138	872
Future salary growth (1% change)	2,570	2,014	(2,325)	(1,829)

**16 Provision for product warranty**

	<b>Consolidated financial statement</b>	<b>Separate financial statement</b>
	(in thousand Baht)	
At 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)
<b>At 31 December 2023 and 1 January 2024</b>	<b>33,313</b>	<b>26,002</b>
Provisions made	23,123	26,642
Provisions used	(11,828)	(11,828)
Effect of movements in exchange rates	(3,573)	(2,844)
<b>At 31 December 2024</b>	<b>41,035</b>	<b>37,972</b>

*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.

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

## Notes to the financial statements

For the year ended 31 December 2024

### 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.

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

<i>For the year ended 31 December</i>	Thailand		China		Japan		Elimination of inter-segment revenues		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<i>(in thousand Baht)</i>										
<b>Information about reportable segments</b>										
External revenues	5,591,168	5,757,352	14,306	19,270	1,697	541	-	-	5,607,171	5,777,163
Inter-segment revenue	-	-	1,209,835	689,381	360,695	757,572	(1,570,530)	(1,446,953)	-	-
<b>Total revenue</b>	<b><u>5,591,168</u></b>	<b><u>5,757,352</u></b>	<b><u>1,224,141</u></b>	<b><u>708,651</u></b>	<b><u>362,392</u></b>	<b><u>758,113</u></b>	<b><u>(1,570,530)</u></b>	<b><u>(1,446,953)</u></b>	<b><u>5,607,171</u></b>	<b><u>5,777,163</u></b>
<b>Disaggregation of revenue</b>										
<b>Primary geographical markets</b>										
Thailand	124,860	259,176	-	-	-	-	-	-	124,860	259,176
China	-	-	14,306	19,270	13,697	-	(13,697)	-	14,306	19,270
Japan	5,466,308	5,498,176	1,209,835	689,381	348,695	758,113	(1,556,833)	(1,446,953)	5,468,005	5,498,717
<b>Total revenue</b>	<b><u>5,591,168</u></b>	<b><u>5,757,352</u></b>	<b><u>1,224,141</u></b>	<b><u>708,651</u></b>	<b><u>362,392</u></b>	<b><u>758,113</u></b>	<b><u>(1,570,530)</u></b>	<b><u>(1,446,953)</u></b>	<b><u>5,607,171</u></b>	<b><u>5,777,163</u></b>
<b>Major products/service lines</b>										
Fabrication and sell of structural steel	5,182,265	5,127,567	1,224,141	708,651	362,392	758,113	(1,570,530)	(1,446,953)	5,198,268	5,147,378
Fabrication including installation of structural steel	124,860	259,176	-	-	-	-	-	-	124,860	259,176
Rendering of services	284,043	370,609	-	-	-	-	-	-	284,043	370,609
<b>Total revenue</b>	<b><u>5,591,168</u></b>	<b><u>5,757,352</u></b>	<b><u>1,224,141</u></b>	<b><u>708,651</u></b>	<b><u>362,392</u></b>	<b><u>758,113</u></b>	<b><u>(1,570,530)</u></b>	<b><u>(1,446,953)</u></b>	<b><u>5,607,171</u></b>	<b><u>5,777,163</u></b>
<b>Timing of revenue recognition</b>										
At a point in time	5,182,265	5,127,567	1,224,141	708,651	362,392	758,113	(1,570,530)	(1,446,953)	5,198,268	5,147,378
Over time	408,903	629,785	-	-	-	-	-	-	408,903	629,785
<b>Total revenue</b>	<b><u>5,591,168</u></b>	<b><u>5,757,352</u></b>	<b><u>1,224,141</u></b>	<b><u>708,651</u></b>	<b><u>362,392</u></b>	<b><u>758,113</u></b>	<b><u>(1,570,530)</u></b>	<b><u>(1,446,953)</u></b>	<b><u>5,607,171</u></b>	<b><u>5,777,163</u></b>
Segment profit (loss) before income tax	<u>634,513</u>	<u>233,489</u>	<u>50,489</u>	<u>(74,870)</u>	<u>17,943</u>	<u>11,597</u>	<u>2,038</u>	<u>(16,891)</u>	<u>704,983</u>	<u>153,325</u>
Segment assets as at 31 December	<u>5,480,296</u>	<u>5,171,900</u>	<u>908,263</u>	<u>728,585</u>	<u>484,662</u>	<u>865,353</u>	<u>(811,727)</u>	<u>(1,494,054)</u>	<u>6,061,494</u>	<u>5,271,784</u>
Segment liabilities as at 31 December	<u>2,108,741</u>	<u>1,762,455</u>	<u>437,723</u>	<u>271,317</u>	<u>465,071</u>	<u>866,746</u>	<u>(701,182)</u>	<u>(1,391,395)</u>	<u>2,310,353</u>	<u>1,509,123</u>

