



SSI

innovate • strength

Annual Registration Statement/
Annual Report 2021
(56-1 One Report)

Sahaviriya Steel Industries
Public Company Limited

Contents

| | | |
|------------|---|-----|
| | Message from the Chairman of the Board of Directors | 2 |
| <hr/> | | |
| Part | | |
| 1 | Business Operations and Performance | |
| | 1. Structure and Business Operations | 7 |
| | 2. Risk Management | 34 |
| | 3. Business Sustainability | 39 |
| | 4. Management Discussion and Analysis (MD&A) | 61 |
| | 5. General Information and Other Importance Information | 80 |
| <hr/> | | |
| Part | | |
| 2 | Corporate Governance | |
| | 6. Corporate Governance Policy | 87 |
| | 7. Governance Structure and Key Information of the Board of Directors, Sub-Committees, Management, Personnel and Others | 98 |
| | 8. Key Performance in Corporate Governance | 112 |
| | 9. Internal Control and Related Party Transaction | 133 |
| <hr/> | | |
| Part | | |
| 3 | Financial Report | |
| | Financial Report | 138 |
| <hr/> | | |
| Part | | |
| 4 | Certification of Information | |
| | Certification of Information | 266 |
| <hr/> | | |
| Attachment | | |
| | Attachment 1 Details of the Directors, Executives, Controlling Persons, Company Secretary, Group Chief Financial Officer and Head of Accounting | 269 |
| | Attachment 2 Details of Directors of Subsidiaries and Joint Venture | 302 |
| | Attachment 3 Details of Head of Internal Audit and Head of Compliance | 303 |
| | Attachment 4 Business Assets and Asset Appraisal | 304 |
| | Attachment 5 Corporate Governance Policy and Code of Ethics | 304 |
| | Attachment 6 Report of the Audit Committee | 304 |



Message from the Chairman of the Board of Directors



Mr. Kamol Juntima

Chairman of the Board of Directors

Dear shareholders,

Year 2021 was an important and challenging year for Sahaviriya Steel Industries Public Company Limited or the “Company” from the epidemic situation and mutation of the COVID-19. The Board of Directors, as the Plan Administrator, has carefully and concisely overseen the Company’s operation to ensure the continuous profit by utilizing business continuity management and business strategies that emphasize balance, flexibility, and be ready to deal with different situations in a timely manner.

Business Performance

The Company and its subsidiaries recorded sales and service revenues Baht 35,313 million, increased by 95% YoY. HRC Sales Volume was 1,197 k tons, up 18% YoY. HRC Average Selling Price was Baht 27,964 per ton or approx. USD 868 per ton, up 60% YoY following the global economic situation and steel prices in the world market. The Company and its subsidiaries recorded total cost of sales and services Baht 32,309 million. The gross profit of the Company and its subsidiaries jumped to Baht 3,005 million, or up 323%, in 2021. However,



Consolidated EBITDA at Baht 1,657 million and net loss of Baht 536 million decreased from the previous year mainly as a result of the non-cash following items: (1) gains on measurements of financial liabilities at fair value Baht 1,632 million recorded in year 2020 but did not appear in year 2021, (2) unrealized foreign exchange loss on liabilities under the Plan, denominated in foreign currency, totaling loss Baht 1,785 million, and (3) provision for loss on decline in value of inventories Baht 460 million.

Progress of the Implementation on the Business Rehabilitation Plan

The Board of Directors, as the Plan administrator, filed a submission for the 2nd amendment of the rehabilitation plan to extend the period of implementation from 5 years to 6 years and to determine mechanism for converting foreign currency liabilities under the Plan for both principal and interest into Thai baht. The creditors' meeting approved the amended Plan with 98.52% of the vote on 9 November 2021 and the Central Bankruptcy Court approved the amended plan on 14 December 2021.

As at 31 December 2021, the Company and its subsidiaries had total liabilities under rehabilitation Baht 32,049 million, divided into (1) liabilities under the Plan due within 1 year Baht 1,420 million, up from Baht 225 million as at the end of year 2020 because the Company has resumed principal debt repayment, in accordance with the amended Plan, starting from the period March 2021 onward after it had suspended the repayment since March 2020 and (2) liabilities under the Plan due over one year Baht 30,629 million, an increase of 4% from Baht 29,527 million at the end of year 2020, mainly from the foreign exchange loss on liabilities under the Plan.

Sales and service
revenues increased by

95 % YoY.

Innovative Products

Development of products and services to add value to customer's products is one of the Company's commitments. In 2021, the Company had launched new products and services such as (1) High strength steel - Tensile strength 590 MPa and (2) Hot-rolled steel coils for heat treatment in order to response to the direction of the world automotive technology development and government policy that supports production of Electric Vehicle (xEV) and automotive industry which is moving toward new technologies with Lightweight Materials Technology for Lighter Body (3) Development of Premium Feature - WIDeFit W+6 to reduce width tolerance and yield loss in production for clients of both pipe and Coil Center market group.





Sustainable Development

The Board of Directors still committed to supervising the Company's business operations with due regard Environmental, Social, and Governance in response to the "Sustainable Development" agenda of the United Nations and its Sustainable Development Goals (SDGs) that builds positive values and impacts. Throughout the year, the operation results regarding air, water, and waste management were above the standards required by law. For social and community development, the Company had conducted 15 projects with total benefitted to approximately 15,000 stakeholders. The Board of Directors has rigorously overseen the implementation of the Anti-Corruption in accordance with its guidelines on governance to closely control, prevent and monitor corruption risks.

Climate Change Management

The Company has taken part in tackling climate change by preparing greenhouse gas emissions report under ISO 14064-1 standard for the first year, considering value chain of business from upstream to downstream which are raw material acquisition, production, transportation, waste and waste management. It was revealed that the Company's direct emission of greenhouse gas totaled 134,525 tons carbon dioxide equivalent (tCO₂eq) from highest emission from usage of fuel oil in slab furnace process and indirect emission of greenhouse gas 82,338 tons carbon dioxide equivalent (tCO₂eq) from usage of electricity of Provincial Electricity Authority. In total, greenhouse gas emitted by the Company was 216,863 tons carbon dioxide equivalent (tCO₂eq), as verified by Lloyd's Register (International) Thailand Limited, a greenhouse gas validation and verification body. Accordingly, the Company has been

Year 2021, the Company's direct emission of greenhouse gas totaled 134,525 tons carbon dioxide equivalent (tCO₂eq) from highest emission from usage of fuel oil in slab furnace process.

Indirect emission of greenhouse gas 82,338 tons carbon dioxide equivalent (tCO₂eq) from usage of electricity of Provincial Electricity Authority.

In total, greenhouse gas emitted by the Company was 216,863 tons carbon dioxide equivalent (tCO₂eq).





registered for Carbon Footprint for Organization (CFO) from Thailand Greenhouse Gas Management Organization (Public Organization) (TGO). The Company and Sahaviriya Steelworks are also members of the Thailand Carbon Neutral Network with an effort to be a part in uplifting greenhouse gas reduction, building sustainable growth on climate-friendly society and aiming to be Net Zero GHG emission: (Net Zero), pursuant to the intention of the global community, through usage of renewable resources, i.e., biogas, biomass, solar energy, and etc., and development of environmental friendly products with green label at national and international standard.

Pride Awards

The Company has proudly received several awards in 2021 including the Silver Medal Award of Zero Accident Campaign 2021, the National Outstanding Establishment (Gold Level) in Occupational Safety, Health and Environment for the Year 2021, Award for excellence establishment of labour relations and welfare in the Thailand Labour Management Excellence Award 2021 for 19 consecutive year, Certificate of Carbon Footprint for Organization, and Certificate of Zero Waste To Landfill (ZWL-DIW).

I would like to thank the shareholders, investors, customers, suppliers, business partners, financial institutions, government agencies, communities, as well as the Company's management and employees. I and the Board of Directors are confident that with the mission: Innovate premium value steel product, service and market for customers and consumers; create sustainable shared value and trust for stakeholders, will lead the Company toward further growth in the future.

Shareholders can follow the Company's operating results, progress of the implementation on the Business Rehabilitation Plan, online publication of 56-1 One Report, as well as updated information of the Company on the website at <http://ssi-steel.com>. Additionally, you can reach out to the Company's Investor Relations via phone at 0-2238-3063-82 or email at ir@ssi-steel.com.



Part



Business Operations and Performance



01/

Structure and Business Operations

1.1 Business Strategy and Overview

Sahaviriya Steel Industries Public Company Limited (“the Company” or “SSI”) is Thailand’s first manufacturer of hot-rolled steel sheet in coils (“HRC”) and the leading flat steel producer in Southeast Asia. The SSI Bangsaphan Steelworks is a mid-stream steel manufacturer plant, with a capacity of 4 million tons per year for HRC and 1 million tons per year for HRC pickled and oiled to serve the growing demand of the region in various sectors such as automobile, energy, electrical appliances, packaging, transportation, and construction.

SSI has joint-venture investments in key downstream projects – namely Thai Cold Rolled Steel Sheet Public Company Limited (“TCRSS”), Thailand’s first and largest cold-rolled steel mill with a capacity of 1.2 million tons per year, and an equity investment in Thai Coated Steel Sheet Company Limited (“TCS”), Southeast Asia’s first and largest electro-galvanising steel mill with its capacity of 240,000 tons per year.

All plants of SSI Group in Thailand are located on the western coast of the Gulf of Thailand in Bangsaphan District, Prachuap Khiri Khan Province, 400 kilometers

from Bangkok, which is considered the best strategic place to operate the fully-integrated steel business in Thailand. For the further integration, SSI has also invested in Prachuap Port Company Limited (“PPC”) to operate the private deepest commercial sea port in Thailand, which allows import and export of raw materials and finished products on a large scale. SSI extends its engineering capabilities by investing 99.99% in West Coast Engineering Company Limited (“WCE”), which provides the engineering services including the industrial maintenance management, design and production of machinery and spare parts, steel structure and fabrication. WCE also provides the Integrated EPC (Engineering Procurement and Construction) services including engineering design, procurement of machinery and equipment, construction of turn-key projects for industrial and process plants.

As of 31 December 2021, SSI Group employed 2,924 employees. As SSI Group has continued its policy to recruit locally, the ratio of local employee at the end of 2021 was 80% of the total 2,348 employees at Bangsaphan Steelworks of SSI Group.

SSI Group
has continued
its policy to
recruit locally



SSI Group employed

2,924 employees

2,348 employees

at Bangsaphan Steelworks of SSI Group

The ratio of
local employee
was

80%



Steel Business

HR Business

operated by SSI, supplying to clients in automobile and automotive parts industries, electrical appliances, gas cylinder, steel pipes, and construction, as well as the raw materials for downstream industries.

Downstream Business

of the Group consists of Cold Rolled Coil Business operated by TCRSS, using SSI's high-grade HRC as a raw material for its production, and Coated Steel Sheet Business operated by TCS, using cold rolled steel sheet as a raw material for its production.

The business of SSI Group are divided by business as follows:



Engineering Business

This business is operated by WCE, originally to provide services to SSI Group. WCE has now extended its services to other customers, both domestic and overseas, in various industries such as steel, paper, cement, energy, petrochemicals, transportation, and machine and technology.



Marine Business

SSI has jointly invested in PPC, which operates 4 berths with its capability to accommodate two vessels up to 100,000 dead-weight tons ("DWT") at the same time. In 2012, PPC has commercialized the PPC Shore Crane project of two mobile harbor cranes with the maximum lift weight of 100 tons in order to reduce cost of transportation and increase efficiency of the steel products handling process.



1.1.1 Vision, Mission and Values

Vision

Leading Innovative and Reliable Steel Company

Mission

Innovate premium value steel product,
service and market for customers and consumers;
create sustainable shared value
and trust for stakeholders

Values

Fighting spirit

Never give up

can change

Be the leader of change

service-mind

Deliver more than
expected

ifacts

integrity

We do what we say

aim for excellence

Anything is possible

teamwork

One for all, all for one



1.1.2 Significant Changes and Development

Significant Changes and Development in the past 3 years are summarized as follows:

2019

30 January 2019

Department of Foreign Trade (DFT) announced a resolution to terminate the Anti-dumping investigation on hot-rolled flat steel in coils and not in coils whose origins are from Australia and Egypt.

14 February 2019

Department of Foreign Trade (DFT) announced a resolution to terminate the Safeguard Measure on Alloy steel, effective on 27 February 2019.

18 September 2020

The Central Bankruptcy Court issued an order approving the Amended Business Rehabilitation Plan, according to the resolution of the creditors' meeting that approved the Amended Plan with 92.46% of the vote on 18 June 2020.

5 June 2020

Department of Foreign Trade (DFT) announced a resolution to terminate the Safeguard measure on non-alloy hot rolled steel flat products in coils and not in coils, effective on 7 June 2020.

2020

November 2020

The liquidators had sold collateral assets amounting to GBP 15 million and this fund was sent to the creditors class 4 in full. According to the rehabilitation plan, the fund will be used to reduce the installment amount of principal in the final period backwards respectively.

11 July 2020

The Stock Exchange of Thailand delisted common shares of Sahaviriya Steel Industries Public Company Limited (SSI) from being listed securities effective from 11 July 2020 onward.

24 February 2020

Sahaviriya Steel Industries UK Limited ("SSI UK") in liquidation, a subsidiary of the Company, had exercised its rights to purchase 50% of shares in Redcar Bulk Terminal Limited ("RBT") in the amount of GBP 11,356,500. The transaction had been made by Cork Gully LLP as a receiver acting on behalf of the syndicate of lenders to SSI UK to oversee the existing 50% stake on RBT. After the acquisition, SSI UK's shareholding in RBT has been increased to 100%.



2021

February 2021

The Company received evidence of debt reduction from class 4 creditors, reducing the Company's legal debt obligations due to the amount paid to creditors of USD 18.8 million equivalents to Baht 586.3 million. The Company recognizes the reduction in obligation guarantee from the liquidation process of the debtor in full in the income statement.

15 February 2021

The Company received Made in Thailand (MiT) certification for 16 items of hot-rolled steel products in accordance with the policy to support the use of local products in government procurement.

2 April 2021

The Company was approved by the creditors committees' meeting, in accordance with Article 7.8(4) of the Plan, to increase capital in West Coast Engineering Company Limited ("WCE") in the amount of Baht 45 million. On 25 May 2021, the Company received approximately Baht 45 million dividends from WCE, according to the conditions approved by the Creditor Committee. The capital increase registration at the Department of Business Development, Ministry of Commerce was completed on 1 June 2021.

18 November 2021

The Board of Directors' Meeting acknowledged that Mr. Win Viriyaprapaikit has vacated his position as President of Sahaviriya Steel Industries Public Company Limited, effective from 1 December 2021 onwards. He remains as an executive of the Company and holding the positions of Group Chief Executive Officer and Chairman of the Management Committee. The BOD also approved the appointment of Mr. Nava Chantanasurakon, Senior Vice President and Head of Commercial Division, to be President of Sahaviriya Steel Industries Public Company Limited, replacing Mr. Win Viriyaprapaikit, effective from 1 December 2021 onwards.

15 July 2021

The Company received Made in Thailand (MiT) certification for 6 steel pipe products in accordance with the policy to support the use of local products in government procurement.

8 June 2021

Department of Foreign Trade (DFT) announced to extend the period of enforcement of anti-dumping measures on hot-rolled flat steel in coils and not in coils originated from Japan, the Republic of South Africa, Russian Federation, the Republic of Kazakhstan, the Republic of India, the Republic of Korea, the Republic of China, the Bolivarian Republic of Venezuela, the Argentine Republic, Ukraine, the People's Democratic Republic of Algeria, the Republic of Indonesia, the Slovak Republic, and Romania for 5 years from 9 June 2021 - 8 June 2026. The duty will be charged at 0% for a period of 6 months from 9 June 2021 - 9 December 2021.

30 November 2021

Department of Foreign Trade (DFT) announced the Anti-dumping measure on hot-rolled flat steel in coils and not in coils originated from the Socialist Republic of Vietnam at rate 24.38 - 42.34% and the Arab Republic of Egypt at rate 4.74 - 6.20%, effective from 1 December 2021 - 30 November 2026.

14 December 2021

The Central Bankruptcy Court issued an order approving the Amended Business Rehabilitation Plan, according to the resolution of the creditors' meeting that approved the Amended Plan with 98.52% of the vote on 9 November 2021.



Awards

2019

4 July 2019

Bronze Medal Level Award of Zero Accident Campaign 2019 held by Thailand Institute of Occupational Safety and Health (Public Organization), Ministry of Labour.

19 December 2019

- The National Outstanding Industrial Establishment Award in Labour Welfare/ Relations Category in 15 consecutive year type (2005 - 2019) held by the Department of Labour Protection and Welfare, Prachuap Khiri Khan Province.

- Certificate of Prevention and Solution to Drugs Problems in an Establishment Standard under the White Factory Project from the Department of Labor Protection and Welfare, Prachuap Khiri Khan Province.

2020

10 June 2020

Silver level certificate of Zero Accident Campaign Award 2020 held by Thailand Institute of Occupational Safety and Health (Public Organization), Ministry of Labour

14 August 2020

The 2020 Moral Business Forum Awards held by Moral Promotion Center (Public Organization)

28 August 2020

Plaque of Support to Dual Vocational Education Honorary Award held by Bangsaphan Industrial and Community Education College

16 September 2020

Certificate of Carbon Footprint of Products: CFP held by Thailand Greenhouse Gas Management Organization (Public Organization), Ministry of Natural Resources and Environment

21 September 2020

The National Outstanding Establishment Award in Safety, Occupational Health and Working Environment for the year 2020, Gold Level, held by Department of Labour Protection and Welfare, Ministry of Labour

21 December 2020

Green Industry Certificate (Green Culture), level 4, from the Ministry of Industry.

22 December 2020

Trailblazer Award as pioneer in the protection of personal information held by ASEAN CIO Association (ACIOA), Office of the Permanent Secretary for Digital Economy and Society as the Office of the Personal Data Protection Committee, Faculty of Law Chulalongkorn University.



1 July 2021

Silver Level Certificate of Zero Accident Campaign Award 2021 held by Thailand Institute of Occupational Safety and Health (Public Organization), Ministry of Labour



26 August 2021

Certificate of Carbon Footprint for Organization, CFO, held by Thailand Greenhouse Gas Management Organization (Public Organization)



22 September 2021

- The National Outstanding Establishment Award in Safety, Occupational Health and Working Environment for the year 2021, Gold Level, held by Department of Labour Protection and Welfare



- Award for excellence establishment of labour relations and welfare in the Thailand Labour Management Excellence Award 2021 for 19 Consecutive Years, held by Department of Labour Protection and Welfare



21 December 2021

Certificate of Zero Waste to Landfill (ZWL-DIW) held by Department of Industrial Works



1.2 Nature of Business

1.2.1 Revenue Structure

| Product/ Business Unit | Operated by | Shareholding by SSI (%) | 2021 | | 2020 | | 2019 (Restated) | |
|---------------------------|-------------------------------------|----------------------------|---|------------|---|------------|---|------------|
| | | | Revenue ^{2/} (Million Baht) | % | Revenue ^{2/} (Million Baht) | % | Revenue ^{2/} (Million Baht) | % |
| HR Business | Sahaviriya Steel Industries Plc. | - | 34,741 ^{1/} | 96.84 | 17,682 ^{1/} | 95.11 | 24,663 ^{1/} | 94.93 |
| Engineering Business | West Coast Engineering Co., Ltd. | 99.99 | 637 | 1.78 | 609 | 3.28 | 699 | 2.69 |
| Marine Business | Prachuap Port Co., Ltd. | 51.00 | 269 | 0.75 | 154 | 0.83 | 261 | 1.00 |
| Other Revenues | Sahaviriya Steel Industries Plc. | | 217 | 0.60 | 138 | 0.74 | 340 | 1.31 |
| | Prachuap Port Co., Ltd. | | 7 | 0.02 | 3 | 0.02 | 4 | 0.01 |
| | West Coast Engineering Co., Ltd. | | 2 | 0.01 | 5 | 0.03 | 14 | 0.06 |
| | | | 35,873 | 100 | 18,591 | 100 | 25,981 | 100 |

Notes:

1/ Including sales to Thai Cold Rolled Steel Sheet Plc. amounting Baht 2,177 million, Baht 725 million, and Baht 590 million in 2021, 2020, and 2019 respectively.

2/ Income of each business without eliminating inter-related transactions

1.2.2 Nature of Business: Products and Market

Hot Rolled Business

Sahaviriya Steel Industries Public Company Limited

(1) Product Description

Hot rolled steel sheet in coil, which is a raw material for several industries such as heavy construction, steel pipe, gas cylinder, automotive parts, electric appliance, steel furniture, container, cold re-rolling, pressure vessel, shipbuilding and coil service centre, etc.

To response to this change,
SSI therefore creates the business
innovation to meet the changing
needs of consumers.

One-Stop
Service



Hot-rolled steel sheet in coil includes:

- Hot-rolled steel sheet in coil for domestic use according to TIS standard and international standards including Japanese, American, DIN and British with width between 750 and 1,565 mm and thickness between 0.90 and 20.00 mm. The hot-rolled coil capacity expansion project, to expand production capacity to 4 million tons per annum, was completed in February 2005. The production capability has been improved to produce hot-rolled coils with thickness ranging from 0.90 mm to 20.00 mm with continuous improvement and reduced cost. SSI has been one of a few mills which could produce commercial hot-rolled steel sheet in coil at 0.90 mm in thickness and achieved production at 0.80 mm in thickness presently.

- Hot-rolled pickled and oiled steel or “CleanStrip”, high-grade product, are delivered to the automotive industry or for use in electrical appliances. The width is between 750 and 1,550 mm and thickness between 1.20 and 7.00 mm. This production has been under way since May 2004.

SSI adheres to product development to improve quality to meet customer demand and to take our place as a leader in the high quality hot-rolled coil market. We focus on innovation of premium value steel products and services for customers and consumers with specific characteristic as follows:

1. Innovated Value Products, which has a special design and quality control to be superior quality and narrower than general industry standards in order to add value for customers.
2. Customized Products with special design and control to meet specific needs and usage of each customer.

Innovation

Nowadays, consumers demand for convenience of purchasing steel products. They prefer to buy different types of products directly from producer or one shop rather than purchasing from several sellers. The trend of one-stop service is rapidly accelerated with rise of various e-commerce platforms to encourage this concept to be widely demanded.

To response to this change, SSI therefore creates the business innovation to meet the changing needs of consumers. One-Stop Service of steel business was established to provide comprehensive solution for various types of steel products as well as information of relevant products, not only hot rolled coils, but also other steel derivative products, to satisfy needs of consumers.

During the past year, SSI had provided steel solution to consumers by increase the number of product units (SKUs) of all steel products from 55 SKUs to 117 SKUs, including 107 SKUs for steel pipes and C-Lip channel and 10 SKUs for steel derivative products. In the near future, SSI will move towards to be a full One-Stop Service for steel business and increase product units to 200 SKUs in order to respond quickly to the needs of consumers.

(2) Marketing and Competition

(a) Marketing

The marketing plan was produced by SSI for effective sales management, focusing on the key areas: raw material procurement; continuous quality improvement; maintaining market share; customer requirement responsiveness; along with on-time delivery and efficient customer service.

Marketing Strategy

SSI mainly focuses on the domestic market covering all market segments that could enhance competitiveness over imported steel product. SSI also maximizes its market share by developing competitive pricing and customer service strategies. In addition, SSI expands the high-end market into new customers by producing a premium quality of hot-rolled steel. The Company also exports when it has sufficient capacity, and the market situation is favorable.

Target Customers

SSI specifically targets hot-rolled steel sheet users in downstream industries, for example cold-rolled steel producers, cars and automotive parts maker, electrical appliances and furniture producers, gas cylinder and container producers, steel pipe producers and construction industries. Customers also include service centers and trading firms.



Types of Customers

SSI clients are divided into 9 groups as follows:



1. Domestic Market Sales group 1 (S1) includes hot-rolled steel sheet pickled and oiled coils and the high grade hot-rolled steel market. End users are automotive and parts maker manufacturers. Sales/purchase agreements are on a quarterly basis in Thai Baht.



2. Domestic Market Sales group 2 (S2) includes gas cylinders manufacturers, container manufacturers and cold-rolled steel manufacturers. There are 5 cold-rolled steel manufacturers in Thailand. This customer group requires an emphasis on surface quality, on-time delivery and price stability. Sales/purchase agreements are on a monthly or forward basis in Thai Baht depending on the agreement.



3. Domestic Market Sales group 3 (S3) is customers who buy through service centers and trading firms. This group includes automotive, electric appliances, and machinery manufacturers. Sales/purchase agreements are on a monthly, quarterly or spot basis in Thai Baht depending on the agreement.



4. Domestic Market Sales group 4 (S4) includes construction industries and pipe steel manufacturers. Sales/purchase agreements are on a monthly or spot basis in Thai Baht depending on the agreement.



5. Domestic Market Sales group 5 (S5) includes construction industries, cut sheet manufacturers, pipe steel manufacturers and Checker manufacturers. Sales/purchase agreements are on a monthly basis in Thai Baht.



6. Domestic Market Sales group 6 (S6) includes electric appliance producers and furniture manufacturers. Sales/purchase agreements are on a quarterly basis in Thai Baht.



7. Domestic Market Sales group 7 (S7) include general trading firms includes flat steel customers. Sales/purchase agreements are on monthly or a spot basis in Thai Baht.



8. Export Market includes overseas customers in downstream industries. Sales/purchase agreements are on a spot basis.



9. Domestic Market Sales include finished goods for immediate use.



Sales Policy

1. Sales on Quarterly Basis are the sales which prices depend on seaborne market mechanism for supporting customers who desire to make quarterly agreements such as domestic market sales group 1, domestic market sales group 3 and domestic market sales group 6.

2. Sales on Monthly Basis are the sales which prices depend on domestic market mechanism, quantity, and payment terms. This sales support customers who are able to provide 3-month advance purchase plan such as domestic market sales group 2, domestic market sales group 3, domestic market sales group 4 and domestic market sales group 5.

3. Sales on Spot are the sales which prices depend on domestic market mechanism and urgency of delivery. This sales support the customers who need to purchase without 3-month advance purchase plan such as domestic market sales group 3, domestic market sales group 4, and export market.

4. Forward Sales are the sales which prices depends on material cost structure for supporting the customers who need to purchase goods for their “import for export” project such as domestic market sales group 2.

Premium Value Products Sales

The Company has defined new product definitions as follows:

1. SSI Principal Products (SPP) are SSI's core product with better design, manufacturing and quality control over general industrial standards for SSI customers.

2. Innovated Value Products (IVP) are innovative products of SSI with special designed and quality controlled by the Company's team in order to add value to be superior quality and narrower than general industrial standards for customers.

3. Customized Prime Products (CPP) are products of special design and quality control according to specific needs and usage of each customer.

In 2021, the Company delivered total of approximately 1.2 million tons including SSI Principal Products 29.9%, Innovated Value Products 30.2%, and Customized Prime Products 39.9%.





(b) Steel Industry and Market Overview

World Steel Industry in 2021

World Steel Association (“WSA”) reported an estimated figure of Crude Steel Production in 2021 at 1,855 million tons, increased 4.5% from 2020. In the first quarter of 2021, the global economy recovered significantly causing demand for steel in various industries such as Automobile, Home appliance/ Electrical appliance, Construction, etc., which were affected by COVID-19 in 2020, recovered in 2021. While the global steel demand has risen, on the other hand, world steel production has declined. This is because China, the world’s largest steel producer, has a policy to solve environmental problems by reducing the amount of domestic steel production.

In term of steel prices in 2021, Hot Rolled Coil prices (FOB China) had increased from the range of 647 - 767 USD/MT in Q1/2021 to the range of 770 - 1,022 USD/MT in Q2/2020 and continuously increased to the range of 880 - 942 USD/MT in Q3/2020. However, it had decreased to the range of 760 - 928 USD/MT in Q4/2020. Likewise, slab prices (CFR Southeast Asia) had increased from 636 USD/MT in Q1/2021 to the 830 USD/MT and 837 USD/MT Q3/2023 and Q4/2021 respectively and dropped

to 723 USD/MT in Q4/2020. In addition, Iron ore price (CFR China) had increased from 167 USD/MT in Q1/2021 to 201 USD/MT in Q2/2021. However, it had decreased to 164 USD/MT and 108 USD/MT in Q3/2021 and Q4/2021 respectively. The continuously increase in steel prices in the 1st and 2nd quarters was caused by the policy to solve environmental problems by reducing the amount of steel production and news to rise export tariffs for steel products in China.

Thailand Steel Industry in 2021

Thailand steel industry in 2021 reported Total Apparent Steel Supply of 18.6 million tons, increased 12.8% from 2020 (Source: Iron and steel Institute of Thailand, ISIT). Considering steel consumption by products, the most risen steel consumption was long steel product, increased by 3.1% YoY while flat steel consumption was increased by 18.7% YoY.

In 2021, domestic steel production was approximately 7.6 million tons, increased by 7.9% YoY.

Hot-rolled Steel Industry in Thailand

In the past, hot-rolled steel had to be imported from abroad until SSI opened the first hot strip mill in Thailand in 1994. Currently, there are 6 hot-rolled steel manufacturers in Thailand as follows:

| Hot-rolled Steel Manufacturers | Maximum Capacity (Tons/year) | Year of Production | Product |
|-------------------------------------|------------------------------|--------------------|------------------------|
| 1) Sahaviriya Steel Industries Plc. | 4,000,000 | 1994 | Hot-rolled Steel Coil |
| 2) G Steel Plc. | 1,800,000 | 1999 | Hot-rolled Steel Coil |
| 3) G J Steel Plc. | 1,500,000 | 1997 | Hot-rolled Steel Coil |
| 4) Primes Steel Ltd. | 840,000 | 2015 | Hot-rolled Steel Coil |
| 5) Sahaviriya Plate Mill Plc. | 1,000,000 | 1996 | Hot-rolled Steel Plate |
| 6) LPN Plate Mill Plc. | 500,000 | 1996 | Hot-rolled Steel Plate |

For the competitive situation of the hot-rolled steel market in Thailand, It is anticipated that oversea hot-rolled steel producers who have received investment promotion from the Office of the Board of Investment will take part in the market in the near future and will play a greater role in the competition in Thailand.

In 2021, SSI had 17.3% market share in hot-rolled steel market, a slightly down from year 2020. Imports had 60% market share, increasing from 54% in a year earlier. The other 5 domestic manufacturers had 23% in total. The overall hot-rolled steel coil market went up approximately 31.3% due to the market recovery from lesser impacts of COVID-19 situation than those in 2020.



(3) Product Procedure

Production

The Company has 1 Hot Strip Mill to produce Hot-rolled steel sheet in coil and 1 Pickling and Oiling (P/O) Line to produce Hot-rolled pickled and oiled steel or "CleanStrip", located in the same area in Bangsaphan District of Prachuap Khiri Khan Province.

Capacity and Production Policy

Hot Strip Mill has maximum capacity of 4.0 million tons per annum and effective capacity at 3.2 million tons per annum.

The Company's policy is to produce according to customer orders (Made to Order) as well as manufacturing in order to have an inventory of approximately one month (Made to Stock) from which products selected by considering market demand and appropriate technical production. There is a monthly advance production plan which provides 3 production shifts per day, 8 hours per shift. There is also a 10 day maintenance break annually.

Raw Material

The Company uses slab as an only raw material for the rolling process. As there was no slab production in Thailand, all slabs are imported from abroad.

Slab is a flat steel semi-finished product produced from the iron and steel making process. After the casting process, slab will come out with thickness of 160 - 250 mm, width 800 - 1,550 mm, length from 4,300 to 10,800 mm and weight 15.5 to 32.0 tons.

There are many kinds of slabs in the global market; depending on type of steel used such as low carbon, medium carbon, high carbon, or stainless, and each type has several grades. At present, low carbon is the primary production of SSI. The grade of slab used for rolling is dependent on the type of hot-roll sheet to meet the customer's requirement.

Source of Raw Material

The Company imports all of slabs from abroad. Recently there are many slab suppliers located around the globe. In 2021, the Company purchase slabs from 9 slab manufacturers in 9 countries including Japan, Malaysia, Indonesia, Russia, Ukraine, Kazakhstan, India, Australia and Sultanate of Oman. The Company purchases slab on monthly basis through the third party distributors and directly purchases without obligation from any specific slab suppliers. However, the Company will make agreement with the suppliers in advance to notify the demand for raw materials annually or quarterly. The advance notice agreement enables the Company to reduce the risk of raw material shortage and to ensure an adequate supply for company's production and customer requirement.

In 2021, the Company also purchase Hot Dipped Galvanized coil from domestic producer to serve the new derivative products business.

(4) Outstanding of Undelivered Project

As at 31 December 2021, the Group anticipated the service revenues for future recognition for unfinished obligation (or partially completed) of contracts with customers amounting to Baht 702 million. (Note to financial statement 9.3)



Engineering Business

West Coast Engineering Company Limited – Subsidiary

(1) Nature of Services

West Coast Engineering Company Limited (“WCE”) is a service provider of engineering, management, maintenance, industrial design work, manufacture of machinery and mechanical parts, and forming and assembly of steel structures. WCE also provides engineering design and project services, environment, and industrial labor services that require specialized knowledge, especially the production and maintenance of machinery and various equipment which is diverse in technology including the production of machinery for the steel industry, handling machines, biogas technology, biomass power technology, and water distribution and treatment systems.

WCE has set the scope of business in 2021 as follows:

- Maintenance and machinery production business
- Project and structural engineering business
- Rail Engineering Business and Robotic & Automation Business

WCE operates under the international standard system, including ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 which was modified from TIS 18001:2011, TIS 17025 for the Industrial Instrument Calibration Service as well as the certificate for the manufacture of pressure vessels, boilers, pressure pipes, and repair of pressure vessels according to the standard of ASME Code U, S, R, and PP Stamp from the American Society of Mechanical Engineering (ASME). The Steel structure production is also certified with the standard of (M-Grade) from JSCA Institute (Japan Structural Consultants Association) and welder standard from Japan Institute JWES (Japan Welding Engineering Society). In addition, WCE has also received an honorary award for an outstanding establishment in labor relations and labor welfare for 5 consecutive years (2006 - 2010) and a national skill standard test in 5 branches from the Department of Skill Development.

(2) Marketing and Competition

(a) Marketing

Marketing Strategy

WCE is located in the upper southern region where there is no such kind of service in this area. Furthermore, the comprehensive scope of services of WCE is well support various industrial plants as well as other industries in the market continuously.



Strengths

1. Having expertise and in-depth experience in engineering related to the steel industry.
2. Obtained international standard certifications for quality system standards including ISO 9001:2000, ISO 14001, TIS/OHSAS 18001, IEC 17025, and ASME Code U, S, R, and PP Stamp.
3. Certified for steel structure production standard (M-Grade) from JSCA Institute (Japan Structural Consultants Association) and welder standard from Japan Institute JWES (Japan Welding Engineering Society) on 24 March 2016, for production, distribution, and exporting products of steel structure assembled in the type of columns and beams (Built-up Beam) to the Japanese market.
4. Located close to the target customers and near deep seaport so that it's easily to transport raw materials and large workpieces via ship to foreign countries.
5. Certified as a national labor skill standard establishment.
6. Licensed as an engineer for designing and installing natural gas systems.
7. R&D Department has been accepted in the list of technology research and development of the Ministry of Finance.

Weaknesses

1. Far from areas with dense industrialization such as in the East, the North, and the Central Region.
2. High cost of raw materials which must be purchased from sellers in Bangkok.
3. High investment for Business expansion and difficult to outsourcing due to away from business center.

WCE has updated its business strategy to set guidelines for future product expansion as follows:

- 1) Aim to reduce internal expenses and together with key customers in the steel industry to reduce costs of maintenance and service contracts with the Smart Effective Cost Control strategy, including the production and repair of equipment with the R&D Part project.
- 2) Penetrate existing markets such as
 - Production and repair of spare parts: Target customers are the steel industry, power plants, and cement plants.
 - Steel structural work: Target customer groups are the steel industry and foreign customers.

3) Expand new markets such as

- Engineering and project management: expand to various business customers including the transportation industry, Machine manufacturing, Technology industry, Petrochemical industry oil and gas industry, Paper industry, Alternative energy, and Government sectors such as the Expressway Authority of Thailand, etc.
- Steel structural work: Targeting customers is the State Railway of Thailand, Department of Rural Roads, Department of Highways and customer groups in Japan, etc.
- Production and repair of spare parts: Target customers are the steel industry and the government sector such as the State Railway of Thailand, etc.

4) Introduce new products and services to the market such as

- Provide Engineering Design services such as designing, constructing, assembling, and installing a coal storage facility and installing a coal conveying system and berths, etc.
- Provide Engineering Solution Services such as Surface Engineering and Machining Mobile etc.
- Size checking service, level calibration, and installation with Portable Laser Tracker Measurement and CMM equipment
- Produce, sell and export built-up beam to the Japanese market

5) Business development to create market opportunities

- Business Alliance: creates alliances in engineering and mechanical design, project work, steel structure work, and machine shop work, including alliances in special testing equipment.
- Develop in 5 types of new products to the market: Steel Machinery, Bio Gas/ Bio Mass, Handling Solution, Environmental and steel structure products assembling columns and beams (Built-up Beam).

6) Set up cost control system and establish work efficiency monitoring system.

Revenue Structure

In 2021, Revenues from providing services for the steel industry in Sahaviriya group at Bangsaphan District, Prachuap Khiri Khan Province were accounted for 56%, consisting of 2 customers as follows:

1. Sahaviriya Steel Industries Public Company Limited 41%
2. Thai Cold Rolled Steel Public Company Limited 15%

Revenue from providing services to other Sahaviriya companies and external customers were accounted for 44%.



(b) Competition Conditions

In 2021, WCE continues its service plan to meet customer needs by focusing on strategies to help customers reduce costs in maintenance and spare parts production. Together with the joint policy of the group of companies under the Cost Reduction strategy, WCE still has ability to generate income, totaling Baht 637 million in 2021, at the level higher than its target.

WCE has launched external project acquisitions from different groups of customers such as paper industry, energy, transportation and machinery, and technology manufacturers, State Railway of Thailand, Department of Rural Roads Expressway Authority of Thailand, etc. by using the strategy to show the strength of WCE in the field of engineering and systematic project management. Income from other customers in 2021 was Baht 271 million.

According to the economic report from the Office of the National Economic and Social Development Board (NESDB), Thai economies in the fourth quarter of 2021 grew by 1.9%, improving from minus 0.2% in the previous quarter (% YoY). When the effect of the season has been adjusted, Thai economy in the fourth quarter of 2021 expanded by 1.8% from the third quarter of 2021 (QoQ_SA).

For the expense, export of goods and services, and government expenditure accelerated. Private sector consumption and public investment returned to expand, while private investment declined.

For the manufacturing; manufacturing of industrial products, transportation, and storage, electricity, and gas sectors returned to expand. Wholesale and retail as well as repairs sector continued to expand. Agriculture, forestry, and fisheries sectors quite slowed down, while hotels and service sectors, food and construction sectors declined.

In 2021, the Thai economy grew by 1.6%, improving from minus 6.2% in 2020. Private consumption and total investment increased by 18.8%, 0.3%, and 3.4%, respectively. The average headline inflation was at the rate of 1.2% and the current account balance was a deficit of 2.2% of GDP.

The outlook for the Thai economy in 2022 is expected to expand in the range of 3.5 - 4.5%, mainly supported by an improvement in domestic demand, the recovery of the tourism sector as well as the continuous expansion of exports driven by government investment. The value of merchandise exports in US dollar terms is expected to grow by 4.9%. Consumption and private investment grew by 4.5% and 3.8%, respectively, while the public investment grew by 4.6%. The average headline inflation was in the range of 1.5 - 2.5%, and the current account would have a surplus of 1.5% of GDP.





(3) Product Procedure

(a) Procurement of Services

Production

In 2021, the investment plan in production line has not been expanded much due to problems affected by key customers and various customers in the group. However, WCE continues to implement outsourcing strategies in manufacturing and projects by creating trade alliances such as civil work, machinery, and equipment installation, and representatives of various production cooperation because there has been several projects during the first and second quarter. With the strong planning and quality control system, WCE can provide such comprehensive services and be able to support the needs of every group of customers in various products.

Process and Production Technology

In terms of machinery used in manufacturing and servicing, WCE has no plans for more investment but has focused on improving and developing the existing machines for maximum benefit by placing a modern maintenance system and increasing working hours from 8 hours to 16 hours and 24 hours. Furthermore, the use of workshop partner's machinery is planned to support in case of insufficient.

In terms of personnel, WCE selects high potential personnel to be permanent employees because WCE provides various project and engineering services that need a wide variety of different technologies. WCE also choose to use workers from outside companies (Outsourcing) which has passed the labor skill standard test. In addition, WCE has the policy to develop and train employees to have more skills, knowledge, and expertise in various engineering fields.

In terms of raw materials, most of raw material is procured from local vendors. The parts that are raw materials of special grades, WCE have ordered from agents in the country or ordered directly from abroad to produce parts, spare parts, and fabricated parts for customers both in Thailand and abroad. However, there is a policy to procure frequently used materials at low cost but good quality as needed, by considering the draft procurement as a contract price to reduce the risk of delivery time and price.

WCE does not have a technical assistance contract.



Production Capacity and Production Volume

WCE's operating results from engineering services and other services in 2021 are as follows:

1. Maintenance management and machinery manufacturing business Baht 412 million
 2. Project and structural engineering business Baht 225 million
- Total revenue from sales and services Baht 637 million

(b) Environmental Impact

WCE strictly adheres to the measures to prevent potential environmental impacts as specified by the government, and maintain the environmental management system according to international standards ISO 14001:2004.

WCE has no history of environmental offenses.

(4) Outstanding of Undelivered Project

WCE has a work in progress at the end of December 2021 worth Baht 427 million.



Marine Business

Prachuap Port Company Limited – Subsidiary Company

(1) Nature of Services

Prachuap Port Company Limited (“PPC”) is the privately commercial deep seaport providing services for product loading, discharging, and handling cargo both within and outside Sahaviriya Group which is group of the company’s shareholders. PPC also provides a service for deposit importing goods in bonded warehouse where PPC is entitled to import duty exemption for 2 years. PPC’s port is located at Ao Thian, Bangsaphan District in Prachuap Khiri Khan Province. At present, PPC has four berths with depth 8 - 15 meters as details below:

- 1) Berth A: 25 meters width, 450 meters length, and 15 meters depth from mean sea level (MSL) with a capacity of less than 100,000 DWT (deadweight tonnage) 2 vessels a time.
- 2) Berth B: 25 meters width, 245 meters length, and 8 - 12 meters depth from mean sea level (MSL), with a capacity of less than 20,000 DWT 2 vessels a time.
- 3) Berth C: 50 meters width, 892 meters length, and 8 - 14 meters depth from mean sea level (MSL), with a capacity of totally 5 vessels a time by less than 80,000 DWT 2 vessels a time and less than 20,000 DWT 3 vessels a time.
- 4) Berth D: 50 meters width, 250 meters length, and 8 meters depth from mean sea level (MSL), with a capacity of less than 2,200 DWT 4 barges a time.

Moreover, in 2012 PPC had purchased 2 mobile harbor cranes with a maximum lifting capacity of 100 tons from Gottwald Port Technology, Germany which’s installed and operated since July 2012.

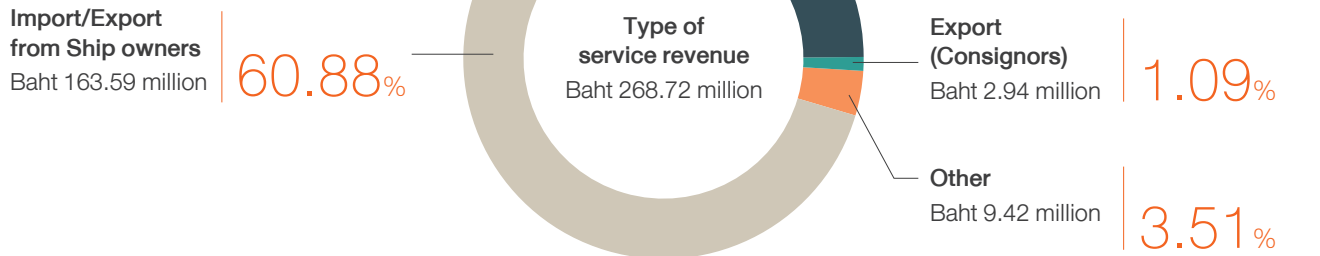
Revenue Structure

PPC has main revenue from port service users consisting of:

- 1) Charge against Ship Owners or Ship’s Agents such as Pilot and Navigation signal service, Tugboat service, Port charge, Berthing master service, etc.
- 2) Charge against Consignees or Consignors such as Cargo transit fee, Storage fee, etc.



PPC's revenue in 2021 is as follows:



Investment Promotion Certificate (BOI)

The Investment Promotion Certificate from Board of Investment No. 1290(2)/2555

PPC was granted permission for this promotion certificate on 14 February B.E. 2555 (2012) with a resolution to be promoted in the business of cargo transit for marine vessels, Category 7.1 Public utilities and basic services. By receiving rights and benefit and comply under the following conditions:

Promotion Certificate No. 1290(2)/2555

- To be granted permission to bring the foreign nationals who are skilled workers or experts, spouses and dependents of person in both types into the Kingdom as numbers and such periods of time as the Board may deem appropriate.
- Foreign nationals who are permitted to stay in the Kingdom shall be granted a work permit for a specific position approved by the Board for the period of permitted stay in the Kingdom.
- To be granted exemption from payment of import duties on machinery as be approved by the Board.
- To be granted exemption of corporate income tax on net profit derived from the promoted activity as prescribed shall be by a rate of not exceeding 100% of the investment capital excluding cost of land and working capital, for a period of not more than 8 years from the date income is first derived from such activity. In the case where a loss has been incurred during the period of receiving exemption of corporate income tax, such loss is granted permission to deduct from the net profit accrued after the expiration of corporate income tax exemption period for a period of not more than 5 years from expiry date of such period by choosing to deduct such loss from the net profit of one year or several years.
- Dividends derived from a promoted activity granted an exemption of the corporate income tax shall be exempt from computation of taxable income throughout the period the promoted person receives the exemption of corporate income tax.
- To be granted permission to deduct from the net profit an amount not exceeding 25% of the investment cost of installation or construction of facilities use in the promoted activity, in addition to normal depreciation deduction.

PPC shall be complied the conditions as follows:

- The machinery under a promoted activity must be new, by importing within 6 September B.E. 2557 (2014) and submit the application for permission of the machinery list to the Office before complying the rights and benefits of exemption or reduction of import duties on machinery in accordance with the form and method specified.
- Shall be completed and ready to operate within period of not more than 36 months from the date of issued promotion certificate.
- Paid-up Capital shall be not less than Baht 400 million.
- Person of Thai nationality must hold a total share of not less than 51% of the registered capital.
- Shall be proceed in accordance with essential of the promoted project of cargo transit for marine vessels, by a size of general cargo handling business annual approximately 8.2 million tons.
- Size of investment capital (excluding cost of land and working capital) shall not less than Baht 1 million.
- Shall submit BOI application form and the report of performance results, which is audited by a certified public accountant to the Office for approval within 120 days from the end of the accounting period for claiming the rights and benefits of the exemption of corporate income tax of that accounting period.
- The exemption of corporate income tax, not exceeding Baht 300 million, shall be adjusted accordance to the amount of investment excluding cost of land and working capital on the operation start-up date.
- Shall be complied and granted the certification for Quality Management System (ISO 9000) or Environmental Management System (ISO 14000) or equivalent to the other international standard within 2 years from the operation start-up date.
- Shall be granted the approval from the relevant government agencies.
- The establishment shall be located on Prachuap Khiri Khan Province where shall not be in the restricted area accordance to the provincial town planning announcement and shall be approved by the Ministry of Industry or the relevant government agencies.

However, PPC has no factors affecting the business opportunities or limitations. Until now, PPC has been fully complying with the conditions of the Board of Investment.



(2) Marketing and Competitions

(a) Marketing

Marketing Strategy and Strength

1. Be the first privately commercial deep seaport certifying 4 international standards including Certification for Quality Management Systems (ISO 9001:2015), Certification for Environmental Management Systems (ISO 14001:2015), Certification for Occupational Health and Safety Management (ISO 45001:2018), and Certification for the International Ship and Port Facility Security Code (ISPS Code).
2. The port is close to establishment of customers.
3. Marine transportation is the cheapest transportation comparing to other transportation methods.
4. One stop service solution, there is a land transportation activity in Sahaviriya Group which has a huge fleet of vehicles and lifting equipment to provide and support service.
5. It is a point to export shipment to oversea for customer located in western and upper southern.
6. There is a port office and general bonded warehouse.

Types of Customers

Over 91% of customers are in the steel industry in Sahaviriya Group located in Bangsaphan District, Prachuap Khiri Khan Province which are:

1. Sahaviriya Steel Industries Public Company Limited
2. Thai Cold Rolled Steel Sheet Public Company Limited
3. Thai Coated Steel Sheet Company Limited
4. Bangsaphan Barmill Public Company Limited

Key Customers

The key customer is Sahaviriya Steel Industries Public Company Limited and Thai Cold Rolled Steel Sheet Public Company Limited with service revenue of 63% and 27% of total revenue in 2021, respectively. Customers outside Sahaviriya group using services in 2021 consist of Palm oil production Group and Mineral Group.

(b) Competition Situation

PPC has no key rival due to it is the only private deep sea port service provider in this area.

