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บริษัท สหวิริยาสตีลอินดัสตรี จำกัด (มหาชน) SAHAVIRIYA STEEL INDUSTRIES PUBLIC COMPANY LIMITED

บริษัทเหล็กชั้นนำด้านนวัตกรรมและความเชื่อมั่น
Leading Innovative and Reliable Steel Company

-Translation-

No. S.E.C. 011/2020

11 February 2020

Re: Notification of the resolution of the Board of Directors' Meeting No.2/2020 of Sahaviriya Steel Industries Public Company Limited, as the Plan Administrator by the Central Bankruptcy Court's order approving the Plan on 15 November 2016.

Attn: President, The Stock Exchange of Thailand

CC: Secretary-General, The Securities and Exchange Commission, Thailand

Enclosure: 1. Information Memorandum in relation to the Connected Transaction regarding the Loan Agreement between the Company and Cork Gully LLP
2. Information Memorandum in relation to the Connected Transaction regarding the Loan Agreement between the Company and PPC

On 4 February 2020, the Board of Directors' Meeting No. 2/2563 of Sahaviriya Steel Industries Public Company Limited (the "Company"), as the Plan Administrator by the Central Bankruptcy Court's order approving the Plan on 15 December 2016, passed the following significant resolutions:

1. Approved the Company to provide Bridge Loan to Cork Gully LLP who is a Receiver acting on behalf of syndicate of lenders to Sahaviriya Steel Industries Limited ("SSI UK") for the purpose of exercising its pre-emption right to acquire 50% of shares in Redcar Bulk Terminal Limited ("RBT") from British Steel Limited ("BSL") in the amount of GBP 11,356,500 and transfer such amount, at the exchange rate as of the transferred date. There is a condition for Cork Gully LLP as Receiver to hold the acquired shares and use those shares as collateral for loans to the Company (Charge of share) as creditor.
2. Approved the Company to receive revolving unsecured loan from Prachuap Port Company Limited ("PPC") for an amount up to Baht 200,000,000 with interest MLR rate per annum for the purpose of working capital of the Company. The director of the Company, Mr.Win Viriyaprapaikit, who has interests in making decision to enter into the connected transaction was not allowed to attend the meeting and not entitled to vote in this agenda
3. Assigned authorized directors or specified persons or chairman of the Management Committee or the president to have authorities in considering, negotiating, making agreement, or accepting details of any appropriate conditions as well as signing contracts and relevant documents as needed for the Company sake.

Please be informed accordingly

Yours faithfully,

- Signature -

Mr. Win Viriyaprapaikit
President

**Information Memorandum in relation to the Connected Transaction of
Sahaviriya Steel Industries Public Company Limited,
regarding Loan Agreement between Sahaviriya Steel Industries Public Company Limited (the
“Company”) and Cork Gully LLP**

1. Date of Transaction and Related Parties

Date of Transaction : 6 February 2020

Parties

Borrower : Cork Gully LLP (Stephen Cork and Neil Smail of Cork Gully LLP acting in their capacity as receivers appointed over the shares of Redcar Bulk Terminal Limited registered in the name of Sahaviriya Steel Industries UK Limited (In Compulsory Liquidation))

Lender : The Company

Relationship with the Listed Company : Cork Gully LLP is Receiver acting on behalf of the syndicate of 3 lenders to Sahaviriya Steel Industries UK Limited (“SSI UK”) on shares in Redcar Bulk Terminal Limited (“RBT”). The lenders are major shareholders of the Company holding aggregate shares around 88.58% of total paid-up shares of the Company.

2. General Explanation in relation to the Nature of the Transaction

The Company provided Bridge Loan to Cork Gully LLP who is a Receiver acting on behalf of syndicate of 3 lenders to Sahaviriya Steel Industries Limited (“SSI UK”) on shares in Redcar Bulk Terminal Limited (“RBT”) which SSI UK holds 50% of total shares and used as collateral of loan from the lenders.