**M.C.S. Steel Public Company Limited and its Subsidiaries**  
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(b) *Major customer*

Revenues from one customer of the Group's segment 1 and 3 represents approximately Baht 1,484.37 million (2023: Baht 2,938.25 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*

<b>Contract assets</b>	<i>Note</i>	<b>Consolidated and Separate financial statements</b>	
		2024	2023
		<i>(in thousand Baht)</i>	
Construction contract	6	-	-
<b>Material movement</b>			
<b>Year ended 31 December</b>			
Recognised as revenue during the year		124,860	259,176
Transfer to trade accounts receivable		(70,613)	(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.

<b>Contract liabilities</b>	<i>Note</i>	<b>Consolidated and Separate financial statements</b>	
		2024	2023
		<i>(in thousand Baht)</i>	
Advances received according to construction contract		-	58,116
Advances received for goods		-	8,500
<b>Total</b>	13	<u>-</u>	<u>66,616</u>

The Group's and the Company's contract liabilities at 31 December 2023 amounted of Baht 66.62 million, have been recognised as revenue in 2024.

(e) *Contract cost assets*

At 31 December 2024, the Group and the Company have net costs to obtain a contract amounted of Baht 149.59 million (2023: Baht 235.04 million).

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

## Notes to the financial statements

For the year ended 31 December 2024

### 19 Expenses by nature

Note	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Changes in inventories of finished goods and work in progress	74,878	226,002	5,983	337,492
Raw materials and consumables used	3,132,491	3,380,604	1,973,878	2,223,440
Shipping cost	474,724	553,812	470,286	469,004
Personnel expenses	526,160	571,755	422,863	376,663
Subcontract cost	109,822	119,710	1,639,453	1,494,471
Depreciation and amortisation	149,872	144,339	104,655	101,190
Amortisation of contract cost assets	64,551	78,921	64,551	78,921
Utilities expense	52,939	65,229	44,670	54,827
Repair and maintenance	30,878	26,128	24,007	18,936
Professional and consultation fee	7,376	18,484	7,192	7,797
Others	224,676	358,630	213,367	295,462
<b>Total cost of sales of goods and service, contract cost, distribution costs and administrative expenses</b>	<b><u>4,848,367</u></b>	<b><u>5,543,614</u></b>	<b><u>4,970,905</u></b>	<b><u>5,458,203</u></b>

### 20 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
<b>Current tax expense</b>				
Current year	18,397	10,319	-	-
	<b><u>18,397</u></b>	<b><u>10,319</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Deferred tax expense</b>				
Movements in temporary differences	(4,022)	(1,592)	2,254	493
Exchange differences	-	-	180	345
<b>Total income tax expense</b>	<b><u>14,375</u></b>	<b><u>8,727</u></b>	<b><u>2,434</u></b>	<b><u>838</u></b>

**M.C.S. Steel Public Company Limited and its Subsidiaries**  
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**For the year ended 31 December 2024**