(3) Product Procedure

(a) Service Procurement

PPC's deep sea port is located about 4 - 4.5 kilometers away from the steel factories in the group in Bangsaphan District in order to provide services of unloading raw materials imported from aboard and loading finished goods for both domestic and international distribution for the steel factories in the group in Bangsaphan District, Prachuap Khiri Khan Province.

Capabilities and Volumes

Prachuap Port is consisting of 4 berths:

- 1) Berth A
Capability for annually cargo throughput
3,024,000 metric tons
- 2) Berth B
Capability for annually cargo throughput
2,016,000 metric tons
- 3) Berth C
Capability for annually cargo throughput
8,000,000 metric tons
- 4) Berth D
Capability for annually cargo throughput
2,000,000 metric tons

Totally 15,040,000 metric tons

Cargo Throughput (Metric Tons)

| | 2021 | 2020 | 2019 |
|--------------|------------------|------------------|------------------|
| (1) Import | 2,108,308 | 1,161,118 | 2,081,486 |
| (2) Export | 82,517 | 79,818 | 65,560 |
| (3) Coastal | 362,628 | 380,056 | 513,689 |
| Total | 2,553,453 | 1,620,992 | 2,660,735 |

Moreover, PPC has 2 mobile harbor cranes with a maximum lifting capacity of 100 tons to provide support for loading or unloading of goods from huge vessel.

(b) Environmental Impacts

PPC has contributed and hired the expert to study the environmental impact at least twice a year in accordance with the environmental protection measures of the Marine Department and the Office of Natural Resources and Environmental Policy and Planning (ONEP), Ministry of Natural Resources and Environment. PPC has no record of environmental offenses.

(4) Outstanding of Undelivered Service

-None-



1.2.3 Business Assets

Fixed Assets of the Company and its Subsidiaries

| Type/Description of assets | Net book value | |
|---|---------------------------------------|--|
| | As at 31 December 2021 (Million Baht) | |
| 1. Land and land improvement | 1,074 | |
| 2. Buildings and leasehold | 284 | |
| 3. Machinery, tools and factory equipment | 7,958 | |
| 4. Berth, Tug boats and berth facilities | 525 | |
| 5. Furniture, office equipment and vehicles | 58 | |
| 6. Roads | - | |
| 7. Construction in progress | 644 | |
| | 10,543 | |

(1) Land and Land Improvement

| Type/Description of assets | Ownership | Net book value As at 31 December 2021 (Million Baht) | Commitment |
|---|---|--|--|
| 1. Land at Bangsaphan, Prachuap Khiri Khan 174 parcel Total area 1,349-0-68 Rai Purpose of occupation: Plant, reservoir, storage yard and road | Owned by the Company | 787 | Mortgage 73 parcel Total area 723-1-77 Rai |
| 2. Land at Bangsaphan, Prachuap Khiri Khan Total area 120-0-00 Rai Purpose of occupation: Office building and others | Leasehold land The lease is renew every 3 years Rental fee Baht 1.03 million per year | - | - |
| 3. Land at Bangsaphan, Prachuap Khiri Khan Total area 230-1-46 Rai Purpose of occupation: Storage yard and others | Leasehold land The lease is renew every 3 years Rental fee Baht 2.6 million per year | - | - |
| 4. Land at Bangsaphan, Prachuap Khiri Khan Total area 74-1-16 Rai Purpose of occupation: Road toward marine port | Servitude | - | - |
| 5. Land at Bangsaphan, Prachuap Khiri Khan 71 parcel Total area 567-1-48 Rai Purpose of occupation: Marine port and road | Owned by Prachuap Port Co., Ltd. | 563 | Mortgage 71 parcel Total area 567-1-48 Rai |
| 6. Land at Bangsaphan, Prachuap Khiri Khan Total area 46-2-72 Rai Purpose of occupation: Office building and maintenance area | In the process of installment by West Coast Engineering Co., Ltd. | 47 | Mortgage |
| 7. Land improvement | | 63 | - |
| 8. Gain on revaluation | | - | - |
| 9. Loss on impairment/loss on revaluation | | (386) | |
| | | 1,074 | |



(2) Building and Leasehold

| Type/Description of assets | Ownership | Net book value As at 31 December 2021 (Million Baht) | Commitment |
|---|---|--|--|
| 1. Office building at Surasak Road, Bangkok | Leasehold by the Company The lease is renew every 2 years Rental fee Baht 951,215 per month | - | - |
| 2. Office building and others at Bangsaphan, Prachuap Khiri Khan | Owned by the Company | 252 | Mortgage (excluded office building on leased land 120-0-00 Rai) |
| 3. Office building at Surasak Road, Bangkok | Leasehold by Prachuap Port Co., Ltd. The lease is renew every 2 years Rental fee Baht 168,000 per month | - | - |
| 4. Office building and warehouse at Bangsaphan, Prachuap Khiri Khan | Owned by Prachuap Port Co., Ltd. | - | Mortgage |
| 5. Office building and Maintenance area at Bangsaphan, Prachuap Khiri Khan | Owned by West Coast Engineering Co., Ltd. | 36 | Mortgage |
| 6. Gain on revaluation | - | - | - |
| 7. Loss on impairment/loss on revaluation | - | (4) | - |
| | | 284 | |

(3) Machinery, Tools and Equipment

| Type/Description of assets | Ownership | Net book value As at 31 December 2021 (Million Baht) | Commitment |
|---|--|--|-----------------------------|
| 1. Hot rolling machine 1 set Grinding machine 2 sets | Owned by the Company Possessory right | 6,618 | Mortgage Financial lease |
| 2. Skinpass machine 2 sets and Shearing machine 2 sets Skinpass machine 1 set | Owned by the Company Possessory right | 197 286 | Mortgage Financial lease |
| 3. PO machine | Owned by the Company | 588 | - |
| 4. Utilities | Owned by the Company | 65 | - |
| 5. Tools and equipment | Owned by the Company | 34 | - |
| 6. Machine and equipment | Owned by Prachuap Port Co., Ltd. | 157 | Financial lease |
| 7. Machine and tools | Owned by West Coast Engineering Co., Ltd. | 13 | - |
| 8. Gain on revaluation | - | - | - |
| 9. Loss on impairment/loss on revaluation | - | - | - |
| | | 7,958 | |



(4) Berth, Tug Boats and Berth Facilities

| Type/Description of assets | Ownership | Net book value | |
|-------------------------------|----------------------------------|---------------------------------------|------------|
| | | As at 31 December 2021 (Million Baht) | Commitment |
| 1. Berth and berth facilities | Owned by Prachuap Port Co., Ltd. | 81 | - |
| 2. Berth (additional) | Owned by Prachuap Port Co., Ltd. | 433 | - |
| 3. Tug boats | Owned by Prachuap Port Co., Ltd. | 11 | - |
| 4. Gain on revaluation | - | - | - |
| | | 525 | |

(5) Furniture, Office Equipment and Vehicles

| Type/Description of assets | Ownership | Net book value | |
|-----------------------------------|---------------------------------------|---------------------------------------|------------|
| | | As at 31 December 2021 (Million Baht) | Commitment |
| 1. Furniture and office equipment | Owned by the Company and subsidiaries | 52 | - |
| 2. Vehicles | Owned by the Company and subsidiaries | 6 | - |
| | | 58 | |

(6) Roads

| Type/Description of assets | Ownership | Net book value | |
|---|---------------------------------------|---------------------------------------|------------|
| | | As at 31 December 2021 (Million Baht) | Commitment |
| 1. Roads | Owned by the Company and subsidiaries | - | - |
| 2. Gain on revaluation | | - | - |
| 3. Loss on impairment/loss on revaluation | | - | - |
| | | - | |

(7) Assets under Construction

| Type/Description of assets | Ownership | Net book value | |
|----------------------------|---------------------------------------|---------------------------------------|------------|
| | | As at 31 December 2021 (Million Baht) | Commitment |
| Assets under construction | Owned by the Company and subsidiaries | 644 | - |
| | | 644 | |

Since year 2016, the Company has adjusted its accounting policy for the revaluation of property, plant and equipment from the revaluation method to the cost method according to Thai Accounting Standard No. 16 (revised 2015) re: Property, Plant and Equipment, so that the financial statements of the Group and the Company can be compared with other companies in the same industry.

Investment Policy in Subsidiaries and Associates

The Company invests in 2 subsidiaries with a total cost of Baht 324 million, a joint venture with a cost of Baht 2,629 million, and a related company with a cost of Baht 294 million.



1.3 Shareholding Structure

1.3.1 SSI Shareholding Structure

Hot Rolled Business

Downstream Business

35.19%



**Sahaviriya Steel Industries
Public Company Limited**

- Manufacturer of hot-rolled coil
- Manufacturer of hot-rolled coil pickled and oiled

Core business



**Thai Cold Rolled Steel Sheet
Public Company Limited**

- Manufacturer of cold-rolled steel sheet

Increase revenues
and enhance sustainable growth





Marine Business

Engineering Business

3.7%



**Thai Coated Steel Sheet
Company Limited**

- Manufacturer of electro-galvanised steel sheet

Increase revenues
and enhance sustainable growth



51%



Prachuap Port Company Limited

- Provider of the private commercial sea port

Reduce costs
and increase revenues



99.99%



**West Coast Engineering
Company Limited**

- Provider of engineering services

Reduce costs
and increase revenues





1.3.2 Parties with Conflict of Interest

Prachuap Port Company Limited (“PPC”), a subsidiary of the Company, has 49% of shareholding held by SVL Corporation Company Limited (“SVL”). SSI and SVL have common shareholder and directors and direct and indirect shareholding by the Company’s director(s). SVL is in transportation business providing transportation services in the country which is directly related to the business of PPC that provides commercial port services.

1.3.3 Relationship with Major Shareholders

As the company is obliged to conduct business rehabilitation in accordance with the Company’s Business Rehabilitation Plan with respect to capital restructuring. Clause 7.3 (3) of the Plan provides that the Company is required to register the increase in its paid-up registered capital by Baht 10,000,000,000 by issuing an additional 10,000,000,000 newly-issued ordinary shares to accommodate the conversion of debt into equity in favor of the second group

of creditors, and/or the third group of creditors, and/or the fourth group of creditor and the Company had completed the registration on 28 March 2018. The conversion of debt into equity in favor of the group of creditors mentioned earlier resulted in a change of major shareholding structure of the Company, as shown in section “Major Shareholders”. The Company’s main business is not directly related to the business of the current major shareholders who are also creditors of the Company. Nevertheless, the major shareholders are commercial banks which might provide regular financial products offered by banks such as working capital, long term loan, FX hedging, etc.

In addition, the Company and its subsidiaries are part of a business group of Sahaviriya Group, a former major shareholder of the Company. Sahaviriya Group is engaged in manufacturing and distributing of steel products. The details of related transactions have been disclosed in the Related Party Transactions. The Company has a mechanism to protect the rights of shareholders to ensure that they are treated fairly. The Company, as a hot rolled coil manufacturer, has applied the same pricing policies which depend on ordering quantity and frequency to both related and non-related parties. For related party transactions, the Company usually discloses the pricing policies as indicated in the notes to the financial statements.

1.3.4 Shareholders

List of Major Shareholders

Listed are the names and shareholdings of the largest shareholders as of 11 August 2020, the latest closing date of the shareholder register book. (After Board of Directors of The Stock Exchange of Thailand passed a resolution to delist the Company’s ordinary shares from being listed securities effective from 11 July 2020 onward)

| Names | As of 11 August 2020 | |
|---|----------------------|----------------------------|
| | Number of Shares | Percentage of Shareholding |
| 1. Krung Thai Bank Public Company Limited | 4,499,394,589 | 40.488 |
| 2. The Siam Commercial Bank Public Company Limited | 4,469,534,816 | 40.219 |
| 3. TISCO Bank Public Company Limited | 874,888,641 | 7.873 |
| 4. Sahaviriya Group Corporation Limited | 159,756,038 | 1.438 |
| 5. CITIBANK NOMINEES SINGAPORE PTE LTD-UBS SWITZERLAND AG | 125,794,772 | 1.132 |
| 6. Mr. Sushin Rattanasirivilai | 100,079,689 | 0.901 |
| 7. SIX SIS LTD | 66,665,575 | 0.600 |
| 8. Mr. Viroj Eungpaiboon | 59,966,879 | 0.540 |

| Distribution of shareholding by nationality | | As of 11 August 2020 | |
|---|---------------------|------------------------|----------------------------|
| | | Total Number of Shares | Percentage of Shareholding |
| THAI SHAREHOLDERS | 13,905 shareholders | 10,818,370,577 | 97.35 |
| FOREIGN SHAREHOLDERS | 110 shareholders | 294,647,703 | 2.65 |



Foreign Limit

The Company's foreign shareholding was limited at 49% of the paid-up capital. As of 30 December 2021, the Company's foreign shareholding was 2.65% of the paid-up capital.

1.4 Registered and Paid-up Capital (As of 31 December 2021)

| | | |
|---------------------------|----------------|----------------|
| Registered Capital | 11,113,018,280 | Baht |
| Ordinary Shares | 11,113,018,280 | Shares |
| Par Value | 1 | Baht per share |
| Paid-up Capital | 11,113,018,280 | Baht |
| Ordinary Shares | 11,113,018,280 | Shares |
| Par Value | 1 | Baht per share |

1.5 Issuance of Other Securities

-None-

1.6 Dividend Policy

The Company has a policy to pay dividend at a rate of not less than 25% of net profit after income tax, legal reserve, and other reserves, from the Company's separated financial statements in each year. Dividend payment; nonetheless, depends on economic conditions, operating profit, investment plans, covenant in various contracts, and other appropriated factors, both at present and in the future.

According to the Board of Directors' resolution on the dividend payment, the shareholders' meeting shall approve dividend payment unless there is an interim dividend payment in which the Board of Directors is authorised to approve interim dividend payment. In this case, such payment should be submitted to the next meeting of shareholders for acknowledgement.

As for the dividend policy of the Company's subsidiaries, the Company does not fix any particular rates of dividend payment. It depends on the operational results of each subsidiary, and the Board of Directors of that subsidiary will make the decision concerning dividends on a case-by-case basis.

However, while the business rehabilitation has not been terminated by the Court's order, the Company as the plan administrator shall not pay dividends or any other benefits similar to dividends to the shareholders unless the Creditors Committee approved to do so.

On 22 April 2021, the Board of Directors' meeting No. 5/2021 of Sahaviriya Steel Industries Public Company Limited as the Plan Administration by the Central Bankruptcy Court's order on 15 December 2016, as the red case No.For.8/2016, had resolution that no dividend payment shall be made for the operating results of the year 2020, as the Company had retained deficit as at 31 December 2020. Therefore, the Company was unable to allocate dividend payment to shareholders.



02/

Risk Management

2.1 Risk Management Policy

Risk Management Policy

Since the effective risk management plays an importance role to the sustainability of the organization, the Company has developed the integrated risk management policy and system with the objective of determining risk management approaches that are consistent across the organization. There are committees and units involved in the aforementioned operation as follows:

- The Board of Directors supervises the management to implement strategies in line with vision and mission as well as supervise the Company's risk management and internal control system.
- The Risk Management Committee reviews and presents risk management policy and risk appetite to the Board of Directors, supervise the development and implementation of risk management frameworks throughout the organization as well as review the risk management report to monitor significant risks and to ensure that the organization is managing risks effectively and continually. The Committee also provides additional suggestion for risk management including problems and obstacles in the development of the risk management system for the Board of Directors.
- The Audit Committee reviews and monitors significant risks and risk management system of the Company, its subsidiaries, and its joint venture, reported from the Risk Management Committee.
- Risk Management Working Committee supervises and monitors to ensure the compliance with the Company's risk management and internal control policy, reviews the appropriateness of the risk level or risk score and risk management measures (risk response), including considering the risk level or risk score as well as any risk management measures that need to be presented to the Risk Management Committee for consideration and approval.

- Risk Owners work with the Risk Management Working Committee and the Group Risk Management Office in determining risks and risk appetites. The risk owners also monitor and manage related risks as well as assess the risks appropriately under the Company's risk management framework.
- Group Risk Management Office serves to encourage the appropriate risk management system in the organization, to ensure the implementation of risk management process as well as to participate in assessing and providing advices on risk management.
- The Company's employee would understand the Company's risk management framework and be aware of the risks in daily operations, report to supervisors for any risk that may cause damage to the Company and cooperate in the Company's risk management implementation.

The Company determines that the risk assessment will be carried out on a quarterly basis or when there is a significant change in circumstances. The Risk Management Committee will report the assessment to the Audit Committee and the Board of Directors' meeting, respectively.

Risk Management Culture

The Company has focused on fostering its risk management culture through a wide range of operations with the aim of creating employee awareness on risk assessment and risk management. In overview, the Company has continuously taken following actions:

- Promulgating the Risk Management Policy and communicating the policy to its employees throughout the corporate for acknowledgement;
- Setting up a risk management framework and integrating principles of risk management with internal work processes to raise awareness on uncertainty that may occur and to promote the risk management as part of the operation;



- Ensuring that risk Owners are able to determine the corporate risk appetite/risk tolerance and communicating it to employees for acknowledgement;
- Regulating the risk management as one of the corporate strategies which all departments must prioritise and practice, including emphasizing that employees of all levels shall take into account the risks that may occur before making any decisions or practices;
- Organizing risk trainings for internal units to ensure that risk owners understand and are able to assess risks that may affect goal achievement or operational strategies;
- Establishing a risk management process as well as continuously monitoring the progress on mitigation actions.

2.2 Risk Factors

The Company has entered the Business Rehabilitation since the Central Bankruptcy Court (the “Court”) issued an order for the Company’s Business Rehabilitation and appointed the Company as a Plan Preparer (the “Plan Preparer”) on 10 March 2016. After that, the Court approved the Company’s Business Rehabilitation Plan (the “Plan”) which determined Sahaviriya Steel Industries Public Company Limited as the Plan Administrator (the “Plan Administrator”) on 15 December 2016. Later in year 2020, the Company submitted a request for the Plan amendment and the Court approved the amended Plan on 18 September 2020. In 2021, the Company submitted a request for the 2nd Plan amendment and the Court approved the amended Plan on 14 December 2021.

The Company, as the Plan Administrator, remains to operate its main business as usual under the Business Rehabilitation, coupled with the awareness of risks and risk factors that might affect its business. Risk Management Committee (RMC), established to help the Board of Directors who’s serving as a Plan Administrator, has its duties to oversee risk management tasks by monitoring and evaluating key risks and Audit Committee (AC) has duty to review the adequacy of risk management system.

2.2.1 Current and Emerging Risks

Throughout 2021, the Company had reviewed and assessed risk factors as well as setting control measures to mitigate risks on a quarterly basis. The major risks and key risk management measures of the Company in 2021 can be summarized as follows:

1. Market Risk

• Risk from Fluctuation of Prices, Steel Product Demand, and Metal Spread

Risk from fluctuation of prices, steel product demand, metal spread may have impact to the Company’s performance and may cause the Company’s inability to achieve its objectives. The risks are results of direct and indirect changes in economic, social, and competition factors, as well as other changes occurring domestically and overseas.

In year 2021, the third wave of COVID-19 pandemic that has impacts to both global and domestic economic that caused suspension of production lines or decrease in production volume. However, steel prices in 2021 have increased due to the policy to solve environmental problems by reducing the amount of steel production and the released news of the cancellation of Steel Export Rebates in China.

In response to the fluctuation of prices, steel demand, and metal spread of the Company as mentioned above as well as the uncertainty due to the COVID-19 pandemic, the Company has implemented measures to mitigate the risks as the followings: (1) Establish a “Gold Partnership” Program to reduce the risk in a sluggish market and using proper sales policy for each customer in order to maintain spread between selling prices and raw material prices as planned (2) Closely monitor domestic and overseas markets in order to analyse and consider product sales to be in line with the order and import of slabs from foreign countries as well as seeking new sources of raw material to obtain high quality, low cost, adequate quantity with short delivery time and control raw material inventory to be at proper level and in line with the Company’s cash flow by controlling the purchase of raw materials as necessary. (3) Closely monitor on dumping situation of imported products in order to take proper and timely actions, (4) Establish production plan in accordance with sales plan to minimize lead time, (5) Sign MOU with suppliers to reduce the risk of raw material shortages and (6) Increase sales volume for Export and Spot order customers.



2. Production Risk

• Production Process and Technology Risk

In production of hot-rolled coils, the Company is exposed to the risk of production incurred from machinery, production process and production technology. Key risks related to the production process and technology include risks of major machinery damage from normal use, risks related to raw material quality control, improper production process resulting in the products that are unable to meet the customer requirements or inability to produce some grade of products, significant yield loss in production, unusable machinery due to obsolete part, and explosion risks. These may affect hot-rolled coil production or may cause production suspension which will further impact product delivery to customers.

To prevent the production risks, the Company has determined the procedures to improve the production process for problem solving and risk management, conducted the inventory management plan to maintain spare parts to be ready for use at all times and acquired new technologies for production to enhance the quality control efficiency and accuracy by installing the Surface Inspection System. The Surface Inspection System facilitates real-time decision making which will enable a prompt reaction on unqualified products leading to significant reduction of inferior goods. The Company has also obtained an automatic system to be used in product quality management to accommodate the ability to meet the customer requirements, reduce human errors and improve product quality consistency. Moreover, the Company has encouraged setting up a working group for the development of production process aiming to figure out solutions for particular problems. The working group is responsible for analysis, improvement planning and implementation of existing and new projects to increase efficiency and reduce production cost as well as improve product quality. The projects are as follows:

1. Zero Scrap project,
2. Furnace Temperature Reduction project,
3. Reduction in Work-roll Consumption of Finishing Mill Stands project,
4. In-house maintenance of Edge Induction Heater project,
5. Pinch roll Force & Position Hybrid control project,
6. Self Revamping and Migration Alpha Server to Itanium Server for Process control project,
7. Increase productivity of pickling and oiling process project,
8. Total Productive Maintenance (TPM) project,
9. Zero Accident project, and
10. Project of safety and environment culture in organization with BBS.

• Risk from Natural Disaster, Fire and other Emergency Incidents Natural Disaster

Regarding risk from the event of windstorm, flood and fire that may cause an opportunity loss in production and delivery of goods, the Company has managed to mitigate the risk by establishing a working group and prepare its personnel and equipment to be ready for the emergency incidents. Moreover, The Company has insurance covering property damage, damage on goods and products caused by such incidents as well as loss from business interruption in case of fire or natural disaster.

In 2021, the Company had practiced emergency plan in all area totally 19 times: 1 time for flood emergency, 9 times for fire emergency and 9 times for other emergency, to ensure readiness of personnel to control the incident in the future.

• Risk from Impacts of Production on Environment, Society and Community

The Company has evaluated risk from impacts of production on environment, society and community in all aspects to cover the risk possibly incurred in the area of environment, resource utilization, living and society, safety and economy of the community.

In order to reduce impacts possibly occurred from the Company's production to the external community, the Company has operated under the Environmental Standard ISO 14001:2015 and continually monitored changes in environmental laws. In addition, the Company has utilized fuel oil with not over 2% sulfur, controlled and inspected the fuel system to ensure the complete combustion, controlled and inspected the water and air treatment equipment to be always ready for use, reused treated water without releasing wastewater to outside area, ensured the result of water and air quality complying with the standard imposed by the government agencies, evaluated the waste management companies and used the service of the waste management companies approved by the Department of Industrial Works, and monitored throughout the waste management process. Moreover, practices of emergency response plan have also been implemented to relieve impacts from possible emergency situations.

In terms of potential impact on communities from transportation of goods, the Company has controlled the transportation vehicles of Sahaviriya Group and monitored via the Community Leadership Council and several activities including Driver training courses, CCTV installation to monitor driving behavior while driving through the community area, set up GPS system to all vehicles with 24-hours controlled, and having checkpoints and rest areas for drivers along the route to Bangkok, etc.



3. Financial Risk

• Liquidity Risk

Liquidity risk is incurred when the Company is unable to satisfy the obligations upon due date due to its inability to turn assets into cash or to manage sufficient cash as required within a given period at a reasonable cost. This may lead to an unfavorable result for the Company. The significant risk factors that have direct impact to the Company are unexpected sales volume that was below the target and debt default from customers who are not able to pay trading debt to the Company, which affected cash inflow, cash outflow, and working capital of the Company. In addition to the volatility of the product sales volume and prices and trade receivables that are unable to pay the debt on schedule, the Company has debt obligations to pay under the business rehabilitation plan after the “Court” approved the rehabilitation plan on 15 December 2016 as well.

Throughout year 2021, the COVID-19 pandemic has affected production, transportation and demand for goods. The Company's sales volume and revenue missed its target and the Company was in high liquidity risk. Notwithstanding, the Company continues to monitor its working capital on a regular basis through cash inflows and outflows in order to forecast future liquidity and to allow sufficient preparation time for a liquidity solution. It also manages and prioritizes on sales and product innovation for premium value, conducts cost reduction in production and reduces other expenses. Moreover, monthly meetings are held regularly with the creditor committee to monitor the implementation of the Plan while cash monitoring agent monitors the Company's cash flow to ensure proper cash management of the Company. Accordingly, the Company had sufficient cash inflow to support the cash outflow throughout year 2021.

• Exchange Rate Risk

As all of the main raw materials for production (Slab) are imported from overseas, the Company has outstanding foreign currency expenses while its revenues are from domestic sales dominated in Thai Baht. Moreover, the Company has some debt obligation under the Plan in foreign currency. Therefore, the Company has exposed to foreign exchange rate risk as a result of fluctuation in foreign currency exchange and may have impact to its business performance. To mitigate the risk, management has managed the exchange rate risk under the approved policy by the Board of Directors using matching method. The method has conducted by matching the income received from one trading

partner to expenses, with the same currency, owed to another trading partner. The rest of the unmatched expenses are covered by forward contracts without any speculation.

After entering the rehabilitation, the Company has received insufficient approval for forward contract limit to cover its foreign currency risk exposures from normal business operations and the US dollar debt under the rehabilitation plan. However, forward contract limit with the advance margin condition was later approved and an additional credit line was granted in the past year which will be able to utilize in early 2022. The Company also opens a Foreign Currency Deposit (FCD) account as well as utilizes trading facility for raw material purchase with agreed suppliers to make payment in Thai Baht currency at the exchange rate specified in the contract to mitigate the risk from fluctuation of foreign exchange. Furthermore, the Company, as a rehabilitation plan administrator, submitted to amend the business rehabilitation plan by requesting to convert the guaranteed debt from foreign currency to Thai Baht. The Central Bankruptcy Court has issued an order approving the amend plan on 14 December 2021.

• Trade Credit Risk

Trade credit risk is the risk incurred from inability of counterparties of the Company to satisfy the terms and conditions stated in the sale and purchase agreement, thus the payment is not made on the due date. This may result in a negative impact on the Company.

The Company has concentrated on the quality of trade credit by conducting efficient control of credit collection, implementing suitable internal control, having a strict credit policy and reviewing credit allowance and credit granted authority. This is to ensure that the trade credit standard has been followed consistently and to limit level of risk from non-generated income trading credit to be at the level that has not affected the Company's performance. In addition, the Company has closely monitored outstanding overdue debt by joint planning payment schedule and establishing a credit policy in repaying overdue debt (if any) before delivering new products to customers. However, there are overdue amounts from 2 affiliated companies which payment from sales to them has been controlled and product deliveries have been in accordance with the conditions specified in the business rehabilitation Plan. Nonetheless, the Company has already recorded full allowance for doubtful accounts and proposed the solutions for the debt repayment of the both debtors and the problem solving plan to the Creditors Committee as specified in the amended business rehabilitation plan.



4. Risk from Unsuccessful Business Rehabilitation or Delayed Rehabilitation Process Causing Damage to the Business

After the Central Bankruptcy Court (the “Court”) issued an order for the Company to enter the Business Rehabilitation process on 10 March 2016 and appointed the Company as the Plan Preparer and later on 15 December 2016 approved the business rehabilitation Plan as well as appointed the Company as the Plan Administrator, the Business Rehabilitation under the Bankruptcy Act ordered by the Court may be objected by creditors or denied by the Court at any stage. If occurs, it may cause a delayed or unsuccessful rehabilitation and the Company’s creditors are eligible to file bankruptcy against the Company as the Court protection under Section 90/12 regarding Automatic Stay of the Bankruptcy Act would no longer exist if the Court revokes the rehabilitation order.

The Company submitted a petition to amend the business rehabilitation plan and the creditors’ meeting approved the amended plan with a 92.46% vote on 18 June 2020, which was subsequently approved by the Central Bankruptcy Court on 18 September 2020.

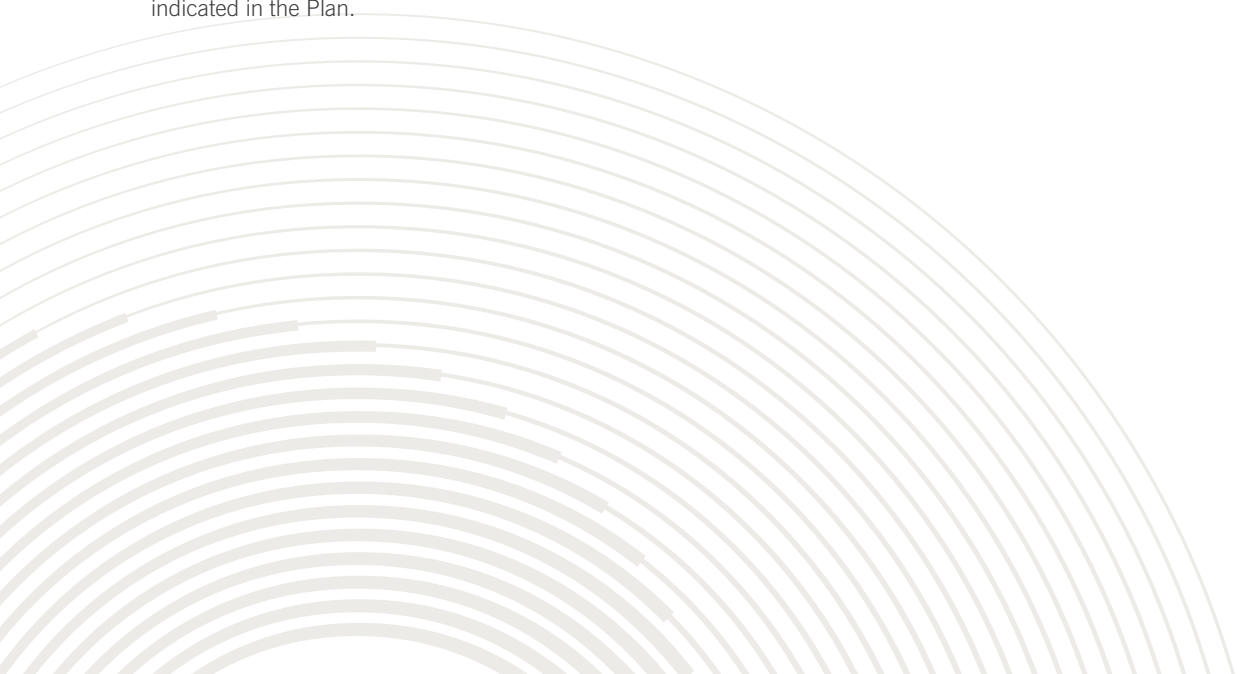
Later in year 2021, the Company submitted a request for another Plan amendment and the creditors’ meeting approved the second amended plan with a 98.50% vote on 9 November 2021. The Court approved the amended Plan on 14 December 2021.

The Company is aware of the risk from the unsuccessful Business Rehabilitation or the delayed rehabilitation process that may cause damage to its business. Implementation on the Business Rehabilitation Plan has been conducted carefully and continuously. The Company has regularly held meetings with creditors and also worked closely with the Company’s legal counsel and Cash Monitoring Agent, Stock Monitoring Agent and Security Agent to assist the Company to implement the Plan toward the success as indicated in the Plan.

2.2.2 Investment Risks for Shareholders

As the Company had submitted a petition for Business Rehabilitation to the Court on 1 October 2015, and subsequently, on 10 March 2016, the Court issued an order for the Company’s Business Rehabilitation, the statutory rights of shareholders are suspended except the right to receive dividends. Later, The Stock Exchange of Thailand (“SET”) announced that SSI securities was subjected to possible delisting due to its financial statements for the year ended 31 December 2015, audited by an independent auditor, showed negative shareholders’ equity and subsequently delisted SSI from a being listed securities effective from 11 July 2020 onward because the Company was unable to resolve the ground of delisting within period specified by the SET.

However, the Company has continued its business as usual under business rehabilitation plan and discloses important information including the Company’s financial statements in order to keep shareholders informed of the status and performance of the company on the Company’s website.





03/

Driving Business for Sustainability

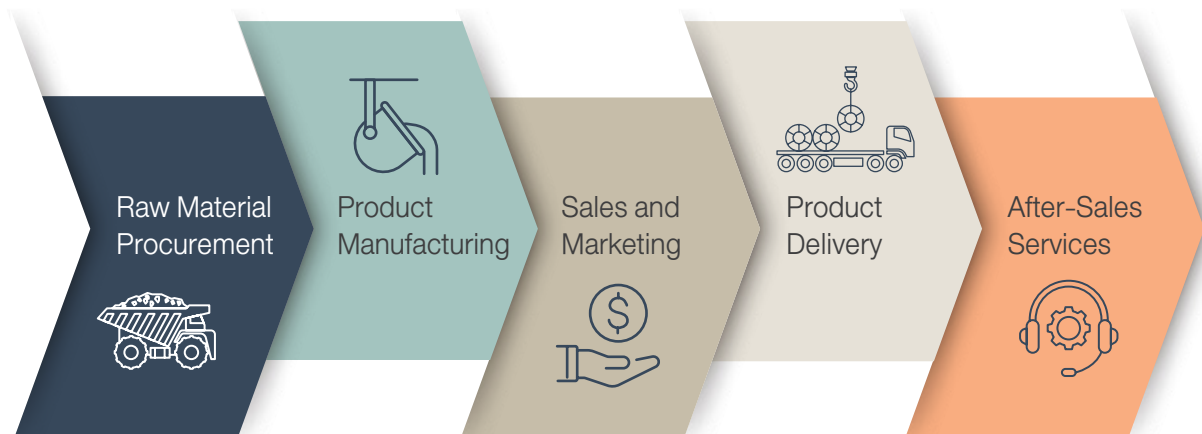
3.1 Policy and Objectives of Sustainable Management

Sahaviriya Steel Industries Public Company Limited or SSI has a policy to manage business with social responsibility by adhering to business operation and ethics philosophy which has been shaped into the means to push forward, drive, develop and grow on sustainable basis. SSI operates business on basis of responsibility, transparency, integrity, and competitiveness by treating and coordinating benefits to all groups of stakeholders fairly.

3.2 Impact Management to Stakeholders in the Business Value Chain

3.2.1 Business Value Chain

Primary activities of the Company consist of:



1. Raw Material Procurement

The Company has carefully managed its procurement of raw material, which is slab, in order to achieve required spread between selling prices and raw material prices with proper quantity. Without obligation to purchase raw material from any specific supplier, the Company has entered contract or agreement to keep raw material distributors or manufacturers informed about its demand, both on annual and/or quarterly basis, in advance to reduce risks from shortage of raw materials and for adequacy for production to meet the customers' requirements. The Company also seeks for additional sources of raw materials with high quality, suitable price, adequate amount and short delivery time.



2. Product Manufacturing

The Company has implemented up-to-date technology in the manufacturing of hot rolled steel coils, processed for manufacturing improvement and prepared and reviewed inventory management plan, to ensure the readily of spare parts for production efficiency, to control quality and improve manufacturing process on time when the products do not meet requirements and to reduce the numbers of inferior products. In addition, automatic system has been used to manage quality of products in conforming to the customer's application to reduce error decision made by the operators. The manufacturing process development working group has been appointed to analyse, plan, and improve the quality of works for the existing projects, and create new projects to enhance efficiency and reduce manufacturing costs.

3. Sales and Marketing

The Company has supplied hot rolled steel sheet in coils to various industries, i.e., automobile industry, electric appliance industry, construction industry, and etc., and placed importance on all customer groups. The Company has arranged programs to maintain good relationship with the customers (Gold Partnership Program) to reduce risks during the sluggish market conditions, and applied specific sales policy suitable for each customer,

as well as monitored both domestically and internationally market situation such as dumping and unfair trade of imported products to analyse and consider for sales of goods in accordance with purchase orders.

4. Product Delivery

The Company has given precedence to the product transportation which has been controlled to ensure that they comply with the laws and the customers' requirements. The operations have been monitored by Bangsaphan Operation Control Center which operates 24 hour a day for monitoring cargo transportation trucks from the original to destination points, and for receiving complaints and recommendations from all stakeholder groups.

5. After-Sales Services

The Company provides the channels to communicate, receive complaint, suggestions, and feedback from the customers for improvement, rectification, and development of products and services. Customer satisfaction survey has been conducted every year. The obtained information has been used to analyse and figure out solutions on the issues that the customers placed importance to, and to provide knowledge and advises to customers in various fields.

3.2.2 Stakeholder analysis in the Business Value Chain

Sahaviriya Steel Industries Public Company Limited puts an emphasis on business value chain of all groups, beginning from procurement of raw materials to sales, products delivery, and after-sales services. Participation channel has been specified and the key issues that participants pay attention have been identified to determine the operation guidelines suitable for each group of stakeholders for effective management. The Company divided the stakeholders into 7 groups: (1) Shareholder and investor, (2) Customer, (3) Business partner, (4) Trade competitor, (5) Employee, (6) Regulatory entity, and (7) Society and community.





Stakeholder Analysis in the Business Value Chain

| Stakeholders | Expectation of Stakeholders | Response to the Concern or Expectation |
|--|--|--|
| Shareholder and investor  | <ul style="list-style-type: none"> • Excellent performance outcome • Accurate and sufficient communication and disclosure of business information • Progress of the business rehabilitation plan | <ul style="list-style-type: none"> • Develop innovated steel products with premium value continually • Prepare and disclose the 56-1 One Report and financial statements • Implement on the business rehabilitation plan in its entirety |
| Customer  | <ul style="list-style-type: none"> • Good product and service quality at reasonable prices • Quick and qualified complaint management • Technical support • Adequacy and consistency of products available for customers • On-Time delivery • Accurate and appropriate product information • Social and environmental-valued products | <ul style="list-style-type: none"> • Select high quality raw material, ensure adequate quantity and maintain prices accordingly with cost structure and market price • Monitor and improve quality of production regularly as well as response to customer's complaint quickly and effectively • Provide accurate and sufficient technical information of steel products • Co-planning with customers in the process of purchase order and production for quick shipment • Apply for certification of carbon footprint label for HRC products and square tube |
| Business partner  | <ul style="list-style-type: none"> • Products and services with desired quality and on-time delivery • Fair procurement process • Sustainable procurement that take into account of environment and human rights | <ul style="list-style-type: none"> • Communicate guidelines, procurement procedure, and characteristics of products and services clearly and adequately • Select business partners as determined in the Company's guidelines and monitor continuously • Purchase environmentally friendly products and services for the five product groups • Evaluate vendors in accordance with the ESG method |
| Trade competitor  | <ul style="list-style-type: none"> • Fair Trade • Not seeking, dishonestly or inappropriately, competitor's confidential information • Not discrediting competitors • Policy/measure beneficial to overall • Impartial trade association as industry representative | <ul style="list-style-type: none"> • Comply with the Trade Competition Act, Act on Prices of Goods and Services, and Code of Business Conduct • Encourage the issuing of fair trade and competition policy through government agencies or other related agencies |
| Employee  | <ul style="list-style-type: none"> • Fair compensation • Good welfares • Equality and non-discrimination • Occupational health and safety in workplace • Skill development | <ul style="list-style-type: none"> • Set up clear standards of compensation and welfare in accordance with the laws • Respect opinions and treat employees equally • Provide training courses to all levels of employees, 71 courses (178 times) • Determine career paths for all positions and support employee's growth in their career paths |
| Regulatory entity  | <ul style="list-style-type: none"> • Business Transparency • Compliance with laws, regulations and standards related to business operation | <ul style="list-style-type: none"> • Strictly comply with the laws, regulations, and official standards • Participate in the Private Sector Collective Action against Corruption (CAC) project |
| Society and community  | <ul style="list-style-type: none"> • Community development • Good environmental, safety and occupational management • New project investments • Knowledge transferring • Community activity support • Transportation of products through community areas | <ul style="list-style-type: none"> • Support community development with 15 CSR projects covering economic, social, and environmental aspects • Conduct the community attitude survey for improving and analyzing the CSR activities • Organize community meetings to exchange knowledge, explain SSI's projects and get feedback |



3.3 Environmental Sustainability Management

3.3.1 Environmental Policy and Guidelines

The Company realises that steel industry plays a role in national development and consumes natural resources in production process. Environmental management, therefore, has been focused by adhering to business operation ethics and philosophy. Occupational health, safety and environment policy and environmental work plan are included in business operation, beginning from procurement and production. SSI determines to manage and treat waste with minimum environmental impact by aiming to be the Zero Waste to Landfill as well as to control greenhouse gas emission and to provide cooperation with the organisations and entities relevant to the global warming prevention campaign.

The Safety, Environment and Plant Integrity Management Office is a main driving force on environmental management which jointly works with other production units in the plant site. The environmental managers, supervisors and operators in charge of water, air pollution and waste control systems have been fully appointed pursuant to the laws. Implementation in accordance with the laws relevant to environmental matters has been strictly complied, including the study and preparation of environmental impact assessment report, the compliance with the preventive and corrective measures to minimise the environmental impact from steel manufacturing, the measures to monitor quality of the environment and the ISO 14001 Environmental Management System which is the international environmental management standard. For the operations outside the plant, the Company jointly cooperates with other companies in Sahaviriya Steel Group in Bangsaphan District to promote and cultivate the environmental awareness, and the collaboration between the communities and the plant through various activities throughout the year.

3.3.2 Environmental Operating Results

• Energy Management

The Company constantly places importance on energy conservation as energy, the primary source for production, has limited quantity and usage of energy in the production process has direct impact on global climate change. Due to the above factors, the Company therefore set up an efficient energy management system to control and optimise usage of energy in the organisation. The energy management working group acts as a center to manage energy in collaboration with various departments within the organisation (Cross Functional Team) by regularly implementing joint energy saving measures, both concerning with direct production process such as steel furnace system, motor driving systems, etc., and concerning with production support systems, such as wastewater treatment systems, compressed air system, lighting system, and etc. The Company has implemented and applied the international standard of Energy Management System, ISO 50001:2018, within the organisation in order to improve energy performance, reduce environmental impact, reduce energy costs and fostering concrete participation on energy saving. Such standardised system can contribute and enhance the Company's energy management sustainably.

Apart from energy conservation within the organisation, the Company also puts emphasis on cooperating with the energy promotion projects of the public sectors on continuous basis, for instance, attending in the seminar to prepare readiness in the pilot project on the demand response (DR) business development pursuant to the master plan on smart network development system which can better and smarter respond to the electricity management by using lesser resource or smart grid of Thailand B.E. 2558 - 2579 (2015 - 2036). The Company also encourages for employee engagement on energy conservation activities, which results in participatory energy saving throughout the organisation.

In 2021, energy consumption rate of SSI Bangsaphan Steelworks, classified by product category is as follows:



The Energy Consumption Rate of SSI Bangsaphan Steelworks in 2021

| Process | Energy Usage | |
|---|--------------|--------|
| | Target | Actual |
| Hot Rolled Steel Sheet in Coils | | |
| - Heat energy (kcal/kg slab) | 341.49 | 354.97 |
| - Electrical energy (kWh/ton) | 118.47 | 116.11 |
| Hot Rolled Steel Sheet in Coils-Pickled and Oiled | | |
| - Heat energy (kg LPG/ton coil) | 3.28 | 3.38 |
| - Electrical energy (kWh/ton) | 18.87 | 16.75 |

With regards to heat energy used in production of hot rolled steel sheet in coils (HRC), the actual result of heat energy consumption was higher than target because dual furnace was used for a short period to accelerate the delivery of products to the customers. Consequently, heat energy from fuel oil during the start of the production was high when compared with the production volume. In addition, the plant has been impacted from blackout problems caused by internal factor and external factor, which directly impacted to higher consumption of heat energy than target value. However, with regard to electrical energy, the actual electrical energy consumption was better than the target because the production was higher than target.

Actual heat energy used in HRC-pickled and oiled production line also did not meet the target because it was necessary to control the production of the necessary product groups at the low production rate to maintain the highest quality of the products. Thus, the usage of heat energy from LPG was higher. On the other hand, actual electrical energy consumption was better than the target because the production was higher than target.

There was only slightly impact from performance of energy conservation measures during the year towards overall usage of energy when comparing with overall energy consumption of the organisation.

• Water Management

With regards to water usage management, the plant uses raw water from Bangsaphan canal; a huge surface water source located 13.5 km. far from the plant. Water is pumped into 2.4 million cubic metres water reservoir. However, SSI will not pump water from Bangsaphan Weir during dry season when water level in the weir is below 2.2 metres. The plant is also designed to recycle water in the HRC production. Such water consumption management within the plant allows the Company to keep on production without having water shortage problem as water is a common resource shared with the community and local agricultural sector. Throughout year 2021, the Company remains strictly operating on the measures set forth.

For the treatment of waste water, SSI has installed chemical water treatment system to reduce levels of waste water generated in the HRC-pickled and oiled production line, installed sedimentation tanks, sand filters and grease trap tanks in the HRC production line, and equipped with biological treatment system for waste water from consumption within the plant. The quality of water in all systems is constantly tested by the officials and verified by the external certification body authorised by the government agencies. The treated water is recycled and some of which is used to water plants, with zero discharge outside the plant.

In 2021, water consumption in SSI Bangsaphan Steelworks was totally 0.94 million cubic metres, consisting of (1) HRC production Line 0.38 million cubic metres; (2) HRC pickled and oiled production line 0.09 million cubic metres and (3) Water for utilities 0.47 million cubic metres.

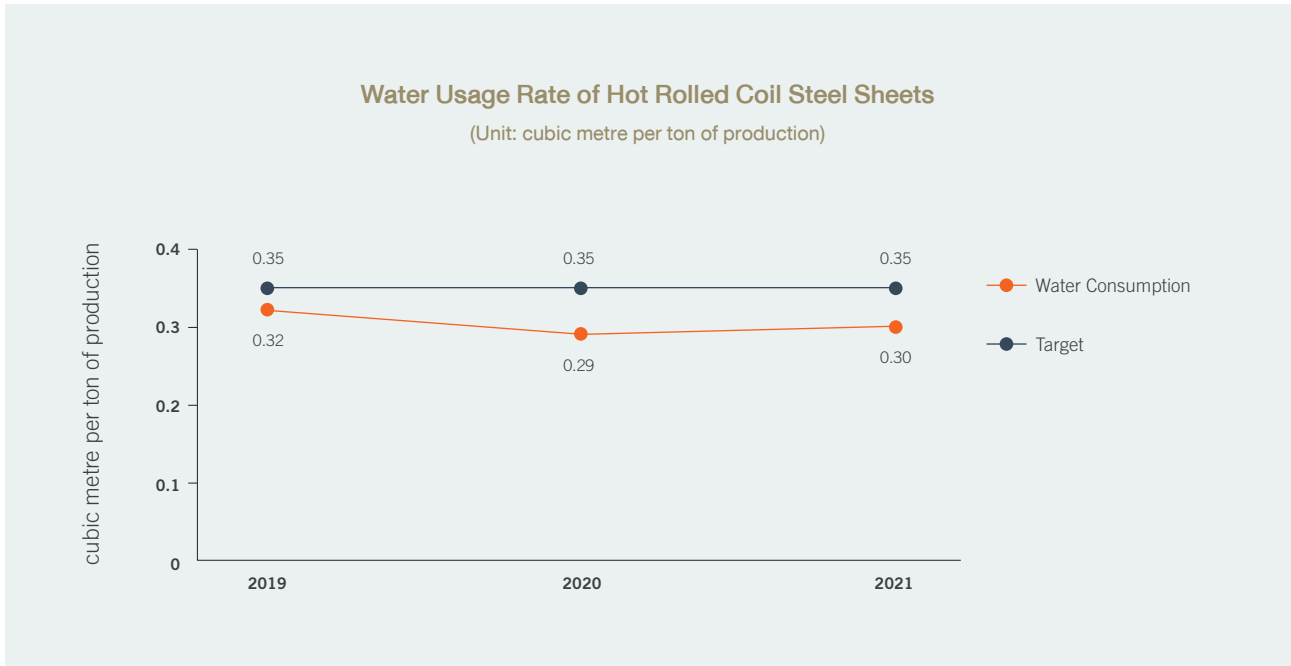
Water Usage of SSI Bangsaphan Steelworks

| Production Process | Water Usage (million cubic metres) | | |
|--|---------------------------------------|-------------|-------------|
| | 2019 | 2020 | 2021 |
| HRC Production Line | 0.40 | 0.28 | 0.38 |
| Hot Rolled Steel Pickled and Oiled Sheet Production Line | 0.07 | 0.05 | 0.09 |
| Water for utilities | 0.68 | 0.47 | 0.47 |
| Total | 1.15 | 0.80 | 0.94 |

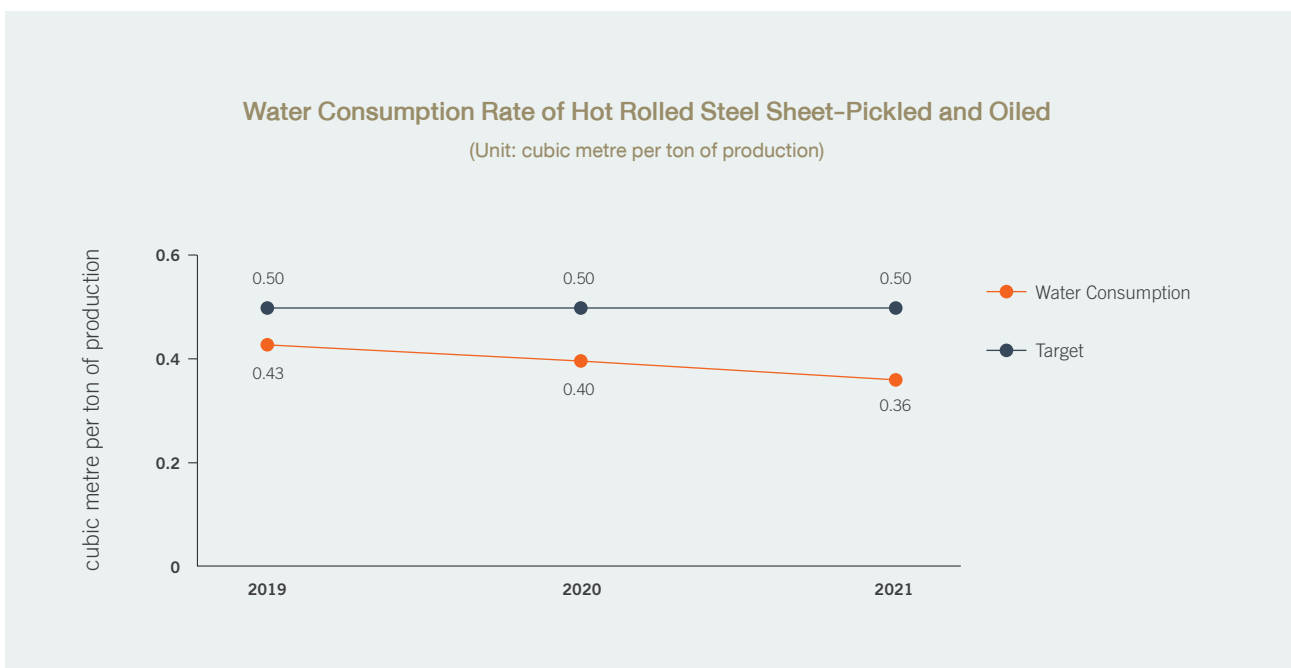


Water consumption per ton of production of SSI Bangsaphan Steelworks is as follows:

1. Water consumption rate of HRC production line in 2021 was 0.30 cubic metres per ton of production, which was better than the target of 0.35 cubic metres per ton of production, but it was higher than the rate in 2020, which was at 0.29 cubic metres per ton of production or an increase of 3.45%.