This bridge loan is to enable Cork Gully LLP to exercise its pre-emption rights to acquire 50% of shares in RBT, worth GBP11,356,500, from British Steel Limited (“BSL”) relating to shareholder’s agreement requiring BSL to first offer to SSI UK who holds another 50% of shares to purchase. Key conditions of the Loan can be summarized as follows:

Type	: Bridge Loan
Interest Rate	: Sterling 3 month LIBOR plus 2 percentage points per annum
Maturity Date	: 31 March 2020
Repayment	: Principal and Interest repayment will be made before the maturity date
Collateral	: Redcar Bulk Terminal Limited shares in United Kingdom

3. Size of the Transaction, Criteria used for the Calculation, and Payment Method

Size of the Transaction : GBP 11,356,500 plus interest GBP 46,311.04 (based on Sterling 3 month LIBOR rate (0.75638% according to the Bank of Thailand (“BOT”) as of 6 February 2020) plus 2% per annum, the principal amount of GBP 11,356,500 over the borrowing period of 54 days) or equivalent to Baht 465,166,273.57 (Exchange rate Baht 40.7940 per GBP1 according to BOT as of 6 February 2020)

Criteria used for the Calculation : Principal and Interest of the Bridge Loan between the Company and Cork Gully LLP which interest was determined by reference to Sterling 3 month LIBOR rate of BOT as of 6 February 2020 plus 2%

Payment Method : Principal and Interest repayment will be made before the maturity date

Source of fund The Company's working capital

4. Name of Connected Person

Cork Gully LLP is Receiver acting on behalf of the syndicate of 3 lenders to SSI UK on shares in RBT. The lenders are major shareholders of the Company holding aggregate shares around 88.58% of total paid-up shares of the Company.

5. Characteristics and Scope of Interest of the Connected Person when Entering into the Transaction

The Loan agreement with Cork Gully LLP, who is Receiver acting on behalf of the Company's major shareholders holding aggregate of 88.58% of the total paid-up capital of the Company's shares, is considered a connected transaction in the category of providing financial assistance. Upon the calculation, the transaction value is equivalent to Baht 465,166,273.57 which is a large size transaction worth more than Baht 100 million or more less than 3.0% of net tangible assets of the Company. Since the Company is under Business Rehabilitation Plan, the transaction was approved by the Company's Board of Director, as the Plan administrator, and by the Creditor Committee pursuant to clause 7.8 of the Rehabilitation Plan.

6. Conditions which may Affect Rights of Shareholders

- None-

7. Statement showing that the Directors having Interests in Making Decision to Enter into the Transaction and Connected Persons were not entitled to Vote

The transaction is considered as a connected transaction in the category of providing financial assistance, under the Notification of the Capital Market Supervisory Board No. TorJor 21/2551 re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies concerning Connected Transactions B.E. 2546 ("Notification on Connected Transaction"). Since the Company is under Business Rehabilitation Plan, the transaction was approved by the Company's Board of Director, as the Plan administrator, with at least half votes of all directors attending the meeting and having the rights to vote, with approval by the Creditor Committee pursuant to clause 7.8 of the Rehabilitation Plan. No director having interests in making decision to enter into the connected transaction attended the meeting nor entitled to vote in this agenda.

8. Opinion of the Board of Directors

The Board of Directors had an opinion that that the loan from the Company Cork Gully LLP, which is considered as a connected transaction, was made to exercise pre-emption rights to acquire 50% of shares in RBT from BSL in the amount of GBP 11,356,500 at the interest rate of sterling 3 month LIBOR as of transferred date plus 2 percentage points per annum was considered reasonable. Therefore, the aforementioned borrowing transaction was reasonable and acceptable. **In this regards, the company will benefit from the increase in value of collateral of SSI UK liabilities that the company has burdened as a loan guarantor. As joint development with the development of area on SSI UK plant on the basis of traditional industrial use, the company will enable to reduce more debt burden when it is sold or receive compensation for expropriation and recorded as additional shareholders' equity as part of resolving the ground of delisting.**



9. Opinion of the Audit Committee and/or Directors of the Company which is different from the Opinion of the Board of Directors in Item 8.