	Consolidated and Separate financial statements					
	2024			2023		
<i>Income tax</i>	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
			(in thousand Baht)			
<b>Recognised in other comprehensive income</b>						
Defined benefit plan actuarial gains	3,886	(306)	3,580	-	-	-
<b>Total</b>	<b>3,886</b>	<b>(306)</b>	<b>3,580</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Consolidated financial statements			
	2024		2023	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		704,852		153,325
Income tax using the Thai corporation tax rate	20.00	140,970	20.00	30,665
Difference from taxable currency		(50,705)		(37,093)
Expenses not deductible for tax purposes		5,751		279
Expenses allowed increase in determine taxable		(504)		(83)
Income not subject to tax		(3,776)		(150)
The exemption of profit of the promoted business (BOI)		(93,687)		(33,059)
Effect of different tax rates in foreign jurisdictions		(4,229)		(3,150)
Recognition of previously unrecognised tax losses		8,045		-
Taxable loss unrecognised as deferred tax assets		-		41,291
Elimination and others		12,510		10,027
<b>Total</b>	<b>2.04</b>	<b>14,375</b>	<b>5.69</b>	<b>8,727</b>

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

## Notes to the financial statements

For the year ended 31 December 2024

### Reconciliation of effective tax rate

	Rate (%)	Separate financial statements	
		2024 (in thousand Baht)	2023 (in thousand Baht)
Profit before income tax expense		<u>634,192</u>	<u>233,489</u>
Income tax using the Thai corporation tax rate	20.00	126,838	46,698
Difference from taxable currency		(50,705)	(37,093)
Expenses not deductible for tax purposes		5,751	279
Expenses allowed increase in determine taxable		(504)	(83)
Income not subject to tax		(3,776)	(150)
The exemption of profit of the promoted business (BOI)		(93,687)	(33,059)
Recognition of previously unrecognised tax losses		8,045	-
Taxable loss unrecognised as deferred tax assets		-	25,540
Others		10,472	(1,294)
<b>Total</b>	<b>0.38</b>	<b>2,434</b>	<b>838</b>

### Consolidated financial statements

<b>Deferred tax</b> <b>At 31 December</b>	Assets		Liabilities	
	2024	2023	2024	2023
		<i>(in thousand Baht)</i>		
Total	2,382	2,697	(29,437)	(34,538)
Set off of tax	<u>(2,382)</u>	<u>(2,697)</u>	<u>2,382</u>	<u>2,697</u>
<b>Net deferred tax liabilities</b>	<u>-</u>	<u>-</u>	<b><u>(27,055)</u></b>	<b><u>(31,841)</u></b>

### Separate financial statements

<b>Deferred tax</b> <b>At 31 December</b>	Assets		Liabilities	
	2024	2023	2024	2023
		<i>(in thousand Baht)</i>		
Total	2,382	6,776	(446)	(2,280)
Set off of tax	<u>(446)</u>	<u>(2,280)</u>	<u>446</u>	<u>2,280</u>
<b>Net deferred tax assets</b>	<u><b>1,936</b></u>	<u><b>4,496</b></u>	<u>-</u>	<u>-</u>



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

## Notes to the financial statements

For the year ended 31 December 2024

	Consolidated financial statements				At 31 December
	At 1 January	Profit or loss	(Charged) / Credited to		
			Other comprehensive income	Exchange differences	
			<i>(in thousand Baht)</i>		
<b>Deferred tax</b>					
<b>2024</b>					
<b>Deferred tax assets</b>					
Lease liabilities	1	(1)	-	-	-
Provisions for employee benefits	2,696	(8)	(306)	-	2,382
<b>Total</b>	<b>2,697</b>	<b>(9)</b>	<b>(306)</b>	<b>-</b>	<b>2,382</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment	(2,280)	1,834	-	-	(446)
Prepaid land rental expense	(32,258)	2,197	-	1,070	(28,991)
<b>Total</b>	<b>(34,538)</b>	<b>4,031</b>	<b>-</b>	<b>1,070</b>	<b>(29,437)</b>
<b>Net</b>	<b>(31,841)</b>	<b>4,022</b>	<b>(306)</b>	<b>1,070</b>	<b>(27,055)</b>
<b>2023</b>					
<b>Deferred tax assets</b>					
Lease liabilities	9	(8)	-	-	1
Provisions for employee benefits	3,924	(1,228)	-	-	2,696
<b>Total</b>	<b>3,933</b>	<b>(1,236)</b>	<b>-</b>	<b>-</b>	<b>2,697</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment	(12,590)	2,090	-	309	(10,191)
Prepaid land rental expense	(25,922)	738	-	837	(24,347)
<b>Total</b>	<b>(38,512)</b>	<b>2,828</b>	<b>-</b>	<b>1,146</b>	<b>(34,538)</b>
<b>Net</b>	<b>(34,579)</b>	<b>1,592</b>	<b>-</b>	<b>1,146</b>	<b>(31,841)</b>