2. Water consumption rate of HRC-pickled and oiled production line in 2021 was 0.36 cubic metres per ton of production, which was better than the target of 0.50 cubic metres per ton of production, and it was also better than the rate in 2020 which was at 0.40 cubic metres per ton of production or a decrease by of 10% due to continuous production causing reduction in water usage.





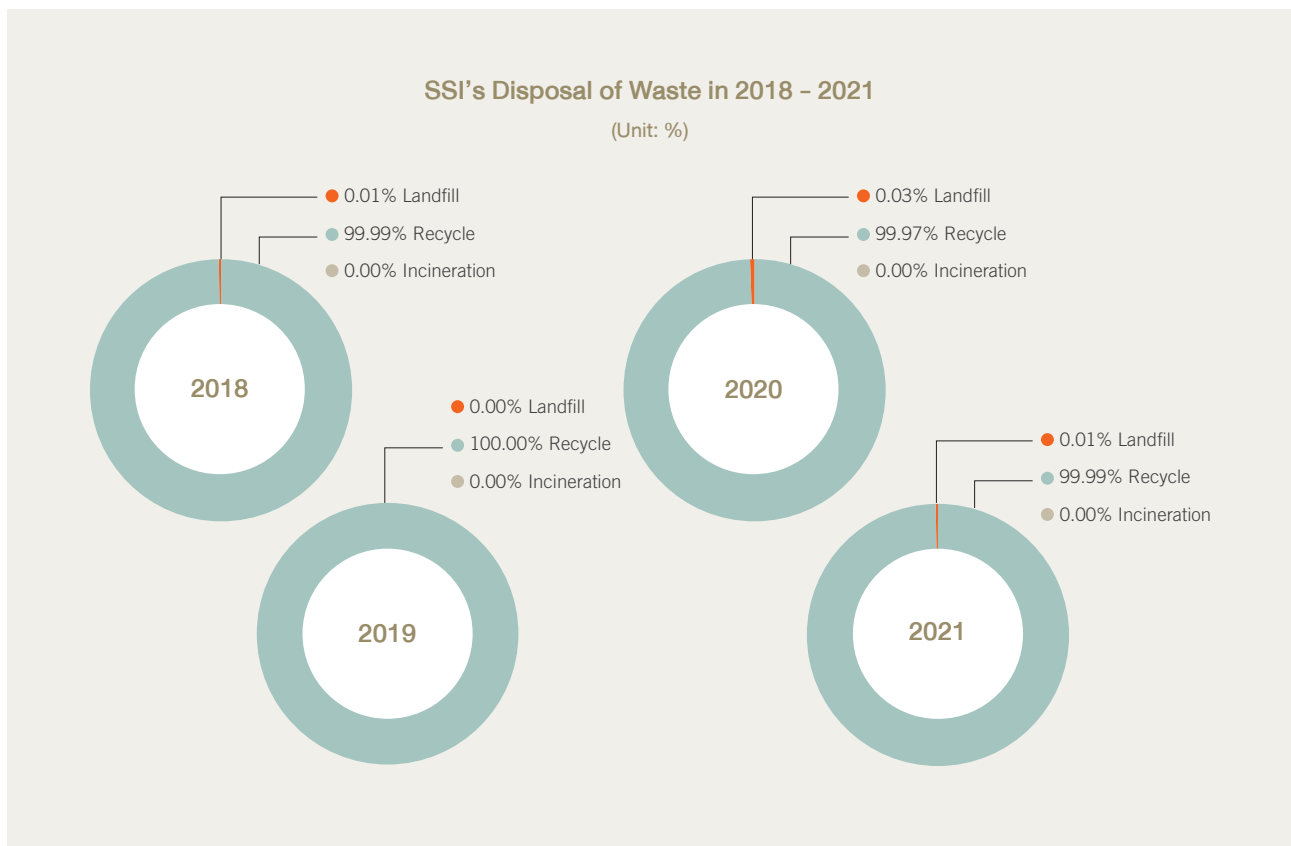
• Pollution and Waste Management

The Company is committed to reduce quantity of waste at source by applying the 3Rs Principle – Reduce, Reuse and Recycle:

- Reduce: Reduce waste through methods, measures and operating procedures from source of waste and utilise materials for maximum benefit, i.e. waste reduction project such as general waste, grease and waste oil etc.
- Reuse/Recycle: Reuse waste or re-processing through recycling to minimise waste or maximise its usage, such as, the project on repeated use of waste by reducing contamination of existing oil. Recycling of waste by changing waste disposal method from landfill to recycling for maximum usage and processing wasted food into fermented bio-extract and distribute to employees.

Apart from applying the 3Rs to reduce waste at the original source, SSI also disposes waste with minimal environmental impact as follows:

- Disposal or pretreatment of waste: SSI has used services of a well-known waste processor with expertise and certification issued by the authorised government agency for proper waste disposal standard as required by laws.
- Industrial waste management: SSI has employed industrial waste pollution controller, to ensure that the operation has been performed correctly and in compliance with the laws.



In 2021, total waste amounted to 68,711.41 tons, waste management cost was Baht 2.3 million and sale of 16,599.73 tons of waste amounted to Baht 55.58 million. 99.99% of waste had been recycled and 0.01% had been disposed by landfill method which has been approved by the government agency and pursuant to legal requirements.



• Air Quality Control

As designed for efficient fuel consumption, SSI Bangsaphan Steelworks has installed computerised combustion system controlling level of sulfur impurity in the fuel not exceeding 2%, resulting in the better level of air ventilation outside the plant than the standard level and requirements specified in the plant's environmental impact assessment report.

With regards to the hot-rolled coils pickled and oiled production line, acid gas detection systems have been installed both in the production line and in the acid treatment plant for recycling purpose. As a result, level of air ventilation outside the plant was also better than the standard levels and requirements specified in the plant's environmental impact assessment report.

Various parameters of ambient air quality around the plant have been constantly monitored and inspected throughout the year. In 2021, 5 stations, namely, Baan Tha Kham, Baan Tha Manoa, Baan Klang Aow, Baan Tubmon and Baan Bor Thonglang were monitored. Air quality measured by parameters was as follows:

1. Hourly average level of density of sulfur dioxide in the atmosphere
 2. Hourly average level of density of nitrogen dioxide in the atmosphere
 3. Hourly average level of total suspended particulate (TSP) in the atmosphere
 4. Hourly average level of density of hydrogen chloride in the atmosphere
 5. Hourly average level of particulate matter less than 10 microns (PM10)
 6. Hourly average level of particulate matter less than 2.5 microns (PM2.5)
- Inspection results of air quality assessments pursuant to the above parameters of all stations were much better than the set standard, as same as the results from the previous inspections of all stations and all parameters.

Ambient Air Quality Measurement from 5 Stations around the Plant

| Index | Average minimum and maximum quantity detected | | Standard |
|---|---|-------------------|--------------------------------|
| | Feb 17 - 24, 2021 | Sep 16 - 23, 2021 | |
| Total suspended particulate (mg/m ³) | 0.044 - 0.093 | 0.019 - 0.055 | Not exceed 0.330 ^{1/} |
| Sulfur dioxide (mg/m ³) | 0.0110 - 0.0123 | 0.0110 - 0.0123 | Not exceed 0.300 ^{1/} |
| Nitrogen dioxide (mg/m ³) | 0.0316 - 0.0435 | 0.0363 - 0.0442 | Not exceed 0.320 ^{2/} |
| Particulate matter less than 10 microns (mg/m ³) | 0.023 - 0.055 | 0.010 - 0.028 | Not exceed 0.120 ^{1/} |
| Particulate matter less than 2.5 microns (mg/m ³) | 0.013 - 0.021 | 0.004 - 0.012 | Not exceed 0.05 ^{3/} |
| Hydrogen chloride (mg/m ³) | < 0.001 | < 0.001 | - |

Standard^{1/}: Ambient Air Standards, Notification of the National Environment Board, No. 24, B.E. 2547

Standard^{2/}: Nitrogen Oxide in the Ambient Air Standards, Notification of the National Environment Board, No. 33, B.E. 2552

Standard^{3/}: Particulate Matter less than 2.5 Microns Standards, Notification of the National Environment Board, No. 36, B.E. 2553

Remark: < 0.001 is Detection Limit of HCl
No standard value specified for HCl

Measured/analysed/

controlled by S.P.S. Consulting Service Co., Ltd.

Recorded by Mr. Rutthanakorn Yochruengsak

Examined/controlled by Ms. Jarinee Nunthavisut (๑-011-๙-8393)

Analysed by Ms. Somjai Srisathaporn (๑-011-๙-7145)

Telephone no. 0-2939-4370-2



Air Quality Measurement Result from the Furnace I and II

| Index | Result | | | | Standard |
|--|--------------|----------|--------------|--------------|------------------------------|
| | Feb 18, 2021 | May 2021 | Sep 19, 2021 | Dec 15, 2021 | |
| Particulate matter (mg/m ³) | 61 | - | 85 | 145 | Not exceed 240 ^{1/} |
| Sulfur dioxide (SO ₂) (ppm) | 440 | - | 747 | 260 | Not exceed 800 ^{1/} |
| Oxide of nitrogen (NO _x) (ppm) | 85 | - | 120 | 109 | Not exceed 200 ^{1/} |
| Carbon monoxide (CO) (ppm) | 1.2 | - | 3.0 | 39 | Not exceed 690 ^{2/} |

Standard^{1/}: Emission standards for steel factory (existing source), Notification of the Ministry of Science, Technology and Environment B.E. 2544 (excess air of 50% and at oxygen of 7%)

Standard^{2/}: Standard of contaminants in air released by the factory, Notification of the Ministry of Industry B.E. 2549 (For production process with fuel combustion)

Industrial emission standard, Notification of the Ministry of Natural Resources and Environment B.E. 2549

Measured/analysed/

controlled by S.P.S. Consulting Service Co, Ltd.

Recorded by Mr. Adul Danggorn/ Mr. Somprasong Mangmee

Examined/controlled by Ms. Jarinee Nunthavisut (๓-011-๓-8393)

Analysed by Ms. Somjai Srisathaporn (๓-011-๓-7145)

Telephone no. 0-2939-4370-2

Air Quality Measurement Result from the Scrubber PPPL (from the Pickling and Oiling Process)

| Index | Result | | Standard |
|--|--------------|---------------|------------------------------|
| | Feb 19, 2021 | Sept 23, 2021 | |
| Hydrogen chloride (HCl) (mg/m ³) | 0.32 | 1.2 | Not exceed 200 ^{1/} |

Standard^{1/}: Standard of contaminants in air released by the factory, Notification of the Ministry of Industry B.E. 2549 (For production process without fuel combustion, calculated at actual oxygen concentration in emission when measured)

Industrial emission standard, Notification of the Ministry of Natural Resources and Environment B.E. 2549

Measured/analysed/

controlled by S.P.S. Consulting Service Co, Ltd.

Recorded by Mr. Adul Danggorn

Examined/controlled by Ms. Jarinee Nunthavisut (๓-011-๓-8393)

Analysed by Ms. Somjai Srisathaporn (๓-011-๓-7145)

Telephone no. 0-2939-4370-2

Air Quality Measurement Result from Boiler

| Index | Result | | Standard |
|--|--------------|--------------|------------------------------|
| | Feb 19, 2021 | Aug 23, 2021 | |
| Particulate matter (mg/m ³) | 3.8 | 4.5 | Not exceed 120 ^{1/} |
| Sulfur dioxide (SO ₂) (ppm) | 2 | 0.2 | Not exceed 800 ^{1/} |
| Oxide of nitrogen (NO _x) (ppm) | 44 | 56 | Not exceed 180 ^{1/} |
| Carbon monoxide (CO) (ppm) | 1.3 | 1.1 | Not exceed 690 ^{2/} |

Standard^{1/}: Emission standards for steel factory (new source), Notification of the Ministry of Science, Technology and Environment B.E. 2544 (excess air of 50% and at oxygen of 7%)

Standard^{2/}: Standard of contaminants in air released by the factory, Notification of the Ministry of Industry B.E. 2549 (For production process with fuel combustion)

Industrial emission standard, Notification of the Ministry of Natural Resources and Environment B.E. 2549

Remark: < 0.1 is Detection Limit of SO₂

Measured/analysed/

controlled by S.P.S. Consulting Service Co., Ltd.

Recorded by Mr. Adul Danggorn

Examined/controlled by Ms. Jarinee Nunthavisut (๓-011-๓-8393)

Analysed by Ms. Somjai Srisathaporn (๓-011-๓-7145)

Telephone no. 0-2939-4370-2



Air Quality Measurement Result from Dust Collector

| Index | Result | | Standard |
|---|--------------|---------------|--|
| | Feb 19, 2021 | Sept 28, 2021 | |
| Particulate matter (mg/m ³) | 3.5 | 3.0 | Not exceed 120 ^{1/} , 300 ^{2/} |

Standard^{1/}: Emission standards for steel factory (new source), Notification of the Ministry of Science, Technology and Environment B.E. 2544 (excess air of 50% and at oxygen of 7%)

Standard^{2/}: Standard of contaminants in air released by the factory, Notification of the Ministry of Industry B.E. 2549 (For production process without fuel combustion, calculated at actual oxygen concentration in emission when measured)

Industrial emission standard, Notification of the Ministry of Natural Resources and Environment B.E. 2549

Measured/analysed/

controlled by S.P.S. Consulting Service Co., Ltd.

Recorded by Mr. Adul Danggorn

Examined/controlled by Ms. Jarinee Nunthavisut (๓-011-๙-8393)

Analysed by Ms. Somjai Srisathaporn (๓-011-๙-7145)

Telephone no. 0-2939-4370-2

• Biodiversity

Sahaviriya Steel Industries Public Company Limited (SSI) together with Sahaviriya Steel Group at Bangsaphan have carried out a biodiversity survey project, which is a key indicator of abundance of the eco-system, in the areas surrounding Sahaviriya Steel Group, with details as follows:

The Environmental Monitoring Project on Biological Resources

With commitment to perform the industrial business which can live harmoniously and sustainably with the environment, SSI led by the specialists from the Department of Zoology Faculty of Science, Kasetsart University has conducted the survey on biodiversity (species diversity) for 14 years consecutively (2008 - 2021) in natural areas near the Sahaviriya Steelworks, such as Samad-Rub-Peek-Nok Forest, Thung Lan Khwai Field, Nok-Ka-Rean Field, Mae Ramphueng Mangrove Forest, and Pa Klang Aow Natural Park. From the biodiversity survey results in areas surrounding Sahaviriya Steelworks during September 2021, 4 types of animal classification, totaling 123 species of wildlife animals were found. There were 120 species of wildlife animals found from direct sighting, trace evidence and their voices, while 3 species were found from making inquiries. They could be classified into 14 species of amphibians, 14 species of reptiles, 89 species of birds and 6 species of mammals. Such amount can be classified by each study area located around Sahaviriya Steelworks as follows: (1) 60 species in Thung Don Samran Field; (2) 90 species in Thung Lan Khwai Field; (3) 85 species in Nok-Ka-Rean Field; (4) 51 species in Mae Ramphueng Mangrove Forest; and (5) 53 species in evergreen rain forest plain of Pa Klang Aow Natural Park.

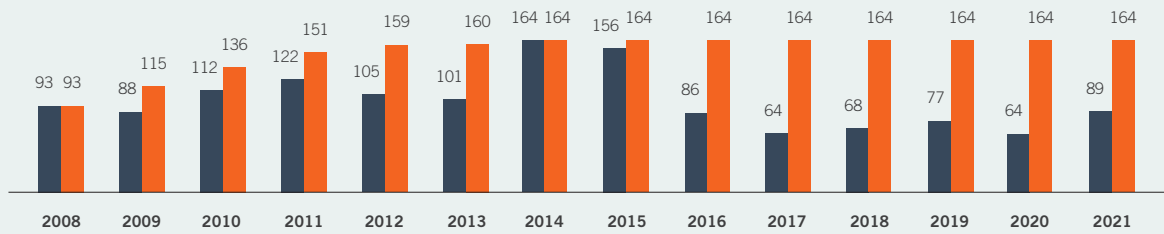


Based on the above information, it can be seen that the forests around Sahaviriya Steelworks in Bangsaphan District are still abundant and remain the habitat for a wide variety of wildlife. There is diversity of various species of wild animals in each study area. The data reflects that the steel industry is considered environmentally friendly. Besides conducting the biodiversity survey, the Company's operations were also followed the pollution management standards of the Company and of Sahaviriya Steel Group continually to prevent impact to livelihood of wildlife living in natural areas around the plant, and also protect natural conditions and restores biodiversity to sustain the natural resources for the local community.



Species of Wild Birds Found in Bangsaphan District

■ Number of wild bird species
■ Cumulative number of wild bird



• Climate Change Management

The Company prioritised the management on reduction of greenhouse gas problem, via activities relevant to usage of energy and resources, as well as the generation of garbage, waste and pollution from business operation processes, which are the causes of greenhouse gas problem that led to global warming and climate change. In 2021, main activities performed were as follows:

1. The Company prepared a greenhouse gas emission report under the ISO 14064-1 Standard for the first year by taking into consideration beginning from business operations, from upstream to downstream: raw material procurement, production, transportation, garbage & waste management. It revealed that (1) total direct emission of greenhouse gas was 134,525 tons carbon dioxide equivalent (tCO₂eq) or 62% from the highest emission from usage of fuel oil in slap furnace process, and (2) total indirect emission of greenhouse gas was 82,338 tons carbon dioxide equivalent (tCO₂eq) from usage of electricity of Provincial Electricity Authority, or 38%.

In total, greenhouse gas emitted by the Company was 216,863 tons carbon dioxide equivalent (tCO₂eq), as verified by Lloyd's Register (International) Thailand Limited, a greenhouse gas validation and verification body. Regarding this, the Company has been registered for Carbon Footprint for Organization (CFO) from Thailand Greenhouse Gas Management Organization (Public Organization) (TGO).

2. The Company and Sahaviriya Steel Group are also members of the Thailand Carbon Neutral Network with an effort to be a part in uplifting greenhouse gas reduction level, building sustainable growth on climate-friendly society and aiming to be the Net Zero GHG emission: (Net Zero) pursuant to intention of the global community as stated in the Paris Agreement on Climate Change. Other objectives are to learn and monitor the potential of its readiness, the operating guidelines to announce the carbon neutral at organisation level. In addition, it is also to learn more about the greenhouse gas reduction project and activities to support the operations and to achieve the Net Zero as well as to add value from certification and carbon credit exchange within the country under the network.

The Company strives to build the business for sustainable growth on climate-friendly society and aims at Net Zero at the organisational level through usage of renewable resources, i.e., biogas, biomass, solar energy, and etc., and aims to develop the environmentally friendly products which are certified to national and international standard continually.



3.4 Social Sustainability Management

3.4.1 Social Policy and Guidelines

• Corporate Social Responsibility Policy

Sahaviriya Steel Industries Public Company Limited, or SSI, has a policy to conduct business with social responsibility by adhering to business ethic and business operation philosophy which has been shaped to the means to push, drive, develop and grow sustainably. As a part of the society which any social change will definitely have an impact to the Company, the Company therefore realises that it has duty and responsibility to develop both business and society simultaneously, by emphasis on the community engagement to create better society as well as to preserve, develop and conserve environmental conditions continually.

• Human Resources Management Policy

The Company treats its employees and labor by taking into consideration of the human rights, which consists of fair employment and remuneration payment, employee training and development, employee engagement and satisfaction development, occupational health, safety and working environment management, and etc. The Company attempts to minimise risks on dispute issues about employees and labor to maintain competitiveness, attract the potential people to work with, and develop the employees' engagement with the organisation under the Universal Declaration of Human Rights and The United Nations Guiding Principles on Business and Human Rights (UNGPs). The Company also places importance on labor treatment and respects human rights fairly, equality and non-discrimination.

3.4.2 Social Operating Results

• Human Resources Management

1. Workforce Planning

In 2021, there were strategic management on workforce planning and improvement of organisation structure and functions of business units to support for the growth of the Group. Recruitment process has also been improved to find the personnel suitable with the business growth plan of the Company.

SSI Employment in 2021

| Description | Number of Employees (Person) | |
|---------------------|------------------------------|------------|
| | Male | Female |
| Permanent Employees | 1,004 | 258 |
| Disabled Employees | 2 | 1 |
| Total | 1,006 | 259 |

2. Employee Development

The Company has personnel's potential development process which conform to the work position in each level and can support the business growth plan. The Company has the policy on arrangement of training courses to the employees at all levels continually to develop the competency that the employees need to have (training need) and to arrange the courses specified by the laws, such as (1) management course, (2) working behavior course, (3) specific work technical course, (4) productivity enhancement course, (5) quality-related course, and (6) occupational safety and environment course, and etc.

In 2021, the Company has arranged internal trainings to employees at all levels with totally 71 (178 times) courses for employees to increase their working skills and potential. Average number of training hours or activities to develop knowledge of the employees was 23.72 hours per person per year comparing to the target of 15 hours per person per year. Besides those courses, the Company had also arranged online training relevant to information technology including: (1) Digital Transformation, (2) Digital Service Design, (3) Information Management, and etc. and management courses including School of Management Course 201, School of Business as well as other knowledge and skill development courses which are in line with business target and direction such as the design and preparation of course outline, the internal training in accordance with the knowledge and skill development pursuant to the training road map, and more.



Moreover, the Company also assigned employees to attend online courses with external training institutes, domestically and internationally, to enhance their knowledge, capability and new experiences in order to apply to works effectively. In addition, there were company visit for employees at the successful leading companies in the same or different industry with the Company.

3. Embed Corporate Culture and Increase Employee Engagement

Emphasise on employee engagement through presentation and activities arrangement to make the employees realise the Company's value which will effectively lead to mutual working culture and behavior. In 2021, employee engagement level was 78.05%.

• Safety, Occupational Health and Environmental

The Company managed and developed its occupational health, safety and working environment on continued basis with aims to make the employees realise and put emphasis on taking care of themselves and their colleagues so they can work safely without having occupational accidents through various projects, such as Zero Accident Campaign, Behavior Based Safety (BBS) Project, Safety Patrol and employee health surveillance from exposure of operational risks. The occupational health, safety and working environment committee had been appointed to supervise, monitor and provide guidelines to improve safety in all areas of the plant sites with active support from all departments by determining to find measures to minimise the Lost Time Injury Frequency Rate (LTIFR) per one million working hours closest to zero or zero and to prevent all employees from occupational related diseases on continued basis.

In 2021, LTIFR per one million working hours of the Company was 0, for the third consecutive year. Overall LTIFR of Sahaviriya Steel Group is 0.74, an increase from the last year which was at 0.14 because other company in Sahaviriya Steel Group encountered the lost time injury. However, the injured employee had been treated and could resume working normally. The management of Sahaviriya Steel Group still supported the occupational accident reduction campaigns and cultivated the employees' awareness on safety solemnly and continually, thus overall statistics of Sahaviriya Steel Group has improved. In 2022, the Group will arrange safety plans and measures to solve problems and reduce occupational accident continually, such as arrangement of Job Safety Analysis (JSA) trainings to all employees (100%), establishing reward and punishment measures according to the safety-driven plan as well as implementation Key Performance Indicator (KPI) to encourage the employees on placing more importance on safe working, and etc.

4. Diversity and Equal Opportunity

The Company has diversity with regard to race, gender, and age. Diversity can inspiringly respond to the different needs of stakeholders and changing in nature of businesses. The Company has specified qualifications for recruitment and human resource development to prepare for the fairly growth in career path.

5. Employee Well-being

The Company has established welfare committee whose members have been elected as representatives from employees so that they can express opinion equally. At present, there are 16 employees' representatives.

Lost Time Injury Frequency Rate (LTIFR) per One Million Working Hours of SSI Group

| Company | 2018 | 2019 | 2020 | 2021 |
|-----------|------|------|------|------|
| SSI | 0.31 | 0.00 | 0.00 | 0.00 |
| TCRSS | 0.00 | 0.00 | 0.00 | 0.49 |
| WCE | 1.86 | 2.58 | 0.48 | 1.45 |
| PPC | 0.00 | 0.00 | 0.00 | 3.58 |
| SSI Group | 0.56 | 0.77 | 0.14 | 0.74 |

LTIFR (Lost Time Injury Frequency Rate) = (Number of lost time injuries in accounting period) / (Total hours worked in accounting period) x 1,000,000

* Data as of 31 December 2021



• Safety, Occupational Health and Environmental Trainings

Occupational health, safety and working environment trainings are important keys to reduce accidents and occupational diseases. SSI has continuously improved occupational health, safety and working environment training courses for its staff at all levels including new employees, rotated employees and promotion employees before commencing the work to keep them informed about hazard source, hazard prevention and control guidelines. On-the-Job Training has also been provided to the Company's employees, sub-contractors and outsourcing employees and certain trainings are compulsorily provided for some types of positions. The Company also invited external experts with various specific fields to provide additional training courses to broaden the employee's vision and knowledge, apart from the lessons learnt inside the Company.

The Company also arranged training matrix grouping in the annual training plan pursuant to the safety standards and risks related to operations and the relevant laws. In this regard, nature of activities/works and working conditions of the employees were assessed by their divisions. Results were then submitted to the safety function to review risk factors to use as guidelines on allocating group of employees necessary to attend the relevant training courses and necessity of the refresher courses. In 2021, the Company arranged 40 occupational health and working environment training courses and also reviewed working standards of all activities to ensure that they are up to date, can control risks and the employees can actually perform as per specified.

• Emergency Preparedness and Fire Protection

The Company has managed and prepared readiness on emergency response plans to cope with emergency situations, such as fire, chemical leaks, abnormal condition of boiler or oxygen tank, floods, and etc. The emergency response and fire protection subcommittee has been appointed to oversee and prepare readiness for emergency response, for example, prepare readiness of staff in terms of adequacy and potential by providing trainings so that they can suppress emergency incident in timely manner and minimise severity of incident, including prepare readiness of equipment for emergency response. Equipment and tools have always been inspected and maintained to keep them in good condition and are available to be used at all times. Additional fire prevention equipment has been installed in fire risky areas and modern technologies are also considered to be employed to improve fire protection procedures. As one of precaution measures, drill and simulation in areas which are prone to have emergency situations are conducted on continued basis.

Moreover, SSI has an industrial insurance policy with comprehensive coverage of natural disasters including hurricanes, floods, tsunamis, lightning, landslides, and earthquakes to minimise damages. The insurance also provides coverage for the loss of or damage to property and products as well as business interruption resulting from such incidents and damage due to the fire-risks in all cases.

In 2021, a total of 19 emergency response drills in various areas were arranged. Approximately 70% of the Company's employees have attended basic fire-fighting training courses in accordance with the law. The employees who have been appointed as fire-fighting teams of the plant sites were also assigned to attend the technical fire-fighting training course, advanced fire-fighting course and fire command training course. In addition, there are regular inspections of the risky areas and readiness of emergency suppression equipment to ensure that the designed, installed fire prevention and suppression systems are completely and ready for usage. However, there was 1 fire incident but the operators in such area could promptly and correctly suppress the emergency situation and such incident did not impact to production process. Nonetheless, the Company has intensified surveillance measures in fire-risky areas and remained rigorous in surveillance of emergency response preparations.



• Safety Management on Raw Materials and Products Transportation

The Company prioritises safety transportation of raw material and products whereas such operations have been supervised, controlled and monitored through the Bangsaphan Transportation Operator Association and the Operation Control Center which open for operation 24 hours a day to serve as the center for tracking the freight logistic trucks from point of departure to destination, as well as for receiving complaints, and recommendations from all groups of stakeholders, so that the transportation sector and the communities can live with harmony, safety and sustainably.

In the meantime, several measures to control cargo transportation trucks have been implemented, i.e., monitoring transportation routes and speed limit in Bangsaphan areas by GPS for 24 hours a day; increasing the number of drivers for alternative driving so that they will have more time to rest; randomly checking their traffic compliance by using CCTV cameras installed in 14 community areas by the emergency teams of the Bangsaphan Transportation Operator Association and SVL Group. In 2021, the emergency teams have randomly inspected 5,206 trips and 37 offence cases were found, for instance, do not maintain a minimum distance (17 cases), driving in prohibited period (13 cases), parking in prohibited area (2 cases), and violation of speed limit (5 cases). Penalty imposed to such offenders were to give them warning notices and order them to attend the refresher driving courses. They were also been imposed penalty pursuant to the rules of the Bangsaphan Transportation Operator Association in order to make them understand and realise about the strict compliance with the community rules, and traffic laws.

Random Traffic Compliance Check for Sahaviriya Group Cargo in Bangsaphan District by the Safety Inspectors

| Description | Year | | |
|---|--------|--------|--------|
| | 2019 | 2020 | 2021 |
| Number of trips | 50,452 | 48,059 | 60,732 |
| Number of trips randomly checked by safety inspectors | 4,124 | 4,710 | 5,206 |
| Number of Type 1 offense (Severe Offense) | 0 | 20 | 17 |
| Number of Type 2 offense (General Offense) | 61 | 9 | 20 |

• Customer Satisfaction Survey

The Company upholds to business operation philosophy and realises about the importance on creating satisfaction to customers which will impact to the success of the Company's business. Hence, it has strong determination to acquire the means which can always respond to the customers' needs with increased effectiveness and efficiency and to be trusted by the customers. As a result, the Company conducted customer satisfaction survey continually every year. In 2021, the result from the customers' satisfaction towards the Company's products and services was 92.50%, increasing from the previous level of 81.97% in 2020.

• Survey on Local Attitudes and Local Participation on Environment

A survey on attitudes of the community has been conducted annually with the communities around the plant. The communities are important stakeholders for SSI because the operations of the plant affect them economically, socially and environmentally in both positive and negative ways. Thus, an attitude survey enabled the Company to understand their perception through community leaders and household leaders on various effects from the operation of the plant throughout the year. It also paves the way to joint decisions through participatory meetings, for example, community leader council meetings and village meeting. SSI has used suggestions from these meetings as a basis to arrange programs that directly respond to the need of the communities and lead to sustainable local satisfaction.

Results of the local attitude surveys in 2021 revealed that most of the locals acknowledged and saw benefits on existence of the plant in terms of income generation, better trading opportunities, local employment in the plant and better infrastructure of the communities. The plant also supported various community activities, such as provision of scholarship, aquatic animal conservation, career development, community-banking and mangrove forest conservation. The activities which received the most satisfaction level were the community-related activities, such as, community career promotion, SSI Arsa volunteer spirit, donation for community development, community bank, community leader council, local procurement, tourism promotion, and etc. The second-best satisfaction activities were the education-related activities, i.e., development of quality of education, provision of scholarship, sports promotion and other activities and project respectively.



The community's top 3 concerns arising from the plant's operations from the survey results in 2021 were traffic congestion (47.4%), particulate matter and traffic accident (10.5%), and defective transportation routes (7.9%). While top 3 concerns from 2020 survey results were traffic congestion (9.3%), particulate matter from traffic (5.9%), and noise from steel cargo transportation trucks (2.7%). Therefore, it could be seen that their major concern was still traffic problems. To alleviate community concerns about traffic issues, the Company partnered with the transportation companies to set up additional measures to monitor and supervise traffic for more efficiency, such as, rescheduling of release time of cargo transportation trucks, avoidance of transportation during traffic congestion period, arrangement of seminar to provide knowledge and understanding to the transportation operators, and etc.

• Fair Trade

The Company is well aware about fair treatment to trade competitors by complying with the legal provisions of the public sectors, such as, Trade Competition Act B.E. 2560 (2017), and Prices of Goods and Services Act B.E. 2542 (1999). The Company shall not seek for confidential information of trade competitor by using inappropriate or dishonest means and shall not defame or adversely accuse the trade competitors.

Moreover, the Company acts as a spearhead on establishment of the Association of Thai Hot-Rolled Flat Steel where the management of the Company, trade competitors and trade partners are the directors. Joint meetings and activities have been arranged constantly and get-together meeting with the management of trade competitors had also been held to strengthen good relationship, exchange experiences, promote and drive for trade policy and fair competition through the government agencies or other relevant agencies. The Company is also in the forefront on building cooperation of the 8 domestic steel producers association groups (previously there were 7 associations) with total members of 503 companies to strengthen the domestic steel producers in pushing forward the public sectors' policies. The latest effort was to drive for an amendment and enforcement of the Anti-dumping and Countervailing Act B.E. 2562 (2019) by adding legal provision on countermeasures for circumventing trade measures with effective on November 2020, and driving for an enactment of relevant subordinate legislation, i.e., notification of the Ministry of Commerce and notification of the Department of Foreign Trade to enhance fair business from other countries for steel and other industries which will have impact to overall domestic economy. In addition, the Company's representatives have been appointed to be the management in the Federation of Thai Industries and the management in the steel industries groups to drive for the policy supporting domestic steel industries, such as support the government procurement policy

by jointly driving for policies of the supervising committee on registration of local products and issuance of Made In Thailand products certification and to further develop to the Steel Industry 4.0.

• Social and Community Responsibility

SSI remains place emphasis on social and community development on sustainable basis in order to strengthen its stakeholders by adhering to three fundamentals: creativity, stakeholder engagement and operation efficiency. In 2021, the Company operated 15 social and community development projects which benefited approximately 15,000 stakeholders. These projects were divided into two parts: (1) Social capital development to strengthen the underprivileged and (2) Community development on 3 aspects: social development, household economy and quality of environment.

1) Social Capital Development

1.1 Prevention and Solving COVID-19 Pandemic Problems

As the COVID-19 pandemic situations in 2021 were severer than the 2020 situations with continual increased number of COVID-19 patients daily, it resulted in crisis on accessible to medical treatment system of the COVID-19 infected people and impact to the household economy. In order to prevent and solve these problems and to minimise suffering of the people, the Bangsaphan communities, the public health personnel, and the operating officers jointly carried out the following operations, both in the Bangsaphan community and the central part:





• Save Bangsaphan Cooperation Project

The Company with co-operation of the local government agencies, community leaders and the communities arranged the COVID-19 prevention measures in Bangsaphan communities, by dividing into 3 parts as follows:



1. Cooperation with the relevant public sectors and networks for problems prevention and solution

- Attended joint meetings with the public sectors and the private sectors in Bangsaphan District to plan the COVID-19 prevention and control measures.
- Attended the meeting and plan on vaccination to the employees with Prachuap Khiri Khan Provincial Public Health Office.
- Coordinated with Bangsaphan Public Health Agency on proactive screening of COVID-19 to the employees in the risky group.
- Coordinated with Bangsaphan Public Health Agency on arrangement of field hospitals in the establishment or Factory Accommodation Insolation (FAI).



2. Protective equipment support

- Negative pressure room in out-patient and accident building, Bangsaphan Hospital
- 1 Freezer for COVID-19 vaccines, at Bangsaphan Hospital
- 1,040 pieces of N95 masks to Bangsaphan Hospital
- Infrared temperature metres and alcohol gel for hand sanitation to the communities in 71 villages of 7 sub-districts in Bangsaphan District and 42 educational institutes in Bangsaphan District.
- Face shield to 5 sub-district screening operation units in 4 sub-districts of Bangsaphan.
- Half-Half co-payment project, where the Bangsaphan people, medical personnel, operating officers, village public health volunteer and volunteer officers of Bangsaphan District pay half the price and the Sahaviriya Steel Group pay the other half for purchasing goods and food from the mobile vehicles to minimise their expenses.
- Jointly work with public sector volunteer teams to improve areas to support for COVID-19 patients of Bangsaphan Hospital.



3. Communication support for hazard prevention

- Arranged SaveBangsaphan Facebook fan page
 - To communicate government measures, cooperation of private sectors and important knowledge relevant to COVID-19
 - To communicate about safety, hazards and prevention
- Krachood Market Group via Facebook
 - To provide a new channel for members of the group to sell products and services



• Assistance and Support in Central Areas

1) Join and support construction of the 10th field hospital, Samut Sakhon Province

The Company supported design fees amounting to Baht 200,000 for construction of the field hospital for the project arranged by The Federation of Thai Industries in fighting against COVID-19. It is the 10th field hospital in Samut Sakhon Province with 200 beds, located in areas of 49 rais beside Tha Chine River bridge, Moo. 1, Tha Chine Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province for treating the COVID-19 patients. This project received many supports from various industries who are members of the Federation of Thai Industries.

2) **Support consumer goods**, such as provision of SSI Pun Suk Box jointly with Yannawa Metropolitan Police Station, provision of consumer goods to fight against COVID-19 to Supapong Market Community and Lang Rong Jae Community, Bangkok.



1.2 Support Sports to Promote the Reputation of Prachuap Khiri Khan Province

• Support PT Prachuap FC Football Club

The Company jointly supported PT Prachuap FC Football Club for national football matches. PT Prachuap FC Football Club does not only promote good reputation on sports to Prachuap Khiri Khan Province but it also attracts people and youth to pay attention on exercising and playing football for their good health.

1.3 Cooperation with Sustainability Networks

• Participate in “Thai Without E-Waste” Project

The Company participated in “Thai Without E-Waste” Project with Thai Business Council for Sustainable Development (TBCSD) member organisations, to arrange the drop point of 5 types of electronic waste (E-waste) within the organisation, such as mobile phone/tablet, power bank, mobile battery, charger and ear piece. Those waste will be collected and disposed with correct method. The Company has installed E-Waste bins at Head Office in Bangkok and in SSI Bangsaphan Steelworks.

• SD School Project

The Company in collaboration with the Regional Center for Sufficiency Economy Philosophy for Sustainability arranged “SD Sharing 2021 Seminar” under SD School Project for the representatives of the companies in Sahaviriya Steel Group. Contents of this seminar was about the support for application of sustainable management with the business plan of the business unit for sustainability of the organisation. Mr. Sukij Uthinthu, Director of the Regional Center for Sufficiency Economy Philosophy for Sustainability was the lecturer. From answering of the assessment form by 21 participants, score on knowledge and understanding received was 4.76 from 5 and benefit level was 4.81 from 5 score.



2) Community Development

In 2021, the Company carried out 12 community development projects with aims to strengthen the community and society on livelihood, by putting emphasis on participation of all sectors, i.e., the Company, employees, community people and relevant agencies, on development of education, preservation and conservation of environment, career and income development, nurturing of religion and culture.

2.1 Social Development

• Sahaviriya Funds for Bangsaphan Educational Development Project

Sahaviriya Funds for Bangsaphan Educational Development Project emphasised on development of quality of education in Bangsaphan District in 3 dimensions (school, teacher and student) with co-operation from the Office of the Basic Education Commission (OBEC) and from the Office of Prachuab Khiri Khan Primary Educational Service Area Zone 1. This project invited the qualified elementary schools in Bangsaphan District to submit the 3-year education quality development plan to compete for the development fund. The winning's school will receive total fund of Baht 1.2 million during 3 years to develop the school as per the proposed plan. This project was commenced in 2011 and the present one is the 9th batch. In 2021, there were 12 schools from 3 batches under the project operations, including the 7th batch which commenced in 2018 comprising Women Secretary Association School 1, Chaikasem Sub-district, Ban Khaoman School, Chaikasem Sub-district, Ban Klongloy School, Ronthong Sub-district, and Ban Suanluang School, Phong Prasat Sub-district; the 8th batch which commenced in 2019 comprising Bangsaphan School, Mae Ramphueng Sub-district, Ban Don Sa-nga School, Kumnerd Noppakhun Sub-district, Ban Huaykaew School, Pongprasart Sub-district and Ban Wangyao School, Thong Monkol Sub-district, and the 9th batch which commenced in 2020 comprising Wat Tum Kiritham School, Thongchai Sub-district; Baan Chamuang School, Pong Prasart Sub-district, Bangsaphan Kindergarten, Kumnerd Noppakhun Sub-district and Baan Thong Mongkhon School, Thong Mongkhon Sub-district.

In 2021, Sahaviriya Funds for Bangsaphan Educational Development Project undertook the supervision, monitoring and evaluation pursuant to the criteria specified in the plan. Sahaviriya Fund Committee which comprises the qualified persons from the Office of the Basic Education Commission (OBEC) and from the

Office of Prachuab Khiri Khan Primary Educational Service Area Zone 1, participated in the supervision, monitoring and evaluation of the schools in the project, i.e., Bangsaphan School, Baan Don Sanga School, Baan Huaykaew School, Baan Wangyao School, Women Secretary Association 1 School, Baan Khaomun School, Baan Klongloy School and Baan Suanluang School, as well as provided recommendation for attainment to the objectives. In 2021 academic year, total average scores from the Ordinary National Educational Test (O-NET) were 4, an increase by 4%.

• Technician Development for Integrated Steel Industries Project

The Company has collaborated with the Office of the Vocational Education Commission (VEC) and Bangsaphan Industrial and Community Education College under the “Technician Development for Integrated Steel Industries” project for joint development and improvement of curricular at vocational certificate and high vocational certificate as well as development of potential technical students to be in line with requirements of steel and continual industrial groups. This project has been undertaken for 14 years and has about 764 technician graduates in 4 fields, i.e., mechanical technology, industrial mechanical technician, electrical technician and warehouse management. Out of these graduate technicians, 207 are now working with Sahaviriya Steel Group. In addition, this project becomes a model of dual vocational training (DVT) in the vocational education colleges between the government sector and Sahaviriya Group which is a private sector.

In addition, Bangsaphan Industrial Community Education College arranged the activity titled “Show & Share: Invention Contest and Academic Seminar” under the Technician Development for Steel Industries Bilateral Project in accordance with memorandum of Sahaviriya Steel Group with the Office of the Vocational Education Commission (VEC) and Bangsaphan Industrial and Community Education College to develop potential, knowledge and capability of the youth who are studying in the Bangsaphan Industrial and Community Education College, to be in line and support for requirements of the steel industrial group. Quality of curricular on labor skills in the community has been developed continually and sustainably. The expert committees from Sahaviriya Steel Group jointly assessed 27 presentation works of 53 students. Such works could be implemented and applied for improvement and development of career of the local people for better efficiency, such as, soil excavation for pipe laying for agricultural purpose, career inventions, which is one of the inventions of vocational education to solve poverty problems.





• **Scholarships for Students in the Community Project**

In 2021, the Company and Sahaviriya Steel Group provided Scholarships to local youth as follows (1) 7 continuous scholarships for bachelor's degree students, worth Baht 250,000; (2) 2 scholarships for vocational certificate and high vocational certificate, worth Baht 22,000. From the follow-up on operating results of the project from 1999 up to present, there were 28 graduated students, 2 are working with the Company in engineering field; 6 are civil servants as teachers, 6 are civil servant in agricultural field, and 19 are working in private companies and the government employees.



• **Knowledge Support for Bangsaphan Youth toward University Education (Term Khwarm Fun Pun Khwarm Roo) Project**

SSI and Sahaviriya Steel Group supported the arrangement of activities to refresh academic knowledge of main subjects and enhance learning potential of the high school students to prepare their readiness before admission to the university in New Normal means, i.e., via ZOOM program and live session in closed group of Facebook. Main subjects which have been taught (5 hours per subject per day) were 5 common subjects: (1) Thai, (2) English, (3) Mathematics, (4) Social Science, Religion and Culture, and (5) Science, as their scores will be mainly used for admission to the university pursuant to the Thai University Central Admission System (TCAS) for academic year 2021. There were 497 students from 7 educational institutes, namely Bangsaphan Wittaya School, Tubsakae Wittaya School, Bangsaphan Noi Wittayakom School, Huayyang Wittaya School, Thongchai Wittaya School, Chai Kasem Wittaya School participated in this project. The results of satisfaction survey of the project participants were in the highest level, as they could gain knowledge, skill, attitude, and viewpoint necessary for education from this project which could increase their confidence and apply to further study in university level.

• **Motorcycle Guardrail Pilot Project, Steel Innovation for Safety of Bangsaphan Community**

SSI and the innovation group under collaboration of the Department of Rural Road developed the pilot project for construction of prototype guardrail for motorcycle to reduce loss from accident and dangers to the cyclists as well as to prevent the motorcycles from falling into the road shoulder when they slide and lose balance at the curve. Such guardrail has been designed by using strong steel and natural Para rubber developed to have specific qualifications. Hence, such guardrail has flexibility and can absorb and distribute impact from collision. Length of this prototype guardrail is 32 metres and it has been installed around the curve on the road along Mae Ramphueng Beach No. PorKor. 4056 in front of Mae Ramphueng Sub-district Administration Organization, Bangsaphan District, Prachuap Khiri Khan Province.



• **Public Service Point Support during Safety Campaign Period**

In order to allow Thai people to celebrate new year holiday as new normal means, SSI provided consumer goods to the Office of Disaster Prevention and Mitigation, Prachuap Khiri Khan Province, during the seven-day road safety campaign to reduce road accident on 2022 new year holiday as moral supports to the officers and volunteers who devoted their time to facilitate the people who traveled during this long holiday with safety, and to prevent and reduce road accident throughout the long holiday period.



• Relationship Management and Community Activity Support Project

The Company supported the arrangement of the activities within the communities to strengthen good relations and to jointly develop the communities on continued basis covering 7 sub-districts in Bangsaphan District and nearby areas, and more than 12,000 communities people benefits from such activities. Activities supported included an arrangement of the mobile exhibition booth of the Bangsaphan Livestock Bureau, boy scout camp development of Bangsaphan District, Tod Pah Pa for Education (offering of needed educational supplies) to many schools, religious activities, operation kits at COVID-19 screening points of Mae Ramphueng Sub-district, and an arrangement of mobile agricultural clinic project of Bangsaphan District.

• Social, Cultural and Religion Promotion Project

Support the activities on the elderly day and the 2021 Bangsaphan Tod Pah Pa for Education. The Company supported the arrangement of the activities on the Elderly Day jointly with Mae Ramphueng Subdistrict Administrative Organization and Thong Mongkol Subdistrict Administrative Organization including Tod Pah Pa for Education activity at Baan Suanluang School, Pongprasart Sub-district. Those activities have been continually supported by the Company and this year they have been undertaken under the strict COVID-19 pandemic control measures.

• SSI Arsa Project

SSI supported the SSI Arsa activity, which is the volunteering project that SSI staff and executives jointly participated in activities to help the society and communities in Bangsaphan District and to make the SSI staff proud of themselves. In 2021, due to COVID-19 pandemic situation and strict compliance with the prevention measures, SSI staff could only participate in 1 virtue volunteering activity under the “25th Anniversary of SSI, 250 Virtues” Project, i.e., repair crematorium, Khao Rat Bumrung Temple, Baan Pak Praek Village, Bangsaphan Noi Sub-district. There were 17 SSI staff participated in this activity, which was the collaboration among the SSI staff and the local community.

2.2 Household Economy Development

• Community Bank Project

The Company and Sahaviriya Steel Group have arranged the participatory development of quality of life on sustainable basis by jointly conducted with 18 villages in 4 sub-districts located surrounding the plant, by supporting and enhancing the communities to establish 18 community banks. As of 31 December 2021, total funds amounting to Baht 41,510,101, and 3,360 project members could enjoy benefits. In addition, 6 community leader councils have been established to manage their communities on participatory basis.

For sustainable and continuity, in 2021, the Company has operated the project by focusing on potential enhancement and development, by arranging the following activities:

- 1) Pilot community bank (waste management) where 5 communities participated in,
- 2) Tree bank where 2 pilot communities participated in this activity,
- 3) Annual performance evaluation forum of 4 community banks, where performance evaluation results of 4 community banks were in very good level. Other community banks will be evaluated during early of next year due to COVID-19 situations.





