

Assets used in a business

4.1 Main fixed assets

Unit: Million Baht

Asset Category	Ownership	Net Book Value 31 Dec 2023	Net Book Value 31 Dec 2022	Net Book Value 31 Dec 2021
Land and land improvement (*)	Own	1,010	1,017	1,024
Building (*)	Own	1,340	1,455	1,573
Machinery and equipment(*)	Own	5,701	5,891	6,099
Office equipment	Own	65	64	30
Vehicles (**)	Under financial lease	9	10	3
Construction in progress(***)	Own	120	164	3,833
Total		<u>8,245</u>	<u>8,601</u>	<u>12,562</u>

Remark:

(*) The Company's assets consisted of land, building, machinery and equipment, construction in progress which are located in the factory, office and right of use from building lease agreement which located in Bangkok.

(**) 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 2023	Net Book Value 31 Dec 2022	Net Book Value 31 Dec 2021
Galvanizing line	-	5,038	5,038
Reversing Mill line	-	1,525	1,525
Others	<u>120</u>	<u>375</u>	<u>392</u>
Total	120	6,938	6,955
Allowance for impairment losses ⁽¹⁾	<u>-</u>	<u>(6,739)</u>	<u>(3,122)</u>
	120	199	3,833
Transfer to unusable machineries held for sale	<u>-</u>	<u>(35)</u>	<u>-</u>
Total	<u>120</u>	<u>164</u>	<u>3,833</u>

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

- In year 2022, the Company had 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 were not replaced, the risk of operational stability, frequent breakdowns due to cracks and jamming, would result in high maintenance/operational costs and importantly quality and safety issues would remain major concerns and finally, the Company's product image would be significantly 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 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 one defendant, in their capacities of bondholder trustee and security agent, to release the lien and security interests on the Company's property, plant and equipment which the Company had completely settled under rehabilitation plan to such creditor. On October 28, 2013, the Court ruled the defendant to release the mortgaged assets. Accordingly, the Company already released the mortgaged land in November 2023, and currently, in the process of releasing the machinery mortgage.
- The Company's property, plant and equipment, which have net book values as at December 31, 2023 and 2022 totaling Baht 5,950 million and Baht 6,972 million, respectively, are mortgaged first ranking security against the bondholders as mentioned above.

Significant intangible assets

Unit: Million Baht

Asset Category	Net Book Value 31 Dec 2023	Net Book Value 31 Dec 2022	Net Book Value 31 Dec 2021
Software	5	5	4

4.2 Investment policy in subsidiaries

- none -