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

## Notes to the financial statements

For the year ended 31 December 2024

	Separate financial statements				
	At 1 January	(Charged) / Credited to			At 31 December
Profit or loss		Other comprehensive income	Exchange differences		
<b>Deferred tax</b>					
<b>2024</b>					
<b>Deferred tax assets</b>					
Lease liabilities	1	(1)	-	-	-
Provisions for employee benefits	2,696	(8)	(306)	-	2,382
Loan to related party	4,079	(4,079)	-	-	-
<b>Total</b>	<b>6,776</b>	<b>(4,088)</b>	<b>(306)</b>	<b>-</b>	<b>2,382</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment	(2,280)	1,834	-	-	(446)
<b>Total</b>	<b>(2,280)</b>	<b>1,834</b>	<b>-</b>	<b>-</b>	<b>(446)</b>
<b>Net</b>	<b>4,496</b>	<b>(2,254)</b>	<b>(306)</b>	<b>-</b>	<b>1,936</b>
<b>2023</b>					
<b>Deferred tax assets</b>					
Lease liabilities	9	(8)	-	-	1
Provisions for employee benefits	3,924	(1,228)	-	-	2,696
Loan to related party	4,396	-	-	(317)	4,079
<b>Total</b>	<b>8,329</b>	<b>(1,236)</b>	<b>-</b>	<b>(317)</b>	<b>6,776</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment	(3,023)	743	-	-	(2,280)
<b>Total</b>	<b>(3,023)</b>	<b>743</b>	<b>-</b>	<b>-</b>	<b>(2,280)</b>
<b>Net</b>	<b>5,306</b>	<b>(493)</b>	<b>-</b>	<b>(317)</b>	<b>4,496</b>

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
<b>Unrecognised deferred tax assets</b>				
Tax losses	115,020	119,666	113,798	103,915

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.

**M.C.S. Steel Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**21 Earnings per share**

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
<b>Profit attributable to ordinary shareholders</b>				
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<b>678,604</b>	<b>164,611</b>	<b>631,758</b>	<b>232,651</b>
<b>Ordinary shares outstanding</b>				
Number of ordinary shares outstanding at 1 January	477,000	477,000	477,000	477,000
<b>Number of ordinary shares outstanding (basic) at 31 December</b>	<b>477,000</b>	<b>477,000</b>	<b>477,000</b>	<b>477,000</b>
<b>Earnings per share (basic) (in Baht)</b>	<b>1.42</b>	<b>0.35</b>	<b>1.32</b>	<b>0.49</b>

**22 Dividends**

	Approval date	Payment schedule	Dividend rate per share <i>(Baht)</i>	Amount <i>(in thousand Baht)</i>
<b>2024</b>				
2023 Annual dividend	9 April 2024	2 May 2024	0.32	152,630
2024 Interim dividend	8 August 2024	10 September 2024	0.20	95,389
				<b>248,019</b>
<b>2023</b>				
2022 Annual dividend	17 April 2023	8 May 2023	0.20	95,399
				<b>95,399</b>

**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.

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

## Notes to the financial statements

### For the year ended 31 December 2024

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.