• Community Leader Council Project

The Company encouraged the community people to establish the community leader council. Presently, activities of 6 councils with total 148 members have been operated continually to exchange knowledge on operating guidelines and to coordinate cooperation on driving sustainable development works in the areas, as well as to manage their own communities jointly with other associate networks, agencies of public sector, including Sahaviriya Steel Group. In 2021, the activities arranged under driving force of the community leader councils with the support from the Company's community relations team were as follows:

- 1) Waste management activities in Baan Taangsai tourism areas at Moo. 9, Thongchai Sub-district. This activity has been driven by Baan Taangsai Community Leader Council and the local people with aims to manage plastic waste generated by the community people and the tourists. Such waste had been transformed for maximum benefits, and major activities included Eco-Brick, a furnace to dispose waste in conservation means, and lamps made of plastic bottles.
- 2) Talad Sook@ Marong Activity at Moo. 4, Pongprasart Sub-district led by Baan Marong Community Leader Council to seek for public areas to sell local products of the community to people in nearby communities and tourists every Sunday to expand the marketing channel, increase community people's income and to promote the tourism for the community.
- 3) Thongchai Elderly School in Thongchai Sub-district which has been jointly arranged with Baan Thangsai Community Leader Council, Moo. 9, Thongchai Sub-district and Tambon Tham Kiriwong Health Promoting Hospital to promote the elderly's good health. There were more than 100 elderly people participated in this activity.
- 4) The Company's Community Relations Team has arranged the annual evaluation of the operating results of the community leader councils. Results from self-evaluation of 6 councils revealed that all of them were in very good levels.
- 5) Activities driven by the community leader councils jointly with external network organization, for instance, Baan Taangsai Community Leader Council jointly attended the meeting to inspect and evaluate tourism standard of Baan Taangsai community, Moo. 9, Thongchai Sub-district and Baan Marong Community Leader Council, Moo. 4, Pongprasart Sub-district jointly attended the meeting for evaluation via online meeting system (Zoom) by the assessment committee from the Designated Areas for Sustainable Tourism Administration (Public Organization) and also joint meeting with the group of officers from Bank for Agriculture and Agricultural Cooperatives (BAAC) of Prachuap Khiri Khan and the officers from Bank for Agriculture and Agricultural Cooperatives, Bangsaphan Branch to discuss and find the method on preparation of documentation, information and venue to participate in the Outstanding Happy Communities Contest at regional level, under the concept of BCG Model.

2.3 Preservation and Development of Environmental Quality

The Company puts strong emphasis on environmental and natural resources responsibility. Apart from control, supervise production process to ensure that pollution emitted did not impact to quality of life and occupational health of the employees and the community people, the Company also joined hand with the relevant agencies on arrangement of activity, campaign to promote quality of environment on continued basis.

• Learning Center and Community Waste Management

SSI together with the community people established the "Community Learning and Waste Management Center" in Moo. 7, Baan Thung Lan Khwai, Mae Ramphuang Sub-district, Bangsaphan District, Prachuap Khiri Khan Province to support for people participation on reduction of community waste, waste sorting, usage of waste for maximum benefit, as well as to specify guidelines on establishment of the pilot learning and waste management center managed by the community in order to develop into the pilot circular economy village.

Main activities in 2021 were the arrangement of the trainings on how to sort household waste, how to make multi-purpose solution for usage in the household, and how to make green cone bin and the making 100 bags from fishnet to sort recycle waste and general waste. There were 50 people participated in these trainings. Objectives of these activities were to encourage the community people to have knowledge on waste sorting and to cultivate good consciousness on taking good care of the environment sustainably which would lead them to be a pilot community on community waste management and to serve as the operating guidelines on environmental preservation and protection. In addition, the Company further developed the continual projects on delivery food waste to Baan Thung Lan Khwai, Mae Ramphuang Sub-district to make bio fertilizer to give to 61 household members of the village.





04/

Management Discussion and Analysis (MD&A)

4.1 Management Discussion and Analysis: MD&A

Table 1: Summary of Consolidated Financial Results

| Unit: Million Baht | 2021 Jan - Dec | 2020 Jan - Dec | % YoY |
|--|-------------------|-------------------|-------|
| Sales and service revenues | 35,313 | 18,125 | +95% |
| Cost of sales and service | 32,309 | 17,415 | +86% |
| Gross profit (loss) | 3,005 | 710 | +323% |
| SG&A | 824 | 788 | +5% |
| Consolidated EBITDA ^{1/} | 1,657 | 2,751 | -40% |
| Gains on measurements of financial liabilities at fair value | - | 1,632 | - |
| Gain (Loss) on foreign exchange liabilities under the plan | (1,785) | 560 | - |
| Adjustment for decrease in debts guarantee | 586 | - | - |
| Finance costs | (1,633) | (1,721) | - |
| Net profit (loss) | (536) | 376 | - |
| EPS (Baht) | (0.05) | 0.03 | - |

Note:

1/ Consolidated EBITDA: EBITDA of the consolidated financial statement which included the provision (or reversal) for loss on decline in value of inventories and provision (or reversal) for loss under onerous contracts = Net Profit + Interest + Tax + Depreciation and Amortization



Table 2: Financial Results by Business Unit

| Unit: Million Baht | 2021 Jan - Dec | 2020 Jan - Dec | % YoY |
|--|-------------------|-------------------|-------|
| Sales and Service Revenues | | | |
| Consolidated^{1/} | 35,313 | 18,125 | +95% |
| HRC Business | 34,741 | 17,682 | +96% |
| Marine Business | 205 | 118 | +73% |
| Engineering Business | 271 | 264 | +3% |
| EBITDA | | | |
| Consolidated | 1,657 | 2,751 | -40% |
| HRC Business | 1,449 | 2,534 | -43% |
| Marine Business | 192 | 85 | +127% |
| Engineering Business | 9 | 39 | -77% |
| Elimination of Related Parties Transaction | 7 | 93 | |
| Net Profit (Loss) | | | |
| Consolidated^{2/} | (536) | 376 | - |
| HRC Business | (632) | 433 | - |
| Marine Business | 82 | (5) | - |
| Engineering Business | (13) | 19 | - |
| Elimination of Related Parties Transaction | 1 | (71) | - |
| Non-controlling Interest | 25 | 1 | |

Notes:

1/ Revenues of each Business Unit are shown as net revenues after elimination of related party transactions.

2/ Profit/Loss from TCRSS is recorded under the equity method.

Table 3: Performance Highlight of HRC Business (the Company)

| Unit: USD/ton | 2021 Jan - Dec | 2020 Jan - Dec | % YoY |
|----------------------------------|-------------------|-------------------|-------|
| Average Selling Price | 868 | 542 | +60% |
| Average Cost of Goods Sold | 773 | 528 | +47% |
| HRC Spread ^{1/} | 176 | 90 | +95% |
| HRC Rolling Margin ^{2/} | 20.3% | 16.7% | |
| HRC EBITDA/ton ^{3/} | 40 | 82 | -51% |
| Sales Volume (k tons) | 1,197 | 1,012 | +18% |
| Production Volume (k tons) | 1,247 | 956 | +30% |

Notes:

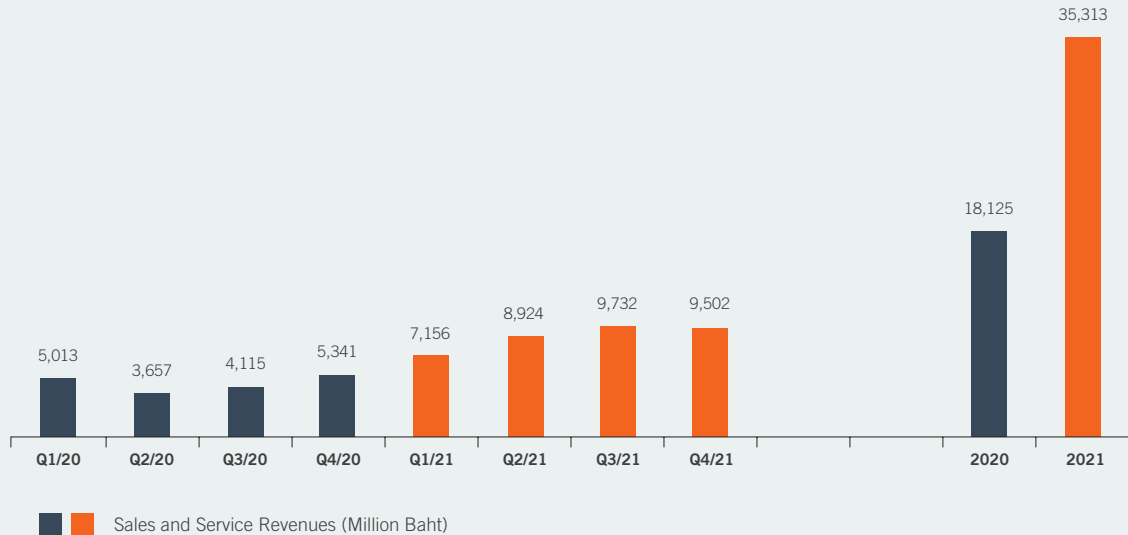
1/ HRC Spread excludes the provision for loss on decline in value of inventories or the reversal thereof.

2/ HRC Rolling Margin = HRC Spread/Average Selling Price

3/ HRC EBITDA: EBITDA of the Company which included the provision for loss on decline in value of inventories and provision for loss under onerous contracts or the reversal thereof = Net Profit + Interest + Tax + Depreciation and Amortization.



Figure 1: Sales and Service Revenues of the Company and its Subsidiaries



Performance of the Company, its Subsidiaries and its Joint Venture

In 2021, the Company and its subsidiaries recorded sales and service revenues Baht 35,313 million, up 95% YoY. Consolidated EBITDA was recorded at Baht 1,657 million, a 40% decrease from Baht 2,751 million and net loss was Baht 536 million, a decrease from profit Baht 376 million in the previous year. The consolidated EBITDA and net loss were lower than those in the previous year and did not reflex the actual performance of the Company, mainly as a result of the non-cash following items: (1) gains on measurements of financial liabilities at fair value Baht 1,632 million recorded in year 2020 but did not appear in year 2021, (2) unrealized foreign exchange loss on liabilities under the Plan, denominated in foreign currency, totaling loss Baht 1,785 million, a decrease from profit Baht 560 million in year 2020, and (3) provision for loss on decline in value of inventories Baht 460 million, a change from reversal of Baht 472 million in the previous year, which caused the higher cost of sales and services than the previous year.

| Profitability Ratio | 2021 | 2020 |
|---------------------|--------|-------|
| NP Margin (%) | -1.52 | 2.08 |
| ROA (%) | 5.18 | 10.04 |
| ROE (%) | N/A | N/A |
| EPS (Baht) | (0.05) | 0.03 |



HR Business (the Company)

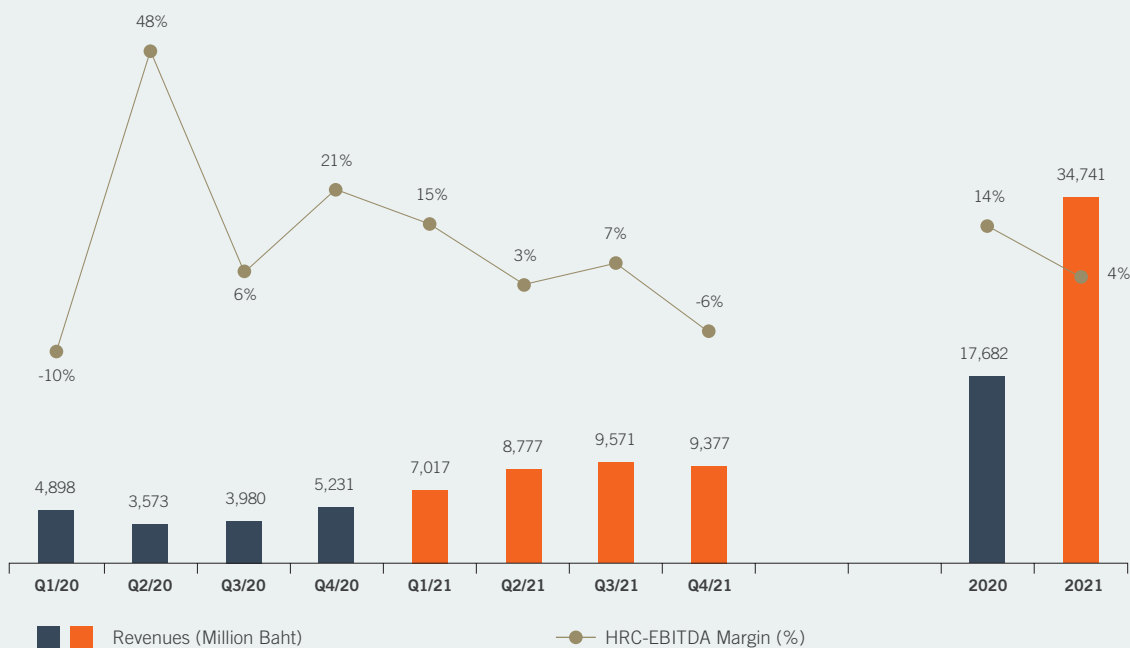
Revenues: In 2021, the Company recorded sales and service revenues Baht 34,741 million, jumped up 96% YoY from Baht 17,682 million, with HRC Sales Volume of 1,206 k tons, up 19% YoY. HRC Average Selling Price was Baht 27,964 per ton or approx. USD 868 per ton, increased by 60% YoY following the world steel price market. The Company's total sales included SSI Principal Products (SPP) 23%, Innovated Value Products (IVP) 34%, and Customized Prime Products (CPP) 43%.

Expenses: In 2021, the Company recorded cost of sales and service Baht 31,910 million, comprising total cost of sales Baht 31,450 million and the provision for loss on decline in value of inventories Baht 460 million. Cost of sales and service increased 87% YoY following the increase in sale volume. SG&A was Baht 737 million, up 6% YoY from Baht 697.

HRC Spread: In 2021, the Company recorded HRC spread of USD 176 per ton, increased from USD 90 per ton, or up 95% YoY. HRC Rolling Margin was 20.3%, up from 16.7% in 2020, following the world steel prices.

Profits: In 2021, the Company recorded gross profit Baht 2,831 million, HRC EBITDA Baht 1,449 million and net loss Baht 632 million. Gross profit improved 386% but HRC EBITDA fell 43% and net result turned from profit into loss, mainly as a result of the non-cash following items: (1) gains on measurements of financial liabilities at fair value Baht 1,632 million recorded in year 2020 but did not appear in year 2021, (2) unrealized foreign exchange loss on liabilities under the Plan, denominated in foreign currency, totaling loss Baht 1,785 million, a decrease from profit Baht 560 million in year 2020, and (3) provision for loss on decline in value of inventories Baht 460 million, a change from reversal of Baht 472 million in the previous year, which caused the higher cost of sales and services than the previous year.

Figure 2: Revenues and EBITDA Margin of HR Business





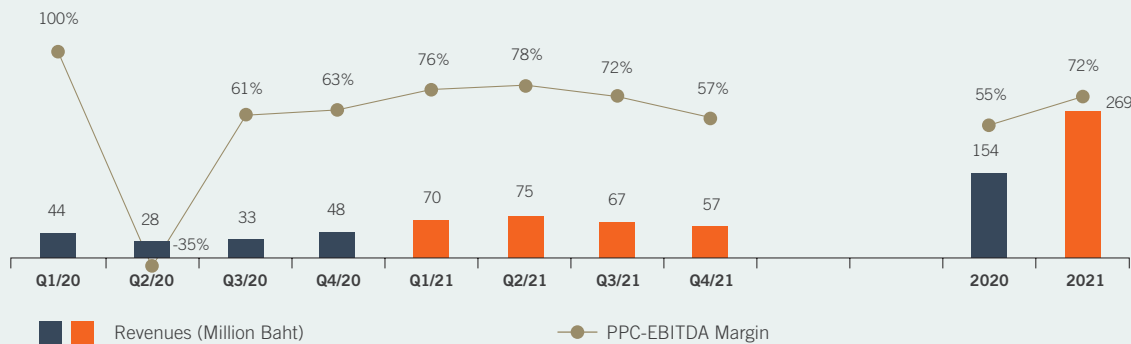
Marine Business

Prachuap Port Company Limited (PPC) – a Subsidiary

Revenues: In 2021, PPC recorded total service revenues Baht 269 million, up 74% YoY following the throughput volume at 2,553,452 tons, an increase from 1,620,993 tons or up 58% YoY. The main revenue from SSI was Baht 64 million, up 79% YoY. The revenue excluded SSI was Baht 205 million, or up 73%. In overall, the revenues were increased following the total throughput volume.

Profits: In 2021, PPC recorded gross profit Baht 132 million, EBITDA Baht 192 million, or increased by 472% and 127% YoY respectively, and recovered from loss in the previous year to profit Baht 82 million in this year.

Figure 3: Revenues and EBITDA Margin of Marine Business



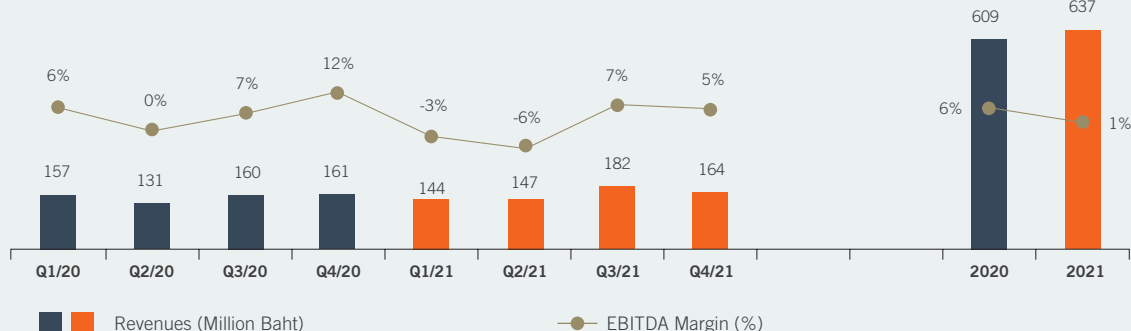
Engineering Business

West Coast Engineering Company Limited (WCE) – a Subsidiary

Revenues: In 2021, WCE recorded revenues Baht 639 million including sales and service revenues Baht 637 million and other income Baht 2 million. The revenues improved from those in the previous year, which were Baht 609 million and Baht 7 million respectively, as a result of the recovery of COVID-19 pandemic situation resulting in the ability to deliver more projects.

Profits: In 2021, WCE recorded gross profit Baht 42 million, negative EBITDA Baht 3 million and net loss Baht 22 million. The Gross profit and EBITDA dropped 50% and 108% YoY respectively and net result down from profit into loss due to the higher expenses as a result of the extension of the delivery time and the increase in transportation costs from the ongoing situation of the COVID-19 pandemic.

Figure 4: Revenues and EBITDA Margin of Engineering Business





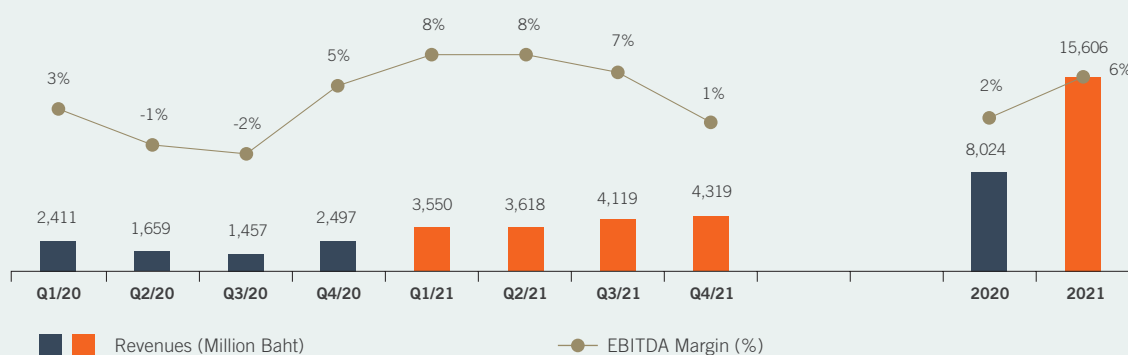
Downstream Business

Thai Cold Rolled Steel Sheet Public Company Limited (TCRSS) – Joint Venture

Revenues: In 2021, TCRSS recorded total sales Baht 15,606 million, up 94% YoY with Sales Volume 590 k tons, up 57%, and Average Selling Price increased by 24% YoY.

Profits: In 2021, TCRSS recorded gross profit Baht 850 million, EBITDA Baht 936 million and net profit Baht 516 million, up 655%, 503%, and 384% YoY respectively, due to the increase in steel demand and the recovery of the automobile manufacturing sector.

Figure 5: Revenues and EBITDA Margin of Downstream Business (TCRSS)



Consolidated Financial Status

Assets

As at 31 December 2021, the Company and its subsidiaries had total assets Baht 23,279 million, an increase from Baht 19,680 million as at 31 December 2020. Details are as follows:

| Assets | 31 Dec 2021 | | 31 Dec 2020 | | 31 Dec 2019 | |
|-------------------------------|---------------|------------|---------------|------------|---------------|------------|
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Cash and cash equivalents | 496 | 2.13 | 666 | 3 | 360 | 2 |
| Trade accounts receivable | 124 | 0.53 | 135 | 1 | 68 | 0 |
| Inventories | 8,021 | 34.46 | 4,316 | 22 | 7,464 | 34 |
| Property, plant and equipment | 10,543 | 45.29 | 10,923 | 56 | 10,926 | 50 |
| Investments in joint venture | 2,741 | 11.78 | 2,564 | 13 | 2,629 | 12 |
| Other assets | 1,352 | 5.81 | 1,076 | 5 | 441 | 2 |
| Total assets | 23,279 | 100 | 19,680 | 100 | 21,888 | 100 |

Trade accounts receivable as at 31 December 2021 was netted Baht 124 million, down 8% from Baht 135 million as at the end of 2020. Inventories as at 31 December 2021 was netted Baht 8,021 million, highly up 86% from the end of 2020, as a result of the increase value of inventories. Property, plant and equipment as at 31 December 2021 was netted Baht 10,543 million, slightly down from the end of 2020.



Liabilities and Sources of Fund

Proportion of liabilities and total equity of the Company and its subsidiaries consist of:

| Liabilities and Equity | 31 Dec 2021 | | 31 Dec 2020 | | 31 Dec 2019 | |
|---|-----------------|-------------|-----------------|-------------|-----------------|--------------|
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Current liabilities under rehabilitation plan | 1,420 | 6 | 225 | 1 | 1,766 | 8 |
| Trade accounts payable | 4,845 | 21 | 2,838 | 14 | 5,149 | 24 |
| Non-current liabilities under rehabilitation plan | 30,629 | 132 | 29,527 | 150 | 55,227 | 252 |
| Other liabilities | 1,457 | 6 | 1,611 | 8 | 1,004 | 5 |
| Total Liabilities | 38,350 | | 34,201 | | 63,146 | |
| Equity attributable to owners of the Company | (15,578) | (67) | (15,042) | (76) | (41,803) | (191) |
| Non-controlling interests | 507 | 2 | 521 | 3 | 544 | 2 |
| Total equity | (15,071) | | (14,521) | | (41,258) | |
| Total liabilities and equity | 23,279 | 100 | 19,680 | 100 | 21,888 | 100 |

As at 31 December 2021, the Company and its subsidiaries had total liabilities Baht 38,350 million, increased from Baht 34,201 million as at 31 December 2020, due to (1) an increase in account payable from Baht 2,838 million to Baht 4,845 million, or increased by 71%, (2) an increase in total liabilities under rehabilitation plan from Baht 29,752 million to Baht 32,049 million.

The total liabilities under rehabilitation plan Baht 32,049 million was divided into (1) short-term debt under the Plan due within 1 year Baht 1,420 million, up from Baht 225 million as at the end of year 2020 because the Company has resumed principal debt repayment, in accordance with the amended Plan, starting from the period March 2021 onward after it had suspended the repayment since March 2020 and (2) long-term debt under the Plan Baht 30,629 million, an increase of 4% from Baht 29,527 million at the end of year 2020, mainly from the foreign exchange loss on liabilities under the Plan.

All long-term borrowings from financial institutions, provisions from being guarantor and other payables under rehabilitation plan are part of rehabilitation plan. The reclassification of such borrowings, provisions, and accrued interest under rehabilitation plan are conformed to the debts settlement as stipulated in the Plan. The Company has revealed the essence of the Business Rehabilitation Plan No. 1 and Plan No. 2 as well as the request for amendment of the Plan No. 2 in note 26 to the Financial Statements.

As at 31 December 2021, equity attributable to owners of the Company was negative Baht 15,578 million down from negative Baht 15,042 million as at 31 December 2020, as a result of the operating loss of the group.



Liquidity

1. Cash flow

As at 31 December 2021, the Company and its subsidiaries' ending cash was Baht 496 million, a decrease from Baht 666 million as at the end of 2020. Details of cash flow are as follows:

- Net cash received from operating activities Baht 843 million consisting of (1) cash used in operation Baht 497 million, and (2) cash received from net change in operating assets and liabilities Baht 1,340 million.
- Net cash used in investing activities Baht 387 million consisting of (1) an increase in restricted deposit at financial institution Baht 30 million (2) purchase of property, plant and equipment of Baht 354 million and (4) cash paid for other activities Baht 3 million.
- Net cash used in financing activities Baht 626 million consisting of (1) cash paid for finance costs Baht 77 million (2) repayment on debts under business rehabilitation plan Baht 458 million and (3) cash paid for other financing activities Baht 91 million.

2. Current Ratio

As of 31 December 2021, the Company and its subsidiaries had lower liquidity comparing to the end of 2020 but there were shorter average collection period and average day sales. Details are as follows:

| Liquidity Ratio | 2021 | 2020 | 2019 |
|---|-------|-------|-------|
| Current Ratio (x) | 1.29 | 1.32 | 1.10 |
| Interest-bearing Debt to Equity Ratio (x) | N/A | N/A | N/A |
| Average Collection Period (Days) | 39.76 | 79.04 | 34.77 |
| Average Days Sales (Days) | 19.87 | 28 | 34.97 |

Current Ratio

As of 31 December 2021, current ratio was 1.29x, a decrease from 1.32x at the end of 2020 due to the resumed repayment of debt under the Plan from March 2021 onward after the suspension of debt repayment during March 2020 - February 2021, and the increase in trade accounts payable.

Trade Credit Policy

Since working capital is necessary for manufacturing business, most of the Company's current trade has utilized advance payment method before delivering goods to customers. Only small percentage of trade credit would be granted for a period of less than 5 - 7 days. Hence, the financial ratio analysis of the credit is correlated with the average debt collection period of the Company. During the COVID-19 situation, the Company has cautiously operated its business and there was no problem related to debt collection because of the Company's advance payment policy with only small amount of trade credit granted.



4.2 Key Financial Information

Consolidated Financial Statements

Statements of Financial Position

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
As at 31 December

| | Consolidated financial statements | | Consolidated financial statements | | Consolidated financial statements | |
|--|--------------------------------------|--------------|--------------------------------------|--------------|--------------------------------------|--------------|
| | 2021 | | 2020 | | 2019 | |
| | Baht | % | Baht | % | Baht | % |
| Assets | | | | | | |
| <i>Current assets</i> | | | | | | |
| Cash and cash equivalents | 496,419,762 | 2.1 | 665,739,959 | 3.4 | 359,994,931 | 1.6 |
| Trade accounts receivable | 124,435,894 | 0.5 | 134,803,702 | 0.7 | 67,559,000 | 0.3 |
| Other current receivables from related parties | 36,381,221 | 0.2 | 163,943,165 | 0.8 | 172,792,089 | 0.8 |
| Current contract assets | 21,146,617 | 0.1 | 16,593,096 | 0.1 | 12,588,259 | 0.1 |
| Short-term loans from related parties | 26,788,560 | 0.1 | 11,055,963 | 0.1 | - | - |
| Current portion of long-term loans | 25,959,391 | 0.1 | 14,875,294 | 0.1 | - | - |
| Inventories | 8,021,248,242 | 34.5 | 4,316,393,324 | 21.9 | 7,463,700,630 | 34.1 |
| Other current assets | 560,765,449 | 2.4 | 242,585,812 | 1.2 | 217,414,058 | 1.0 |
| Total current assets | 9,313,145,136 | 40.0 | 5,565,990,315 | 28.3 | 8,294,048,967 | 37.9 |
| <i>Non-current assets</i> | | | | | | |
| Other non-current financial assets | 74,048,419 | 0.3 | 44,135,840 | 0.2 | 7,595,649 | 0.0 |
| Investments in joint venture | 2,741,466,298 | 11.8 | 2,564,156,667 | 13.0 | 2,628,781,546 | 12.0 |
| Long-term loans | 507,040,469 | 2.2 | 471,446,343 | 2.4 | - | - |
| Property, plant and equipment | 10,542,803,469 | 45.3 | 10,922,902,304 | 55.5 | 10,926,465,042 | 49.9 |
| Right-of-use assets | 50,112,105 | 0.2 | 71,521,507 | 0.4 | - | - |
| Other intangible assets | 18,083,109 | 0.1 | 12,970,146 | 0.1 | 12,867,820 | 0.1 |
| Deferred tax assets | 15,403,465 | 0.1 | 9,770,968 | 0.0 | 3,635,401 | 0.0 |
| Other non-current assets | 16,532,969 | 0.1 | 16,932,530 | 0.1 | 14,360,040 | 0.1 |
| Total non-current assets | 13,965,490,303 | 60.0 | 14,113,836,305 | 71.7 | 13,593,705,498 | 62.1 |
| Total assets | 23,278,635,439 | 100.0 | 19,679,826,620 | 100.0 | 21,887,754,465 | 100.0 |



Statements of Financial Position

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
As at 31 December

| | Consolidated financial statements | | Consolidated financial statements | | Consolidated financial statements | |
|---|--------------------------------------|--------------|--------------------------------------|--------------|--------------------------------------|--------------|
| | 2021 | | 2020 | | 2019 | |
| | Baht | % | Baht | % | Baht | % |
| Liabilities and shareholders' equity | | | | | | |
| <i>Current liabilities</i> | | | | | | |
| Short-term borrowings from financial institutions | 39,000,000 | 0.2 | 40,000,000 | 0.2 | 60,682,672 | 0.3 |
| Trade accounts payable | 4,844,666,302 | 20.8 | 2,837,508,891 | 14.4 | 5,148,662,542 | 23.5 |
| Other current payables to related parties | 11,477,271 | 0.0 | 11,084,669 | 0.1 | 6,468,953 | 0.0 |
| Other current payables | 226,005,776 | 1.0 | 219,693,792 | 1.1 | 280,685,806 | 1.3 |
| Current contract liabilities | 550,436,976 | 2.4 | 823,914,277 | 4.2 | 244,835,765 | 1.1 |
| Current portion of liabilities under rehabilitation plan | 1,420,201,862 | 6.1 | 225,082,399 | 1.1 | 1,766,345,097 | 8.1 |
| Current portion of lease liabilities | 33,711,976 | 0.1 | 31,444,814 | 0.2 | 2,332,033 | 0.0 |
| Provisions under guarantee | - | - | 12,290,774 | 0.1 | - | - |
| Corporate income tax payable | 10,166,413 | 0.0 | - | - | 3,502,669 | 0.0 |
| Other non-current financial liabilities | 104,991,274 | 0.5 | 731,876 | 0.0 | - | - |
| Other non-current financial liabilities | 2,415,933 | 0.0 | - | - | - | - |
| Total current liabilities | 7,243,073,783 | 31.1 | 4,201,751,492 | 21.4 | 7,513,515,537 | 34.3 |
| <i>Non-current liabilities</i> | | | | | | |
| Liabilities under rehabilitation plan | 30,628,525,877 | 131.6 | 29,527,288,478 | 150.0 | 55,226,829,497 | 252.3 |
| Lease liabilities | 17,243,349 | 0.1 | 41,439,486 | 0.2 | 1,803,188 | 0.0 |
| Non-current provisions for employee benefits | 421,759,817 | 1.8 | 391,164,406 | 2.0 | 360,918,519 | 1.6 |
| Deferred tax liabilities | 38,689,914 | 0.2 | 38,379,800 | 0.2 | 42,065,298 | 0.2 |
| Other non-current liabilities | 823,876 | 0.0 | 823,876 | 0.0 | 823,876 | 0.0 |
| Total non-current liabilities | 31,107,042,833 | 133.6 | 29,999,096,046 | 152.4 | 55,632,440,378 | 254.2 |
| Total liabilities | 38,350,116,616 | 164.7 | 34,200,847,538 | 173.8 | 63,145,955,915 | 288.5 |



Statements of Financial Position

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
As at 31 December

| | Consolidated financial statements | | Consolidated financial statements | | Consolidated financial statements | |
|---|--------------------------------------|----------------|--------------------------------------|---------------|--------------------------------------|----------------|
| | 2021 | | 2020 | | 2019 | |
| | Baht | % | Baht | % | Baht | % |
| Liabilities and shareholders' equity | | | | | | |
| Shareholders' equity | | | | | | |
| Share capital | | | | | | |
| Authorized share capital | 11,113,018,280 | | 11,113,018,280 | | 11,113,018,280 | |
| Issued and paid-up share capital | 11,113,018,280 | 50.8 | 11,113,018,280 | 56.5 | 11,113,018,280 | 50.8 |
| Share discount on ordinary shares | (9,500,000,000) | (43.4) | (9,500,000,000) | (48.3) | (9,500,000,000) | (43.4) |
| Retained earnings | - | - | - | - | - | - |
| Appropriated | - | - | - | - | - | - |
| Appropriated – Legal reserve | - | - | - | - | - | - |
| Deficit | (17,191,282,046) | (198.4) | (16,654,971,212) | (84.6) | (43,415,571,375) | (198.4) |
| Equity attributable to owners of the Company | (15,578,263,766) | (191.0) | (15,041,952,932) | (76.4) | (41,802,553,095) | (191.0) |
| Non-controlling interests | 506,782,589 | 2.5 | 520,932,014 | 2.6 | 544,351,645 | 2.5 |
| Total shareholders' equity | (15,071,481,177) | (64.7) | (14,521,020,918) | (73.8) | (41,258,201,450) | (188.5) |
| Total liabilities and shareholders' equity | 23,278,635,439 | 100.0 | 19,679,826,620 | 100.0 | 21,887,754,465 | 100.0 |



Statements of Profit and Loss

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December

| | Consolidated financial statements | | Consolidated financial statements | | Consolidated financial statements | |
|---|--------------------------------------|--------------|--------------------------------------|--------------|--------------------------------------|--------------|
| | 2021 | | 2020 | | 2019 | |
| | Baht | % | Baht | % | Baht | % |
| Income | | | | | | |
| Revenue from sales | 34,524,201,377 | 97.5 | 17,456,188,002 | 96.0 | 24,554,308,764 | 96.3 |
| Revenue from rendering of services | 789,263,335 | 2.2 | 668,722,288 | 3.7 | 645,090,223 | 2.5 |
| กำไรจากการขายเงินลงทุนในกิจการที่ควบคุมร่วมกัน | - | - | - | - | - | 0.8 |
| Net gain on exchange rate | - | - | - | - | 212,484,840 | 0.8 |
| Other income | 104,956,638 | 0.3 | 64,413,369 | 0.4 | 78,935,366 | 0.3 |
| Total income | 35,418,421,350 | 100.0 | 18,189,323,659 | 100.0 | 25,490,819,193 | 100.0 |
| Expenses | | | | | | |
| Cost of sales | 31,615,651,836 | 89.3 | 16,818,610,938 | 92.5 | 25,087,705,928 | 98.4 |
| Cost of inoperative | - | - | 60,185,292 | 0.3 | - | - |
| Cost of rendering of services | 692,992,394 | 2.0 | 596,263,071 | 3.3 | 482,436,680 | 1.9 |
| Distribution costs | 88,124,401 | 0.2 | 63,299,286 | 0.3 | 85,536,672 | 0.3 |
| Administrative expenses | 625,407,516 | 1.8 | 628,002,895 | 3.5 | 623,426,447 | 2.4 |
| ประมาณการภาระดอกเบี้ยจากการดำเนินงานที่ยกเลิก | - | - | - | - | - | - |
| Management benefit expenses | 110,796,428 | 0.3 | 95,289,282 | 0.5 | 99,778,329 | 0.4 |
| Net loss on exchange rate | 1,070,772 | 0.0 | 33,435,996 | 0.2 | - | - |
| (Reversed) Expected Credit Losses | 17,879,017 | 0.1 | (80,372,638) | (0.4) | 889,782,638 | 3.5 |
| Loss on onerous contracts (reversal) | 92,700,499 | 0.3 | 12,290,775 | 0.1 | (1,072,952) | (0.0) |
| Gains (losses) on measurements of financial liabilities at fair value | 1,198,243,891 | 3.4 | (2,191,073,036) | (12.0) | - | - |
| Finance costs | 1,633,003,385 | 4.6 | 1,721,160,543 | 9.5 | 5,511,242 | 0.0 |
| Total expenses | 36,075,870,139 | 101.9 | 17,757,092,404 | 97.6 | 27,273,104,984 | 107.0 |



Statements of Profit and Loss

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December

| | Consolidated financial statements | | Consolidated financial statements | | Consolidated financial statements | |
|---|--------------------------------------|--------------|--------------------------------------|------------|--------------------------------------|--------------|
| | 2021 | | 2020 | | 2019 | |
| | Baht | % | Baht | % | Baht | % |
| Share of profit (loss) of equity-accounted investees | | | | | | |
| Joint Venture | 177,309,631 | 0.5 | (64,624,878) | (0.4) | 34,653,763 | 0.1 |
| Profit (loss) before income tax expense from continuing operations | (480,139,158) | (1.4) | 367,606,377 | 2.0 | (1,747,632,028) | (6.9) |
| Income tax benefits | (16,421,101) | (0.0) | 9,821,065 | 0.1 | (29,343,852) | (0.1) |
| Profit (loss) From continuing operations | (496,560,259) | (1.4) | 377,427,442 | 2.1 | (1,776,975,880) | (7.0) |
| Discontinued operation | | | | | | |
| Profit (loss) from discontinued operation | - | - | - | - | - | - |
| Profit (loss) for the year | (496,560,259) | (1.4) | 377,427,442 | 2.1 | (1,776,975,880) | (7.0) |
| Profit (loss) attributable to | | | | | | |
| Owners of the Company | (536,310,834) | (1.5) | 376,347,073 | 2.1 | (1,802,877,833) | (7.1) |
| Non-controlling interests | 39,750,575 | 0.1 | 1,080,369 | 0.0 | 25,901,953 | 0.1 |
| Profit (loss) for the year | (496,560,259) | (1.4) | 377,427,442 | 2.1 | (1,776,975,880) | (7.0) |



Statements of Comprehensive Income

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December

| | Consolidated | | Consolidated | | Consolidated | |
|--|----------------------|--------------|----------------------|------------|------------------------|--------------|
| | financial statements | | financial statements | | financial statements | |
| | 2021 | | 2020 | | 2019 | |
| | Baht | % | Baht | % | Baht | % |
| Profit (loss) for the year | (496,560,259) | (1.4) | 377,427,442 | 2.1 | (1,776,975,880) | (7.0) |
| Other comprehensive income | | | | | | |
| <i>Items that will never be reclassified to profit or loss</i> | | | | | | |
| Impairment loss on property, plant and equipment previously revalued | - | - | - | - | - | - |
| Depreciation on revaluation surplus | - | - | - | - | - | - |
| Income tax on other comprehensive income | - | - | - | - | - | - |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | | | | |
| Foreign currency translation differences for foreign operations | - | - | - | - | - | - |
| Reclassification of foreign currency differences following liquidation of subsidiary | - | - | - | - | - | - |
| Defined benefit plan actuarial gains (losses) | | | | | | |
| - The Group | - | - | - | - | (79,622,016) | (0.3) |
| - Joint venture | - | - | - | - | (5,312,917) | (0.0) |
| Income tax on other comprehensive income | - | - | - | - | 5,456,482 | 0.0 |
| Other comprehensive income for the year net of income tax | - | - | - | - | (79,478,451) | (0.3) |
| Total comprehensive income for the year | (496,560,259) | (1.4) | 377,427,442 | 2.1 | (1,856,454,331) | (7.3) |
| Total comprehensive income attributable to | | | | | | |
| Owners of the Company | (536,310,834) | (1.5) | 376,347,073 | 2.1 | (1,881,987,776) | (7.4) |
| Non-controlling interests | 39,750,575 | 0.1 | 1,080,369 | 0.0 | 25,533,445 | 0.1 |
| Total comprehensive income for the year | (496,560,259) | (1.4) | 377,427,442 | 2.1 | (1,856,454,331) | (7.3) |



Statements of Cash Flows

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December

| | Consolidated | Consolidated | Consolidated |
|--|---------------|-----------------|-----------------|
| | financial | financial | financial |
| | statements | statements | statements |
| | 2021 | 2020 | 2019 |
| | Baht | Baht | Baht |
| <i>Cash flows from operating activities</i> | | | |
| Profit (loss) for the year | (496,560,259) | 377,427,442 | (1,776,975,880) |
| Adjustments for | | | |
| Depreciation and amortization | 750,582,280 | 649,485,055 | 723,033,436 |
| Bad debts and doubtful accounts | 17,879,017 | 1,242,912 | 843,240,786 |
| Loss on devaluation of inventories (reversal) | 460,189,988 | (538,517,729) | 35,404,123 |
| Unrealized loss (gain) on exchange rate | (26,196,168) | (23,369,224) | 36,887,578 |
| Loss (gain) on forward contracts | 1,684,057 | 731,876 | - |
| Withholding tax deducted at source (reversal) | - | (3,818,886) | - |
| Damaged building and equipment from flood | - | 368,138 | - |
| Write-off equipment | 139,305 | 1,711,300 | 154,467 |
| Employee benefit provisions | 32,566,041 | 34,319,841 | 83,672,525 |
| Loss on onerous contracts (reversal) | 92,700,499 | 12,290,774 | (1,072,952) |
| Loss (gain) on disposal of property, plant and equipment | (5,535,230) | (272,888) | (1,056,789) |
| (Reversed) Loss from impair PPE | (899,000) | - | - |
| Share of loss of joint venture (net of tax) | (177,309,631) | 64,624,879 | (34,653,762) |
| Profit (loss) from measurement of fair value | 1,198,243,891 | (2,191,073,036) | - |
| Finance costs | 1,633,003,385 | 1,721,160,543 | 5,511,242 |
| Finance income | (14,331,204) | (10,396,773) | (3,574,048) |
| Accrued income tax expense (reversal) | - | - | (1,584,000) |
| Tax expense (income) | 16,421,101 | (9,821,065) | 29,343,852 |
| | 3,482,578,072 | 86,093,159 | (61,669,422) |



Statements of Cash Flows

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December

| | Consolidated | Consolidated | Consolidated |
|---|----------------------|------------------------|----------------------|
| | financial | financial | financial |
| | statements | statements | statements |
| | 2021 | 2020 | 2019 |
| | Baht | Baht | Baht |
| <i>Changes in operating assets and liabilities</i> | | | |
| Trade accounts receivable | 142,507,633 | (68,754,544) | 242,290,398 |
| Other current receivables from related parties | (22,662,491) | 8,848,924 | 134,570,290 |
| Current contract assets | (4,553,521) | (4,004,837) | - |
| Inventories | (4,165,044,906) | 3,685,825,035 | 2,173,821,599 |
| Other current assets | (282,094,434) | 14,203,771 | 5,002,426 |
| Other non-current assets | 399,561 | (2,572,490) | (3,996,217) |
| Trade accounts payable | 1,978,855,568 | (2,282,252,397) | (629,509,265) |
| Other current payables to related parties | 392,602 | 4,615,716 | 70,339,134 |
| Other current payables | 22,992,414 | (69,864,065) | (20,013,168) |
| Current contract liabilities | (273,477,301) | 579,078,512 | - |
| Employee benefit obligations paid | (1,970,630) | (4,073,954) | (2,733,813) |
| Income tax paid | (34,499,713) | (25,738,695) | 23,152,469 |
| Income tax received | - | 17,470,638 | (36,554,179) |
| Net cash provided by operating activities | 843,422,854 | 1,938,874,773 | 1,894,700,252 |
| <i>Cash flows from investing activities</i> | | | |
| Finance income received | 2,669,231 | 965,927 | 3,594,619 |
| Increase (Decrease) in other non-current financial assets | (29,912,579) | (36,540,191) | 90,734,919 |
| Payments for short-term loans from related parties | (15,349,570) | (41,008,435) | - |
| Proceeds from short-term loans to related parties | 1,024,950 | 29,733,985 | - |
| Payments for long-term loans | - | (492,490,118) | - |
| Proceeds from long-term loans to related parties | 6,466,209.00 | - | - |
| Acquire of property, plant and equipment | (354,455,335) | (623,622,879) | (588,496,075) |
| Sales of property, plant and equipment | 5,535,714 | 273,022 | 1,078,715 |
| Acquire of intangible assets | (3,079,006) | (4,694,127) | (4,445,195) |
| Dividend received | - | - | - |
| Net cash used in investing activities | (387,100,386) | (1,167,382,816) | (497,533,017) |



Statements of Cash Flows

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December

| | Consolidated financial statements | Consolidated financial statements | Consolidated financial statements |
|--|---|---|---|
| | 2021 | 2020 | 2019 |
| | Baht | Baht | Baht |
| <i>Cash flows from financing activities</i> | | | |
| Finance cost paid | (77,281,806) | (11,897,197) | (5,532,982) |
| Increase (Decrease) in short-term borrowings from financial institutions | (1,000,000) | (20,682,672) | 30,682,672 |
| Payments for liabilities under rehabilitation plan | (457,608,607) | (374,740,937) | (1,756,655,277) |
| Payments for lease liabilities | (35,852,252) | (33,926,123) | (17,397,332) |
| Dividend paid | (53,900,000) | (24,500,000) | (44,100,000) |
| Net cash used in financing activities | (625,642,665) | (465,746,929) | (1,793,002,919) |
| Net increase (decrease) in cash and cash equivalents | (169,320,197) | 305,745,028 | (395,835,684) |
| Cash and cash equivalents as at 1 January | 665,739,959 | 359,994,931 | 755,830,615 |
| Cash and cash equivalents as at 31 December | 496,419,762 | 665,739,959 | 359,994,931 |



Financial Ratio

Sahaviriya Steel Industries Public Company Limited and Subsidiaries

| | 2021 | 2020 | 2019 |
|---|---------|---------|----------|
| LIQUIDITY RATIO | | | |
| Current ratio (Times) | 1.29 | 1.32 | 1.10 |
| Current ratio exclude long-term borrowings classified (Times) | 1.29 | 1.32 | 1.10 |
| Quick ratio (Times) | 0.09 | 0.19 | 0.06 |
| Quick ratio exclude long-term borrowings classified (Times) | 0.09 | 0.19 | 0.06 |
| Cash ratio (Times) | 0.15 | 0.33 | 0.24 |
| Accounts receivable turnover (Times) | 9.18 | 4.62 | 10.50 |
| Average collection period (Days) | 39.76 | 79.04 | 34.77 |
| Inventories turnover (Times) | 18.64 | 12.90 | 10.45 |
| Inventories turnover (Times) (Excluded Provision) | 18.37 | 13.31 | 10.44 |
| Average days sales (Days) | 19.58 | 28.29 | 34.92 |
| Average days sales (Days) (Excluded Provision) | 19.87 | 27.42 | 34.97 |
| Accounts payable turnover ratio (Times) | 8.41 | 4.36 | 4.67 |
| Accounts payable period (Days) | 43.39 | 83.69 | 78.11 |
| Cash cycle (Days) | 16 | 24 | (8) |
| PROFITABILITY RATIO | | | |
| Gross profit ratio | 8.51% | 3.92% | (1.47%) |
| Operating profit ratio | 5.91% | (0.49%) | (4.68%) |
| Other profit ratio | 0.29% | 0.17% | 1.14% |
| Operating cash flow margin ratio (Times) | 0.40 | (21.82) | (1.61) |
| Net profit ratio | (1.52%) | 2.08% | (7.15%) |
| Return on equity ratio | N/A | N/A | N/A |
| EFFICIENCY RATIO | | | |
| Return on assets ratio | 5.18% | 10.04% | (7.40%) |
| Return on fixed assets ratio | 10.37% | 19.11% | (16.09%) |
| Total assets turnover (Times) | 1.65 | 0.88 | 1.07 |



Financial Ratio

Sahaviriya Steel Industries Public Company Limited and Subsidiaries

| | 2021 | 2020 | 2019 |
|---|-----------|-----------|-----------|
| FINANCIAL POLICY RATIO | | | |
| Debt to equity ratio (Times) | N/A | N/A | N/A |
| Interest bearing debt to equity (Times) | N/A | N/A | N/A |
| Interest coverage ratio (Times) | 0.68 | 1.21 | (320.80) |
| Debt service coverage ratio (Cash Basis) (Times) | 2.05 | 2.97 | 2.97 |
| Dividend payout ratio | - | - | - |
| Per Share Data and Growth Rate | | | |
| Per Share Data | | | |
| Book value per share (Baht) | (1.40) | (1.35) | (3.76) |
| Earnings (Loss) per share (Baht) | (0.05) | 0.03 | (0.16) |
| Dividend per share | - | - | - |
| Growth Rate | | | |
| Total assets | 18.29% | (10.09%) | (15.52%) |
| Total liabilities | 12.13% | (45.84%) | (3.25%) |
| Revenue from sales and revenue from rendering of services | 94.83% | (28.07%) | (18.35%) |
| Operating expenses | 14.79% | (1.09%) | (37.21%) |
| Net profit (loss) | (242.50%) | (120.87%) | (308.03%) |



05/

General Information and Other Importance Information

5.1 General Information

| | |
|---------------------------------|---|
| Name | : Sahaviriya Steel Industries Public Company Limited |
| Abbreviation | : SSI |
| Company Registration No. | : 0107537000688 |
| Website | : http://www.ssi-steel.com |
| Type of Business | : The Company manufactures and distributes hot-rolled coils with a maximum production capacity of 4 million tons per annum and hot-rolled coils pickled and oiled with maximum production capacity of 1 million tons per annum. The Company endeavors to supply premium-grade steel sheets to cater to the region's growing demand in automobile, energy, transportation, and construction sector. In the downstream industry, the Company has investments in Cold Rolled Coil Business under operation of Thai Cold Rolled Steel Sheet Public Company Limited (TCRSS) and Coated Steel Sheet Business under operation of Thai Coated Steel Sheet Company Limited (TCS). In addition, the Company also has investments in related businesses including Engineering Business under operation of West Coast Engineering Company Limited (WCE) and Port Business under operation of Prachuap Port Company Limited (PPC). |

Location

| | |
|---------------------|--|
| Head Office | : 28/1 Prapawit Building, 2 nd - 3 rd Floor, Surasak Road, Silom, Bangrak, Bangkok 10500 Tel. 0-2238-3063-82 Fax 0-2236-8890, 0-2236-8892 |
| Plant Office | : 9 Moo 7, Ban Klang Na - Yai Ploy Road, Mae Ramphueng, Bangsaphan, Prachuap Khiri Khan 77140 Tel. 0-3269-1403, 0-3269-1411, 0-3269-1413-14, 0-3269-1419-20 Fax 0-3269-1416, 0-3269-1421 |



Name, Head Office Location, Type of Business, and Number of Paid-up Shares of Companies in which Shareholding by the Company is More Than 10% of Paid-up Shares as at 31 December 2021

| Name and Head Office Location | Type of Business | Registered Capital (Baht) | Par Value (Baht) | Number of Paid-up Ordinary Shares (Shares) | Shareholding (%) |
|---|----------------------|---------------------------|------------------|--|------------------|
| West Coast Engineering Company Limited 5 th Floor, K & Y Building, 16 Surasak Road, Silom, Bangrak, Bangkok 10500 Tel. 0-2234-9889 Fax 0-2233-6669 | Engineering Business | 120,000,000 | 10 | 12,000,000 | 99.99 |
| Prachuap Port Company Limited 6 th Floor, Prapawit Building, 28/1 Surasak Road, Silom, Bangrak, Bangkok 10500 Tel. 0-2630-0323-32 Fax 0-2236-7057 | Marine Business | 400,000,000 | 10 | 40,000,000 | 51 |
| Thai Cold Rolled Steel Sheet Public Company Limited 5 th Floor, Prapawit Building, 28/1 Surasak Road, Silom, Bangrak, Bangkok 10500 Tel. 0-2630-0300 Fax 0-2630-0320-2 | Downstream Business | 4,816,350,000 | 4.50 | 1,070,300,000 | 51 |

Name and Location of Other References

Share Registrar

Ordinary shares:

Thailand Securities Depository Company Limited
93, Ratchadapisek Road, Din Daeng, Bangkok 10400
Tel. 0-2009-9000 Fax 0-2009-9991
TSD Call Center 0-2009-9999

Auditors:

Mrs. Suvimol Chrityakierne C.P.A. Registration No. 2982
Miss Somjintana Pholhirunrat C.P.A. Registration No. 5599
Mr. Nopparoeck Pissanuwong C.P.A. Registration No. 7764
D I A International Audit Company Limited
316/32 Soi Sukhumvit 22, Sukhumvit Road,
Klongtoey, Bangkok 10110
Tel. 0-2259-5300 Fax 0-2260-1553



5.2 Other Information

-None-

5.3 Legal Disputes

The Company has legal disputes and lawsuits that may have significant impacts on the Company or its subsidiaries as follows:

1) Red Case No. For. 8/2016 (Rehabilitation Case)

On 1 October 2015, the Company filed the business rehabilitation petition to the Central Bankruptcy Court. Regarding this, the Company was indebted to financial institution creditors and trade payables both domestically and internationally while it still had ability to produce and distribute products to the market which demand for the products in steel industry was still high. With the possibility of business rehabilitation and most of the creditors supported to do so, the Company, therefore, submitted a Company's business rehabilitation petition to the court and asked for the Central Bankruptcy Court order to appoint the Company as a Plan Preparer. The Central Bankruptcy Court accepted to the petition of the Company on the same day.