-None-



**Information Memorandum in relation to the Connected Transaction of
Sahaviriya Steel Industries Public Company Limited,
regarding the Loan Agreement between Sahaviriya Steel Industries Public Company Limited (the
“Company”) and Prachuap Port Company Limited (“PPC”)**

1. Date of Transaction and Related Parties

Date of Transaction : 5 February 2020

Parties

Borrower : The Company

Lender : PPC

Relationship with the Listed Company : PPC is a connected person of the Company as the Company is a major shareholder holding 51% of total paid-up shares of PPC and Viriyaprapaikit family holding indirect shares around 49% of total paid-up shares of PPC. There are 3 directors in common in PPC and the Company who are Mr.Somchai Sakulsurarat, Mr. Kamol Juntima, and Mr.Win Viriyaprapaikit.

2. General Explanation in relation to the Nature of the Transaction

The Company entered into the Unsecured Loan Agreement with PPC in order to borrow up to Baht 200,000,000 from PPC to use as the Company's working capital in compensate with the working capital while providing loan to Cork Gully LLP to exercise its right to acquire RBT. Key conditions of the Unsecured Loan Agreement can be summarized as follows:

Type : Unsecured Loan

Interest Rate : MLR

Maturity Date : Revolving (interest calculated till 31 March 2020)

Repayment : Principal and Interest repayment will be made before the maturity date

Collateral : None

3. Size of the Transaction, Criteria used for the Calculation, and Payment Method

Size of the Transaction : Baht 10,894,520.55 (based on the interest rate of 6.025% per annum, the principal amount of Baht 200,000,000 over the borrowing period of 330 days)

Criteria used for the Calculation : Interest rate of the Unsecured Loan Agreement between the Company and PPC which was determined by reference to MLR rate of Krung Thai Bank Public Company Limited (“KTB”) on the transaction date. (6.025%)

Payment Method : Principal and Interest repayment will be made before the maturity date

4. Name of Connected Person

PPC is a connected person of the Company as the Company is a major shareholder holding 51% of total paid-up shares of PPC and Viriyaprapaikit family holding indirect shares around 49% of total paid-up shares of PPC. There are 3 directors in common in PPC and the Company who are Mr.Somchai Sakulsurarat, Mr. Kamol Juntima, and Mr.Win Viriyaprapaikit.

5. Characteristics and Scope of Interest of the Connected Person when Entering into the Transaction

PPC is a connected person to the Company as the Company is a major shareholder of PPC while Viriyaprapaikit family holds indirect shares of PPC and there are 3 directors in common. The aforementioned borrowing transaction is considered as a connected transaction in the category of accepting financial assistance. Upon the calculation, the transaction value is Baht 10,894,520.55 which is a medium size transaction worth more than Baht 1 million but less than Baht 20 million or more than 0.03% but less than 3.0% of net tangible assets of the Company. Therefore, the Company has to obtain an approval from the Board of Directors Meeting and inform the Stock Exchange of Thailand of the details of the transaction.

In this regard, director of the Company, Mr.Win Viriyaprapaikit, who has interests in making decision to enter into the connected transaction was not allowed to attend the meeting and not entitled to vote in this agenda

6. Conditions which may Affect Rights of Shareholders

- None-

7. Statement showing that the Directors having Interests in Making Decision to Enter into the Transaction and Connected Persons were not entitled to Vote

The transaction is considered as a connected transaction in the category of accepting financial assistance, under the Notification of the Capital Market Supervisory Board No. TorJor 21/2551 re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies concerning Connected Transactions B.E. 2546 ("Notification on Connected Transaction") which requires an approval by the Board of Directors Meeting with at least half votes of all directors attending the meeting and having the rights to vote. The director having interests in making decision to enter into the connected transaction, which is Mr.Win Viriyaprapaikit, did not attend the meeting and were not entitled to vote in this agenda.

8. Opinion of the Board of Directors

The Board of Directors had an opinion that that the borrowing transaction of the Company from PPC, which is considered as a connected transaction, was made the purpose of working capital of the Company **in compensate with the working capital while providing loan to Cork Gully LLP to exercise its right to acquire RBT**. In addition, the interest rate under the Unsecured Loan Agreement determined by reference to MLR rate of KTB on transaction date was considered reasonable. Therefore, the aforementioned borrowing transaction was reasonable and acceptable **as well as to avoid the liquidity impact on the Company's operating**.

9. Opinion of the Audit Committee and/or Directors of the Company which is different from the Opinion of the Board of Directors in Item 8.

-None-