#### *(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.

**M.C.S. Steel Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

<b>At 31 December</b>	Carrying amount	<b>Consolidated financial statements</b> Contractual cash flows			Total
		1 year or less	More than 1 year but less than 5 years	More than 5 years	
<i>(in thousand Baht)</i>					
<b>2024</b>					
<b>Non-derivative financial liabilities</b>					
Short-term loans from financial institutions	524,460	249,171	275,289	-	524,460
Trade and other current payables	1,667,625	1,667,625	-	-	1,667,625
Lease liabilities	5,167	2,065	3,102	-	5,167
	<b><u>2,197,252</u></b>	<b><u>1,918,861</u></b>	<b><u>278,391</u></b>	<b><u>-</u></b>	<b><u>2,197,252</u></b>
<b>2023</b>					
<b>Non-derivative financial liabilities</b>					
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
	<b><u>1,328,600</u></b>	<b><u>1,326,719</u></b>	<b><u>2,158</u></b>	<b><u>-</u></b>	<b><u>1,328,877</u></b>

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

## Notes to the financial statements

For the year ended 31 December 2024

<b>At 31 December</b>	Carrying amount	Separate financial statements			Total
		1 year or less	Contractual cash flows More than 1 year but less than 5 years	More than 5 years	
<i>(in thousand Baht)</i>					
<b>2024</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other current payables	2,030,321	2,030,321	-	-	2,030,321
Lease liabilities	4,662	1,949	2,713	-	4,662
	<b><u>2,034,983</u></b>	<b><u>2,032,270</u></b>	<b><u>2,713</u></b>	<b><u>-</u></b>	<b><u>2,034,983</u></b>
<b>2023</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other current payables	1,618,799	1,618,799	-	-	1,618,799
Lease liabilities	4,109	2,228	2,158	-	4,386
	<b><u>1,622,908</u></b>	<b><u>1,621,027</u></b>	<b><u>2,158</u></b>	<b><u>-</u></b>	<b><u>1,623,185</u></b>

### (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.

<b>Exposure to foreign currency</b> <b>At 31 December</b>	Consolidated financial statements			
	USD	THB	CNY	Total
<i>(in thousand Baht)</i>				
<b>2024</b>				
Cash and cash equivalents	741	49,493	30,846	81,080
Trade and other current receivables	-	122,859	28,476	151,335
Interest-bearing liabilities	-	(4,662)	(261,807)	(266,469)
Trade and other current payables	(4,488)	(170,017)	(67,158)	(241,663)
<b>Net statement of financial position exposure</b>	<b><u>(3,747)</u></b>	<b><u>(2,327)</u></b>	<b><u>(269,643)</u></b>	<b><u>(275,717)</u></b>
<b>2023</b>				
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)
<b>Net statement of financial position exposure</b>	<b><u>(16,560)</u></b>	<b><u>45,765</u></b>	<b><u>(116,637)</u></b>	<b><u>(87,432)</u></b>

**M.C.S. Steel Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

<i>Exposure to foreign currency</i> <i>At 31 December</i>	<b>Separate financial statements</b>		
	USD	THB <i>(in thousand Baht)</i>	Total
<b>2024</b>			
Cash and cash equivalents	741	49,493	50,234
Trade and other current receivables	-	122,859	122,859
Interest-bearing liabilities	-	(4,662)	(4,662)
Trade and other current payables	(4,488)	(170,017)	(174,505)
<b>Net statement of financial position exposure</b>	<b><u>(3,747)</u></b>	<b><u>(2,327)</u></b>	<b><u>(6,074)</u></b>
<b>2023</b>			
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)
<b>Net statement of financial position exposure</b>	<b><u>(16,560)</u></b>	<b><u>45,765</u></b>	<b><u>29,205</u></b>

*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 (%)	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		Strengthening	Weakening <i>(in thousand Baht)</i>	Strengthening	Weakening
<b>2024</b>					
USD	10	(375)	375	(375)	375
THB	10	(233)	233	(233)	233
CNY	10	(26,964)	26,964	-	-
<b>2023</b>					
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	-	-

(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.

**M.C.S. Steel Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**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.