On 10 March 2016, the Central Bankruptcy Court had completed an investigation of the Company's business rehabilitation petition and scheduled an appointment to hear the Company's business rehabilitation order. The Central Bankruptcy Court has ordered the Company to be under rehabilitation and appointed the Company as a plan preparer of the rehabilitation plan ("Plan Preparer").

On 14 July 2016, the Company submitted the rehabilitation plan to the Official Receiver.

On 15 September 2016, the Official Receiver had set a date for the creditors' meeting to consider the rehabilitation plan. The Company and two creditors filed for amendments to the rehabilitation plan. The creditors' meeting issued a special resolution to accept the rehabilitation plan and the revision of the plan of the Plan Preparer on 15 September 2016 and resolved to appoint a creditor committee, consisting of Siam Commercial Bank Public Company Limited, TISCO Public Company Limited and Krung Thai Bank Public Company Limited.

On 9 November 2016, the Central Bankruptcy Court had scheduled an appointment to consider the rehabilitation plan. It appears that on that day, 5 creditors, consisting of 4 creditors of the 3rd group, namely the creditor no. 16, the creditor no. 14, the creditor no. 37, and the creditor no. 20 and 1 creditor of the 6th group, the creditor no. 10, filed a petition against the rehabilitation plan.

On 15 December 2016, the Central Bankruptcy Court issued an order approving the rehabilitation plan which in the rehabilitation plan stipulates that the Company is the Plan Administrator. The creditor no. 16 filed an appeal with the Court of Appeal for specialized case by requesting the court to issue an order disapproving the rehabilitation plan.

In implementing the rehabilitation plan regarding capital restructuring, on 23 December 2016, the Company filed a petition with the Central Bankruptcy Court to request the amendment of the Memorandum of Association of the Company for the reduction of unissued ordinary shares. The Central Bankruptcy Court issued an order granting permission on 22 February 2017 and the Company registered the Company's registered capital reduction at the Department of Business Development, Ministry of Commerce on 1 March 2017.

On 19 April 2017, the Company filed a petition with the Central Bankruptcy Court requesting the amendment to the Memorandum of Association with respect to the Capital Decrease by means of share reduction. Thereafter, on 26 June 2017, the Court rendered the order approving such amendment thereof. On 14 July 2017, the Company has completed the registration of the decrease in its registered capital with the Registrar of Public Limited Companies, Department of Business Development, Ministry of Commerce.

Subsequently, the Company submitted a petition to the Central Bankruptcy Court for the first capital increase according to the rehabilitation plan. On 24 July 2017, the Company filed a petition with the Central Bankruptcy Court to request permission to increase the registered capital for the 1st debt to equity conversion by issuing 10,000 million newly issued ordinary shares to support debt-to-equity conversion to creditors of the 2nd group and or the 3rd group and or the 4th group which are Siam Commercial Bank Public Company Limited, Krung Thai Bank Public Company Limited, TISCO Bank Public Company Limited and CIMB Bank Public Company Limited, at the conversion price of Baht 0.05 per share and the Company submitted a request for the amendment of the Memorandum of Association on 21 September 2017.



The Central Bankruptcy Court issued an order agreeing with the plan and authorizing the amendment of the Company's Memorandum of Association. On 19 October 2017, the Company registered the capital increase for the debt to equity conversion in order to comply with the increase of registered capital at the Department of Business Development Ministry of Commerce.

On 13 February 2018, the Central Bankruptcy Court read an order of the specialized of the Appeal Court dated 14 December 2017, dismissing the appeal of the creditor no. 16. Later on 9 March 2018, the creditor no. 16 filed a petition together with the application for permission to appeal to the Supreme Court. The Company filed an objection to the petition request for a petition from the creditor no. 16 on 26 February 2019. The Central Bankruptcy Court read the order of the Supreme Court's Bankruptcy Division, dated 19 October 2018, not allowing the creditor no. 16 to file petition, dismissing the petition, and rejecting the creditor no. 16 petition, resulting in the final case by law.

On 27 April 2020 and 12 June 2020, the Company submitted a rehabilitation plan (the 1st amendment) to the Official Receiver to send to the creditors before the creditors' meeting held on 18 June 2020. The creditors' meeting had a resolution to approve rehabilitation plan (the 1st amendment) and on 21 August 2020, the Central Bankruptcy Court issued an order approving the rehabilitation plan (the 1st amendment).

On 22 September 2021 and 27 September 2021, the Company submitted the rehabilitation plan (the 2nd amendment) to the Official Receiver to send to the creditors before the creditors' meeting held on 9 November 2021. The creditors' meeting approved the the rehabilitation plan (the 2nd amendment) and on 14 December 2021, the Central Bankruptcy Court issued an order approving with the rehabilitation plan (the 2nd amendment).

2) Red Branch Case No. SorFor. 14/2563 between the Creditor No. 34 (Plaintiff) and the Official Receiver. (Objector No. 1) and the Company (Objector No. 2), which is a Branch Case of the Rehabilitation Case. Black Case No. For. 23/2015, Red No. For. 8/2016

On 25 March 2019, the Official Receiver issued an order dismissing the debt repayment request of the creditor no. 34 in the total amount of Baht 1,928,723,266. The creditor no. 34 filed an objection against the Official Receiver's order with the Central

Bankruptcy Court as a black branch case no. SorForFor 21/2562 and on 28 October 2020, the Central Bankruptcy Court ordered the dismissal of the creditor no. 34's petition by upholding the official receiver's order due to the non-completion of the work of the creditor no. 34. Later, the creditor no. 34 filed an appeal against the Central Bankruptcy Court's order to the Appeal Court to specialize the case and the Company submitted an appeal to the Appeal Court. The Appeal Court had an order to stand by the Central Bankruptcy Court's order which confirmed the order of the Official Receiver. It appears that the creditor no. 34 did not submit a petition together with the application for permission to appeal to the Supreme Court, therefore, the case is final according to the law.

3) Winding-up under the Provision of Insolvency Act 1986 (UK LAW)

On 14 September 2015, a subsidiary of the Company (SSI UK) submitted a request to the High Court of Justice, Chancery Division, Manchester District Registry for an order of liquidation and winding up. On 2 October 2015, the Court ordered SSI UK to close and liquidate under the Insolvency Act 1986 and appointed Mr. Kenneth David Beasley as the Official Receiver.

On 9 October 2015, the High Court Of Justice, Chancery Division, Manchester District Registry by Judge HHJ PELLING QC ordered the Company to connect the SAP IT SYSTEM to be back up and running by 10 October 2015; and let the Company send information contained in the SAP IT SYSTEM that is relevant to its operations to the Official Receiver within 10 October 2015. The expenses incurred should be vested in the Company. In the event of default, this would be charged to the Official Receiver in the liquidation of SSI UK.

On 3 December 2015, the Company and the Company's group filed a claim for debts/claims incurred over SSI UK with the Official Receiver for the total amount USD 193,595,388.25. The Company and the Company's group had already filed a claim for repayment of accounts payable with SSI UK and pledged shares as collateral to continue to exercise recourse against SSI UK, which is currently in the process.



4) Administrative Case

During 2007 and 2008, the Company and its subsidiary (Prachuap Port Company Limited) received a letter of notification from the Prachuap Khiri Khan Provincial Land Office, Bangsaphan Branch to deliver the utilization certificate (Nor. Sor. 3 Kor.) of the Company, totaling 24 plots with book value of Baht 123.1 million and 18 plots of subsidiary company with a book value of Baht 187.6 million, which has a road that cuts through the port and the subsidiary's warehouse with a net book value of Baht 37.7 million, located on the said land. On 16 November 2007 and 25 August 2008, the Company and its subsidiary issued a letter objecting to the consideration of the revocation or amendment of the utilization certificate Nor. Sor. 3 Kor., which was submitted to the Prachuap Khiri Khan Provincial Land Office, Bangsaphan Branch, as the Company and its subsidiary is the land owner with legal rights documents issued by government officials. However, in order to comply with the principle of caution in preparing the financial statements, the Company and its subsidiary therefore recorded an allowance for impairment of land and assets in full amount in the financial statements.

On 5 January 2010, there was an order of the Director-General of the Department of Lands to revoke the utilization certificate (Nor. Sor. 3 Kor.) as mentioned above for almost all the land plots which the Company and its subsidiary had made objection letters. On 28 January 2010, the Company and its subsidiary filed an appeal against the said order with the Deputy Permanent Secretary, Ministry of Interior. Subsequently, on 25 May 2010, the Company and its subsidiary received a letter notifying the result of the appeal hearing from the Deputy Permanent Secretary, Ministry of Interior that the order of the Director-General of the Land Department, which revokes the document of land rights under the utilization certificate (Nor. Sor. 3 Kor.) is a valid order. On 27 May 2010, Prachuap Khiri Khan Provincial Land Office, Bangsaphan Branch called for the Company and its subsidiary to deliver the utilization certificate (Nor. Sor. 3 Kor.) to the Land Office for crossing out. If the Company and its subsidiary did not deliver the utilization certificate (Nor. Sor. 3 Kor.), the Land Office would issue a substitute for the utilization certificate (Nor. Sor. 3 Kor.). On 9 July 2010, the Prachuap Khiri Khan Provincial Land Office, Bangsaphan Branch had, accordingly, issued a substitute for the utilization certificate (Nor. Sor. 3 Kor.) of the company and its subsidiary.

On 20 August 2010, the Company and its subsidiary filed a lawsuit against the land officer of Prachuap Khiri Khan Province, Bangsaphan Branch, to the Central Administrative Court as a Black Case No. 1265/2553 to request the Central Administrative Court's judgment to revoke the issuance of a substitute for the utilization certificate (Nor. Sor. 3 Kor.) of the Company and its subsidiary and to determine measures or means of protection to provide temporary relief to the Company and its subsidiary.

On 1 September 2010, the Company and its subsidiary filed a lawsuit against the Director-General of the Land Department and the Deputy Permanent Secretary, Ministry of Interior to the Central Administrative Court as a Black Case No. 1335/2553 to request the Central Administrative Court's judgment to revoke the order of the Director-General of the Department and to request the revocation of the ruling of the Deputy Permanent Secretary, Ministry of Interior as well as to request the court to investigate the request for suspension of the administrative order. The Central Administrative Court had ordered to combine this case with the black case No. 1265/2553 in which the Company and its subsidiary filed a lawsuit against the Prachuap Khiri Khan Provincial Land Officer, Bangsaphan Branch, as mentioned above.

On 30 March 2011, the Company and its subsidiary filed a lawsuit against the Bangsaphan District Chief and the Minister of Natural Resources and Environment as a Black Case No. 734/2554 to the Central Administrative Court, in the case of Bangsaphan District Chief as an officer who controls and maintains the National Forest Khlong Mae Ramphueng Forest, Prachuap Khiri Khan Province issued the letter dated 20 December 2010 ordering the Company and its subsidiary to leave the land and refrain from any action in the National Forest. The Company and its subsidiary were ordered to leave the land within 30 January 2011 and to refrain from any actions in the land area. Regarding this, the court had ordered the Royal Forest Department to be a party in this case and the Royal Forest Department had already submitted a testimony to the court. The Company and its subsidiary filed a petition to stay the enforcement of Bangsaphan District Chief which subsequently, the Central Administrative Court ordered to suspend the enforcement of the administrative order of Bangsaphan District Chief. After all, the Company and its subsidiary filed an appeal against the Central Administrative Court's order to the Supreme Administrative Court and on 23 December 2014. The Supreme Administrative Court had reversed the order of the Central Administrative Court by requesting to suspend the enforcement of the order that the Company and its subsidiaries to leave the land and refrain from any action in the National Forest because it does not meet the conditions that the court will have the power to issue an order suspending the enforcement.



On 6 June 2011, the Company filed a lawsuit to the Central Administrative Court to claim for damages from the Department of Lands and Department of Provincial Administration as a Black Case No. 1275/2554 in the case of revocation of the utilization certificate (Nor. Sor. 3 Kor.) of the Company, on the 22 plots of land, amounting to Baht 127.8 million, in which the defendant filed an affidavit and the Company and its subsidiary had filed an objection to the testimony. Subsequently, on 3 February 2017, the court ordered not to accept the plaint for consideration to dispose of the case from the documentary and return all court fees to the plaintiff.

Subsequently, on 29 August 2017, the Central Administrative Court **dismissed** Black Case No. 1265/2553 and 1335/2553 as Red Case No. 1530/2560 and 1531/2560 by consideration that the land officer has issued all 52 copies of the Nor. Sor. 3 Kor. to the people who are unable to hold Nor. Sor. 3 Kor. and it is also the issuance of Nor. Sor. 3 Kor. in the National Reserved Forest area, the said Nor. Sor. 3 Kor., is unlawful. Therefore, **the order of the Director-General of the Land Department to revoke and amend the land area in Nor. Sor. 3 Kor. of the plaintiffs (the Company and its subsidiary) and the appeal decision of the Deputy Permanent Secretary, Ministry of Interior which dismissed the appeal of the plaintiffs is legal binding.**

Subsequently, on 27 September 2017, the Company and its subsidiary exercised the right to appeal by submitting an appeal against the judgment of the Central Administrative Court to the Supreme Administrative Court which this case is under consideration by the Supreme Administrative Court.

On 20 February 2018, the Central Administrative Court **dismissed** Black Case No. 734/2554 as Red Case No. 271/2561 by consideration that the Bangsaphan District Chief as an officer, who controls and maintains the National Forest Khlong Mae Ramphueng Forest, used facts based on evidence and orders of the Director-General of the Land Department as reasons for issuing an order for the Company and its subsidiary to refrain from any action in the National Forest and leave the National Forest. Therefore, such order is lawful. As a result, the appeal decision of the Minister of Natural Resources and Environment is legal as well. On 19 March 2018, the Company and its subsidiary filed an appeal against the judgment of the Central Administrative Court to the Supreme Administrative Court.





Part

2

Good
Corporate
Governance



06/

Corporate Governance Policy

6.1 Overview on CG Policy and Guidelines

The Board of Directors at Sahaviriya Steel Industries Public Company Limited are well aware of their role, responsibilities and fiduciary duties assigned to them by the Company's shareholders. The shareholders expect the Board of Directors to govern the Company to ensure efficient and transparent management that creates trust and confidence amongst all stakeholders. The Company conducts its business by adhering to the principles of good corporate governance and business ethics in order to lead the Company's businesses to develop and prosper at a stable and sustainable rate.

The Board of Directors has continuously been taking the good corporate governance of the Company seriously since the adoption of a good corporate governance policy as the principles of management accomplishment in 2002. They subsequently revised the policy in late 2007 to raise the standard of the corporate governance of the Company and to conform to the best practices as required by the Office of the Securities and Exchange Commission and The Stock Exchange of Thailand. In 2013, the Corporate Governance Center of The Stock Exchange of Thailand announced the Principles for Good Corporate Governance for Listed Companies 2012 which were revised to be compatible with ASEAN CG Scorecard criteria and international best practices based on the Principle of Corporate Governance of the Organisation for Economic Co-operation and Development (OECD Principles of Corporate Governance) thus helping Thai listed firms to have their common stocks considered as one of the ASEAN asset classes. The principle comprises of 5 categories, namely:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Responsibilities of the Board of Directors

To ensure the Company's vigorous implementation, as prescribed in the aforementioned policy, the meeting of the Board of Directors in December 2007 resolved to establish a Good Corporate Governance Committee as a sub-committee to assist the Board of Directors on good corporate governance matters. The Good Corporate Governance Committee consists of 3 directors with a 3 years term of office. Although the Chairman of the Good Corporate Governance Committee is not an independent director, the other two committee members are independent directors.

The meeting of the Good Corporate Governance Committee in February 2013 resolved to have the Company amend the good corporate governance policy to comply with the Principles of Good Corporate Governance for Listed Companies 2012. The Board of Directors aims for the enhancement of good corporate governance within the organization, which requires the collaboration of four parties, namely the Board itself, the Company's management, the Company's independent auditors, and the Company's internal auditors.

In order to enable the Company to achieve the above objectives and be adopted to conform to the SEC's and SET's principles of good corporate governance for listed companies, the Board of Directors meeting no. 10/2014 on 18 September 2014 resolved to cancel the Board of Directors' policy no. 1/2007 regarding the Good Corporate Governance Policy which became effective on 3 December 2007 and promulgate the Good Corporate Governance Policy as detailed below.



1. The Board of Directors emphasizes its responsibility to protect the rights and interests of shareholders, to promote the rights of shareholders as provided by laws, and to treat shareholders equally as well as provide each of them with equal access to corporate information.

Principles 1 - 3
• Rights of Shareholders
• Equal Treatment of Shareholders

2. The Board of Directors shall ensure that shareholder meetings and disclosures of corporate information are conducted in accordance with the laws and the guidelines laid down by the Securities and Exchange Commission and The Stock Exchange of Thailand.

3. The Board of Directors shall ensure that guidelines concerning the use and protection of insider information for trading of the Company's securities are implemented and thoroughly communicated to all relevant parties.

4. The Board of Directors shall attend to the rights of stakeholders and oversee that the Company's operations are conducted in compliance with all relevant laws.

Principles 4 - 6
• Rights of Stakeholders

5. The Board of Directors gives special importance to uphold its corporate social responsibility, and especially in regard to those impacts from the business of the Company. To ensure that the business of the Company takes into account environmental, community and societal factors for sustainable development as well as communicated to all stakeholders.

6. The Board of Directors believes the anti-corruption policy to be important, and shall oversee and monitor the implementation of the Anti-corruption policy and guidelines. The Company shall not accept or involve in any type of corruption either directly or indirectly.

7. The Board of Directors emphasizes the transparency of its business operations, whereby conflicts of interest between the Company and its shareholders, and directors, employees, shareholders, and other stakeholders will be eliminated. The Board shall oversee and monitor procedures on conflicts of interest in ways that are scrupulous, honest, reasonable, independent, and moral.

Principles 7 - 8
• Information Disclosure and Transparency

Stakeholders with interests in any transaction must not participate in decision making relating to such transactions, and decisions must be made based on the benefit to the Company and its shareholders. Transaction-related information must be disclosed correctly, completely, and promptly.

8. The Board of Directors shall ensure that investors will have confidence in such a way that disclosures of corporate information are accurate, complete, and promptly.

9. The Board of Directors must consist of no less than three independent directors.

Principles 9 - 17
• Responsibilities of Board of Directors

10. The Board of Directors may establish various committees, whose purpose is to perform the tasks assigned by the Board of Directors, and to study or consider matters before submitting them for consideration to the Board. These committees are the Audit Committee, Nomination and Remuneration Committee, Good Corporate Governance Committee, and Risk Management Committee. Other committees may be established as required for ensuring efficiency, fairness, and transparency of the directors' work.

11. The Board of Directors has seen fit to divide the functions of the Chairman of the Board of Directors, the Group CEO, and the President, among separate and different individuals, with the authority and duties of each position being clearly defined. It has also seen fit to adjust the Manual of Authorization Chart from time to time to clarify the scope of authority to be exercised by the Board and by those in management who have been assigned authority.

12. The Board of Directors are responsible for determining the Company's vision, mission, and business strategies which must be reviewed periodically as well as ensuring that management conducts company business according to these plans.

13. The Board of Directors emphasizes its responsibility to oversee risk management and internal control systems of the Company, and the Board has established an independent Office of Internal Audit within the Company.

14. The Board of Directors shall commit to the Company's business philosophy and shall ensure that the Company's operations are conducted according to the Company's business ethics, a code of ethics for directors, a code of ethics for employees, and shall inform relevant parties.

15. The Board of Directors must hold regular meetings at least once a month, and other special meetings may be held at other times if necessary. Each meeting must be arranged in advance, along with a clear agenda for the meeting. All documents necessary for the meeting must be prepared and sent to board members, as written in the Company Articles, so that they have sufficient time to peruse the documents before the meeting.

16. Each sub-committee must have meetings on a regular basis: the Audit Committee, the Good Corporate Governance Committee and Risk Management Committee must have meetings at least once every three months, and the Nomination and Remuneration Committee must have meetings at least twice a year. Other special meetings may be held at other times if necessary. Each meeting must be arranged, along with a clear agenda for the meeting. All documents necessary for the meeting must be prepared and sent to the Board/Committee members, so that they have sufficient time to peruse the documents before the meeting.



17. The Board of Directors is responsible for considering remuneration for company directors, Group CEO and president as proposed by the Nomination and Remuneration Committee. Remuneration for Group CEO and president is determined by a resolution made at the Board of Directors meeting, and any other remuneration for directors is determined by a resolution made at a shareholder meeting, whereby the amount of remuneration is considered appropriate, transparent and has no conflicts of interest.

18. This policy shall be regularly reviewed and updated as necessary and appropriate.

19. The guidelines to define the details/rules/practices in accordance with the policy will be issued as appropriate, however, those announcements or guidelines issued by virtue of the previous Good Corporate Governance Policy, dated 3 December 2007 will remain in force as far as it does not conflict with this policy or until further notice or new guidelines is issued by the enforcement of this policy.

Since the Company submitted a petition to the Central Bankruptcy Court (the “Court”) for Business Rehabilitation on 1 October 2015 and the Court issued an order for the Rehabilitation on 10 March 2016, the statutory rights of shareholders have been suspended except the right to receive dividends. The Company, therefore, has not required to hold the Annual General Meeting of shareholders since 2016. Consequently, several assessment projects in relation to the Corporate Governance were not evaluated, including the Corporate Governance Report of Thai Listed Companies 2020 (CGR) rating held by the Thai Institute of Directors (IOD) in cooperation with the Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET), and the Quality of the Annual General Meeting rating evaluated by the Office of the Securities and Exchange Commission, in cooperation with Thai Investors Association and Thai Listed Companies Association.



Compliance with the Company’s Corporate Governance

Sahaviriya Steel Industries Public Company Limited realized the importance of the latest corporate governance code for listed companies 2017 (CG Code) issued by the Securities and Exchange Commission (SEC) in March 2017. The Board of Directors understand and be aware of CG Code and realizes its roles and responsibilities as the leader and Governing Body to ensure that the Company achieve sustainable value creation. The Board of Directors has assigned the Good Corporate Governance Committee to consider and proceed further action.

The Company’s activities in 2021 to ensure compliance with the Good Corporate Governance Policy, with reference to the Organization for Governance Economic Co-operation and Development (OECD) principles of Corporate Governance, can be summarised as follows:



1. Rights of Shareholders

2. Equitable Treatment of Shareholders

Pursuant to the first two categories of the good corporate governance principle related to shareholders, since the Company filed a petition to the Central Bankruptcy Court for the business rehabilitation on 1 October 2015 and the court issued the rehabilitation order on 10 March 2016 and appointed the Company as the Plan Preparer, the Company is, consequently, under the rehabilitation process in accordance with the Bankruptcy Act. Therefore, all statutory rights of the shareholders has been suspended with the exception of the right to receive dividends.

The Central Bankruptcy Court approved the rehabilitation plan (the “Plan”) on 15 December 2016 and the Plan determined the Company as a Plan Administrator. Nonetheless, the Company committed to implement the Plan to achieve the success of the Plan as early as possible. All shareholders and stakeholders can access information equally and timely through the Company’s website.

3. The Rights of Stakeholders

The Board of Directors of the Company approved the business philosophy and business ethics, as proposed for revision in 2016. The approved philosophies are to be the principles, beliefs and guidelines for the Company and its personnel to adhere and implement to allow the Company identity to be developed and values given to all groups of stakeholders. This will be a vehicle to drive the Company’s existence, development and sustainable growth.

4. Disclosure and Transparency

The Company realises the importance of information to be informed to the SEC, shareholders and relevant authorities and have its policy to disclose the Company’s key information by taking into consideration of its correctness, completeness and transparency as follows:

1. Disclose financial information and other business related information and operation performance by taking into consideration of fact, completeness, adequacy, timeliness. Financial Statement must be audited by auditor in order to comply with the Generally Accepted Accounting Standard and approved by the Audit Committee and the Board of Directors prior to disclose to the SEC, shareholders and relevant authorities;

2. Disclose significant information to the SEC and on the Company’s website for shareholders and other relevant parties;

3. Disclose roles and duties of the Board of Directors and sub-committees, and number of times each member attended the meeting, remuneration policy for the board and committee and executives in Form 56-1 One Report.

5. The Board of Directors’ Responsibilities

Please see Section 7.2.3 Roles Duties and Responsibilities of the Board of Directors.

6.2 Business Philosophy and Business Ethics of the Company

Business Philosophy

The management of the Company leading to the goal of sustainable growth is based on fundamental business philosophies composed of:

1. Devotion to excellence
2. Adherence to quality of products and services
3. Belief in the value of personnel
4. Commitment to ethics
5. Dedication to social responsibilities

Business Ethics

In conducting the business, the Company adheres to the principles of accountability, transparency, integrity, and business competitiveness by acting in the best interest of all stakeholders in an equitable manner as follows:



1. Shareholders

The Company realises the shareholders are the owners of the Company and the Company has the duty to generate added value to the shareholders in the long term. The Company has therefore stipulated guidelines for the directors, executives, and employees to perform the following:

- 1.1 Perform duties to their fullest capacity with integrity, care, prudence and fair treatment for the best interest of all shareholders.
- 1.2 Present the operating performance report, financial status report and other reports with accuracy and completeness and in a timely manner.
- 1.3 Report the trend of the Company, on both the positive and negative sides, to all shareholders in an equitable manner based upon sufficient factual basis, quantitative information and rationale.
- 1.4 Ensure that there is no exploitation of undisclosed information or any wrongful action for improper advantage for oneself, or others, which may cause conflicts of interest for the Company.

2. Customers

The Company values the vital role and satisfaction of customers which contribute to the success of the Company's businesses. Therefore, the Company has the strong intention to pursue methods that are reliable for customers and that can fulfill the needs of customers in a more efficient and effective manner. The guidelines are as follows:

- 2.1 Deliver quality products and services that meet or exceed the expectation of customers.
- 2.2 Communicate with customers with courtesy and ensure that complete, accurate and up to date information on products and services is given to customers. The Company will not misrepresent the products and services in terms of quality, quantity or any other condition.
- 2.3 Strictly follow the conditions applied by the customers. If the conditions cannot be satisfied, the Company will inform the customers without delay to find a possible solution together.
- 2.4 Establish a system and channel that allows customers to make complaints about quality, quantity and safety of products and service, and respond to the complaints in a timely manner.
- 2.5 Strictly protect confidential information of customers and not use their information for any other interest or in any improper respect.
- 2.6 Provide instructions on the use of products and services in an efficient manner to maximise benefits.

3. Suppliers

The Company realises that ethical conduct with suppliers should be based on fair benefits to both parties. Thus, the Company commits to provide facts and accurate reports, act in accordance with agreements, negotiate and seek solutions based on business relationships as well as avoiding situations which may result in a conflict of interest. The guidelines are as follows:

- 3.1 Never request, receive or pay any fraudulent benefits from or to suppliers.
- 3.2 Where there is evidence indicating a fraudulent benefit has been claimed, received or paid, disclose the relevant information to the suppliers and together find a solution in a timely manner.
- 3.3 Strictly perform in accordance with the conditions of agreements and inform the suppliers in advance if any conditions cannot be met.

4. Competitors

The Company is committed to treating its competitors fairly. The guidelines are as follows:

- 4.1 Never seek any confidential information of the competitors by unfaithful or improper means.
- 4.2 Never damage the competitors' reputation by offensive accusations.

5. Employees

The Company realises that its employees are a valuable resources for the success of the Company; thus the employees are treated fairly in terms of compensation, opportunity, development, and potential based on humanitarian practices regardless of their race, religion, gender or physical condition. The guidelines are as follows:

- 5.1 Treat employees with respect, value and dignity.
- 5.2 Provide fair compensation to employees.
- 5.3 Provide a safe working environment to employees considering their lives and property at all times.
- 5.4 Appoint, rotate, promote and demote employees with sincerity, based on their knowledge, merit and suitability.
- 5.5 Value the development of knowledge and ability of all employees.
- 5.6 Avoid any unfair action which may affect the job security of employees or any action which may threaten or cause pressure to the mental health of employees.



6. Supervisory Authorities

The Company values its duty to comply with the law and business practices. The Company strictly conducts its business under laws, articles, regulations and standards imposed by supervisory authorities as well as cooperating with supervisory authorities on relevant matters.

7. Social and Community

The Company recognises its accountability towards society and the community as the core of its business with full realisation of the possible effect on natural resources and the environment. It has constantly provided support to a number of activities to improve the society and community, safeguard and rejuvenate natural resources as well as to enhance community capacities in an effort to bring about sustainable development.

The Company is concerned about the quality of life of all stakeholders, including employees and their families, the society, and the community. The Company aims to develop its steel industry in parallel with the quality of the society and its communities and the environment. This commitment to sustainable development

involves the establishment of effective systems of management for safety, occupational health, and the environment in accordance with ISO 14001:2005 Environmental Management System Standards and OHSAS 18001 Occupational Health and Safety Management Standards with the purpose of reducing and controlling the risk of any damage occurring to the employees and stakeholders and to improve the safety of the Company's operations.

In 2021, the Company received awards under various categories which its details can be found in section Awards.

6.3 Significant Development on the Policy, Guidelines and System During the Year

6.3.1 Equitable Treatment of Stakeholders

In conducting its business, the Company places an importance on all stakeholders: the shareholders, customers, suppliers, competitors, employees, supervisory authorities, the society and community as stated in the Company's Business Ethics. The Company has therefore established a mechanism to encourage activities and improve the relationship between the Company and its stakeholders, for example: customer's opinion surveys; employee engagement surveys; hearing and Q&A session at the shareholders' meetings; channel for the stakeholders to raise questions and suggestions on the website; channel to inform or make a tip-off or complaint to the Good Corporate Governance Committee; community products and service promotion; and organizing a charity walk-run event to help raise funds for the disadvantaged. In addition, the Company has ensured adequate disclosure of related information to efficiently encourage participation from stakeholders; for instance, publishing product procurement news of the Company on the website to inform business partners and interested parties. Furthermore, department, committee, working committee or sub working committees, specifically those in charge of assignments are set up to take care of every stakeholder. The activities below illustrate the Company's commitment to ascertain equitable treatment of each stakeholder in the year 2021.





1. Stakeholder: Shareholders

- The Corporate Secretary Office performed duties delegated by the Board of Directors as a rehabilitation Plan Preparer or Plan Administrator.

2. Stakeholder: Customers

- The Company put its customers' satisfaction first through its commitment to continuously developing high quality products and quick services. The Company has adopted management systems for quality, environment, health and safety i.e. ISO 9001, ISO/TS 16949, ISO 14001, TIS/OHSAS 18001 in its operation to deliver products and services that satisfy its customers. The Company offered a responsive process to customer needs across various channels, to effectively listen and help understand customer's needs and expectations i.e. face to face meeting with a customer by management team, customer visit by sales team, monthly meeting, training, providing advice and assisting customers with issues related to its products.

- The Company has a complaints handling process. If the customer is not satisfied with the product, the customer can send feedback and complaint via the channel provided. All complaints will be recorded in the system and have to be preliminary responded within two days and immediately informed customer upon completion. There's also the satisfaction rating process and customer engagement survey to obtain an information to continue improving its products, services and system so that the Company can exceed its customer expectations.

- Working Committee for Innovation of Value Added Steel Products and Services for the customers conducted a customer requirement analysis and cooperated with the Production Division to improve the value-added aspects of the products and services development for the customers. In 2021, the Company launched the new value-added products including High strength steel - Tensile strength 590 MPa and Hot-rolled steel coils for heat treatment in order to respond to the world automotive technology development. It is also to response to the government's policy which is committed to support the production of electric vehicles xEV (hybrid, plug-in hybrid, EV, fuel cell), development of automotive industry that is stepping into new technologies with Lightweight Materials for lighter body, increasing sales volume of the automotive segment and development of Premium Feature - WIDefit W+6 in order to reduce width allowance as well as yield loss in the production process for customers in both the pipe and coil center group.

3. Stakeholder: Suppliers and Creditors

- The Company focused on its supplier as a key stakeholders to help each other in the business. The Company treats all supplier equally on the basis of fair competition, respecting each other, building relationships and good cooperation, and strict compliance with contractual terms. The Company has featured in the procurement process, which is a key to control costs, products and services quality. The procedures for procurement are set to ensure transparency, auditability and benefit maximization.

- The Slab Suppliers Audit Working sub-committee has conducted activities to find potential suppliers in respect of quality and quantity to ensure consistency procurement of sufficient raw materials for production within the specified period. The sub-committee has continuously strengthened relationships with manufacturers, such as visiting manufacturers and sellers. Foreign raw material producers were invited to negotiate, consult, exchange information and share experiences with the Company. Due to the COVID-19 pandemic, factory visits during year 2021 were held in form of meetings through Microsoft Teams. In addition, there were review of the Technical Protocol and Specification in the development of a variety of quality classes of raw materials to meet the needs of the market, and cooperation with the manufacturers to find solution for raw material quality problems.



- The Group Procurement Office has performed the following tasks:

1. Disclosing procurement news of the Company via <http://www.ssi-steel.com> to inform suppliers and interested parties wishing to sell products, and offer services of the Company. They are invited to register to become vendors directly to the Company or via the Company's website, as well as submit procurement bids. This enables the Company to have an efficient and transparent procurement process.

2. Sourcing new suppliers and service providers on an ongoing basis in order to have suppliers, service providers and producers with high potential and ability to produce or sell high quality products that meet the Company requirements at an appropriate price and on time delivery. Every entrepreneur is treated equally. In 2021, the number of vendors have increased by 196.

3. Due to the COVID-19 pandemic, there were no annual seminars and meetings with suppliers and service providers during year 2021. However, the Company's procurement policy and group procurement guidelines, other related issues on the procurement policy, the safety, occupational health and environment policy as well as the Anti-corruption policy and no-gift policy have been emphasised to them.

4. In 2021, the Company has procured Baht 1,929 million of goods from general suppliers, including energy products of Baht 791 million, roll of Baht 13 million, spares of Baht 151 million, consumables of Baht 190 million, fixed asset and capital expenditures 172 million, services of Baht 597 million and others of Baht 13 million. The Company also procured products from local communities in Bangsaphan area with a volume of Baht 293 million. In 2022, the Company expects its volume of procurement to rise by up to Baht 2,000 million from general suppliers and Baht 250 million from local communities.

5. In 2021, Visiting the production process and management system of 3 general suppliers and 9 suppliers in Bangsaphan to review their production processes and product quality to ensure those products meet the Company requirements and expectations. In addition, suggestions will be made on an improvement of quality and delivery of those products and services.

6. Assisting to promote and support the products produced or distributed by the community and the services they render. Projects have been in place to support and develop the products produced by the Bangsaphan community in accordance with the Company's corporate social responsibility policy.

- The Company has policy to treat all creditors fairly and equally. The Company strictly abided by all terms of any loan agreement with its creditors and financial institutions in a responsible and transparent manner including the purpose of lending, repayment, collateral treatment. It will not conceal any information or hide any facts that might possibly result in the realization of losses for its creditors. If the Company is unable to meet any of the criteria it agreed to, it must immediately notify its creditors to jointly solve the problem.

4. Stakeholder: Competitors

- The Company recognises the importance of conducting its business with competitors fairly and ethically. There is a policy in place to not gather confidential information of the competitors by unfaithful or improper means and not to destroy the reputation of the competitors by offensive accusations.

- HRC producers in Thailand have gathered and form the Thai hot rolled steel association. The meetings among members was held to allow knowledge sharing, strengthen relationships and help promote the enterprise. The association also cooperated with the government in promoting trade and industrial cooperation as well as production development to produce in sufficient quantities to serve needs of both domestic and international market.

5. Stakeholder: Employees

- The Human Resources and Administration Division is committed to following the Company's business philosophy which places an importance on the value of personnel and that the quality employees contribute to the success of the organisation. Hence, the Company has always arranged appropriate employment conditions that provide suitable compensation for the employees in order to encourage motivation. A number of welfare benefits are initiated in various forms. The Company provide: provident fund, health insurance, life and accident insurance, training and seminars for employees, scholarships, special low interest rate loan program with Government Housing Bank and transportation services to and from SSI Bangsaphan Plant, Fitness, food court at Bangsaphan. The Company supported for activities of employee's saving cooperatives and establishment of cremation welfare group.

- The Company values the importance of employee welfare and benefits as well as the quality of life of employees and their families. This can be seen from the National Outstanding Industrial Establishment Award in Labour Welfare/Relations Category in 19 consecutive years type (2003 - 2021).



- The Company has the policies and procedures were amended to keep pace with the changes as appropriate. All employees can access these policies and procedures posted on information board and intranet. New employees are also introduced to the Company policies by new employee orientation program. The policies include the following:

1. The compensation management has been introduced since 2002 to motivate employees to perform their work more efficiently and be fair. Employee compensation is considered based on Goals Program Achievement Evaluation, individual contributions that add value to the company and annual business turnover.

2. Benefits such as

- Hardship allowances since 1994 for employees who have been delegated to work at Bangsaphan plant as an incentive for living and working in Bangsaphan area.

- Per diem, accommodation and vehicles (Domestic and Overseas) allowances, since 1997, to assist employees who have to work, attend training/seminar outside the office.

- Housing loan, since 1999, to help employees and their family with housing assistance.

- Long service award, since 2000, to promote long-standing careers within the Company and to strengthen corporate employee engagement through recognising and honouring the commitment and dedication of long-term employees.

- Rent allowances, since 2001, to help employees who have been delegated to work at Bangsaphan plant with housing rent.

- Compensation benefit in case of death, since 2001, to offer support and help relieve the suffering of employees or their family members in case of death.

- Home visit for sickness absence, since 2002, to express concerns and provide appropriate assistance for them.

- Uniform, since 2003, the Company provided uniform for employees for tidiness and safety in the workplace.

- Shuttle bus service for employees, since 2005, to provide a convenient way for employees to travel to work at plant.

- Group medical and health insurance, since 2008, to promote employees' wellness and health and ensure employees receive prompt medical care.

- In case of death of family member, since 2015, employees were allowed to leave to attend funeral of their family member. The Company provided benefits to all employees with the aim to provide appropriate level of both physical and mental well-being to employees, good health, safety at work, prosperity and stability in life, not only for the employees but also their family.

3. Provident fund, since 1999, to provide employees with financial security and stability, a lump sum benefit at retirement or resignation as well as to provide security for their families in case of death of an employee.

4. The savings cooperative, since 2003, to encourage its members to save money, know the savings and provide loans to other members when necessary.

5. Human resource development, since 2002, to give employees development opportunities by providing training, seminar, academic conference, study visit and etc. This will enable employees to enhance their knowledge, understanding and skill which result in effective performance. In 2021, the Company had an average training hours of 23.72 hours/person/year and a report of which was submitted to the Board of Directors on a monthly basis.

- The Company also provides a working environment that encourages the employees to be good, smart and socially accepted people which includes the "SSI WAY" activities by creating role models for other employees to promote the desired values. The Company focuses on building relationships within the workplace under the "Care Organisation" project which comprises of several sub-projects for building close relationships for the employees. The sub-projects include: (1) Management meeting with employees, including those at SSI Bangsaphan Plant to communicate policies to employees of each division (2) Supervisor meetings with employees to provide job coaching that focuses on consulting an individual on both work and non-work related matters. (3) Employee meeting with employee, including a mentoring program for a new employee. In addition, the Company focusses on creating a better work-life balance by encouraging the employees and their families to participate in activities with the Company.



- The Company realises that communication is a significant factor to success. The Company provides thorough channels including internal magazine, newspaper, wire broadcasting, internal television, SMS, social network i.e. Facebook and effective communication skills training for supervisors. The Company aims at employee involvement and participation by setting up working committees to manage specific matters for the employees such as the Canteen Committee, the Recreation Committee, etc. Such projects demonstrate that the Company values its employees. The projects and activities have been carried out with the intention to develop employees to grow together with the Company through care and sustainable growth.

6. Stakeholder: Supervisory Authorities

- The Company places emphasis on lawful and ethical working practices and strictly conducts its business in accordance with the law, articles, regulations and standards imposed by the authorities of which whether it be labour, employment, consumer, trade competitor, environment, intellectual property or copyright, anti-corruption or human right as well as cooperates with supervisory authorities. The directors, executives and employees at all levels are expected to carry out their work in a way that complies with the law in order to support the Company to be an efficient and ethical business. This is considered as an important mechanism that would result in the Company's work processes and procedures being accurate, thoughtful and support it to achieve its objectives. As a result, over the past years the Company has never received punishment for delay disclosure of material matter within a period determined by the authorities or any other cause.

- The Company also adopted IT policy no. 4/2000 regarding computer virus dated 27 October 2000 which stated that all computer programs must be authorised by the Company before using, had a valid license, programmed by a well-known and trusted manufacturer or seller and well tested. The Group Legal Office quarterly presented a summary report on the Company's legal compliance including compliance with the copyright act which reported by the Group Information Technology Office.

7. Stakeholders: Social and Community

- Sahaviriya Steel Industries Public Company Limited applied business philosophy and ethics in its business by believing in the value of personel, caring for a good quality of employee's life, having safe and hygienic the working conditions and dedicating to social and environmental responsibilities. The safety, health and environmental management system was considered to be crucial to business operations. The Company has committed to and given support to the management system in order to develop and continually improve the management system as the safety, health and environmental requirements.

- The Group Sustainable Development and Communication Office undertook various activities as shown in the Corporate and Social Responsibility Report.

- The Safety, Environment and Plant Integrity Management Office are engaged in social and community contribution and environmental activities as follows:

1. The Company promulgated the safety, occupational health and environment policy signed by the President in 2019 to demonstrate its commitment to reducing and preventing work-related accidents and illness, preventing and reducing the impact on the environment as well as saving resources and energy. The Company developed many project plans such as risk assessment, safety training, safety audit, work environment measurement, environmental monitoring and surveillance for employee and community, check up by health risk factor, campaign for reporting and improving work environment, Volunteer Project for Strengthening discipline, Culture, safety and environment (BBS), Zero Accident project, emergency plan testing, awareness campaign on waste segregation and recycling which is the most effective waste disposal method, design, the process designed for wastewater recycling (Zero Discharge) and etc. to follow the Standard for occupational health and safety management systems (ISO 45001) and environmental management system (ISO 14001).



2. The Company announced the energy policy signed by the Group Chief Executive Officer and President in 2019, to demonstrate its commitment to appropriately improving the energy management system by preparing for ISO 50001 certification process in 2020.

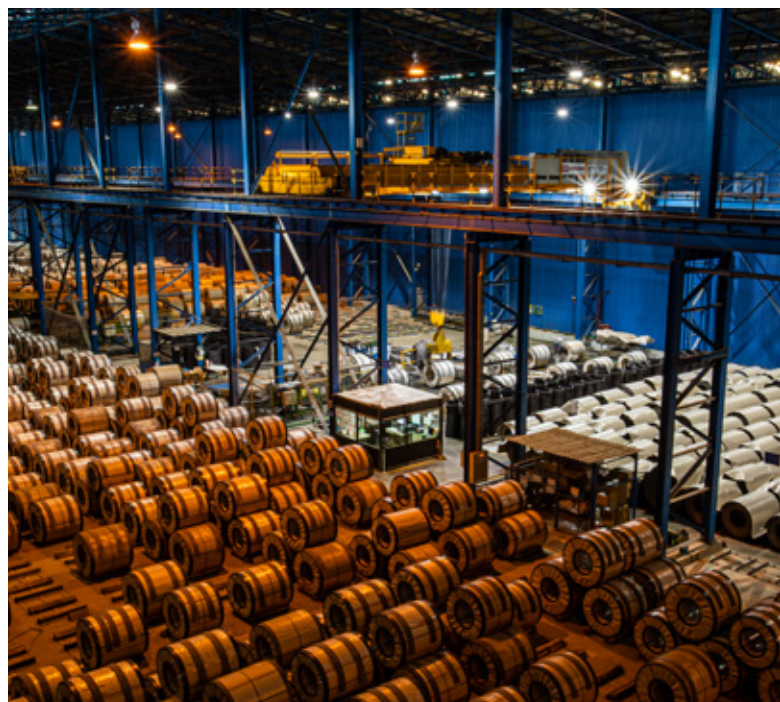
3. The Company provided training for all employees and contractors in order to give knowledge and better understanding of the environmental impacts that may result from their activities and how to minimize the impact that they have to strictly follow the rules such as separation of waste, control of waste and pollution from the production process and emergency response management to prevent environmental impact.

4. The Company reported the result of projects implemented in 2021 that the work-related accidents rate reached the target. The rate of work-related injury that results in days away from work in 2021 was 0 cases per one million hours worked equal to that of 2020. Also, there were no environmental issues that affects to the community due to the continuously control of water and air pollution as well as industrial waste in accordance with the legal standards.

5. The Company promoted resource-saving program to help businesses use resources more efficiently in accordance with the environmental programs which includes reducing fuel consumption, reducing electricity consumption, reducing waste such as the separation of waste for the proper treatment and disposal.

