

Assets used in a business

4.1 Main fixed assets

Unit: Million Baht

Asset Category	Ownership	Net Book Value 31 Dec 2022	Net Book Value 31 Dec 2021	Net Book Value 31 Dec 2020
Land and land improvement (*)	Own	1,017	1,024	802
Building (*)	Own	1,455	1,573	1,697
Machinery and equipment(*)	Own	5,891	6,099	6,377
Office equipment	Own	64	30	33
Vehicles (**)	Operating lease	10	3	6
Construction in progress(***)	Own	164	3,833	3,736
Total		<u>8,601</u>	<u>12,562</u>	<u>12,651</u>

Remark:

- (*) The Company's assets consisted of land, building, machinery and equipment, construction in progress which are located in the factory.
- (**) The right-of-use assets includes Vehicles which are acquired by lease liabilities with various local leasing and private companies for which the Company has a right for purchase of assets at the expiry date of the lease contracts and for obtaining the right to control and use right-of-use assets and the Company have to comply with certain restriction as specified in the lease contracts.

(***) Detail of construction in progress

Unit: Million Baht

Asset Category	Net Book Value 31 Dec 2022	Net Book Value 31 Dec 2021	Net Book Value 31 Dec 2020
Galvanizing line	5,038	5,038	5,038
Reversing Mill line	1,525	1,525	1,525
Others	<u>375</u>	<u>392</u>	<u>295</u>
Total	6,938	6,955	6,858
Allowance for impairment losses ⁽¹⁾	<u>(6,739)</u>	<u>(3,122)</u>	<u>(3,122)</u>
	199	3,833	3,736
Transfer to unusable machineries held for sale	<u>(35)</u>	—	—
Total	<u>164</u>	<u>3,833</u>	<u>3,736</u>

⁽¹⁾ **Allowance for impairment loss on unusable machines held for sale**

- The Company has engaged technical experts to carry out a review of the Galvanizing line lying under construction in progress. Based on such technical review, the additional investment required for making the Galvanizing line operational was estimated at USD 44.25 million to USD 47.25 million (equivalent to approximately Baht 1,534 million to Baht 1,638 million) which would include complete replacement of electrical and automation parts including replacement/purchase of new items to complete the commissioning. The management further noted that in spite of this additional investment, it would be very unlikely that such Galvanizing line could achieve the desired production capacities, quality parameters, and subsequent guarantee figures. If the old and rusted parts are not replaced, the risk of operational stability, frequently breakdowns due to cracks and

jumping, which resulted in high maintenance/operational costs and importantly quality and safety issues will remain major concerns and finally, the Company's product image will significantly be damaged.

- After considering various factors, the Management Committee meeting held on February 17, 2023 resolved not to continue with the commissioning of the existing Galvanizing line but to set up additional an impairment loss on such Galvanizing line (using the market scrap price) amounting to Baht 3,617 million in the books. Subsequently, the Audit Committee and Board of Directors meeting held on February 23, 2023, approved to record impairment loss on unusable machines held for sale amounting to Baht 3,617 million in the statement of comprehensive income for the year ended December 31, 2022.

(****) Mortgaged property, plant and equipment

- The Company filed a lawsuit in Southern Bangkok Civil Court against three defendants, in their capacities of bondholder trustee and security agent, to release the lien and security interests on the Company's property, plant and equipment for which the Company has completely settled debt under rehabilitation plan to such creditors. On October 28, 2013, the Southern Bangkok Civil Court ruled in favour of the Company ordering the defendants to release the mortgaged assets. Currently, two defendants have released the mortgaged assets and the Company is in the process of releasing of the collateral from the third defendant.
- The Company's property, plant and equipment, which have net book values as at December 31, 2022 and 2021 totalling Baht 6,972 million and Baht 7,232 million, respectively, are mortgaged first ranking security against the bondholders as mentioned above, and were mortgaged second ranking security against credit facilities from a foreign related party (at mortgage amount of Baht 6,619 million). During year 2021, the Company has repaid the whole amount of principal and accrued interest and terminated such credit facilities and already released the mortgage of such land and buildings on December 9, 2021 and released the pledged of machinery on April 7, 2022 which under second mortgage ranking against credit facilities from such foreign related party.

Significant intangible assets

Unit: Million Baht

Asset Category	Net Book Value 31 Dec 2022	Net Book Value 31 Dec 2021	Net Book Value 31 Dec 2020
Software	5	4	5

4.2 Investment policy in subsidiaries

- none -