**25 Commitments with non-related parties**

	<b>Consolidated and Separate financial statements</b>	
	2024	2023
	<i>(in thousand Baht)</i>	
<b>Capital commitments</b>		
Buildings and other constructions	15,745	200
<b>Total</b>	<b>15,745</b>	<b>200</b>
<b>Other commitments</b>		
Unused letters of credit for goods and supplies that have been opened but have not yet recognise liabilities	1,252,452	462,573
Purchase orders for goods and supplies	2,768	14,294
Bank guarantees	146,002	75,911
Other agreements	1,165	5,572
<b>Total</b>	<b>1,402,387</b>	<b>558,350</b>

*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 20 February 2025, the Board of Directors approved the annual dividend payment in cash based on the operating result for the year of 2024 of Baht 0.50 per share, totaling Baht 238.50 million. The dividend is subject to approve by the shareholders at the annual general meeting to be held in April 2025.



**M.C.S. Steel Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**27 Condensed functional currency financial statements**

The statements of financial position as at 31 December 2024 and 2023 and statements of comprehensive income for the year ended 31 December 2024 and 2023 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>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2024	2023	2024	2023
	<i>(in thousand Yen)</i>			
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	669,583	641,395	399,353	468,949
Trade and other current receivables	7,765,214	4,327,911	8,635,437	6,136,999
Current portion of long-term loans to employees	27,834	27,100	27,834	27,099
Inventories	12,862,339	9,993,525	11,233,912	8,058,437
<b>Total current assets</b>	<b>21,324,970</b>	<b>14,989,931</b>	<b>20,296,536</b>	<b>14,691,484</b>
<b>Non-current assets</b>				
Investments in subsidiaries	-	-	667,162	662,294
Long-term loans to related party	-	-	-	1,649,600
Long-term loans to employees	253,575	239,149	253,575	239,149
Property, plant and equipment	5,679,972	5,204,292	3,811,986	3,325,546
Right-of-use assets	555,646	520,196	18,665	14,148
Goodwill	-	74,523	-	-
Other intangible assets	66,010	57,623	43,248	30,767
Deferred tax assets	-	-	9,128	18,825
Contract cost assets	705,172	984,085	705,172	984,085
Other non-current assets	5,867	2,377	3,749	145
<b>Total non-current assets</b>	<b>7,266,242</b>	<b>7,082,245</b>	<b>5,512,685</b>	<b>6,924,559</b>
<b>Total assets</b>	<b>28,591,212</b>	<b>22,072,176</b>	<b>25,809,221</b>	<b>21,616,043</b>

**M.C.S. Steel Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

<i>Statement of financial position</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2024	2023	2024	2023
	<i>(in thousand Yen)</i>			
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Short-term loans from financial institutions	1,138,404	490,739	-	-
Trade and other current payables	7,619,004	5,225,508	9,276,081	6,914,665
Current portion of lease liabilities	9,433	9,218	8,905	8,890
Income tax payable	47,947	13,737	-	-
<b>Total current liabilities</b>	<b>8,814,788</b>	<b>5,739,202</b>	<b>9,284,986</b>	<b>6,923,555</b>
<b>Non-current liabilities</b>				
Lease liabilities	14,174	8,338	12,396	7,831
Long-term loans from financial institutions	1,257,734	-	-	-
Deferred tax liabilities	123,326	129,517	-	-
Non-current provisions for employee benefits	138,130	128,177	138,130	128,177
Provisions for product warranty	187,478	135,553	173,488	105,806
<b>Total non-current liabilities</b>	<b>1,720,842</b>	<b>401,585</b>	<b>324,014</b>	<b>241,814</b>
<b>Total liabilities</b>	<b>10,535,630</b>	<b>6,140,787</b>	<b>9,609,000</b>	<b>7,165,369</b>
<b>Equity</b>				
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 earnings				
Appropriated				
Legal reserve	153,579	153,579	153,579	153,579
Unappropriated	15,240,810	13,309,474	14,406,291	12,656,744
Other components of equity	519,774	414,065	-	-
<b>Equity attributable to owners of the parent</b>	<b>17,554,514</b>	<b>15,517,469</b>	<b>16,200,221</b>	<b>14,450,674</b>
Non-controlling interests	501,068	413,920	-	-
<b>Total equity</b>	<b>18,055,582</b>	<b>15,931,389</b>	<b>16,200,221</b>	<b>14,450,674</b>
<b>Total liabilities and equity</b>	<b>28,591,212</b>	<b>22,072,176</b>	<b>25,809,221</b>	<b>21,616,043</b>