6. The Company continually conducted an annual community's attitudes survey as the plant operation may cause both positive and negative impacts on the community such as economic, social and environmental impacts. This is to understand the views of the community and various impacts arising from the plant operation that leads to joint decision making between the plant and community through a participatory process such as the meeting with local council and community leaders, etc. The results of these processes will be taken into consideration to determine the appropriate management strategies to create sustainable satisfaction for community.

7. Safety and environmental policy demonstrates the Company's commitment to reduce the environmental impact and preserve natural resources and energy by using them more efficiently. Furthermore reducing losses, sorting of the waste generated by the activities of the Company as well as reducing, controlling and treating waste in order to minimise environmental impacts, reducing and preventing the effects of climate change and taking care of biodiversity in the area were also conducted. The success of safety, environmental and energy conservation program is affirmed by various certifications and awards as follows:



- ISO 14001 certification: standard for environmental management system (since 1999).

- TIS/OHSAS 18001 certification: standard for occupational health and safety management systems since 2002 - 2015 and changed to OHSAS 18001 since 2015, until the mid year 2019 and changed to the ISO 45001 from the end of the year 2019 until the present.

- Silver Level Certificate of Zero Accident Campaign Award 2021

- Green Industry Certificate (Green Culture), level 4

- The National Outstanding Establishment Award in Safety, Occupational Health and Working Environment for the year 2021, Gold Level

- Certificate of Zero Waste To Landfill: ZWL-DIW

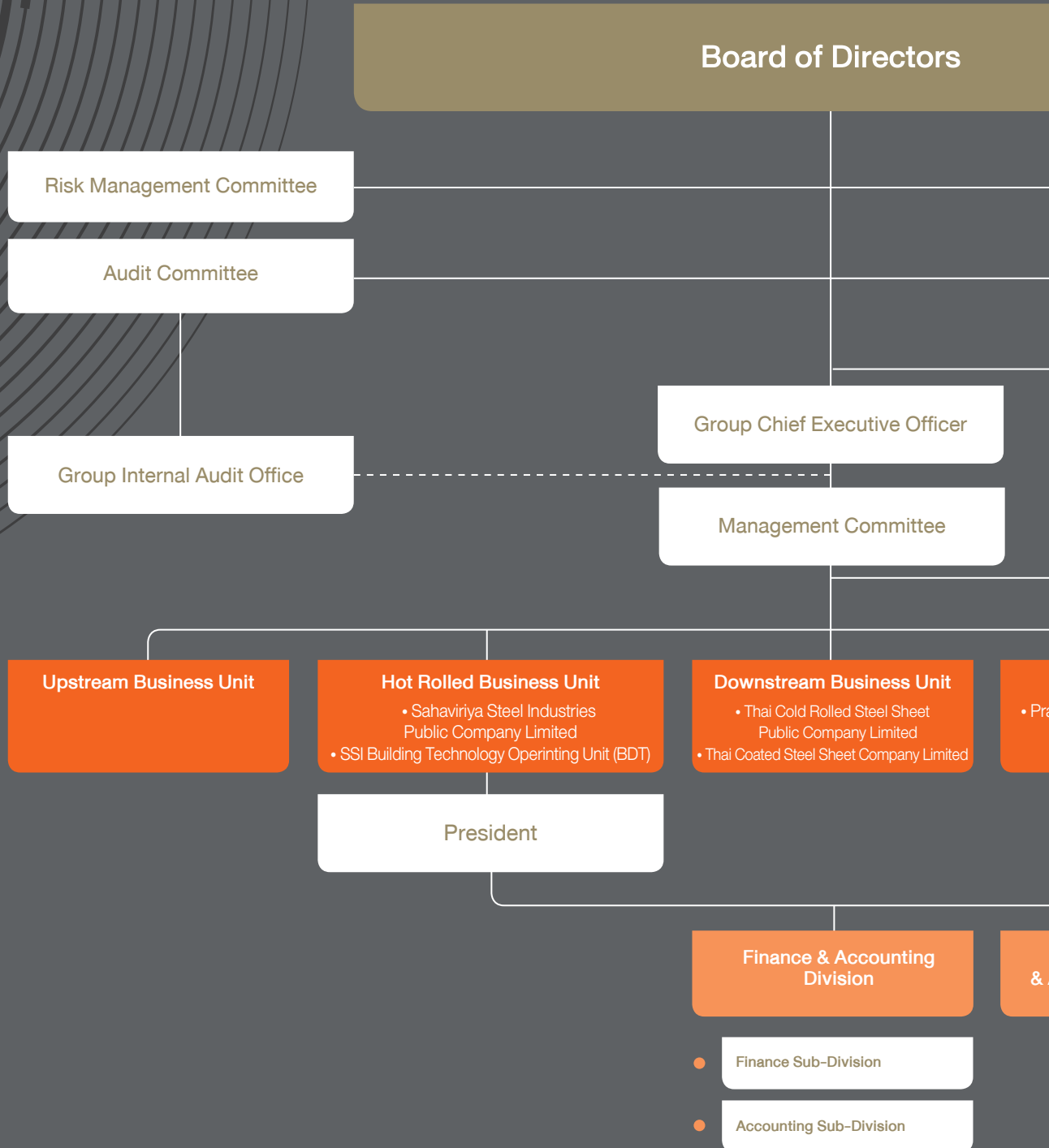
- The Group Procurement Office supported the purchase of environmentally friendly products by sourcing products that have been authorized to use the Green label by the Thailand Environment Institute and also provided support to energy saving policy. In 2021, Ceramic Blankets have been procured for use at Furnaces No. 1 and No. 2, and LED lamps at HFL, PO Line and Substation areas in Bangsaphan plant have been used continuously.



07/

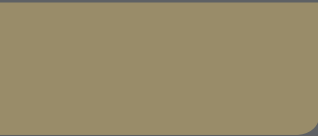
Governance Structure and Key Information of the Sub-Committees, Management, Personnel and O

7.1 Governance Structure





Board of Directors, Others



Nomination & Remuneration
Committee

Good Corporate Governance
Committee

Office of the Chairman
• Corporate Secretariat Office

- Group Technology Office
- Group Finance and Accounting Office
- Group Risk Management Office
- Group Information Technology Office
- Group Sustainable Development and Communication Office
- Group Infrastructure and Local Affairs Office
- Group Procurement Office
- Group Legal Office
- Group Government Affairs Office
- Group Human Resources Office
- Group Compliance and Corporate Governance Office

Marine Business Unit
Sachuap Port Company Limited

Engineering Business Unit
• West Coast Engineering
Company Limited

Energy Business Unit

Infrastructure Business Unit

Human Resources
Administration Division

Commercial Division

Manufacturing Division

Digital Commerce Division

• Sale and Marketing Sub-Division

• Steel Raw Material Supply
Sub-Division

• Innovation Sub-Division

• Commercial Strategy
and Synergy Sub-Division

• Operation Sub-Division

• Maintenance Sub-Division

• Product Engineering and Quality
Assurance Sub-Division

• Process Automation Control
Office



7.2 Board of Directors

7.2.1 Composition of the Board

The Board of Directors consists of qualified individuals with knowledge, competence, experience and special expertise from diverse area i.e. production, management, finance and accounting and long experience in the steel industry that is beneficial to the Company. Members of the Board of Directors registered with the Ministry of Commerce dated 21 January 2022, consisted of 11 members, including 5 independent directors, 6 non-executive directors and 4 executive directors. The number of independent directors is sufficient as defined by the Good Corporate Governance Policy and the Principles of for Listed Companies 2012.

Term of Appointment of Director and Independent Director

The directors shall hold the term of appointment as stipulated in the Public Limited Companies Act B.E. 2535 and the Company's Articles of Association, which prescribe that at every Annual General Meeting, one-third (1/3) of the directors shall retire by rotation. A retiring director is a director who has the longest term as director and can be re-elected by the shareholders at the next annual general meeting of the Company and shall then eligible for re-election.

However, since the Company filed a petition to the Central Bankruptcy Court for the business rehabilitation and the Court issued the rehabilitation order and appointed the Company as a Plan Preparer on 10 March 2016, the power and duties in managing the business and assets of the Company and all legal rights of shareholders except the right to receive dividends were transferred to the Plan Preparer, pursuant to Section 90/25 of the Bankruptcy Act. The Company therefore did not has to hold its shareholders' meeting, neither an Annual General Meeting nor an extraordinary General Meeting until the court revokes the rehabilitation order or the Company's business rehabilitation, as the case may be.

On 15 December, 2016, the Central Bankruptcy Court approved the rehabilitation plan. All rights and duties of the Plan Preparer were immediately transferred to the Plan Administrator, pursuant to Section 90/59 of the Bankruptcy Act. As the Plan determined the Company as a Plan Administrator, the directors and independent directors of the Company then continue to serve as the directors and independent directors of the Plan Administrator.

The Company has not set the limit on the number of consecutive terms in office of director and independent director for the purpose of the flexibility of selecting a candidate who has appropriate experience and competence for the responsibility, and has a good insight into the Company and its operations.

Segregation of Duties of the Chairman of the Board of Directors and the President

The duties and responsibilities of key people within the Company are segregated. Mr. Kamol Juntima is the Chairman of the Board of Directors and Mr. Nava Chantanasurakon is the President of the Company with the segregation of duties and responsibilities of each position explicitly determined.

Roles and Responsibilities of the Chairman of the Board

1. Chairman of the Board of Directors' meeting and shareholders' meeting, ensure efficient meeting in compliance with the Company's Articles of Association, and encourage directors and shareholders to be involved and express their opinions independently in the meeting.
2. Determine meeting agenda in collaboration with the Group Chief Executive Officer and President.
3. Encourage and support directors to contribute their utmost abilities, in accordance with duties and responsibilities under good corporate governance and business code of conduct, as well as discharge their duties with responsibilities to shareholders and any stakeholders concerned.
4. Supervise and monitor tasks of the Board and the Committees to ensure that the Company's objectives are achieved as set forth.
5. Support the operation of the management without any involvement in the Company's routine administration.
6. Roles and responsibilities of the Chairman of the Board of Directors other than mentioned above are enforced pursuant to the provisions of relevant laws.



Independence of the Chairman of the Board of Directors

The Company does not have a policy requiring the Chairman of the Board of Directors to be an independent director due to the limitation in seeking a suitable person within the period specified. The iron and steel industry needs an experienced and proficient person in this specific area of expertise to take such position, apart from the qualifications of board vision and managerial expertise to maximise the benefits of the Company, the shareholders and other stakeholders.

Company Secretary

The Company Secretary advises on legal issues and regulations necessary for the Board of Directors to know and perform the duty as well as coordinates to ensure the required execution of work according to the resolutions of the Board of Directors. The Board of Directors appointed Mr. Surasak Ngamsidhipongsa as the Company Secretary and defined his qualifications and scope of duties and responsibilities as follows:

Qualifications

1. Having a basic knowledge of laws and regulations regarding Public Limited Company, Security and Exchange law, or having attended training courses concerning corporate secretarial practices;
2. Having knowledge and understanding about corporate governance principles and best practices;
3. Being independent in the discharge of duties.

Duties and Responsibilities

1. Providing basic advice pertaining to the laws and regulations, corporate governance best practices and the Company's articles of association as well as reporting any significant changes to the Board;
2. Preparing agendas and documents for the Shareholders and Board of Directors Meetings;
3. Arranging the Shareholders and Board of Directors Meetings in accordance with the legal regulations and best practices;

4. Preparing the minutes of the Shareholders and Board of Directors Meetings, and monitoring subsequent actions in accordance with resolutions of those meetings;
5. Preparing and keeping registrations of directors, annual reports and notifications calling Shareholders and Board of Directors Meetings, as well as the minutes of the Shareholders and Board of Directors Meetings;
6. Ensuring that the directors and executives have filed reports on their interests and related persons' interests, as required by law, as well as keeping reports on interest filed by directors and executives, and presenting copies of such reports to the Chairman of the Board, Chairman of the Audit Committee and the Chairman of the Good Corporate Governance Committee, as specified by law;
7. Ensuring that the corporate information disclosures distributed to regulatory agencies are in accordance with the law and regulations;
8. Assisting in Board activities;
9. Arranging performance assessments of the Board of Directors and reporting the results to the Board;
10. Communicating with shareholders on their legitimate rights and on the Company's information;
11. Performing any other tasks in relation to compliance with the law and other regulatory requirements.

7.2.2 The Board of Directors and Controlling Person

The names of the Board of Directors are as follows:

1. Mr. Kamol Juntima
Chairman of the Board of Directors
2. Mr. Tongchat Hongladaromp
Director and Independent Director
3. Mr. Siripol Yodmuangcharoen
Director and Independent Director
4. Mr. Permpoon Krairiksh
Director and Independent Director
5. Mr. Yarnsak Manomaiphiboon
Director and Independent Director
6. Mr. Napong Sirikantayakul
Director and Independent Director
7. Mr. Somchai Pipitvijitkorn
Director



8. Mr. Win Viriyaprapaikit
Director
9. Mr. Nava Chantanasurakon
Director
10. Mr. Kittisak Mapanao
Director
11. Mr. Narongrit Chotnuchittrakul
Director

Directors who are authorised to sign on behalf of the Company are Mr. Kamol Juntima or Mr. Somchai Pipitvijitkorn or Mr. Win Viriyaprapaikit or Mr. Nava Chantanasurakon or Mr. Kittisak Mapanao or Mr. Narongrit Chotnuchittrakul. Any two of these six directors can sign a document and affix the Company's seal.

7.2.3 Role, Duties and Responsibilities of the Board of Directors

The Board of Directors has the duty to approve or grant its consent on material businesses related to vision, mission, business direction and policy, business plan, strategy and the annual budget of the Company. The Board of Directors also govern the risk management and business operations to conform with the provided policies and business plan effectively and to comply with the law, rules and regulations of the supervisory authorities, objectives and regulations of the Company and the resolutions made at the Board of Directors' meetings and shareholders' meetings, concerning the best interests of the Company and stakeholders. This aims to bring about stable and sustainable growth to the Company which will lead to value creation to the shareholders in the long term.

The Board of Directors has reviewed the vision, mission and business strategies plan annually, as well as monitor and ensure that the strategy is implemented and setting in Board meeting agenda.

Authority and Duties of the Board of Directors

1. The Board of Directors are authorised and obligated to ensure that the Company as a debtor and a Plan Administrator operates with fiduciary duty, care and integrity; and complies with the objectives as well as all rules, conditions and procedures set forth in the rehabilitation plan and the Court's order.

2. By resolution or written authorisation, the Board of Directors is entitled to delegate its responsibilities to any person or individual, who may or may not be director, who will act on the Company's behalf and sign their names so as to legally bind the Company according to conditions given to any person so delegated by the Board of Directors. The Board of Directors may delegate various aspects of its authority to one or more people.

3. The Board of Directors must meet, no less, than once every three months.

4. The Board of Directors must provide a balance sheet and income statement at the end of its fiscal year. These financial statements must be reviewed and audited by the external certified auditor and must be approved at the Board of Directors' meeting within four months after the end of the fiscal year.

5. During the Company's rehabilitation process, the Board of Directors, as the Plan Preparer and the Plan Administrator respectively, shall have authorities to manage the Company's business and assets and hold the shareholder's rights (except for the right to receive dividends, if any), in accordance with the Bankruptcy Act, until the Central Bankruptcy Court revokes the rehabilitation order or the rehabilitation of the Company, as the case may be.

6. The Board of Directors must appoint the Company Secretary to perform their duty on behalf of the Company or the Board of Directors as determined by law.

In case of retirement or the inability to perform the duty required of the Company Secretary, the Board of Directors must appoint the new Company Secretary within 90 days from the date on which the position becomes vacant. The Board of Directors is authorised to assign any board member to act as the Company Secretary during the vacant period. The Chairman of the Board of Directors shall notify the Securities and Exchange Commission as to the name of the new Company Secretary within 14 days from the date on which the appointment is made, and also notify the Securities and Exchange Commission of the place where the documents are kept as determined by law.



Good Corporate Governance Policy

The Board of Directors aims for an enhancement in the standard of good corporate governance. In 2002, the Board of Directors officially approved a good corporate governance policy of Sahaviriya Steel Industries Public Company Limited corresponding to the fifteen principles of good corporate governance stipulated by The Stock Exchange of Thailand. In December 2007, the meeting of the Board of Directors resolved to revise the good corporate governance policy of Sahaviriya Steel Industries Public Company Limited to conform to the principles of good corporate governance for listed companies for the year 2006 as stipulated by The Stock Exchange of Thailand. Lately, in September 2014, the Company promulgated the new Good Corporate Governance Policy to be in accordance with the principles of good corporate governance for listed companies for the year 2012 published by the Thai Institute of Directors in cooperation with The Stock Exchange of Thailand and the Office of the Securities and Exchange Commission in January 2013.

Code of Ethics for Directors

To conform with the Company's business philosophy, in 2001, the Board of Directors passed a resolution setting out a code of ethics for the Company's directors.

1. The Company's directors must perform their duties in the spirit of the Company's business philosophy and adhere to the code of ethics established by the Company.
2. The Company's directors must perform their duties in compliance with the law, objectives and regulations of the Company, and resolutions of the shareholders' meetings, and with all due honesty, integrity, and care for the interests of the Company.
3. The Company's directors must dedicate sufficient time and all their knowledge, competence, and managerial skills in performing their duties and responsibilities to drive prosperity and stability of the Company and proper value creation.
4. The Company's directors must perform their duties considering their responsibility to the shareholders and with all due concern for the interests of stakeholders, and must treat all groups properly and fairly.
5. The Company's directors must not use their position to seek unfair benefits, must not disclose the Company's confidential information to outsiders, must not seek benefits for themselves or related parties using the Company's inside information and must not perform any action that will result in a conflict of interest to the Company.

7.3 Sub-Committees

The Board of Directors has decentralised its authority and duties by appointing several sub-committees to assist in implementation of relevant matters by studying and screening material businesses under the scope assigned by the Board of Directors. There were 6 sub-committees appointed. However, in 2011, the Board of Directors' Meeting resolved to rearrange the management structure of the Company, so the sub-committees has remained 4 committees as follows:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Good Corporate Governance Committee
4. Risk Management Committee

All sub-committees have an independent director as a chairman except for the Good Corporate Governance Committee. All members of the Audit Committee are independent directors. Most of the members of the Good Corporate Governance Committee and the Risk Management Committee are independent directors. Most of the members of the Nomination and Remuneration Committee are not independent directors. However, the Board of Directors will further consider increasing the number of independent directors. The sub-committees have the term of office of 3 years as specified by the Company where the limit on the number of consecutive terms in the same position is not stipulated.

In addition, in 2011 the Board of Directors also resolved to establish the Management Committee to take on responsibilities previously belong to the Board of Executive Directors. The Management Committee consists of the senior executives of the Company as the members. Mr. Win Viriyaprapaikit, Group CEO, has been appointed as the Chairman of the Management Committee.

The scope of authority, duties, and responsibilities of the sub-committees are as follows:



1. Audit Committee

As of 31 December 2021 the Audit Committee consisted of three members, whose term of office is 3 years, (from 30 June 2020 to 29 June 2023) as follows:

1. Mr. Yarnsak Manomaiphiboon
Chairman of the Audit Committee
2. Mr. Permpoon Krairiksh
Audit Committee Member
3. Mr. Napong Sirikantayakul
Audit Committee Member

All of the Audit Committee Members have adequate knowledge and adequate experience to perform its duties in reviewing the reliability of financial statements.

Scope of Duties and Responsibilities of the Audit Committee

1. To review and ensure the accuracy and adequacy of the Company's financial reports.
2. To review and ensure the suitability and effectiveness of the Company's internal control system, internal audit system and anti-corruption measures. To determine the independence of the internal audit office, and to approve the appointment, transfer and dismissal of the Head of Internal Audit.
3. To ensure the Company's compliance with the Securities and Exchange Commission laws and laws relating to the Company's business, as well as rules, regulations, notifications and orders issued by such laws.
4. To review the Company's risk management system, particularly focusing on the Company's major risks.
5. To consider, select and nominate the Company's auditor and recommend his/her remuneration.
6. To review related transactions and transactions with potential conflict of interest comply with the securities and exchange laws and laws relating to the Company's business as well as rules, regulations, notifications and orders issued by such laws.
7. To consider commissioning and ad-hoc consultants, at the Company's expense, when professional advice or specific expertise is required.
8. To perform any other act as delegated by the Board of Directors.

9. In performing its duty; if the Audit Committee finds or suspects any reports or actions which have a material impact on the financial position and results of operations of the Company, the Audit Committee shall report to the Board of Directors in time (for rectification) deemed as appropriate by the Audit Committee:

- 9.1 Report on conflicts of interest.
- 9.2 Fraud, Irregularity or Material defects in the internal control system.
- 9.3 Infringement of the Securities and Exchange Commission laws, and laws relating to the Company's business as well as rules, regulations, notifications and orders issued by such laws.

10. To report the operational results of the Audit Committee to the Board of Directors at least twice a year.

11. To prepare the report of the Audit Committee for disclosure in the annual report. The report must be signed by the Audit Committee Chairperson disclosing the necessary information under the basis and regulations of The Stock Exchange of Thailand.

2. The Nomination and Remuneration Committee

As of 31 December 2021, the Nomination and Remuneration Committee consisted of 3 members whose term of office is 3 years (from 1 September 2020 to 31 August 2023) as follows:

1. Mr. Siripol Yodmuangcharoen
Chairman of the Nomination and Remuneration Committee
2. Mr. Somchai Pipitvijitkorn
Nomination and Remuneration Committee Member
3. Mr. Nava Chantanasurakon
Nomination and Remuneration Committee Member

Scope of the Duties and Responsibilities of the Nomination and Remuneration Committee

1. Duties and Responsibilities - Nomination
 - 1.1 Select and review candidates nominated to hold the position of a director, the president or higher. For a vacancy in the executive officer position or the Board of Directors position, in the event the position is open for reasons other than the expiration of a term of office, a list of nominees will be submitted to the Board of Directors for resolution. While in other cases, a list of qualified candidates available to fulfill a director vacancy and selected by the Board of Directors, will be proposed to their shareholders at the Annual General Meeting of Shareholders for resolution.



1.2 To select personnel suitable for nominating as the Company's directors or the President, and submit their names at the Board of Directors' meeting and/or a shareholders' meeting for further consideration as stated in 1.1, the Nomination and Remuneration Committee shall proceed as follows:

1.2.1 Consider the qualifications and personal characteristics of the candidates proposed for selection as Board members or President, with regards to: Leadership, special expertise and certain knowledge and experience required, morals, integrity, accountability, principles and professional commitment to work, maturity and stability and the ability to express an independent opinion.

1.2.2 Consider the independence and qualification of candidates proposed for selection as independent directors.

1.2.3 Consider the candidates available time in evaluating whether it is enough to devote to the position as the Company's director. Other considerations such as, the number of meetings attended will be reviewed in the re-election of any director for an additional term and also the number of companies that candidates serve simultaneously will be taken into account in the Nomination of new directors.

1.2.4 Comprehensively verify that candidates meet the qualifications required by legal and regulatory requirements.

1.3 Review and propose alterations to the Board of Directors regarding the appropriateness of the size and composition of the Board to effectively perform their duties. Aspects such as the size of the Board; the Board shall have enough qualified directors to be delegated to a sub-committee. The composition of the Board; The Board shall consist of qualified individuals with knowledge, competence, experience and special expertise from diverse areas in order to ensure prudent decision making. In addition, the appropriate size of independent directors shall be taken into consideration in accordance with good corporate governance best practices.

1.4 Perform other duties regarding nomination as assigned by the Board of Directors.

2. Duties and Responsibilities - Remuneration

2.1 Consider remuneration for the Board of Directors, a director as a member of sub-committees and the President and propose the remuneration at the Board of Directors' meeting or a shareholders' meeting as the case may be for resolution. This remuneration shall include (a) monthly retainers (b) meeting attendance fees (c) incentives i.e. annual bonuses or pensions and (d) other benefits.

2.2 To be transparent, fair and reasonable when determining the appropriate remuneration, the Nomination and Remuneration Committee shall proceed within the following criteria and guidelines:

2.2.1 The remuneration shall be reasonable and of a level that is able to attract and retain directors and executives who possess the required qualification. The Committee may consider comparing its remuneration with other companies of a similar size; measured by sales revenue, total assets, profitability, complexity etc.

2.2.2 The remuneration shall be appropriate and relate to the scope of the duties and responsibility of each director. The more responsibilities assigned to the directors the more compensation they shall receive. For example, any additional compensation should be paid to a member of a sub-committee for service on a sub-committee in addition to compensation for services as a director. Moreover, the chairman of the Board of Directors and a sub-committee should be compensated more than their members, at an appropriate rate.

2.2.3 The remuneration of the directors that link to the Company's performance such as an annual bonus, shall also link to the return to shareholders by way of dividends. If a dividend is not paid to the shareholders in the year, a bonus will not be paid to the directors.

2.2.4 An executive director position will only be paid for service as an executive officer and not for service as a board member.



2.3 Review and recommend to the Board of Directors regarding the appropriate remuneration for the Board of Directors, on an annual basis. In doing so, follow the criteria and guidelines for determining the remuneration as stated above, prior to the proposal in a shareholders' meeting for further consideration.

2.4 Evaluate the performance of the president level and higher on an annual basis, in order to determine their remuneration, before a proposal to the Board of Directors for approval. The annual total returns, performance of other significant duties as well as the long term value creation of the Company and shareholders will be taken into consideration for the performance evaluation. Moreover, there shall be comparisons made of the Company's performance against other companies in the same industry to support the decision.

2.5 Perform other duties regarding remuneration as assigned by the Board of Directors.

3. The committee may seek the advice of outside advisors or experts, as deemed necessary and appropriate, at the Company's expense, in order to obtain the beneficial advice so as to aid the efficiency, performance of duties and responsibilities of the Committee.

4. For reporting, the committee shall report regularly of performance results to the Board of Directors according to its charter:

4.1 Report meeting results to the Board of Directors for acknowledgement after every meeting of the Nomination and Remuneration Committee as well as other significant reports regarding nomination and remuneration as deemed appropriate.

4.2 Report performance results of the Nomination and Remuneration Committee to the shareholders on an annual basis via the Company's annual report.

3. Good Corporate Governance Committee

As of 31 December 2021, the Good Corporate Governance Committee consisted of 3 members, whose term of office is 3 years (from 4 December 2019 to 3 December 2022), as follows:

1. Mr. Kamol Juntima
Chairman of the Good Corporate Governance Committee
2. Mr. Yarnsak Manomaiphobon
Good Corporate Governance Committee Member
3. Mr. Siripol Yodmuangcharoen
Good Corporate Governance Committee Member

Scope of Duties and Responsibilities of the Good Corporate Governance Committee

1. Assess and propose to the Board of Directors the Company's policies concerning good corporate governance in accordance to business philosophy, and the code of business conduct of the Company as well as international good corporate governance principles.

2. Develop and evaluate procedures or guidelines concerning good corporate governance and propose them to the Board of Directors.

3. Oversee the performance of the Company's management to ensure that they conform to the Company's policies and guidelines concerning good corporate governance as approved by the Board of Directors.

4. Provide advice on corporate social responsibility (CSR) to the Company management.

5. Oversee the Company's management to ensure that they establish a clear execution plan for CSR policies, and follow up their implementation according to the plan, submitting the results to the Board of Directors.

6. Review business philosophies, codes of business conduct, codes of ethics for directors and codes of ethics for employee, as well as guidelines concerning the aforementioned as deemed appropriate, proposing the finding to the Board of Directors.

7. Review policies and practices regarding the anti-corruption and whistleblowing to be in line with standard practices as well as rules, regulations and relevant laws before proposing to the Board for approval.

8. Oversee, advise and monitor to ensure the implementation on the policy and practices concerning the anti-corruption and whistleblowing.

9. Appoint external good corporate governance advisers if deemed necessary and appropriate, at the Company's expense.



10. The Good Corporate Governance Committee may take courses to enhance its knowledge in matters related to its work, at the Company's expense.

11. Perform any other tasks relating to good corporate governance that are assigned by the Board of Directors.

12. Report the results of the Good Corporate Governance Committee's tasks to the Board of Directors for acknowledgement on an appropriate basis or at least twice a year. They must report immediately to the Board of Directors for acknowledgement or consideration of a matter that has a significant impact on the Company, and provide suggestion or recommendation for such matter as it deems appropriate.

13. Prepare a report of the Company's Good Corporate Governance for disclosure to the shareholders on an annual basis via the Company's annual report (56-2 form):

13.1 A report of the Good Corporate Governance Committee signed by the Chairman of the Committee;

13.2 A report on Compliance with the Principles of Good Corporate Governance as defined by The Stock Exchanges of Thailand and the Securities and Exchange Commission.

4. Risk Management Committee

As of 31 December 2021, the Risk Management Committee consisted of 3 members whose term of office is three years (from 4 December 2019 to 3 December 2022), as follows:

1. Mr. Permpoon Krairiksh
Chairman of the Risk Management Committee
2. Mr. Tongchat Hongladaromp
Risk Management Committee Member
3. Mr. Somchai Pipitvijitkorn
Risk Management Committee Member

Scope of Duties and Responsibilities of the Risk Management Committee

1. Review and propose the Company's risk management policy and acceptable risk appetite to the Board of Directors for approval.
2. Oversee the development and implementation of the Company's enterprise risk management framework.
3. Review risk management reports submitted by management in order to monitor the Company's major risk exposures and take appropriate action to ensure that such risks have been effectively monitored and controlled by management on an ongoing basis.

4. Make additional recommendations to the Board of Directors with respect to risk management, including problems and difficulties encountered in the course of the development of the Company's risk management system.

5. In carrying out its duties and responsibilities, the Risk Management Committee may engage outside professional consultants for advice, as deemed necessary and appropriate, and may take courses to enhance its knowledge in the matter related to its works, at the expense of the Company.

6. Perform any other duties as may be assigned by the Board concerning risk management.

Management Committee

As of 31 December 2021, the Management Committee consisted of 13 members, as follows:

1. Mr. Win Viriyaprapaikit
Chairman of the Management Committee
2. Mr. Nava Chantanasurakon
Management Committee Member
3. Mr. Somsak Sivapaiboon
Management Committee Member
4. Mr. Jira Chotinuchit
Management Committee Member
5. Mr. Narongrit Chotnuchittrakul
Management Committee Member
6. Mr. Kittisak Mapanao
Management Committee Member
7. Mr. Yongyuth Malithong
Management Committee Member
8. Mr. Veerawit Tulalamba
Management Committee Member
9. Mr. Manin Inprom
Management Committee Member
10. Mr. Napat Panupichit
Management Committee Member
11. Mr. Jetphalin Santavanond
Management Committee Member
12. Mr. Theerawut Lompongpipat
Management Committee Member
13. Mr. Chalerm Angkatip
Management Committee Member



Scope of Duties and Responsibilities of the Management Committee

1. Study, analyse and propose the Company's policies, strategies, long-term plans, annual plans, budgets, investment plan, capital budgets, expansion plans and plans for new operations or joint ventures; to the Board of Directors for approval.

2. Responsible for implementing the policies and plans approved by the Board of Directors, as well as monitoring and evaluating the results of those operations to submit to the Board of Directors for its consideration.

3. Comply with the scope of authority determined under the Authorization Chart approved by the Board of Directors.

4. Perform any other duties as assigned by the Board of Directors.

7.4 Management

The Company's executives, corporate secretary and secretary to sub-committees as of 31 December 2021 are as follows:

1. Mr. Win Viriyaprapaikit
 - Group Chief Executive Officer
 - Head of Upstream Business Unit
 - Head of Hot Rolled Business Unit
 - Head of HBU Business Stewardship and Business Partners Office
2. Mr. Nava Chantanasurakon
 - President
3. Mr. Kittisak Mapanao
 - Senior Vice President
 - Chief Technology Officer
 - Head of Engineering Business Unit
4. Mr. Narongrit Chotnuchittrakul
 - Senior Vice President
 - Supervision
 - Group Information Technology Office
 - Chief Financial Officer (CFO)
 - Group Chief Financial Officer
 - Head of Group Risk Management Office
 - Head of Downstream Business Unit and Secretary to the Risk Management Committee
5. Mr. Somsak Sivapaiboon
 - Senior Vice President
 - Head of Marine Business Unit
 - Head of Partnership Management Center
 - Head of Marine Business Development Office
 - Head of Ship Building & Recycling Business Office
 - Head of Offshore Business Office
 - Head of MBU Business Stewardship and Business Partners Office
6. Mr. Jira Chotinuchit
 - Senior Vice President
 - Supervision
 - Group Legal Office
 - Group Sustainable Development and Communication Office
 - Group Infrastructure and Local Affairs Office
 - Group Compliance and Corporate Governance Office
 - Head of Energy Business Unit
 - Head of Group Procurement Office
 - Head of Infrastructure Business Unit
7. Mr. Thinnakorn Phadungwong
 - Vice President
 - Head of Steel Solution Center
8. Mr. Manin Inprom
 - Vice President
 - Management
 - Manufacturing Division
9. Mr. Peter Rowson
 - Vice President
 - Business Unit
 - Upstream Business Unit
10. Mr. Veerawit Tulalamba
 - Vice President, Downstream Business Unit
11. Mr. Yongyuth Malithong
 - Vice President
 - Head of Group Human Resources Office and Secretary to the Nomination and Remuneration Committee
12. Mr. Narase Krudpun
 - Vice President
 - Head of SSI Building Technology Operating Unit
13. Mr. Napat Panupichit
 - Vice President
 - Head of Commercial Division
14. Mr. Chaovarat Junpradub
 - Vice President,
 - Head of Galvanized Steel Business Development
 - Head of Group Material Engineering Office



15. Mr. Ratchata Jirachotekamjorn
 - Vice President
 - Head of Robotic & Automation Business Development Office
 - Vice President Supervision
 - Group Automation Technology Office
16. Mr. Chaiphath Khemaphiruk
 - Vice President
 - Deputy Head of Infrastructure Business Unit
17. Mr. Surasak Ngamsidhipongsa
 - Company Secretary

Information of executive of the Company and its subsidiaries operating major business is as shown in Attachment 1.

Director and Executive Remuneration

Remuneration of directors and executives would be based on their scope of responsibilities and the Company's overall performance. Remuneration of senior executives would also be based on their annual goals program. The director and senior executive remuneration package should be attractive enough to maintain qualified people with the Company while considering a comparison on remuneration package provided by the Company and that of other comparable entities in terms of good corporate governance in the industry.

Details of remuneration of directors and senior executives in 2021 can be found in the section of the Remuneration of Directors and Management.

7.5 Personnel

The Company has total 1,271 employees in 2021 and remuneration of Baht 930 million have been paid to them. Such remuneration was composed of salary, overtime pay, living allowance, bonus, special allowance, legal compensation, social security contribution and provident fund contribution, etc. Affiliates and Joint Venture have also paid remuneration to their employees in the same manner as follows:

| Level | SSI | TCR | WCE | PPC | Total |
|-----------------------------|--------------|------------|------------|-----------|--------------|
| Executives | 80 | 8 | 5 | 1 | 94 |
| Managements | 216 | 75 | 37 | 6 | 334 |
| Supervisors | 516 | 206 | 150 | 29 | 901 |
| Operations | 459 | 576 | 506 | 54 | 1,595 |
| Total | 1,271 | 865 | 698 | 90 | 2,924 |
| Contractor | 241 | 161 | 132 | 2 | 536 |
| Remuneration (million Baht) | 930 | 403 | 239 | 44 | 1,616 |

Personel Development Policy

• Training and Development

The Company has provided several trainings for employees at all levels to develop employees according to their competency as well as the trainings required by law held in different courses in the areas of (1) Management, (2) Behavior at work, (3) Technical for specialised tasks, (4) Productivity development, (5) Quality assurance and (6) Safety, occupational health and environment, etc.



The Company has focused on developing employees to be smart and good people in accordance with the “SSI Way” established to create awareness and understanding of vision, values, philosophy and business ethics as well as employee ethics. With the aiming for employees to aware and act in accordance with the Company’s vision and values as well as having morals and ethics in accordance with the SSI WAY, the Company shall be able to develop and grow sustainably with satisfaction of all groups of stakeholders, eventually.

In 2021, the Company had organised online training for employees at all levels. There were technical courses such as (1) Digital Transformation, (2) Digital Service Design, (3) Information Management, etc. There were also Management courses such as the School of Management Course 201, the School of Business and Knowledge and skill development courses to be in line with business directions and goals, such as designing and creating Course Outline, internal training in accordance with the development of knowledge and skills according to the Training Road Map, etc.

In addition, the Company has sent employees to attend online trainings with various, domestic and oversea, external institutes to enhance knowledge and ability as well as new experiences for their work effectively. Besides the external trainings, employees had chances to visit leading companies both in the same and different industries. The Happy Workplace project was also established to build happiness in 6 aspects: (1) Happy Body (good health); having good physically and mentally health, (2) Happy Heart (kind heart); with kindness and compassion for each other, (3) Happy Soul (peaceful way); having faith in religion and morality in life, (4) Happy Relax (Relax); know how to relax life, (5) Happy Brain (finding knowledge); having self-development all the time, and (6) Happy Society (good society); with love and harmony and be generous to the communities where they work and where they live. The project has been done through 15 activities such as happiness before retirement and birthday activities for Happy Body, etc. The activities are organised as suggested by staffs and the labor relations activities both online and onsite were held in accordance with DMHTTA measures for COVID-19 prevention, such as New Year’s activities, Run For Friends Virtual Run activities, and game room activities.

7.6 Other Key Information

7.6.1 The Company’s Secretary, the person supervising accounting (Chief Accountant), Head of Internal Audit and Head of Compliance

Company Secretary

The Board of Directors appointed Mr. Surasak Ngamsidhipongsa as the Company Secretary as from 21 January 1994, qualification of this position including responsibilities can be found in 7.2.1 Board Composition

The person supervising accounting (Chief Accountant)

Mr. Thanapatr Phongpipattana, Senior Manager, Accounting details are as shown in Attachment 1.

Head of Internal Audit

Miss Pattamawan Buntang, AVP, Group Internal Audit Office and Secretary to the Audit Committee, details are as shown in Attachment 3.



Head of Compliance

Mr. Jirapat Pathamasuwan, AVP, Group Corporate Governance and Compliance Office, details are as shown in Attachment 3.

7.6.2 Additional Information and Contact

Additional information are provided in the Company's website <http://www.ssi-steel.com>

Contact and communication channel for inquiries or information request raised to the Company via e-mail address:

pr@ssi-steel.com or ir@ssi-steel.com

7.6.3 Auditor's Remuneration in 2021

1. Audit Fee

The Company and its subsidiaries including Prachuap Port Company Limited and West Coast Engineering Company Limited accrued an audit fee for the past fiscal year of Baht 3,670,000 to DIA International Audit Company Limited which is 2.51% higher than the year 2020. The other expenses (Out-of-pocket Expense) which consist of transportation costs for work at Baht 500 per day per company and other expenses related to operations will be actually charged.

For its joint venture, Thai Cold Rolled Steel Sheet Public Company Limited (TCRSS), accrued an audit fee for 2021 of Baht 1,380,000 to EY Office Limited and other expenses (Out-of-pocket Expense) related to operations will be actually charged.

2. Non-audit Fee

In 2021, there were no non-audit fee charged to the Company and its subsidiaries including JV.



08/

Key Performance in Corporate Governance

8.1 Performance of the Board of Directors in 2021

8.1.1 Nomination, Development and Assessment of Performance of the Board of Directors

Director and Executive Development

The Company has set a policy to encourage and support the directors and executives to attend training courses or participate in Company activities, for example, a company visit at other listed company in order to increase their knowledge and potential. Such knowledge are brought to enhance the Company's operations. Training and seminars are provided both inside and outside the Company. In addition, a rotation program for senior executives in the SSI Group has also been conducted to share and gain experience within the Group.

To support the implementation mentioned above, the Company has also established the policy on human resource development, and guideline regarding employee training and seminars and a guideline regarding reimbursement of training and seminar expenses.

Development Program for Directors

1) Orientation for new directors

In 2021, there was newly appointed director to replace the retired director. When there is a new director, the Corporate Secretary Office gathers and delivers documents and information necessary for new director to perform his duties. These comprise of the director manual, corporate authorisation manual, code of ethics of directors and other material information of the Company, i.e. business philosophy, business ethics, vision, value, morality of employees and conflicts of interest as published in the corporate manual under the title of SSI WAY.

2) Training and seminars for directors

Details can be found in the section Details of Directors.

Development Program for Executives and Succession Plan

1) Orientation for new executives

For new executives, an introduction to the Company's business and operations has been provided by the executives from each division with related documents and information given as a working manual i.e. corporate authorisation manual and SSI WAY manual.

2) Training and seminar for executives

The Company encourages directors and executives to attend seminars that are useful in performing business/industrial management duties and the roles and responsibilities. In which all have received training for basic practice in the duties of directors and executives. Details can be found in the section Details of Directors and Executives.



In 2021, the following directors and executives underwent training and seminars;

| Name | Position | Course/Seminar in 2021 | Organisation |
|--------------------------------|----------|---|--|
| Mr. Win Viriyaprapaikit | Director | <ol style="list-style-type: none"> Digital CEO program #4 2021 SEAISI Sustainability Construction Fortnight e-Event | <p>Digital Economy Promotion Agency (DUPA)</p> <p>South East Asia Iron and Steel Institute (SEAISI)</p> |
| Mr. Nava Chantanasurakon | Director | <ol style="list-style-type: none"> Certificate in Environmental Governance for Executives, Class 8 | <p>Department of Environmental Quality Promotion, Ministry of Natural Resources and Environment, cooperated with Chulalongkorn University</p> |
| Mr. Narongrit Chotnuchittrakul | Director | <ol style="list-style-type: none"> Director Certification Program (DCP) 309/2021 Accounting Management for Listed Companies: The essence of TFRS for PAEs and Changes in 2021 M&A Trends and Directions, important issues and strategy. | <p>The Stock Exchange of Thailand (SET)</p> <p>The Stock Exchange of Thailand (SET)</p> <p>The Stock Exchange of Thailand (SET)</p> |
| Mr. Jira Chotinuchit | Director | <ol style="list-style-type: none"> The Executive Program in Energy Literacy for a Sustainable Future | <p>Thailand Energy Academy</p> |
| Mr. Somsak Sivapaiboon | Director | <ol style="list-style-type: none"> Security Management Course for Senior Executives (SML Class 2) | <p>The Association of National Defence College of Thailand Under The Royal Patronage of His Majesty The King (ANDCT)</p> |
| Mr. Kittisak Mapanao | Director | <ol style="list-style-type: none"> PRICING STRATEGIES for Revenue Optimization The Asia Green Growth Partnership Ministerial Meeting (AGGPM) 7 Days to go until Opening of the Major International Virtual Industrial Event on Energy, Environment: ASEA&PVA Virtual Edition Robotics Summit 2021 Symposium of Sustainable Hydrogen Production for Green Environment and Chemical Products, the 47th International Congress on Science, Technology, and Technology-based Innovation (STT47) | <p>OMEGAWORLDCLASS</p> <p>The Ministry of Economy, Trade and Industry (METI)</p> <p>Ministry of Energy</p> <p>Thai Digital Technology User Group Association (DUGA) / ABSOLUTE ALLANCES (THAILAND) CO., LTD.</p> <p>Bio-Circular-Green Economy Technology & Engineering Center</p> |



The Company has introduced Human Resource Policy (Extra) No. 2/2005 regarding the Succession Plan to accommodate the planning for future human resources of the Company by defining successors for key positions.

The Succession Plan Sub-committee has planned and formulated a successor development program by preparing an Individual Development Plan for the successors in order to develop their potential in accordance with the Company's requirements. The Company has identified the successors for key positions.

The Board of Directors' Performance Assessment

The Board Self-Assessment

The Company conducted a yearly self-assessment of the Board of Directors with the first implementation at the beginning of 2006 on their performance for the year 2005. The Board of Directors assessed its own performance using the Board of Directors Self-Assessment Guide of The Stock Exchange of Thailand, and has employed the same approach every year. Input from this self-evaluation would be reviewed and used as guidelines for solving prospective problems and obstacles in the future. Each director is able to discuss the overall performance of the Board of Directors for further improvement and more effective development. The Board of Directors does not employ this approach on an individual basis.

Sub-Committees' Self-assessment

For the self-assessment of the committees, In 2021, The sub-committee including Nomination and Remuneration Committee, Good Corporate Governance Committee and Risk Management Committee conducted self-assessment using the self assessment of committee on individual basis and as a whole form issued by The Stock Exchange of Thailand. The Audit Committee has an annual assessment which has been conducted since 2000. In earlier periods, it was done using the Audit Committee Self-Assessment Guide based on guidelines provided by the Thai Institute of Directors (IOD) and the American Institute of Certified Public Accountants (AICPA). Later in 2011, the "Form

of Self-assessment of Audit Committee Performance" has been applied based on guidelines given in the "Audit Committee Manual" of the Office of the Securities and Exchange Commission in cooperation with The Stock Exchange of Thailand, the Thai Institute of Directors and Pricewaterhouse Coopers Company Limited published to listed companies on 28 December 2010. Its results will be annually reported to the Board of Directors. From 2015, the Audit Committee conducted self-assessment using both form issued by the Office of the Securities and Exchange Commission and The Stock Exchange of Thailand. In 2021, the Board of Director acknowledged the self-assessment report of all sub-committees.

8.1.2 Meeting Attendance and Individual Directors' Compensation

Meeting of the Board

Determination of Meeting Schedules of the Board of Directors and Sub-Committees

The Company has determined the meeting schedules of the Board of Directors and sub-committees for the year in advance by coordinating with related parties to set the schedule and inform each director, committee and relevant internal departments beforehand. Therefore, the directors and executives are able to arrange their schedules and attend the meetings all together. The Board of Directors' meetings are held monthly. Apart from the agenda specified by the President, each director can also propose the matters to be included as the meeting's agenda through various sub-committees and the Chairman of the Board of Directors will consider the matters to be included to ensure all important businesses are taken into account by the meeting.

In the meetings of the Board of Directors and sub-committees, relevant senior executives of the Company also attend the meetings to provide supporting information on behalf of the person in charge. It is also a good opportunity for the Board of Directors to know the senior executives which can be helpful when considering the succession plan.



In each meeting, the Board of Directors has acknowledged the reports on operating performance and progress on the tasks assigned as well as considered the matters under the scope of duties and responsibilities of the Board of Directors. The Board of Directors has governed and supervised the corporate management and sub-committees to perform according to the plans and policies under the scope of duties and responsibilities assigned by the Board of Directors. The Company Secretary is the person pursuing the meeting to be in accordance with the Good Corporate Governance Policy of the Company. The meeting must have clarity on the agenda. The distribution of notices and supporting documents to the directors must comply with the Company's articles of association which require a prior notification of not less than 7 days before the meeting date. Therefore, the directors have sufficient time to study the information. Each meeting takes approximately 2 hours. In 2021, there were 13 meetings of the Board of Directors, as the Plan Administrator (once a month except in March held 2 meetings).

The meetings of sub-committees independently take a consideration on implementation of various activities under the scope of duties and responsibilities assigned by the Board of Directors with the secretary of each committee organising the meetings and notices and supporting documents distributed prior to the meeting dates.

In 2021, the meetings of sub-committees can be summarised as follows:

- 1) Audit Committee held 5 meetings in February (2 meetings), May, August, and November.
- 2) Nomination and Remuneration Committee held 5 meetings in February, April, July, November and December.
- 3) Good Corporate Governance Committee held 4 meetings in March, June, August and December.
- 4) Risk Management Committee held 4 meetings in February, May, July and November.

The Company also held specific meetings of independent directors consisting of 5 members. In 2021, there were 1 meetings held in March to discuss on the management problems of the Company. If there is a material issue, the independent directors will propose to the Board of Directors' meeting for further consideration.

Furthermore, all the directors can also take part in corporate management with informal meetings held to consider particular matters concerning different areas of knowledge, proficiency, and suggestion needed from the directors i.e. engineering, production, or specific management area. Certain matters have also been discussed over the telephone with the directors having direct experience on a regular basis.



Summary of Attendance of each Director in the Board of Directors' Meetings and Sub-Committees' Meetings

Meeting Attendance of Directors in 2021 (Number of Meetings Attended/Number of Meetings Held)

| Name | Board of Directors (As the Plan Administrator) | Audit Committee | Nomination and Remuneration Committee | Good Corporate Governance Committee | Risk Management Committee | Independent Directors |
|--|---|-----------------|---------------------------------------|-------------------------------------|---------------------------|-----------------------|
| 1. Mr. Kamol Juntima Chairman of the Board of Directors | 12/13 | | | 4/4 | | |
| 2. Mr. Tongchat Hongladaromp Independent Director | 9/13 | | | | 1/4 | 1/1 |
| 3. Mr. Siripol Yodmuangcharoen Independent Director | 13/13 | | 5/5 | 4/4 | | 1/1 |
| 4. Mr. Somchai Pipitvijitkorn Director | 13/13 | | 5/5 | | 4/4 | |
| 5. Mr. Permpoon Krairiksh Independent Director | 9/13 | 5/5 | | | 4/4 | 1/1 |
| 6. Mr. Yarnsak Manomaiphiboon Independent Director | 13/13 | 5/5 | | 4/4 | | 0/1 |
| 7. Mr. Narong Sirikantayakul Independent Director | 5/13 | 2/5 | | | | 0/1 |
| 8. Mr. Win Viriyaprapaikit Director | 13/13 | | | | | |
| 9. Mr. Nava Chantanasurakon Director | 13/13 | | 4/5 | | | |
| 10. Mr. Kittisak Mapanao Director | 13/13 | | | | | |
| 11. Mr. Narongrit Chotnuchittrakul Director | 13/13 | | | | | |

Remark:

For some directors who were not able to attend the meetings of the Board of Directors or sub-committees as indicated above due to necessary reason or inevitably important business, the directors not attending the meeting also submitted a leave notice prior to the meeting. In case the directors have any issue or suggestion to propose in any agenda, they can inform the Company's Secretary or the secretary of the meeting of each sub-committee.



Remuneration for each Director

1. Total Monetary Remuneration

The directors' remuneration, approved by the Annual General Meeting of Shareholders, was as follows:

1.1 The remuneration of Meeting Allowance for directors and the members of committees appointed by the Board of Directors, approved by the Meeting of Shareholders, was as follows:

| | | |
|---|--------|--------------|
| (1) (1.1) Directors | 25,000 | Baht/month |
| (1.2) Chairperson of the Audit Committee | 18,750 | Baht/meeting |
| Audit Committee Members | 15,000 | Baht/meeting |
| (1.3) Chairman of the Good Corporate Governance Committee | 12,500 | Baht/meeting |
| Good Corporate Governance Committee Members | 10,000 | Baht/meeting |
| (1.4) Chairman of the Risk Management Committee | 12,500 | Baht/meeting |
| Risk Management Committee Members | 10,000 | Baht/meeting |
| (1.5) Chairman of the Nomination and Remuneration Committee | 12,500 | Baht/meeting |
| Nomination and Remuneration Committee Members | 10,000 | Baht/meeting |

(2) The Company's directors who were appointed as a member of each committee by the Board of Directors should receive the additional remuneration according to additional job responsibilities and working hours.

1.2 The Chairman of the Board of Directors and the Deputy Chairman of the Board of Directors shall be entitled to monthly remuneration for full-time performance of Baht 300,000 and Baht 200,000 respectively. However, they shall not be entitled to any other meeting allowances, both to be paid for the Board of Directors and other committee appointed by the Board of Directors.

1.3 The Chairman of the Audit Committee shall receive extra remuneration for the provision of suggestion regarding the details of special audit other than normal audit serviced as an audit committee in an amount of Baht 10,000 per month.

1.4 Directors who are also an employee of the Company shall be entitled to compensation as an employee only, and shall not receive any other remuneration as a director.

1.5 Health, accident, and life insurance premiums shall not exceed Baht 20,000 per person. For any directors whom insurance companies decline to offer any or all insurance coverage and/or exclude coverage of certain types of illness in the case of health insurance for whatever reason, the Company shall be directly responsible for disbursement to such directors for amount up to the claim or sum insured available from the health, accident and life insurance policies had the director been insured for the same insurance premium approved by shareholders.

1.6 The directors' remuneration or annual bonuses

(1) The directors' bonuses shall be paid only if there is a dividend payment to the shareholders. If the Company has no dividend payment in any year, the directors shall not receive the directors' bonuses on such year.

(2) The directors' bonuses rates should account for 0.25% to 0.50% of the dividend payment to the shareholders. The Chairman of the Board of Directors and the Deputy Chairman of the Board of Directors should receive the directors' bonuses at 10% and 5% higher than those of the directors respectively.

(3) The directors whose working period is less than one year shall receive the directors' bonuses in proportion to their actual working period.

Remunerations shall be paid according to principles 1.1 to 1.6 mentioned above unless the shareholders' meeting resolves otherwise.

The Nomination and Remuneration Committee considered, in the meeting No. 1/2021 dated 15 February 2021, that the existing rate of the directors' remuneration was appropriate under the Business Rehabilitation and resolved to maintain the remuneration payment determination from point 1.1 to 1.6 above until the shareholders' meeting has approved to change.

In 2021, the Board of Directors in a capacity of the Plan Administrator by the Central Bankruptcy Court's order on 15 December 2016, as the red case No. For. 8/2016, held a meeting No. 5/2021 dated 22 April 2021 to acknowledge the remunerations paid for the year of 2020 to each director and each committee appointed by the Board of Directors. The meeting also acknowledged the directors' annual bonuses for the year of 2020 to be omitted in accordance with criteria as approved by the shareholders' meeting.



Summary of 2021 Monetary Remuneration for the Directors of the Company and the Members of the Committees Appointed by the Board of Directors

| Name and Position | Meeting Allowance from the Company (Baht) | | | | | Meeting Allowance from subsidiaries (Baht)* | Total Remuneration |
|---|---|-----------------|---------------------------------------|-------------------------------------|---------------------------|---|---------------------|
| | Board of Directors | Audit Committee | Nomination and Remuneration Committee | Good Corporate Governance Committee | Risk Management Committee | | |
| 1. Mr. Kamol Juntima ^{1/ 2/ 3/} | 161,290.32 | - | - | 25,000 | - | 2,288,417 | 2,474,707.32 |
| 2. Mr. Tongchat Hongladaromp | 300,000 | - | - | - | 10,000 | 150,000 | 460,000 |
| 3. Mr. Siripol Yodmuangcharoen ^{4/} | 300,000 | - | 62,500 | 40,000 | - | - | 402,500 |
| 4. Mr. Permpoon Krairiksh ^{5/} | 300,000 | 75,000 | - | - | 50,000 | - | 425,000 |
| 5. Mr. Yarnsak Manomaiphiboon ^{6/} | 300,000 | 93,750 | - | 40,000 | - | - | 433,750 |
| 6. Mr. Napong Sirikantayakul ^{11/} | 138,709.68 | 30,000 | - | - | - | - | 168,709.68 |
| 7. Mr. Somchai Pipitvijitkorn | 300,000 | - | 50,000 | - | 40,000 | - | 390,000 |
| 8. Mr. Win Viriyaprapaikit ^{6/} | - | - | - | - | - | - | - |
| 9. Mr. Nava Chantanasurakon ^{7/} | - | - | - | - | - | - | - |
| 10. Mr. Kittisak Mapanao ^{9/} | - | - | - | - | - | - | - |
| 11. Mr. Narongrit Chotnuchittrakul ^{10/} | - | - | - | - | - | - | - |
| Total | 1,800,000 | 198,750 | 112,500 | 105,000 | 100,000 | 2,438,417 | 4,754,667 |

Remarks:

- 1/ Chairman of the Board of Directors, who were already entitled remuneration for their full-time performance, shall not receive the meeting allowance.
 - 2/ Mr. Kamol Juntima has been appointed as Chairman of the Board of Directors since 15 July 2021, therefore received the remuneration as a member of the Board during 1 January 2021 to 14 July 2021.
 - 3/ Chairman of the Good Corporate Governance Committee
 - 4/ Chairman of the Nomination and Remuneration Committee
 - 5/ Chairman of the Risk Management Committee
 - 6/ Chairman of the Audit Committee
 - 7/ Mr. Win Viriyaprapaikit, Director, Group Chief Executive Officer, Head of Upstream Business Unit, Head of Hot Rolled Business Unit, Head of HBU Business Stewardship and Business Partners Office, considered as an employee of the Company, shall not receive the meeting allowance or a director's remuneration.
 - 8/ Mr. Nava Chantanasurakon, Director and President, considered as an employee of the Company, shall not receive the meeting allowance or a director's remuneration.
 - 9/ Mr. Kittisak Mapanao, Director, Senior Vice President, Chief Technology Officer, Head of Engineering Business Unit, Head of Steel Construction Business Office, Head of Dream Maker Business Office, considered as an employee of the Company, shall not receive the meeting allowance or a director's remuneration.
 - 10/ Mr. Narongrit Chotnuchittrakul, Director, Senior Vice President, Supervision Group Information Technology Office, Chief Financial Officer, Group Chief Financial Officer, Head of Group Risk Management Office, Head of Downstream Business Unit, considered as an employee of the Company, shall not receive the meeting allowance or a director's remuneration.
 - 11/ Mr. Napong Kantayanukul has been elected as a member of the Board since 15 July 2021.
- * The directors' meeting allowance from subsidiaries includes the allowance of the Company's independence directors who held directorship in subsidiaries during 2021.



Remunerations for Full-time Performance of Chairman of the Board of Directors in 2021

| Name and Position of Director | Remuneration for Full-time Performance (Baht) (15 July 2021 - 31 December 2021) |
|---|--|
| Mr. Kamol Juntima, Chairman of the Board of Directors | 1,664,516.13 |

Remuneration of Independent Directors of the Company who Hold Directorship in the Company's Subsidiary in 2021

| No. | Name of the Company's Independent Directors who Hold Directorship in the Company's Subsidiary | Position in the Subsidiary | Meeting Allowance in 2021 (Baht) |
|---|---|----------------------------|----------------------------------|
| West Coast Engineering Company Limited | | | |
| 1. | Mr. Tongchat Hongladaromp | Director | 150,000 |

1.7 Remunerations for executives in a position of Vice President and higher in the form of salaries, retirement compensation, vehicle allowances, insurance premiums and traveling allowances (aboard), for 13 people plus Group CEO and President, totaled Baht 99,042,041.36 for the year.

(2) Other Remunerations

Contributions to the provident fund for executives in a position of Vice President and higher, for 13 people plus Group CEO and President, totaled Baht 5,724,592.88 for the year.

8.1.3 Governance of Subsidiaries and Joint Venture

1. The mechanisms for the Company to supervise and control management of its subsidiaries and its joint venture, so to ensure the protection of interest of the Company's investment, are as follows:

- The Company's executives are nominated for the position of directors and/or Chief Executive Officer, President and/or Executives of significant divisions of its subsidiaries and its joint venture in order to supervise their performance. Such nomination must be approved by the Board of Directors in accordance with the joint venture agreement.
- The Scope of duties and responsibilities of nominated executives are as stated in the job descriptions as defined by the Company's subsidiaries and joint venture. The nominated executives must submit a monthly performance report of such subsidiaries and joint venture as well as ensure that its goals and business direction determination comply with those of the Company.
- With respect to the guidelines regarding conflicts of interest of the Company, it was stipulated that every employee, including the President, not be able to take a position of director or executive in any business which competes directly or indirectly with the Company; and not be a director of other companies that are engaged in or going to be engaged in businesses with the Company, except the position of affiliates as granted by the Board of Directors.

2. Disclosure of the contractual agreement between the Company and other shareholders regarding the management of its joint venture.

- The terms of the joint venture agreement between the Company and its joint venture, Thai Cold Rolled Steel Sheet Public Company Limited, was stipulated that the nomination of the directors, and/or president and/or executives to take such a position in the joint venture are determined by each group of shareholders must pursuant to its joint venture agreement.



8.1.4 Corporate Governance Policy and Guideline Compliance Control

(1) Conflicts of Interest

Conflicts of Interest

The Company has established numerous measures to prevent conflicts of interest and to execute connected or related transactions with transparency, clarity and proper justification. This aims to enhance the Company's creditability and more effective business operations. These measures are as follows:

1) Policies on trade discounts as a means to enhance competitiveness, sales volume and market share, and rewards to loyal customers with continuous purchasing orders for hot-rolled coil.

2) Rules and procedures governing the extension of commercial credit in order to systematically authorise credit and control the credit risk. Establishment of the Credit Committee to analyse and decide the amount and type of commercial credit suitable for each client, considering the client's needs and payment ability along with guarantees and conditions to prevent or reduce the risk of granting credit. The Committee also considers extending credit terms for each client.

3) Reports of the Company's sales volume and prices presented at the meetings of the Management Committee on a monthly basis and the meetings of the Audit Committee on a quarterly basis to ensure the transactions between the Company and its connected persons are of an ordinary course of business and general trading conditions.

4) Reports of holdings and change of holdings in the Company's securities of the directors and executives of the Company as disclosed in the annual report in the section of Supervision of Use of Inside Information.

5) Guidelines for the Board of Directors regarding the rules and procedures of reporting conflicts of interest of the directors and executives of the Company were established in 2009. The directors and executives of the Company, both at the Company and its subsidiaries, have reported conflicts of interest of themselves and related persons to the Company on a quarterly basis.

6) Guidelines pertaining to conflicts of interest were established in 2010 to ensure clarity on the actions deemed to cause conflicts of their own interest and the Company's interest in order to avoid or prevent such actions.

7) The Audit Committee considered the draft of preliminary legal opinion prepared by Weerawong, Chinnavat & Peangpanor Ltd. regarding (1) The connected transactions of slab procurement between Sahaviriya Steel Industries UK Limited and Vanomet Holding AG and between Sahaviriya Steel Industries Public Company Limited and Vanomet Holding AG. (2) The purchase price of slabs between Sahaviriya Steel Industries UK Limited and Sahaviriya Steel Industries Public Company Limited. Moreover, the Audit Committee proposed comments from all participants regarding this legal opinion to the Board of Directors meeting No. 10/2013 held on 14 August 2013.

Nevertheless, at the Board of Directors' meetings with the agenda concerning conflict of interest transactions, the directors who have conflict of interest must not participate in the consideration and must abstain in such agenda.

(2) Internal Information Guideline

The Company sets the measures to prevent any inappropriate transactions, for example members of the Board, executives are required to report the securities holdings of one's quarterly, and monitors the use of inside information for trading, related party transaction, practices of the Board of Directors on keeping and prevention of the use of inside information to ensure a strict compliance of the executives in accordance with the SEC's regulations.

The Company has written guideline to monitor and control for prevention of violation of the Policy of the use of inside information, information security, confidential treatment, trust and readiness of the information as included in the good governance policy. Employees in any level have their duty to prevent conflicts of interest, uphold the integrity, honesty, being reasonable and freedom within the good governance frame as well as full disclosure of information for the Company's interest.

The Company provides directors and executives to report on any vested interest of their own and related persons and the Corporate Secretary has duty to collect and keep the report for use in investigation and supervision of conflicts of interest.



(3) Anti-Corruption

The Company supports the anti-corruption activities organised either by government or private sectors. Also the Company regularly conducts or organises the internal activities regarding anti-corruption such as IFACT project.

The Company has already passed the certification process and became a certified company of the Private Sector Collective Action Coalition Against Corruption (CAC) on 22 January 2016. In 2019, the Company was recertified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) in the 1st renewal.

(4) Whistleblowing Process

The Good Corporate Governance Committee realised the importance of stakeholders' participation in supervising the Company so they have arranged a tip-off and complaint reporting channel that allows the Company to receive information from employees and any group of stakeholders e.g. shareholders, customers, suppliers, competitors, social and the community. The reports can be of any concern for instance, law violation, unethical practice, fraud, corruption, breach of working positions, violation of conflicts of interest policy of the Company, violation or ignorance of duty according to policy, guidelines, instructions or regulations of the Company, inaccurate report of financial statements, improper internal control and any action harmful to reporters or the Company. The report can be directly forwarded to the Good Corporate Governance Committee as specified on the Company website. Such channels allow the Company to obtain more in-depth information on problems, the Company can thus analyse the information to find solutions and establish preventive measures, which will lead to more efficient management.

The Company announced the Board of Directors' policy regarding whistleblowing and guidelines regarding whistleblowing channels which became effective on 11 August 2008. Later, the Board of Directors approved the amendment of the Board of Directors' guidelines regarding whistleblowing channels (revision no. 2) became effective on 28 February 2014 replacing the previous version. The amendment was made to add clarification of the protection measures for the informants or whistleblowers and to conform with the anti-corruption policy and guidelines. The Company communicated the said policy to employees and internal and external stakeholders for the information of channels and methods of reporting tip-offs or complaints, which include the Company's intranet at <http://ssi.net> and the Company's website at <http://www.ssi-steel.com>. Any whistleblower can report tip-offs or complaints via two channels:

- By e-mail to: ssigcg@ssi-steel.com, or
- By post to: The Good Corporate Governance Committee at the postal address of P.O. Box 534, Delivery Post Office Bangrak, Bangkok 10500.

The Good Corporate Governance Committee is responsible for determining the procedures when being informed of the tip-offs or complaints and measures to protect the whistleblower with the right to access information on a tip-off or complaint reporting channels. Electronic and post mail boxes are kept confidential by external service providers and none of the Company's employees can access these mail boxes, except the people authorised by and report directly the Chairman of the Good Corporate Governance Committee.



8.2 Report of the Audit Committee

Report of the Audit Committee for 2021

The Audit Committee of Sahaviriya Steel Industries consists of three knowledgeable and experience independent directors. Its members are as follows:

- | | |
|-------------------------------|----------|
| 1. Mr. Yarnsak Manomaiphiboon | Chairman |
| 2. Mr. Permpoon Krairiksh | Member |
| 3. Mr. Napong Sirikhantayakul | Member |

In July 2021, The Board of Directors appointed Mr. Yarnsak Manomaiphiboon to be the Chairman of Audit Committee and Mr. Napong Sirikhantayakul to be Audit Committee Member as replacement of vacant position.

The Audit Committee independently performed its duties in accordance with the Audit Committee Charter, which is reviewed on an annual basis to keep in line with current business situations and in accordance with SEC's best practices. In 2021, the Committee held 5 meetings, each of which was met by presence of all members, including the meetings with the management and/or the external auditors to consider and discuss the relevant important matters and meeting with the external auditors on one occasion in the absence of the management, and reported its performance to the Board of Directors twice a year.

The Committee performed its duties as follows:

1. Review of Financial Statements:

- Reviewed the first half and the annual financial statements for the year 2021 as well as its consolidated financial statements with the external auditors and the management. Completeness and accountability of financial statements; any possible risk factors; related accounting standards; changes in accounting standards; internal control system concerning finance and accountancy are taken into consideration. These financial statements have been audited and were given an unqualified opinions by the auditors.
- Reviewed financial statements and consolidated financial statements as of 31 March 2021 and as of 30 September 2021 rendered by the Finance and Accounting Division.

In addition, the Audit Committee also held one private meeting with the External Auditor in the absence of the Management to ask questions on key matters related to financial reporting as well as to discuss if there was any suspicious information indicating potential fraud according to section 89/25 of the Securities and Exchange Act which the auditors reported that they did not find any indications of suspicious incidents.



2. Review of Internal Audit and Internal Control System:

- Approved Group Internal Audit Office's three year master plan and the annual audit plan as well as acknowledged the internal audit reports regarding internal control.
- Reviewed the adequacy of internal control system of the Company against self-evaluation forms issued by the SEC and by the external auditors. Acknowledged the report of the internal control system of the Company's subsidiaries.
- Followed-up of the implementation of Audit Committee's resolutions, and monitored management implementation of corrective and preventive measures from internal audit reports. Asked question on a wide range of issues to get all the relevant information needed to carry out their responsibilities.

3. Review of Compliance:

- Acknowledged reports from Group Legal Office on corporate compliance with laws pertaining to the Securities and Exchange Act as well as other laws concerning the Company's businesses, and quarterly monitored progress in litigations involving the Company.
- Acknowledged the progress report of the action plan to prepare for compliance with Thailand's Personal Data Protection Act (PDPA) before it becomes fully effective.
- Considered the qualifications of the Company's Chief Financial Officer (CFO) and Chief Accountant to ensure that their qualifications met the requirement specified by SEC.

4. Review of Risk Management Process:

- Reviewed the quarterly Major Risk Management Report prepared by the Risk Management Committee as well as acknowledged the annual anti-corruption risk assessment.
- Reviewed the efficiency and effectiveness of Risk Management System and its guidelines provided by the Risk Management Committee.

5. Appointment of the External Auditor and Review of the Audit Fees:

- Considered, selected, and proposed the reappointment of Mrs. Suvimol Chrityakierne or Miss Somjintana Pholhirunrat or Mr. Nopparoek Pissanuwong of DIA International Auditing Company Limited as the auditor(s) of the Company for the fiscal year 2022, together with their fees.



6. Review of Connected Transactions and Transactions that Might Result in Conflicts of Interest:

- Ensured that the transactions between the Company and its related companies complied with the Securities and Exchange laws and laws concerning the Company's businesses and followed up on accounts receivable report of related companies.
- Acknowledged reports on interest of Directors and Executives from the Company Secretary to ensure compliance with the Company's policies and procedures on conflicts of interests, as requested by the SEC.

7. Quality Assurance of the Audit Committee:

- Conducted an annual review of the Audit Committee Charter.
- Conducted the annual performance assessment of the Audit Committee as a whole and individual self-assessment for the year 2021 and submitted the results to the Board of Directors.

The Audit Committee has independently carried out its duties and responsibilities delegated by the Board of Directors and taken into account the transparency of its view, the Audit Committee was of the opinion that:

1. The annual financial statements of the Company in 2021 are presented fairly, in all material respects, in accordance with generally accepted accounting principles.
2. The Company has suitable and efficient internal control and internal audit systems. The Head of the Internal Audit Office has sufficient knowledge and competence needed to perform her duties.
3. The Company has complied with relevant laws and regulations. The Company has disclosed accurate and complete information in a timely manner to its shareholders and investors via the SEC.
4. The Audit Committee concurred with reports provided by the Risk Management Committee and made some additional recommendations. The Company has an appropriate Risk Management System in place.

Mr. Yarnsak Manomaiphiboon

Chairperson of the Audit Committee

24 February 2022



8.3 Report of the Specific Committees

Good Corporate Governance Committee's Report for 2021

The Good Corporate Governance Committee (the "Committee") was established in accordance with the resolution of the Board of Directors' meeting no. 7/2007 held on 3 December 2007. The Committee currently consists of three members of the Company's directors namely Mr. Kamol Juntima (Director) as Chairman, Mr. Yarnsak Manomaiphiboon (Independent Director and Member of the Audit Committee) and Mr. Siripol Yodmuangcharoen (Independent Director and Chairman of the Nomination and Remuneration Committee) as Committee Members.

The duties and responsibilities of the Committee are as follows:

- To propose any revision of the Company's policy and guidelines concerning good corporate governance to the Board of Directors and to oversee the implementation of company management in accordance with the approved policy and guidelines;
- To provide an opinion to the management regarding corporate social responsibility (CSR) and to monitor the management in establishing a clear action plan regarding CSR, as well as to follow up on the implementation of the plan with the management and then submit the results to the Board of Directors;
- To propose to the Board of Directors an opinion on any revisions and updates of the Company's business philosophy, Code of business conduct, Code of ethics for directors, Code of ethics for executives and employees, and guidelines concerning the same as it deems appropriate.

These tasks are to ensure that the Company maintains its sustainable and effective development of good corporate governance practices and is in compliance with the rules and procedures for a listed company.

In 2021, the Committee held four meetings to carry out its allotted duties and submitted a summary of reports to the Company's Board of Directors as follows:

1. Revision of the determination of a significant amount of commercial or business transactions between the Company, its subsidiaries and their customers, suppliers, debtors and creditors. This was then used to establish the criteria of reporting the interests of the Company's directors and executive officers in 2021.

The above complies with the Board of Directors' guidelines regarding the rules and procedures of reporting on conflicts of interest of the directors and executives of the Company which became effective on 1 July 2009.

2. Conducted the Good Corporate Governance Committee's self-assessment for 2020 using the self-assessment of committee as a whole and an individual basis form issued by The Stock Exchange of Thailand and considered the draft self-assessment reports for 2020 of 3 Committees: the Risk Management Committee, the Nomination and Remuneration Committee and the Good Corporate Governance Committee and submitted them to the Board of Directors.

3. Intensive supervision of the corporate social and environmental responsibility activities conducted by the Group Sustainable Development and Communication Office and the Safety, Environment and Plant Integrity Management Office, from which the Performance Report on Corporate Social Responsibilities for Year 2021 has been submitted to and for the Good Corporate Governance Committee's acknowledgement.

4. Acknowledgment of various reports that are deemed beneficial to the Committee in monitoring the Company's management on the implementation of the approved policy and guidelines concerning good corporate governance. The following were reported to the Company's Board of Directors:

4.1 Report on shareholding and securities trading of the Company's executives including Vice Presidents, Assistant Vice Presidents, Department Managers of the Finance & Accounting Division and Section Manager of the Investor Relations Department, Group Finance Office. This was undertaken in order to prevent any insider trading of the Company's securities.

4.2 Report on the interests of the Company's directors and executives including the President, Vice Presidents and Assistant Vice Presidents.



5. Others

5.1 Regular monitoring of the progress and results from the implementation of the resolutions of the Committee.

5.2 Revision of the information disclosed to the SET and the SEC, as published in the Annual Information Disclosure form ended 31 December 2020 (Form 56-1) and in the 2020 Company Annual Report (Form 56-2) regarding the Good Corporate Governance Report. Since 2013, the Company has also disclosed a report on anti-corruption practices in the Corporate Social Responsibility Report.

5.3 Followed up improvement and revision of the Board of Directors' Policies and Practises and Guidelines regarding Anti-corruption.

5.4 Reported the Good Corporate Governance Committee's activities for the year 2021 to the Board of Directors.

The Board of Directors and the Good Corporate Governance Committee are committed on raising the Company's level of good corporate governance and corporate social responsibility to international standards. We aim to achieve sustainable development and to increase its value and protect the interests of all stakeholders with transparency, fairness, integrity, and dedication. The Committee also has significant responsibilities for environmental protection, preservation, as well as social responsibility and community development.

Mr. Kamol Juntima

Chairman of the Good Corporate Governance Committee



Report of the Nomination and Remuneration Committee for 2021

The Nomination and Remuneration Committee (the “Committee”) hereby reports the assignments performed by the Nomination and Remuneration Committee as follows:

The meeting of the Board of Directors of Sahaviriya Steel Industries Public Company Limited No. 5/2011 held on 11 August 2011 resolved to approve the combination of the Nomination Committee and the Remuneration Committee to become the Nomination and Remuneration Committee. The Committee comprises at least 3 directors of the Company as members which at least 1 member has to be an independent director with Head of Group Human Resources Office as the Secretary to the Committee. The term of office is from 1 September 2020 to 31 August 2023.

The Committee has the duty to select qualified candidates for the nomination of the directors or the President of the Company which is to be further proposed to the Board of Directors’ meeting or the shareholders’ meeting as the case may be. Moreover, the Committee has the duty to consider the guidelines for determining the remuneration of the Board of Directors, committees appointed by the Board of Directors, the President as well as the compensation structure of senior executives of the Company based on fair and reasonable criteria or procedure and remuneration structure.

Existing members of the Nomination and Remuneration Committee are as follows:

- | | |
|--------------------------------|--|
| 1. Mr. Siripol Yodmuangchareon | Chairman of the Nomination and Remuneration Committee |
| 2. Mr. Somchai Pipitvijitkorn | Nomination and Remuneration Committee Member |
| 3. Mr. Nava Chantanasurakon | Nomination and Remuneration Committee Member (in the position until 15 December 2021) |
| Mr. Napong Sirikantayakul | Nomination and Remuneration Committee Member (Appointed since 20 January 2022) |
| 4. Mr. Yongyuth Malithong | Secretary to the Nomination and Remuneration Committee |

The duties performed as assigned by the Board of Directors consist of:

1. The Nomination and Remuneration Committee held 4 meetings in 2021 to consider the following matters:

1.1 The meeting of the Nomination and Remuneration Committee was held on 20 April 2021 to consider an adjustment of the President’s salary.

The Committee considered an adjustment of the President’s salary, in consideration; it’s shown that the business had not been a good result as expected because of the pandemic of COVID-19. However, the President devoted his knowledge and skills to improving the performance in Q4/2020 and Q1/2021 as well as initiating new products to mitigate the risks of the Company. In order to encourage and support, the Committee unanimously resolved to approve a special allowance (Bonus) to the President at a rate of 5% of the salary to be a morale figure in the work of the President in his dedication to work in full knowledge.

1.2 The meeting of the Nomination and Remuneration Committee was held on 14 July 2021 to consider the replacement on the vacant of Director. The Committee has resolved by selecting Mr. Napong Sirikantayakul to be Director. The Committee will propose to the Board of Directors, as the Plan Administrator of rehabilitation, for further approval.

- 1.3 The meeting of the Nomination and Remuneration Committee was held on 15 November 2021

1.3.1 The Committee approved to adjust Nomination and Remuneration Charter regarding the nomination and selection of suitable candidate for the position of Director for the company which Sahaviriya Steel Industries Public Company Limited holds more than 50% of its shares, as well as directors, directors of sub-committees established by the Board of Directors and senior executive positions from the President and above (only for Sahaviriya Steel Industries Public Company Limited for senior executive positions). The Committee will propose to the Board of Directors, as the Plan Administrator of rehabilitation, for further approval.

1.3.2 The acknowledgement of the resignation from the position of President of Mr. Win Viriyaprapaikit which the Committee will propose to the Board of Directors, as the Plan Administrator of rehabilitation, for further approval.



1.3.3 The proposal to consider the candidate in the position of SSI' President which the meeting of the Nomination and Remuneration Committee has resolved by proposing Mr. Nava Chantanasurakon who has excellent performance with knowledge, capability and experience in senior management positions in many companies in the steel business. The salary, compensation and benefit will be increased in accordance with the Company policy. The Committee will propose to the Board of Directors, as the Plan Administrator of rehabilitation, for further approval.

1.4 The meeting of the Nomination and Remuneration Committee was held on 15 November 2021 to consider a special allowance (Bonus) for year 2021 of the Group CEO and the President. The Committee considered that although there were impacts from the pandemic of COVID-19 and the fluctuation of prices of raw materials and hot-rolled steel, the Company's performance showed the better result than its target with the estimated rehab EBITDA of Baht 3,915 million. Therefore, the Committee has resolved to approve special allowance (Bonus) to the Group CEO at the rate of 3 times of the salary. For the president who was appointed in 1 December 2021, the Committee has resolved to approve special allowance (Bonus) in the position of Head of Commercial division. The Committee will propose to the Board of Directors, as the Plan Administrator of rehabilitation, for further approval.

2. The Nomination and Remuneration Committee held 1 meeting in 2022 to consider the following matters:

The meeting of the Nomination and Remuneration Committee was held on 14 February 2022 considered the issue as follows:

2.1 Recruiting qualified candidates to replace directors retired by rotation.

The Committee has considered that the Company is unable to hold the Annual General Meeting of Shareholders and recruited qualified candidates to replace the directors retired by rotation. Therefore, the recruitment has been suspended. If a meeting of shareholders be held, the Committee will consider recruitment for qualified candidates to replace the directors retired in period 2016. Currently, there are 11 directors including:

1. Mr. Kamol Juntima
2. Mr. Tongchat Hongladaromp
3. Mr. Somchai Pipitvijitkorn
4. Mr. Permpoon Krairiksh
5. Mr. Siripol Yodmuangchareon
6. Mr. Yanasak Manomaiphiboon
7. Mr. Napong Sirikantayakul
8. Mr. Win Viriyaprapaikit
9. Mr. Nava Chantanasurakon
10. Mr. Kittisak Mapanao
11. Mr. Narongrit Chotnuchittrakul

The consideration to recruit qualified candidates to replace directors retired by rotation could not get a resolution because the Company has entered the rehabilitation process and the Central Bankruptcy Court ordered the rehabilitation on 10 March 2016 before approving the rehabilitation plan which determined the Company as the Plan Administrator on 15 December 2016. As a result, the Company has to operate in accordance with the Bankruptcy Act B.E. 2483 (1940) regarding rehabilitation, the consideration for candidates to replace the directors retired by rotation, thus, has been suspended.



Pursuant to Bankruptcy Act B.E. 2483 (1940), “all legal rights of the debtor’s shareholders shall be suspended except the right to receive dividend” and the said rights shall be vested in the interim executives, the Receiver, the Plan Preparer, or the Plan Administrator (in accordance with the procedures of the Business Rehabilitation process). Details are as follows:

Section 90/21.

“Subject to Section 90/42 and Section 90/64, in the case of the Court ordering a business rehabilitation but not yet appointing a Plan Preparer, **all legal rights of the debtor’s shareholders shall be suspended except the right to receive dividend** and the said rights shall be vested in the interim executives or the Receiver, as the case may be, until a Plan Preparer is appointed.”

Section 90/24.

“If an order on appointment of a Plan Preparer is issued by the Court, it shall notify the Plan Preparer, the Receiver, the debtor’s executives and the interim executive of the said order without delay. The power and duties of the Plan Preparer shall commence as of the day on which the Court gives such order and the power and duties of the Receiver, the debtor’s executives or the interim executive shall cease.”

Section 90/25.

“Subject to section 90/42 and section 90/64, upon an appointment of the Plan Preparer is made by the Court, the power and duties in managing the business and asset of the debtor and all rights of the debtor’s shareholders, except the right to receive dividend, shall be vested in the Plan Preparer, and the provisions of Section 90/12 (9) shall apply to the plan preparer, mutatis mutandis.”

Section 90/42.

“Section 1117, Section 1119, Section 1145, Section 1220 through Section 1228, Section 1238 through Section 1243 of the Civil and Commercial Code; and Section 31, Section 33, Section 50, Section 51, Section 52, Section 54, Section 84, Section 102, Section 107, Section 116, Section 119, Section 136, Section 137, Section 139, Section 140, Section 141, Section 146 through Section 148 of the Public Limited Companies Act, B.E. 2535 (1992) and Section 39 of the Securities and Exchange Act, B.E. 2535 (1992) shall not apply to the Plan under this Section.”

Section 90/59.

“Subject to Section 90/42 and Section 90/64, once the Court has issued an order approving the Plan, the Court shall so notify the Plan Administrator and the Plan Preparer as soon as possible. Once the Plan Administrator learns of the Court’s order, the right and duties of the Plan Preparer shall immediately pass to the Plan Administrator.”

2.2 Stipulation of the directors’ remuneration

Financial Remuneration

The determination of remuneration as approved by the shareholders’ meeting:

2.2.1 The meeting allowances paid to directors and committees appointed by the Board of Directors and approved by the shareholders’ meeting can be summarised as follows:

(1) Remuneration

| | | |
|---|--------|--------------|
| (1.1) Directors | 25,000 | Baht/month |
| (1.2) Chairman of the Audit Committee | 18,750 | Baht/meeting |
| Audit Committee Members | 15,000 | Baht/meeting |
| (1.3) Chairman of the Good Corporate Governance Committee | 12,500 | Baht/meeting |
| Good Corporate Governance Committee Members | 10,000 | Baht/meeting |
| (1.4) Chairman of the Risk Management Committee | 12,500 | Baht/meeting |
| Risk Management Committee Members | 10,000 | Baht/meeting |
| (1.5) Chairman of the Nomination and Remuneration Committee | 12,500 | Baht/meeting |
| Nomination and Remuneration Committee Members | 10,000 | Baht/meeting |

(2) Additional Remuneration

Any director of the Company appointed as a member of any committees by the Board of Directors is entitled to receive additional remuneration being such a committee member according to more duties and time dedicated.



2.2.2 The Chairman and the Deputy Chairman of the Board of Directors are entitled to monthly remuneration for full-time duties of Baht 300,000 per month and Baht 200,000 per month, respectively. They are not entitled to receive meeting allowances from the meeting of Board of Directors and the meeting of committees appointed by the Board of Directors.

2.2.3 The Chairman of Audit Committee is entitled to receive extra remuneration of Baht 10,000 per month from the duty to advise the particular audit in detail apart from the regular audit as an audit committee member.

2.2.4 The director who is also an employee of the Company is only entitled to receive the remuneration as an employee; no director's remuneration is to be paid.

2.2.5 The premium for health insurance, accident insurance and life insurance of not over Baht 20,000 per person is to be paid to each director. For any director the insurance company refuses to cover, in whole or in part, and/or refuses to cover some specific diseases by any reason in case of health insurance, the Company will be directly responsible for covering all such directors refused by the insurance company in the coverage amount equal to the insurance coverage and/or the benefits which the life, health and accident insurance company covers the directors in accordance with the premium rate approved by the shareholders' meeting.

2.2.6 The director's remuneration in the form of annual payment or bonus

(1) Director's annual payment is to be paid when dividend is distributed to the shareholders. In any year the Company does not pay dividend to the shareholders, directors will not receive the annual payment in that year.

(2) The rate of annual payment, as approved by the meeting of shareholders, is in range of 0.25% to 0.50% of dividend paid to the shareholders. The annual payment for the Chairman and the Deputy Chairman of the Board of Directors are 10% and 5% higher than the rate paid to directors, respectively.

(3) In case any director is in the position for less than 1 year, the annual payment will be proportionately paid according to the period of the position taken.

The Nomination and Remuneration Committee has considered that the current payment rate is an appropriate rate since the Company is still in the rehabilitation and resolved to maintain the remuneration payment criteria as stated in 2.2.1 to 2.2.6 as mentioned above until the shareholders' meeting approved to change otherwise.

2.3 The selection for the vacant position of West Coast Engineering Company Limited and Prachuap Port Company Limited.

Mr. Somchai Sakulsurat, Director of West Coast Engineering Company Limited and Prachuap Port Company Limited, passed away on 7 July 2021, therefore, his position in the Board of Director was terminated by law.

The Nomination and Remuneration Charter defines duties of the Nomination and Remuneration Committee as;

No. 1 Nomination and selection of suitable candidate for the position of Director for the Company which Sahaviriya Steel Industries Public Company Limited holds more than 50% of its shares, as well as senior executive positions from the President and above (only for Sahaviriya Steel Industries Public Company Limited for the senior executive positions). The right candidates will be proposed by the Committee to the Board of Directors for approval.

The Nomination and Remuneration Committee Meeting No. 1/2022 held on 14 February 2022, Re: Consideration of selection of persons to be directors of West Coast Engineering Company Limited and Prachuap Port Company Limited to replace the vacant position.

The Committee selected Mr. Twatchai Wongpaisarn, former SCG's executive, to be the Board of Director for West Coast Engineering Company Limited and Prachuap Port Company Limited.

However, the internal process should be in accordance with the authority manual of West Coast Engineering Company Limited and Prachuap Port Company Limited. As for the term of being the Board of Director shall be retained only remaining term in its position.

2.4 The consideration of remuneration of West Coast Engineering Company Limited and Prachuap Port Company Limited.

The Nomination and Remuneration Charter defines the duty of the Nomination and Remuneration Committee as;

No. 2 The Committee shall consider remuneration of directors and directors of subcommittee established by the Board of Directors as well as senior executive positions from the President and above (only for Sahaviriya Steel Industries Public Company Limited for senior executive positions) and propose to the Board of Directors for approval.



The Nomination and Remuneration Committee Meeting No. 1/2022 held on 14 February 2022, Re: revision of the director's remuneration of West Coast Engineering Company Limited and Prachuap Port Company Limited. The Committee considered the following factors:

1. The remuneration should be reasonable which is able to attract and retain the Director. The remuneration will be compared with other companies that have good corporate governance and comparable in terms of size of the company, profitability and complexity of management.
2. The remuneration should be consistent with the scope of duties. Directors who have been assigned more responsibilities, such as in sub-committees, should also receive additional compensation as director of sub-committee as well. The chairman of the Board and the chairman of the sub-committees should be compensated more than other members of the Board of Directors and the members of the sub-committees at an appropriate rate.

The Nomination and Remuneration Committee resolved to approve the adjustment of meeting allowance of the Board of Director of West Coast Engineering Company Limited and Prachuap Port Company Limited from Baht 12,500 million per month to Baht 20,000 million per month. Other compensations remain as approval from shareholders meeting.

Mr. Siripol Yodmuangchareon

Chairman of the Nomination and Remuneration Committee

15 February 2022



Report of the Risk Management Committee for 2021

1. The Risk Management Committee (the “Committee”) was established by the Board of Directors (the “Board”) on 3 December 2007 for the purpose of assisting the Board in oversight of the Company’s risk management. The Committee shall comprise of at least three Board members appointed by the Board, and the Vice President in charge of finance and accounting shall act as the secretary to the Committee. During 2021, members of the Committee who have served a term of three years from 4 December 2019 to 3 December 2022 are now listed as follows:

- | | |
|-------------------------------|---|
| 1. Mr. Permpoon Krairiksh | Chairman of the Risk Management Committee |
| 2. Dr. Tongchat Hongladaromp | Risk Management Committee Member |
| 3. Mr. Somchai Pipitvijitkorn | Risk Management Committee Member |

2. “The Committee” is responsible for overseeing the Company’s management of key risks. To perform its duties, the Committee regularly reviewed risk management reports in order to monitor the effectiveness of the management of the Company’s key risk exposures and provided additional suggestion for risk mitigations. The Committee also advised the Board on risk management policy and strategy as well as expressing its thought on the problems and obstacles encountered in the development of the Company’s risk management system to assist the Board in oversight of the Company’s enterprise risk management. During the year 2021, the Committee had performed its duties as follows:

2.1 Reviewed and provided recommendation to management in the quarterly Risk Management Committee meeting, concerning risk factors, risk management plans and the appropriate magnitude of the risk to ensure the systematic implementation of risk management process in order to be prepared for any contingency that might occur and have impacts on the Company. The Risk Management Committee meetings were held total 4 times, in February, May, July and November 2021.

2.2 Considered risks related to the implementation on the Business Rehabilitation Plan, and the Company’s measurement in order to achieve the success of the Plan set a forth, in the quarterly Risk Management Committee meeting.

2.3 Reviewed the significant risks of the Company’s subsidiaries including West Coast Engineering Company Limited (“WCE”) and Prachuap Port Company Limited (“PPC”) as well as the progress of the liquidation process of Sahaviriya Steel Industries UK Limited (“SSI UK”), which the impacts of those risks might have effect to the Company’s performance, in the quarterly Risk Management Committee meeting. In addition, the Committee acknowledged half-year risk management report of Thai Cold Rolled Steel Public Company Limited which is the Company’s joint venture.

2.4 Considered Fraud Risk assessment for year 2021, in the Risk Management Committee meeting No. 1/2021 dated 16 February 2021, as the Company is a participant in the Thailand’s Private Sector Collective Action Coalition Against Corruption Project (CAC) to express its intention opposing to corruption.

2.5 Reviewed the Company’s Risk Management System and guideline report, in the Risk Management Committee meeting No. 1/2021 dated 16 February 2021, and proposed to the Audit Committee in order to consider and provide its comment for the adequacy of the Company’s risk management system.

2.6 Reviewed the Company’s Risk Factors report and report of the Risk Management Committee for disclosure in the Annual Information Disclosure Form (Form 56-1) as at 31 December 2020 and Annual Report 2020 of the Company, in the Risk Management Committee meeting No. 1/2021 dated 16 February 2021.

2.7 Reviewed the strategies and annual business plan of Group Risk Management Office which included Vision, Mission, Unit Objectives, GRM 2021, and Result, in the Risk Management Committee meeting No. 1/2021 dated 16 February 2021.

Mr. Permpoon Krairiksh

Chairman of the Risk Management Committee

22 February 2022



09/

Internal Control and Related Party Transaction

9.1 Internal Control

Board of Directors' Opinion on the Company's Internal Control System

The Board of Directors of Sahaviriya Steel Industries Public Company Limited recognises the importance of good and effective internal control, as explicitly stated in the Good Corporate Governance Policy of the Company as it is believed to help in preventing harm, minimising risk to its business activities and achieving the Company's vision, mission, and goals. The Board of Directors has assigned the Audit Committee to ensure the appropriateness and effectiveness of the Company's internal control and internal audit system.

Audit Committee had reviewed the Audit Committee Charter (No. 5) dated 14 February 2019 and the proposed revision (No. 6) on 16 November 2021 and 10 February 2022. Regarding this, Board of Director meeting No. 2/2022 held on 17 February 2022 had resolution to replace the previous charter (No. 5) with the revision (No. 6), effective on 18 February 2022 onward, in order that the scope of authority, responsibilities, reporting and evaluation of the Audit Committee are up-to-date and consistent with relevant practices, rules and regulations.

The Audit Committee has reported that the Company has suitable and efficient internal control and internal audit systems. This was demonstrated by a very good results from an assessment of the adequacy of the internal control system for the year 2021 using the self-evaluation forms which issued on 19 February 2014 by the Securities and Exchange Commission regarding internal control over financial reporting in accordance with the criteria in the new Internal Control-Integrated Framework which issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company has completely complied with those criteria in the self-evaluation form. Hence, the Audit Committee concluded that the Company has the sufficient internal controls system for preparing accurate financial reports in accordance with generally accepted accounting principles.



The Internal Audit Office has been established since 1998 as an independent internal unit of the Company, and carries out its responsibilities pursuant to the Company's notification regarding the Internal Audit Charter (No. 4) dated 20 January 2017. The scope of work of the Internal Audit Office is to perform internal audit functions covering all divisions, departments and offices of SSI and the companies in SSI Group. And later, the Board of Director meeting No. 9/2017 held on 15 August 2017 passed a resolution approving the Code of conduct for SSI's Internal Auditor to provide guidance to internal auditors serving others. The Code of conduct is in accordance with the Code of Ethics and the International Standards for Professional Practice of Internal Auditing.

In December 2014, the Board of Directors approved the establishment of the Group Internal Audit Office under the new organisational structure of the Company as a group function. For the appropriateness of internal audit management, Office of Group Internal Audit has proposed to improve the organizational structure which was presented to the Chairman of the Audit Committee for approval on 14 January 2021, effective from 16 January 2021 onwards.

The Group Internal Audit Office still report directly to the Audit Committee since their appointment in 1999. Over the past years, the Audit Committee has also approved the Group Internal Audit's master plan and the annual audit plan corresponded to the risk-based approach as well as acknowledged the Group Internal Audit reports regarding internal control. Moreover, Head of Group Internal Audit Office can immediately contact chairman of the Audit Committee for discussion when any major problems or important matters are found.

The Board of Directors concurred with the report from the Audit Committee that "the Company has suitable and efficient internal control and internal audit systems."

9.2 Related Party Transactions

| Name of Entities | Nature of Relationships | Related Transactions in 2021 (Million Baht) | | Outstanding Balance (Million Baht) | |
|-----------------------------------|--|---|-------|---------------------------------------|-------|
| | | | | | |
| Thai Coated Steel Sheet Co., Ltd. | Direct subsidiary, 3.7% shareholding and common director | Other income | 2.76 | Accrued income | 5.89 |
| | | Revenue from maintenance services | 0.6 | Trade accounts receivable | - |
| Thai Cold Rolled Steel Sheet Pcl. | Jointly controlling shareholder, 35.19% shareholding | Revenue from of sale hot rolled coils | 2,177 | Trade accounts receivable | 17.81 |
| | | Revenue from deep-sea port and marine shipping services | 27.45 | Accrued income | 0.18 |
| | | Revenue from maintenance services | 94.61 | Other receivable | 2.60 |
| | | Tolling services | - | Advance received from customer | 1.39 |
| | | Other income | 11.32 | | |
| Bangsaphan Barmill Pcl. | Common directors and direct and indirect shareholding by the Company's director(s) | Revenue from deep-sea port and marine shipping services | - | Trade accounts receivable | - |
| | | Revenue from maintenance services | - | Accrued income | 3.62 |
| | | Other income | 0.64 | | |
| | | | | | |



| Name of Entities | Nature of Relationships | Related Transactions in 2021 (Million Baht) | | Outstanding Balance (Million Baht) | |
|---|---|---|----------|---------------------------------------|----------|
| | | | | | |
| B.S.Metal Co., Ltd. | Common directors and direct and indirect shareholding by the Company's director(s) | Revenue from sales of hot rolled coils/scrap | 1,519.41 | Trade accounts receivable | 1,675.75 |
| | | Revenue from maintenance services | - | Other receivables | 10.24 |
| | | Cut sheet expenses | - | Trade accounts payable | 0.97 |
| | | | | Other payables | 3.88 |
| | | | | Advance received from customer | 19.69 |
| Sahaviriya Plate Mill Pcl. | Common directors and direct and indirect shareholding by the Company's director(s) | Sale of slabs | 244.65 | Trade accounts receivable | - |
| | | Revenue from deep-sea port and marine shipping services | 0.55 | Other receivables | 2.25 |
| | | Revenue from maintenance services | 5.31 | Trade accounts payable | 37.26 |
| | | Other income | 7.31 | | |
| Prapawit Building Property Co., Ltd. | Common directors and direct and indirect shareholding by the Company's director(s) | Office Rental | 30.85 | Other receivables | - |
| | | Revenue from maintenance services | - | Trade accounts payable | - |
| | | | | Other payables | 0.28 |
| Western Housing Co., Ltd. | Common directors and direct shareholding by the Company's director(s) | None | - | Trade accounts payable | - |
| Sahaviriya Management Service Co., Ltd. | Common directors and direct and indirect shareholding by the Company's director(s) | None | - | None | - |
| Sahaviriya Panich Corporation Co., Ltd. | Common directors and direct and indirect shareholding by the Company's director(s) | Revenue from sale of hot rolled coils | 790.90 | Trade accounts receivable | 1,689.88 |
| Line Transport Co., Ltd. | Being a juristic person with the Company's directors holding shares and/or indirect more than 10% | Revenue from deep-sea port and marine shipping services | 4.93 | Trade accounts receivable | 1.26 |
| | | Revenue from maintenance services | - | Other receivables | 0.24 |
| | | Other income | 2.14 | Trade accounts payable | - |
| | | Local transportation expenses | - | Other payables | - |
| Bangpakong Lighter Co., Ltd. | Indirect shareholding by the Company's director(s) | Revenue from deep-sea port and marine shipping services | 0.36 | Trade accounts receivable | 0.05 |
| | | Other income | - | Other receivables | - |
| | | Water transportation expenses | - | Trade accounts payable | - |
| | | Finance costs | - | Other payables | - |



| Name of Entities | Nature of Relationships | Related Transactions in 2021 (Million Baht) | | Outstanding Balance (Million Baht) | |
|--|--|---|--------|---------------------------------------|--------|
| | | | | | |
| Bangpakong Port Co., Ltd. | Common shareholders | Tolling services | - | None | - |
| | | Other income | - | | |
| | | Local transportation expenses | - | | |
| Prachuap Pattana Development Co., Ltd. | Common directors and direct and indirect shareholding by the Company's director(s) | None | - | None | - |
| C.A.R. Services Co., Ltd. | Common shareholders | None | - | None | - |
| Prachuap Steel Co., Ltd. | Common directors and indirect shareholding by the Company's director(s) | None | - | None | - |
| Redcar Bulk Terminal Limited | The Company is indirect shareholder | Loan to | 15.35 | Short term loan to | 26.79 |
| | | | | Long term loan to | 25.96 |
| | | | | Interest receivable | 0.14 |
| Vanomet AG | Common shareholder and common director in a subsidiary | Purchases of slabs | 358.94 | Advance Payment for goods | 195.92 |
| | | Finance costs | - | | |
| Thai Steel Sales Co., Ltd. | Common directors and direct and indirect shareholding by the Company's director(s) | Revenue from sale of hot rolled coils | 718.55 | Other receivables | 13.65 |
| | | Revenue from deep-sea port and marine shipping services | 2.16 | Other payables | 0.48 |
| | | Others Revenue | 97.28 | Advance received from customer | 212.20 |
| SVL Corporation Co., Ltd. | Common shareholder and directors and direct and indirect shareholding by the Company's director(s) | Local transportation expenses | 529.40 | Trade accounts payable | 61.52 |
| | | | | Other payables | 0.48 |
| Krung Thai PLC | Common Shareholder and creditor under business rehabilitation plan | None | - | Cash at bank | 392.49 |
| | | | | Other non-current financial assets | 0.11 |
| Siam Commercial Bank PLC | Common Shareholder and creditor under business rehabilitation plan | None | - | Cash at bank | 32.12 |
| | | | | Other non-current financial assets | 72.69 |



Necessity and Reasonableness of Related Party Transactions

Transactions between the Company and related parties have all been carried out under the ordinary course of business. The related business terms and conditions have been considered as aiming to the highest benefit of the Company. The Company has applied the same pricing policy and business terms to either related parties or third parties.