**M.C.S. Steel Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

<i>Statement of comprehensive income</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	For the year ended 31 December			
	2024	2023	2024	2023
	<i>(in thousand Yen)</i>			
<b><i>Income</i></b>				
Revenue from sale of goods and rendering of services	23,625,298	22,246,152	23,555,368	22,178,583
Contract revenue	520,088	1,040,892	520,088	1,040,892
Other income	346,473	168,614	320,306	181,471
<b>Total income</b>	<b>24,491,859</b>	<b>23,455,658</b>	<b>24,395,762</b>	<b>23,400,946</b>
<b><i>Expenses</i></b>				
Costs of sale of goods and rendering of services	16,909,058	18,407,752	17,738,356	18,523,248
Contract costs	384,092	614,459	384,092	614,459
Distribution costs	2,113,522	2,041,363	2,126,759	2,041,363
Administrative expenses	1,407,458	1,259,159	1,110,408	819,284
Net foreign exchange loss	487,113	349,679	202,235	323,459
<b>Total expenses</b>	<b>21,301,243</b>	<b>22,672,412</b>	<b>21,561,850</b>	<b>22,321,813</b>
<b>Profit (loss) from operating activities</b>	<b>3,190,616</b>	<b>783,246</b>	<b>2,833,912</b>	<b>1,079,133</b>
Finance costs	91,622	149,514	56,810	130,552
<b>Profit (loss) before income tax expense</b>	<b>3,098,994</b>	<b>633,732</b>	<b>2,777,102</b>	<b>948,581</b>
Tax expense (income)	63,258	35,437	11,375	3,013
<b>Profit (loss) for the year</b>	<b>3,035,736</b>	<b>598,295</b>	<b>2,765,727</b>	<b>945,568</b>
<b>Other comprehensive income (expense)</b>				
<b><i>Items that will be reclassified subsequently to profit or loss</i></b>				
Exchange differences on translating financial statements	192,805	(86,045)	-	-
<b>Total comprehensive income (expense) for the year</b>	<b>192,805</b>	<b>(86,045)</b>	<b>-</b>	<b>-</b>
<b><i>Items that will not be reclassified subsequently to profit or loss</i></b>				
Gain on remeasurements of defined benefit plans	17,757	-	17,757	-
Income tax relating to items that will not be reclassified	(1,444)	-	(1,444)	-
<b>Total item that will not be reclassified subsequently to profit or loss</b>	<b>16,313</b>	<b>-</b>	<b>16,313</b>	<b>-</b>
<b>Other comprehensive income (expense) for the year, net of tax</b>	<b>209,118</b>	<b>(86,045)</b>	<b>16,313</b>	<b>-</b>
<b>Total comprehensive income (expense) for the year</b>	<b>3,244,854</b>	<b>512,250</b>	<b>2,782,041</b>	<b>945,568</b>

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

## Notes to the financial statements

For the year ended 31 December 2024

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December			
<i>Statement of comprehensive income</i>	2024	2023	2024	2023
	<i>(in thousand Yen)</i>			
<b>Profit (loss) attributable to:</b>				
Owners of parent	2,984,816	675,400	2,765,727	945,568
Non-controlling interest	50,920	(77,105)	-	-
	<b><u>3,035,736</u></b>	<b><u>598,295</u></b>	<b><u>2,765,727</u></b>	<b><u>945,568</u></b>
<b>Total comprehensive income (expense) attributable to:</b>				
Owners of parent	3,157,706	611,727	2,782,041	945,568
Non-controlling interest	87,148	(99,477)	-	-
	<b><u>3,244,854</u></b>	<b><u>512,250</u></b>	<b><u>2,782,041</u></b>	<b><u>945,568</u></b>
<b>Basic earnings (loss) per share <i>(in Yen)</i></b>	<b><u>6.26</u></b>	<b><u>1.42</u></b>	<b><u>5.80</u></b>	<b><u>1.98</u></b>