Approval Policy for Related Party Transactions

The President is authorised by the Board of Directors to approve transactions between the Company and related parties under the ordinary course of business and general business terms. This is in compliance with the related Securities and Exchange Commission Act, regulations, announcements, notifications, or provisions of The Stock Exchange of Thailand, as well as the provisions of related party transactions disclosure and the acquisition or disposal of assets of the Company and its subsidiaries, stipulated by the Federation of Accounting Professions under the Royal Patronage of his Majesty the King.

Any related party transactions occurred between the Company and its related parties shall be reported to the Board of Directors and reviewed by the Audit Committee to determine whether they are necessary and appropriate. Any director who has conflict of interest with the related party transaction has no right to vote. If the Audit Committee has insufficient expertise, an independent expert or the Company's auditor shall advise on the transaction. This advice will then be provided as information to the Board of Directors or the shareholders, as the case may be. The Company shall disclose the related party transactions in a note to financial statements audited by the Company's auditor.

Trend of Related Party Transactions Policy

Related party transaction policies are subject to change as they are dependent upon supply and demand as well as the Company's selling prices and the related cost of the service providers.



Part

3

Financial
Report



Report on the Responsibility of the Board of Directors for 2021 Financial Report

The Board of Directors of Sahaviriya Steel Industries Public Company Limited has duties and direct responsibilities to ensure that the Company's activities comply with its policy of good corporate governance. The Board of Directors has responsibility for the preparation of the financial report of the Company, including financial statements of the Company and its subsidiaries for the year ended 31 December 2021 as well as the financial information disclosed in the Company's 2021 Annual Registration Statement/ Annual Report (Form 56-1 One Report) in accordance with the principles of adequate disclosure. The financial statements have been prepared in accordance with generally accepted accounting principles with appropriate and consistent accounting policies and/or accounting practices as well as careful judgment in accounting estimates, along with all due consideration as to reasonableness. Material information has been sufficiently disclosed in notes to financial statements for users to understand and use in decision making. The independent certified public accountant approved by the Securities and Exchange Commission had audited these financial statements and expressed an unqualified opinion on the independent auditor's report.

The Board of Directors has established the risk management system, internal control system and internal audit function under supervision of the Risk Management Committee and the Audit Committee consisting of independent directors, who are responsible for overseeing the Company's control and audit functions to ensure the integrity and reliability of the Company's financial statements which has been reflexed the true performance and financial position of the Company.

The Board of Directors considers that the internal control system and the internal audit function to be appropriately robust, and that the financial statements of the Company are accurate according to accounting principle, reliable, and in compliance with relevant laws and regulations.

Mr. Kamol Juntima

Chairman of the Board of Directors of
Sahaviriya Steel Industries Public Company Limited
(as the Plan Administrator)

Mr. Win Viriyaprapaikit

Group CEO



Independent Auditor's Report

To The Shareholders of Sahaviriya Steel Industries Public Company Limited

Opinion

I have audited the accompanying consolidated and separate financial statements of SAHAVIRIYA STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES (“the Group”) and of SAHAVIRIYA STEEL INDUSTRIES PUBLIC COMPANY LIMITED (“the Company”) which comprise the consolidated and separate statements of financial position as at 31 December 2021, the consolidated and separate statements of profit and loss, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of SAHAVIRIYA STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of SAHAVIRIYA STEEL INDUSTRIES PUBLIC COMPANY LIMITED as at 31 December 2021 and the consolidated and separate financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Audit Opinion

I conducted my audit in accordance with Thai Standards on Auditing. 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 in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty on going concern

As at 31 December 2021, parts of financial position of the Group and the Company are as follows:

As stated in notes 2 to financial statements, year 2021 the Group and the Company have operating net loss in the amount of Baht 496.6 million and Baht 631.7 million respectively, and the consolidated and separate statements of financial position also represented operating deficit as at 31 December 2021 amount of Baht 17,191.3 million and Baht 17,722.6 million respectively, and negative shareholders' equity of Baht 15,071.5 million and Baht 16,109.6 million respectively.



As discussed in notes 26 of the financial statements, the Central Bankruptcy Court has approved the Rehabilitation Plan on 15 December 2016 that appointed the Company as a Plan Administrator. Subsequent in 2020, the Company filed to revise the Rehabilitation Plan No. 1 (Revise) which was approved by the Central Bankruptcy Court on 18 September 2020, with the following significant, the Company needs to generate sufficient cash flows to meet both its working capital requirement and for settlement of the debts from operation by issuing new share capital, conversion of debt to equity, as well as seeking new source of funding. However, to consider that the successful of the Plan should have the following events; 1) the Company has made repayments for the outstanding principal to all creditors including the creditors received debt settlement from the conversion of debt to equity No. 1 and No. 2 in the amount not less than 25% of the outstanding principal to be paid under the Plan and either 2) the Company has obtained new funding from an investor to settle debt which resulting to the shareholders' equity of the Company becomes positive, or 3) conversion of debt to equity as stipulated in the Plan resulting to the shareholders' equity of the Company becomes positive. The procedures period in conformity with the Plan is 5 years which will mature on 15 December 2021. The Company, therefore, files the petition to revise the Rehabilitation Plan No. 2 by requesting for the extension procedures period in accordance with the Plan from 5 years to 6 years. The Plan Administrator is able to request for revising the Plan by extending the period of procedures in conformity with the methodology stipulated in the Bankruptcy Act, the Central Bankruptcy Court has approved on 14 December 2021. Therefore, the Group and the Company will be able to continue their operations as a going concern, depend on the ability to negotiate with creditor to revise the Rehabilitation Plan to have conditions for debts settlement appropriated with cash flows of the Company, which may include requesting for the extension repayment period in the future.

However these consolidated and separate financial statements do not include the reclassification and any adjustments of asset and liabilities which might be necessary should the Group and the Company be unable to operate as rehabilitation plan from the aforementioned circumstances suggested the material uncertainty that may substantial doubt about the Company's ability to operate as a going concern. Accordingly, my opinion does not change from this matter.

Emphasis of Matter

Accordingly, my opinion is not modified in respect of the following matters.

1. Rehabilitation Plan revision

As stated in notes 26 to financial statements, On 22 September 2021 Sahaviriya Steel Industries Public Company Limited, the "Plan Administrator needs to revise the Plan" for rehabilitation the business of debtor to be achieved, therefore, the petition for revising the Plan was filed to the Official Receiver who has held the meeting on 9 November 2021 and the meeting of the most creditors passed to agree with the "petition for revising Rehabilitation Plan" and later on 14 December 2021 the Central Bankruptcy Court approved the Plan, the significant substance are as follows:



- The Company requested for extending the procedures period in conformity with the Plan for 5 years which scheduled on 15 December 2021, therefore, the petition for revising the rehabilitation plan was filed that requested from 5 years to 6 years and the Plan Administrative is able to request for revising the Plan by extending the period of procedures in conformity with the methodology stipulated in the Bankruptcy Act.

- The Company is able to agree with all creditors class 4 by converting into debts in foreign currencies both principal and interest into Thai Baht by setting the conversion date and exchange rate reference date for converting foreign currency debts in both principal and interest into Thai Baht that can determine the conversion of either a certain amount or part of the same proportion of all creditors class 4 and exchange rate of the average selling rate of the currency as announced by the Bank of Thailand on the date that three creditors class 4 and the Plan Administrator have further scheduled.

The Rehabilitation Plan revision may affect the carrying value of debts under restructuring agreement as stated in note 26.

2. Collection from related companies debtors under rehabilitation plan

As stated in notes 26 to financial statement, the Company has two related company debtors, the outstanding balance as at 31 December 2021 and 2020 total amount of Baht 3,365.6 million and 3,497.9 million respectively. The Company has fully set up allowance for credit losses. Such amount is higher than the amount required to comply with rehabilitation plan, that required the Company to collect from two related companies not less than the amount of Baht 300 million per annum and all outstanding debt balance as at the end of 2021, both existing and new debts must not exceed Baht 1,760 million, not complying may cause the default. However, the incident is not the cause of default because Board of creditor not yet notice for such defaulting. At present, the Company is following up such debts.

Presently, the Company determines the way to settle the outstanding liabilities of those two receivables and alleviated the trouble to submit for the approval by the Board of creditors and is currently under the Board of creditors' trial.

3. Liabilities from guarantee borrowings settlement (Creditors class 4 under rehabilitation plan)

As stated in notes 3 (f) to financial statements with reference to Sahaviriya Steel Industries UK's ("SSI UK") is discontinued its operation and the liquidator have been appointed and entered into control. As a result, the major lender of SSI UK demanded immediate payment of the outstanding balances of borrowings which was secured by SSI UK's property, plant and equipment and a guarantee by the Company. The lender required responsibility for the liabilities in acting as guarantor of the Company in which such liabilities were classified as creditors class 4 under business rehabilitation plan of the Company ("Creditors class 4"). As stated in notes 26 to financial statements, the creditors class 4 will receive the liabilities settlement from the liquidation procedures of SSI UK, In 2021, the Company obtained the debt reduction evidences from creditors class 4 resulted the legal debt of the Company is reduced by the amount receiving of the creditors in the amount of USD 18.8 million equivalent to Baht 586.3 million. The Company has recognized the reducing of debts guarantee from the liquidation of the debtors in full in the statements of income.

At present, the process of liquidity is not finalized. Contingent liabilities from guarantee as stated in notes 33 (b) to financial statements from contractual damages from environmental insurance amounting to USD 31 million, therefore, has not been changed.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were 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 these matters.



Assets

Impairment of property, plant and equipment

As described in notes 17 to the financial statements, the Group and the Company's property, plant and equipment which are stated at cost less accumulated depreciation and impairment losses are significant amount. The management exercise judgment in determining the impairment loss due to the recoverable amount of the property, plant and equipment is determined on value in use by estimate future cash flows that the entity expects to derive from the assets which related to the projection of future operating performance, future plan and determination of an appropriate discount rate and key assumptions. Therefore, I have identified that considering the impairment loss of property, plant and equipment is the significant matter that requires special attention in the audit.

My audit procedure on such matter

I have tested the impairment of property, plant and equipment by consider and assess the reasonable and supportable assumptions and approaches in preparation of the estimate of future cash inflows or outflows which the Group and the Company expected to derive from the continuing use of the property, plant and equipment. Including assess the Group and the Company's reasonable discount rate which used for calculation of the recoverable amount of the property, plant and equipment and considered the adequacy of the information disclosure related to impairment of property, plant and equipment.

Other Information

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

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

In connection with my audit of the consolidated and separate 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 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 the management of the Group.

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 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 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 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 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 consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 audits.

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.

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 year 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.

D I A International Audit Company Limited

Mrs. Suvimol Chrityakierne

C.P.A. (Thailand)

Registration No. 2982

28 February 2022



Statements of Financial Position

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
As at 31 December 2021

Unit : Baht

| Assets | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| | | 2021 | 2020 | 2021 | 2020 |
| Current assets | | | | | |
| Cash and cash equivalents | 7 | 496,419,762 | 665,739,959 | 383,871,876 | 635,691,476 |
| Trade accounts receivable | 8 | 124,435,894 | 134,803,702 | 43,445,503 | 36,401,026 |
| Other current receivables from related parties | 6 | 36,381,221 | 163,943,165 | 49,490,922 | 172,069,608 |
| Current contract assets | 9 | 21,146,617 | 16,593,096 | - | - |
| Short-term loans from related parties | 6 | 26,788,560 | 11,055,963 | 26,788,560 | 11,055,963 |
| Current portion of long-term loans | 16 | 25,959,391 | 14,875,294 | 25,959,391 | 14,875,294 |
| Inventories | 10 | 8,021,248,242 | 4,316,393,324 | 7,996,400,012 | 4,260,405,551 |
| Other current assets | 11 | 560,765,449 | 242,585,812 | 494,664,560 | 192,424,811 |
| Assets held for disposal from liquidation of subsidiary | 3(f) | - | - | - | - |
| Total current assets | | 9,313,145,136 | 5,565,990,315 | 9,020,620,824 | 5,322,923,729 |
| Non-current assets | | | | | |
| Other non-current financial assets | 12 | 74,048,419 | 44,135,840 | 72,690,296 | 43,322,326 |
| Investments in subsidiaries | 13 | - | - | 323,999,930 | 278,999,930 |
| Investments in joint venture | 15 | 2,741,466,298 | 2,564,156,667 | 2,628,781,546 | 2,628,781,546 |
| Long-term loans | 16 | 507,040,469 | 471,446,343 | 507,040,469 | 471,446,343 |
| Property, plant and equipment | 17 | 10,542,803,469 | 10,922,902,304 | 9,430,057,754 | 9,769,170,144 |
| Right-of-use assets | 18 | 50,112,105 | 71,521,507 | 29,975,973 | 49,535,354.00 |
| Other intangible assets | 19 | 18,083,109 | 12,970,146 | 14,845,113 | 8,293,802 |
| Deferred tax assets | 20 | 15,403,465 | 9,770,968 | - | - |
| Other non-current assets | | 16,532,969 | 16,932,530 | 14,961,587 | 15,326,254 |
| Total non-current assets | | 13,965,490,303 | 14,113,836,305 | 13,022,352,668 | 13,264,875,699 |
| Total assets | | 23,278,635,439 | 19,679,826,620 | 22,042,973,492 | 18,587,799,428 |

The accompanying notes are an integral part of these financial statements.



Statements of Financial Position (Continued)

Sahaviriya Steel Industries Public Company Limited and Subsidiaries

As at 31 December 2021

Unit : Baht

| Liabilities and shareholders' equity | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| | | 2021 | 2020 | 2021 | 2020 |
| Current liabilities | | | | | |
| Short-term borrowings from financial institutions | 21 | 39,000,000 | 40,000,000 | - | - |
| Trade accounts payable | 22 | 4,844,666,302 | 2,837,508,891 | 4,806,977,778 | 2,801,884,831 |
| Other current payables to related parties | 6 | 11,477,271 | 11,084,669 | 28,411,940 | 22,070,285 |
| Other current payables | 23 | 226,005,776 | 219,693,792 | 185,118,238 | 180,494,197 |
| Current contract liabilities | 9 | 550,436,976 | 823,914,277 | 536,027,575 | 812,234,197 |
| Current portion of liabilities under rehabilitation plan | 26 | 1,420,201,862 | 225,082,399 | 1,420,201,862 | 233,073,258 |
| Current portion of lease liabilities | 18 | 33,711,976 | 31,444,814 | 27,411,982 | 25,159,706 |
| Short-term borrowings from related parties | 6 | - | - | 24,423,914 | 74,500,000 |
| Corporate income tax payable | | 10,166,413 | - | - | - |
| Provisions under onerous contracts | 9 | 104,991,274 | 12,290,774 | 104,991,274 | 12,290,775 |
| Other non-current financial liabilities | 24 | 2,415,933 | 731,876 | 540,200 | 731,876 |
| Total current liabilities | | 7,243,073,783 | 4,201,751,492 | 7,134,104,763 | 4,162,439,125 |
| Non-current liabilities | | | | | |
| Liabilities under rehabilitation plan | 26 | 30,628,525,877 | 29,527,288,478 | 30,636,516,736 | 29,527,288,478 |
| Lease liabilities | 18 | 17,243,349 | 41,439,486 | 3,463,753 | 25,353,004 |
| Deferred tax liabilities | 20 | 38,689,914 | 38,379,800 | 16,184,258 | 15,121,842 |
| Non-current provisions for employee benefits | 25 | 421,759,817 | 391,164,406 | 361,451,707 | 334,679,381 |
| Other non-current liabilities | | 823,876 | 823,876 | 823,876 | 823,876 |
| Total non-current liabilities | | 31,107,042,833 | 29,999,096,046 | 31,018,440,330 | 29,903,266,581 |
| Total liabilities | | 38,350,116,616 | 34,200,847,538 | 38,152,545,093 | 34,065,705,706 |

The accompanying notes are an integral part of these financial statements.



Statements of Financial Position (Continued)

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
As at 31 December 2021

Unit : Baht

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|-------------------------|-------------------------------|-------------------------|
| | | 2021 | 2020 | 2021 | 2020 |
| Liabilities and shareholders' equity | | | | | |
| Shareholders' equity | | | | | |
| Share capital | | | | | |
| Authorized share capital | | | | | |
| 11,113,018,280 common shares | | | | | |
| of Baht 1 each | 27 | 11,113,018,280 | 11,113,018,280 | 11,113,018,280 | 11,113,018,280 |
| Issued and paid-up share capital | | | | | |
| 11,113,018,280 common shares | | | | | |
| of Baht 1 each | 27 | 11,113,018,280 | 11,113,018,280 | 11,113,018,280 | 11,113,018,280 |
| Share discount on ordinary shares | | (9,500,000,000) | (9,500,000,000) | (9,500,000,000) | (9,500,000,000) |
| Deficit | | (17,191,282,046) | (16,654,971,212) | (17,722,589,881) | (17,090,924,558) |
| Equity attributable to owners of the Company | | (15,578,263,766) | (15,041,952,932) | (16,109,571,601) | (15,477,906,278) |
| Non-controlling interests | | 506,782,589 | 520,932,014 | - | - |
| Total shareholders' equity | | (15,071,481,177) | (14,521,020,918) | (16,109,571,601) | (15,477,906,278) |
| Total liabilities and shareholders' equity | | 23,278,635,439 | 19,679,826,620 | 22,042,973,492 | 18,587,799,428 |

The accompanying notes are an integral part of these financial statements.



Statements of Profit and Loss

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December 2021

| | | Unit : Baht | | | |
|-----------------|--|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| | | Consolidated financial statements | | Separate financial statements | |
| Note | | 2021 | 2020 | 2021 | 2020 |
| Income | | | | | |
| | Revenue from sales | 34,524,201,377 | 17,456,188,002 | 34,528,067,377 | 17,454,139,179 |
| | Revenue from rendering of services | 789,263,335 | 668,722,288 | 212,887,674 | 227,367,290 |
| 13 | Dividend income | - | - | 101,100,000 | 25,500,000 |
| | Other income | 90,625,434 | 54,016,596 | 101,322,101 | 66,171,073 |
| | Total income | 35,404,090,146 | 18,178,926,886 | 34,943,377,152 | 17,773,177,542 |
| Expenses | | | | | |
| | Cost of sales | 31,671,245,681 | 16,818,610,938 | 31,732,686,270 | 16,882,190,490 |
| | Cost of inoperative | - | 60,185,292 | - | 60,185,292 |
| | Cost of rendering of services | 637,398,549 | 596,263,071 | 177,714,910 | 216,333,004 |
| | Distribution costs | 88,124,401 | 63,299,286 | 79,829,476 | 51,562,061 |
| | Administrative expenses | 625,407,516 | 629,629,627 | 547,782,074 | 560,239,029 |
| | Management benefit expenses | 110,796,428 | 95,289,282 | 109,588,011 | 85,643,282 |
| | Gain (loss) on exchange rate | 1,070,772 | 33,435,996 | (1,199,222) | 33,435,996 |
| | (Reversed) Expected Credit Losses | 17,879,017 | (81,999,370) | 17,816,935 | (81,999,370) |
| 9 | Loss on onerous contracts | 92,700,499 | 12,290,775 | 92,700,499 | 12,290,775 |
| | Total expenses | 33,244,622,863 | 18,227,004,897 | 32,756,918,953 | 17,819,880,559 |
| | Profit (loss) from operating activities | 2,159,467,283 | (48,078,011) | 2,186,458,199 | (46,703,017) |
| | Finance income | 14,331,204 | 10,396,773 | 14,232,699 | 10,251,127 |
| | Finance costs | (1,633,003,385) | (1,721,160,543) | (1,633,049,914) | (1,721,125,327) |
| | Gains on elimination recognised as financial liabilities measured at amortised costs | 26 | - | 1,631,529,180 | - |
| | Gains (losses) on exchange rate from liabilities under rehabilitation plan - net | 26 | (1,784,537,611) | 559,543,856 | (1,784,537,611) |
| | Adjustment from decrease of guarantee obligations from liquidation of the creditor class 4 | 26 | 586,293,720 | - | - |
| | Share of profit (loss) on equity securities of joint venture by equity method | 15 | 177,309,631 | (64,624,878) | - |
| | Profit (loss) before income tax expense | (480,139,158) | 367,606,377 | (630,602,907) | 433,495,819 |
| | Tax (expense) income | 30 | (16,421,101) | 9,821,065 | (1,062,416) |
| | Profit (loss) for the year | (496,560,259) | 377,427,442 | (631,665,323) | 432,642,822 |
| | Profit (loss) attributable to | | | | |
| | Owners of the Company | (536,310,834) | 376,347,073 | (631,665,323) | 432,642,822 |
| | Non-controlling interests | 14 | 39,750,575 | 1,080,369 | - |
| | Profit (loss) for the year | (496,560,259) | 377,427,442 | (631,665,323) | 432,642,822 |
| | Basic earnings (loss) per share (Baht) | 31 | (0.05) | 0.03 | (0.06) |
| | | | | | 0.04 |

The accompanying notes are an integral part of these financial statements.



Statements of Comprehensive Income

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December 2021

Unit : Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|-------------|-------------------------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| Profit (loss) for the year | (496,560,259) | 377,427,442 | (631,665,323) | 432,642,822 |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive income (expense) for the year | (496,560,259) | 377,427,442 | (631,665,323) | 432,642,822 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | (536,310,834) | 376,347,073 | (631,665,323) | 432,642,822 |
| Non-controlling interests | 39,750,575 | 1,080,369 | - | - |
| Total comprehensive income for the year | (496,560,259) | 377,427,442 | (631,665,323) | 432,642,822 |

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Shareholders' Equity

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December 2021

Unit : Baht

Consolidated financial statements

| | Retained earnings (deficit) | | | | Equity | | | Total shareholders' equity |
|---|----------------------------------|-----------------------------------|---------------|--------------------------|---------------------------------------|---------------------------|-------------------------|----------------------------|
| | Issued and paid-up share capital | Share discount on ordinary shares | Legal reserve | Unappropriated (deficit) | attributable to owners of the Company | Non-controlling interests | | |
| Balance as at 31 December 2019 | 11,113,018,280 | (9,500,000,000) | - | (17,031,318,285) | (15,418,300,005) | 544,351,645 | (14,873,948,360) | |
| Total comprehensive income (expense) for the year | - | - | - | 376,347,073 | 376,347,073 | 1,080,369 | 377,427,442 | |
| Dividend paid to non-controlling interests | - | - | - | - | - | (24,500,000) | (24,500,000) | |
| Balance as at 31 December 2020 | 11,113,018,280 | (9,500,000,000) | - | (16,654,971,212) | (15,041,952,932) | 520,932,014 | (14,521,020,918) | |
| Balance as at 31 December 2020 | 11,113,018,280 | (9,500,000,000) | - | (16,654,971,212) | (15,041,952,932) | 520,932,014 | (14,521,020,918) | |
| Total comprehensive income (expense) for the year | - | - | - | (536,310,834) | (536,310,834) | 39,750,575 | (496,560,259) | |
| Dividend paid to non-controlling interests | - | - | - | - | - | (53,900,000) | (53,900,000) | |
| Balance as at 31 December 2021 | 11,113,018,280 | (9,500,000,000) | - | (17,191,282,046) | (15,578,263,766) | 506,782,589 | (15,071,481,177) | |

The accompanying notes are an integral part of these financial statements.



Statements of Changes in Shareholders' Equity (Continued)

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December 2021

Unit : Baht

| | Separate financial statements | | | | | Total shareholders' equity |
|---|----------------------------------|--|---------------|-----------------------------|--------------------------|----------------------------|
| | Issued and paid-up share capital | Share discount on ordinary shares issuance | Legal reserve | Retained earnings (deficit) | Unappropriated (deficit) | |
| Balance as at 31 December 2019 | 11,113,018,280 | (9,500,000,000) | - | (17,523,567,380) | (15,910,549,100) | |
| Total comprehensive income (expense) for the year | - | - | - | 432,642,822 | 432,642,822 | |
| Balance as at 31 December 2020 | 11,113,018,280 | (9,500,000,000) | - | (17,090,924,558) | (15,477,906,278) | |
| Balance as at 31 December 2020 | 11,113,018,280 | (9,500,000,000) | - | (17,090,924,558) | (15,477,906,278) | |
| Total comprehensive income (expense) for the year | - | - | - | (631,665,323) | (631,665,323) | |
| Balance as at 31 December 2021 | 11,113,018,280 | (9,500,000,000) | - | (17,722,589,881) | (16,109,571,601) | |

The accompanying notes are an integral part of these financial statements.





Statements of Cash Flows

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December 2021

| | Unit : Baht | | | |
|---|-----------------------------------|-----------------|-------------------------------|-----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| <i>Cash flows from operating activities</i> | | | | |
| Profit (loss) for the year | (496,560,259) | 377,427,442 | (631,665,323) | 432,642,822 |
| <i>Adjustments for</i> | | | | |
| Depreciation and amortisation | 750,582,280 | 649,485,055 | 642,988,336 | 540,840,612 |
| Bad debts and doubtful accounts | 17,879,017 | 1,242,912 | 17,816,935 | 1,242,912 |
| Loss on devaluation of inventories (reversal) | 460,189,988 | (538,517,729) | 460,189,988 | (538,517,729) |
| Unrealized loss (gain) on exchange rate | (26,196,168) | (23,369,224) | (28,405,091) | (23,708,796) |
| Loss (gain) on forward contracts | 1,684,057 | 731,876 | (191,676) | 731,876 |
| Withholding tax deducted at source (reversal) | - | (3,818,886) | - | - |
| Damaged building and equipment from flood | - | 368,138 | - | - |
| Write-off equipment | 139,305 | 1,711,300 | 134,416 | 1,711,300 |
| Employee benefit provisions | 32,566,041 | 34,319,841 | 27,793,951 | 29,190,578 |
| Loss on onerous contracts | 92,700,499 | 12,290,774 | 92,700,499 | 12,290,775 |
| Loss (gain) on disposal of property, plant and equipment | (5,535,230) | (272,888) | (5,409,997) | - |
| (Reversed) Loss on impairment of property, plant and equipment | (899,000) | - | - | - |
| Share of loss of joint venture (net of tax) | (177,309,631) | 64,624,879 | - | - |
| Gains on elimination recognised as financial liabilities measured at amortised cost | - | (1,631,529,180) | - | (1,631,529,180) |
| Loss (gain) of exchange rate from liabilities under rehabilitation plan - net | 1,784,537,611 | (559,543,856) | 1,784,537,611 | (559,543,856) |
| Adjustment from decrease of guarantee obligations from liquidation of the creditor class 4 | (586,293,720) | - | (586,293,720) | - |
| Finance costs | 1,633,003,385 | 1,721,160,543 | 1,633,049,914 | 1,721,125,327 |
| Finance income | (14,331,204) | (10,396,773) | (14,232,699) | (10,251,127) |
| Dividend income | - | - | (101,100,000) | (25,500,000) |
| Tax expense (income) | 16,421,101 | (9,821,065) | 1,062,416 | 852,997 |
| <i>Profit (loss) from operating activities before changes in operating assets and liabilities :</i> | 3,482,578,072 | 86,093,159 | 3,292,975,560 | (48,421,489) |
| <i>Changes in operating assets and liabilities</i> | | | | |
| Trade accounts receivable | 142,507,633 | (68,754,544) | 125,300,941 | (34,414,890) |
| Other current receivables from related parties | (22,662,491) | 8,848,924 | (27,583,667) | 31,105,173 |
| Current contract assets | (4,553,521) | (4,004,837) | - | - |
| Inventories | (4,165,044,906) | 3,685,825,035 | (4,196,184,449) | 3,718,480,984 |
| Other current assets | (282,094,434) | 14,203,771 | (283,941,738) | (2,756,103) |
| Other non-current assets | 399,561 | (2,572,490) | 364,667 | (2,183,955) |
| Trade accounts payable | 1,978,855,568 | (2,282,252,397) | 1,976,918,700 | (2,358,164,847) |
| Other current payables to related parties | 392,602 | 4,615,716 | 9,031,024 | (1,265,875) |
| Other current payables | 22,992,414 | (69,864,065) | 23,385,865 | (65,224,996) |
| Current contract liabilities | (273,477,301) | 579,078,512 | (276,206,622) | 579,874,719 |
| <i>Cash provided by (used in) operating activities</i> | 879,893,197 | 1,951,216,784 | 644,060,281 | 1,817,028,721 |

The accompanying notes are an integral part of these financial statements.



Statements of Cash Flows (Continued)

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December 2021

| | Unit : Baht | | | |
|--|-----------------------------------|------------------------|-------------------------------|------------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Employee benefit obligations paid | (1,970,630) | (4,073,954) | (1,021,625) | (685,575) |
| Income tax paid | (34,499,713) | (25,738,695) | (5,135,450) | (5,293,296) |
| Income tax received | - | 17,470,638 | - | - |
| Net cash provided by operating activities | 843,422,854 | 1,938,874,773 | 637,903,206 | 1,811,049,850 |
| <i>Cash flows from investing activities</i> | | | | |
| Investments in subsidiaries | - | - | (45,000,000) | - |
| Finance income received | 2,669,231 | 965,927 | 2,570,726 | 820,281 |
| Increase (Decrease) in other non-current financial assets | (29,912,579) | (36,540,191) | (29,367,970) | (39,688,340) |
| Payments for short-term loans from related parties | (15,349,570) | (41,008,435) | (15,349,570) | (41,008,435) |
| Proceeds from short-term loans to related parties | 1,024,950 | 29,733,985 | 1,024,950 | 29,733,985 |
| Payments for long-term loans | - | (492,490,118) | - | (492,490,118) |
| Proceeds from long-term loans to related parties | 6,466,209 | - | 6,466,209 | - |
| Acquire of property, plant and equipment | (354,455,335) | (623,622,879) | (298,249,018) | (559,199,072) |
| Sales of property, plant and equipment | 5,535,714 | 273,022 | 5,410,480 | - |
| Acquire of intangible assets | (3,079,006) | (4,694,127) | (2,920,456) | (3,306,684) |
| Dividend received | - | - | 45,000,000 | - |
| Net cash used in investing activities | (387,100,386) | (1,167,382,816) | (330,414,649) | (1,105,138,383) |
| <i>Cash flows from financing activities</i> | | | | |
| Finance cost paid | (77,281,806) | (11,897,197) | (73,993,791) | (11,861,981) |
| Payments for short-term borrowings from financial institutions | (1,000,000) | (20,682,672) | - | - |
| Proceeds from short-term borrowings from related parties | - | - | - | 100,000,000 |
| Payments for liabilities under rehabilitation plan | (457,608,607) | (374,740,937) | (457,608,607) | (374,740,937) |
| Payments for lease liabilities | (35,852,252) | (33,926,123) | (27,705,759) | (26,446,943) |
| Dividend paid | (53,900,000) | (24,500,000) | - | - |
| Net cash used in financing activities | (625,642,665) | (465,746,929) | (559,308,157) | (313,049,861) |
| Net increase (decrease) in cash and cash equivalents | (169,320,197) | 305,745,028 | (251,819,600) | 392,861,606 |
| Cash and cash equivalents as at 1 January | 665,739,959 | 359,994,931 | 635,691,476 | 242,829,870 |
| Cash and cash equivalents as at 31 December | 496,419,762 | 665,739,959 | 383,871,876 | 635,691,476 |
| <i>Significant non-cash transactions</i> | | | | |
| Other payables-property, plant and equipment | (18,029,823) | 9,722,621 | (18,235,483) | 11,469,115 |
| Dividend income offset against borrowings repayment and borrowings interest payment | - | - | 56,100,000 | 25,500,000 |

The accompanying notes are an integral part of these financial statements.



Notes to Financial Statements

Sahaviriya Steel Industries Public Company Limited and subsidiaries
For the year ended 31 December 2021

| Notes | Contents |
|-------|--|
| 1 | General information |
| 2 | Basis of operation as a going concern |
| 3 | Basis of preparation of the financial statements |
| 4 | New financial reporting standards |
| 5 | Summary of significant accounting policies |
| 6 | Related parties |
| 7 | Cash and cash equivalents |
| 8 | Trade accounts receivable |
| 9 | Current contract asset / Current contract liabilities |
| 10 | Inventories |
| 11 | Other current assets |
| 12 | Other non-current financial assets |
| 13 | Investments in subsidiaries |
| 14 | Non-controlling interests |
| 15 | Investments in joint venture |
| 16 | Long-term loans |
| 17 | Property, plant and equipment |
| 18 | Right-of-use assets / Lease liabilities |
| 19 | Other intangible assets |
| 20 | Deferred tax |
| 21 | Short-term borrowings from financial institutions |
| 22 | Trade accounts payable |
| 23 | Other current liabilities |
| 24 | Other current financial liabilities |
| 25 | Non-current provisions for employee benefit |
| 26 | Liabilities under business rehabilitation plan and progressive |
| 27 | Share capital |
| 28 | Segment information |
| 29 | Expenses by nature |
| 30 | Income tax |
| 31 | Earnings (loss) per share |
| 32 | Promotional privileges |
| 33 | Commitments and contingent liabilities |
| 34 | Financial instruments |
| 35 | Financial statements approval |



Notes to Financial Statements

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December 2021

1. General information

1.1 Company's General information

Sahaviriya Steel Industries Public Company Limited ("the Company") is incorporated in Thailand. The Company was listed on the Stock Exchange of Thailand in September 1994 and has its registered office at 18/1 Prapawit Building, 2nd-3rd Floor, Surasak Road, Kwang Silom, Khet Bangrak, Bangkok, Thailand and its plant located at 9, Moo 7, Tambon Mae Rumphueng, Amphur Bang Saphan, Prachuabkirikhan, Thailand. The Company, its subsidiaries and its joint venture are hereinafter collectively referred to as "the Group".

On 22 June 2020, the Stock Exchange of Thailand has delisted the Company's ordinary shares since the Company may be delisted as listed securities in the event of the shareholders' equity is lower than zero in accordance with the regulations of the Stock Exchange of Thailand "Delisting of Securities B.E.2542 (1999), (Regulations reference to Delisting) No.9(6)(d) which the Company is unable to eliminate the grounds for delisting within the determined period of regulations reference to delisting No.9(15).

The Exchange ordered for trading ordinary shares of the Company for 7 days before the effective date of delisting of securities, during 1-10 July 2020 and where the maturity of such trading is met the Exchange shall proceed for delisting the Company's ordinary shares as listed securities and is effective on 11 July 2020 onwards.

The major shareholders comprise Krung Thai Bank Public Company Limited held at 40.49%, Siam Commercial Bank Public Company Limited at 40.22% and Tisco Public Company Limited at 7.87%.

The principal businesses of the Company are manufacturing and distributing of hot rolled coils. Details of the Company's subsidiaries and joint venture are given in Notes 13 and 15.

1.2 Coronavirus disease 2019 (COVID-19) pandemic

The Coronavirus 2019 disease pandemic situation causes a slowdown in economy and affected the most businesses and industries, such as supply chain, consumer spending, limitation or interruption of production, the delay operations, etc.

Those situations affected the Company's business activities in respect to supply chain relating to the order of raw materials from abroad, quantity limitation of the customers' demands which affected to the current financial



position, the results of operation and cash flows. That impacts reflected on the ability of the Company in settlement liabilities under business rehabilitation plan. As a result, the Company requested to revise the business rehabilitation plan as stated in notes 26 to financial statements and in the future, the management of the Company continuously monitored ongoing situation and assessed the financial impacts in respect of valuation of assets, provisions, contingent liabilities and used estimates and judgment in respect of the various issues as the situation has evolved.

2. Basis of operation as a going concern

For the year ended 31 December 2021, the Group have operating net loss in the amount of Baht 496.6 million (profit for the year of baht 1,695 million less gain on sale of security for debt settlement under rehabilitation plan amount of Baht 586.3 million and added loss on exchange rate of liabilities under rehabilitation plan - net amount of Baht 1,784.5 million) (2020 : net profits amount of Baht 377.4 million (net loss of Baht 1,776.9 million less gain on elimination recognised as financial liabilities measured at amortise cost amount of Baht 1,631.5 million and gain or loss on exchange rate of liabilities under rehabilitation plan – net total amount of Baht 559.5 million) and accumulated loss of Baht 17,191.3 million (31 December 2020 : amount of Baht 16,654.9 million). negative shareholder equity amount of Baht 15,071.5 million (31 December 2020 : amount of Baht 14,521.0 million).

For the year ended 31 December 2021, the Group have operating net loss in the amount of Baht 631.7 million (profit for the year of baht 1,740 million less gain on sale of security for debt settlement under rehabilitation plan amount of Baht 586.3 million and added loss on exchange rate of liabilities under rehabilitation plan - net amount of Baht 1,784.5 million) (2020 : net profits amount of Baht 432.6 million (net loss of Baht 1,758.4 million less gain on elimination recognised as financial liabilities measured at amortise cost amount of Baht 1,631.5 million and gain or loss on exchange rate of liabilities under rehabilitation plan – net total amount of Baht 559.5 million) and accumulated loss of Baht 17,722.6 million (31 December 2020 : amount of Baht 17,090.9 million). negative shareholder equity amount of Baht 16,109.6 million (31 December 2020 : amount of Baht 15,477.9 million).

In 2015, the Board of directors authorized the Company to file the rehabilitation plan to the Central Bankruptcy Court on 1 October 2015, and as of 15 December 2016, the Central Bankruptcy Court approved the rehabilitation plan and nominated the Company a plan administrator.

On 18 June 2020, the Official Receiver has attended the creditors meeting and the most of creditors passed the resolution to agree with the revised plan (the Plan dated 14 July 2016 additional revised by the creditors' meeting held on 18 June 2020) ("the Plan No. 2") and the Plan No. 2 is approval by the Central Bankruptcy Court on 18 September 2020.

Subsequent on 22 September 2021, Sahaviriya Steel Industries Public Company Limited "plan administrator" needs to revise the plan for the achievement of business rehabilitation of the debtor, therefore, the petition is filed "Applications for revision of rehabilitation plan" to the Official Receiver. The Official Receiver has held the creditors meeting on 9 November 2021 and the most of creditors passed the resolution to agree with the "Applications for revision of rehabilitation plan" and subsequently the Central Bankruptcy Court approved on 14 December 2020. (Note 26)



Past performance operation

After the Central Bankruptcy Court approved the Company's rehabilitation plan (the Plan dated 14 July 2016 additional revised by the creditors' meeting held on 18 June 2020) and the applications for revision of rehabilitation plan approved by the Central Bankruptcy Court on 14 December 2021, the Company acted as a plan administrator operates under the condition as stipulated in the plan including the meeting attendance with the creditors committee to monitor the results and compliance with the conditions in the plan together with evaluate the successful of the plan on a monthly basis, as well as reporting the progress on the implementation of the plan to the Official Receiver on a quarterly basis.

Debt repayment under rehabilitation plan

During the preparation of the rehabilitation plan, the Company and the financial advisor used the assumption to prepared financial projections to determine the average ability to settle the annual debt by reference to the past performance as detailed in the business rehabilitation plan of the Company and with the conditions for the creditors committee to be responsible for consideration to allocate excess cash flows (if any) which arose from the operating results better than the projections on the assumption that the allocation of excess cash flow will generate the greatest benefit to the business.

Long-term operating plan

The Company and its bank creditor concluded that the Company should invite other two business partnerships, who are a global producer and a global steel wholesaler to initiate long-term business plan together. Then entered into the Memorandum of Understanding (MOU) to support the Company on multiple perspectives i.e. material sourcing, working capital for future business expansion and production and management technology.

However, at the end of 2021, the Company has reviewed its future strategic plan and plans to create more new businesses and planned to resolve the group's debts.

The Company believes that the Company will has sufficient working capital for its operation in next year. However, it still has high uncertainties since it must comply with the rehabilitation plan dated 14 July 2016 (amended by the Creditors' meeting on 18 June 2020) and the applications for revision of rehabilitation plan approved by the Central Bankruptcy Court on 14 December 2021.

The consolidated and separate financial statements have been prepared by the Management in accordance with the continuity of operation as a going concern basis on the assumption that the rehabilitation will be succeeded and that the business will have sufficient funds and credit limits to be used in the business operations of the Group and the Company. However, the appropriate of this assumption depends on the success of the rehabilitation plan, as well as the implementation of measures to improve profitability and cash flow, ability in capital restructuring, ability to settle debts and the ability to provide financing from other sources to provide sufficient funds, and the ability to negotiate with creditors to improve the rehabilitation plan to meet the conditions for debts settlement appropriated with cash flow of the business. This may include requesting an extension of the repayment period in the future.



The consolidated and separate financial statements do not include reclassification or asset and liability adjustments, which may be necessary if the Group and the Company be unable to continue their operation as a going concern. Therefore, the realisable value of assets may be significantly less than the book value and incurred additional contingent liabilities, if the Group and the Company are unable to continue their operation as a going concern.

3. Basis of preparation of the financial statements

(a) *Statement of compliance*

The financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS); including interpretations and guidelines promulgated by the Federation of Accounting Professions (FAP) and the regulation of The Stock Exchange of Thailand (SET) dated 2 October 2017 regarding the preparation and submission of financial statements and reports for the financial performance of the listed companies B.E. 2560. The format of presentation of the financial statements is not significantly different from the Notification of the Department of Business Development regarding the condensed form should be included in the financial statements (No.3) B.E. 2562 dated 26 December 2019.

The consolidated and separate financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

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

(b) *Basis of consolidation*

The financial information has been prepared by including the financial statements of Sahaviriya Steel Industries Public Company Limited, subsidiaries and associates (collectively “the Group”) as following:

| Name of entity | Type of business | 31 December 2021 | 31 December 2020 |
|----------------------------------|--|------------------|------------------|
| | | (%) | (%) |
| <u>Direct subsidiaries</u> | | | |
| Prachuap Port Co., Ltd. | Deep-sea port and marine shipping services | 51.00 | 51.00 |
| West Coast Engineering Co., Ltd. | Maintenance services | 99.99 | 99.99 |
| <u>Indirect subsidiaries</u> | | | |
| Helium Miracle 303 Limited | Non-operation | - | - |
| Helium Miracle 301 Limited | Non-operation | - | - |
| Helium Miracle 302 Limited | Non-operation | - | - |



| Name of entity | Type of business | 31 December 2021 | 31 December 2020 |
|--|---|------------------|------------------|
| | | (%) | (%) |
| <u>Direct associates</u> | | | |
| Thai Cold Rolled Steel Sheet Public Company Limited | Production and distribution of cold rolled coils | 35.19 | 35.19 |

The consolidated financial statements relate to the Company, its subsidiaries and joint venture (together referred to as the "Group") and the Group's interests in joint venture.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

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 acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

When the share-based payment awards is issued (replacement awards) in exchange for a project held by the acquiree's employees (acquiree awards), depending on the cost of the service in the past. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals to the market-based measure of the acquire awards. If future work requirements exist, the difference between the value included in measuring the consideration transferred and the market-based measure of the replacement awards are recognised as remuneration cost for post-combination service.

Contingent liabilities of the acquired company derived from business combination are recognise as liabilities if there are current obligations arose from past events and fair value can be reliably measured.

The Group measures the non-controlling interests based on the ratio of net assets derived from the acquiree.

Costs relating to the acquisition of the Group arose from the business combination, such as legal advisory expenses professional fees and other consultant fees are expended when they are incurred.



Subsidiaries

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.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in a joint venture.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with joint venture are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(c) *Basis of measurement*

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.



(d) *Functional and presentation currency*

The financial statements are prepared and presented in Thai Baht which is the Company's functional currency. All financial information and the notes to financial statements presented in Thai Baht has been rounded to the nearest thousand unless otherwise stated.

(e) *Leases*

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgment in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease, considering all relevant factors and circumstances that create an economic incentive for the Group to exercise either the extension or termination option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

Lease classification - The Group as a lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for expected credit losses of trade receivables and contract assets

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

(f) *Liquidation and Deconsolidation of SSI UK and Financial statements of SSI UK*

Sahaviriya Steel Industries UK Limited ("SSI UK") is an integrated iron and steel slab producer, from the results of operating loss and continuously reducing of the world steel price, as a result, In 2015, SSI UK has stopped its steel slab manufacturing and the liquidator was appointed and become control. The Company has no a power to control the business or operation of SSI UK Limited anymore. With this cause, assets and liabilities of SSI UK were eliminated from the consolidated financial statements and instead of the recognition of investment in SSI UK which were amortized in full by net realizable value during the 2015.

Presently, progress detail with SSI UK state as Note 16 and 26.



Net interests and carrying value of investments in SSI UK has been transferred to assets held for disposal in the separate financial statements as at 31 December 2021 and 2020. Details are as follows:

Unit : Thousand Baht

| | Ownership interest | Cost method | Impairment | At cost - net |
|---|--------------------|-------------|------------|---------------|
| | (%) | | | |
| Investments in Sahaviriya Steel Industries UK Limited | 100 | 27,481,792 | 27,481,792 | - |

4. New financial reporting standards

4.1 Issued and revised financial reporting standards adoption during the year

During the year, the Group and the Company has adopted a number of revised financial reporting standards and interpretations which are effective for the financial statements for the period beginning on or after 1 January 2021. 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 adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

4.2 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for the financial statements for the fiscal year beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

5. Summary of significant accounting policies

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

(a) Revenues and expenses

Revenues exclude value added taxes and stated at net of trade discounts.



Sale of goods

The Group recognised revenue from sales when control of goods is transferred to the customer, generally on delivery of the goods to the customers and revenues are derecognised where the management still controls or manages the goods sold or has significant uncertainties in the economic benefits of selling the goods or providing the service. The amounts of revenues and cost incurred cannot be reliably measured. Revenues from sales are presented at net realisable value after deducting estimated of return and discount.

Revenue from rendered of services

The Group considered that service contract mostly contain only one performance obligation. The Group recognised revenue over time taking into account the stage of completion measuring based on incurred cost compared with expected cost to fulfill the contract.

The Group would consider the probability revenues from contract modification damage claim, delay one fine. Revenue would be recognised only to the extent that it is highly probable that a significant reversal in the amount of commulative revenue recognised will not occur.

When value and progress can not be realiably measured revenue would recognised not over occurred cost that expected to recover.

Revenues from construction contract

The Group are recognised as income over time of construction contract by using output method to measure the stage of completion of the contract which compared the actual costs at the end of the reporting year and total estimated costs of construction contract. The Company shall provide the provision for loss on construction when the expected losses incurred for revenues recognised in the reporting period immediately. The excess over contract revenue is presented as "Contract assets" in statements of position and discount of contract revenue is presented as "Contract liability" in statements of financial position.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Finance income

The Group recognised as income on an accrual basis by referring to the effective interest rate.

Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the Group will recognize revenue when the service is rendered at a net amount as commission.



Other income and expenses

Other income and expenses are recognised on accrual basis.

(b) *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and highly liquid short-term investments and are not subject to the withdrawal restriction.

(c) *Trade and other accounts receivable*

Trade and other accounts receivable are stated at their invoice value less allowance for expected credit losses

(d) *Inventories*

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

Cost of slab raw materials are calculated using the weighted average basis, cost of finished goods are calculated by using a specific identification. Costs comprise cost of acquisition, cost, costs of conversion and other costs incurred in bringing the inventories to their present location and condition, In case of finished goods and work in process by themselves, cost of goods includes the allocation of fixed production overhead by referring to the normal capacity production.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(e) *Non-current assets held for sale*

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. The assets (or disposal group) are measured at the lower of their carrying value and fair value less cost to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories and financial assets.

Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(f) *Investments in subsidiaries and joint venture*

Investments in subsidiaries and joint venture in the separate financial statements of the Company are accounted for using the cost method. Investments in joint venture in the consolidated financial statements are accounted for using the equity method.

(g) *Property, plant and equipment*

Recognition and measurement



Owned assets

Property, plant and equipment are stated 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 the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income 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 based on the depreciable amount, which is the cost of building and equipment, or other amount substituted for cost, less its residual value.

Depreciation is charge to profit or loss and is based on a straight-line basis over the estimated useful lives of each component of an item of asset or the unit of production. The estimated useful lives are as follows:

| | |
|--|------------------------|
| Land improvements | 5 years |
| Leasehold and leasehold improvements | 5 and 10 years |
| Buildings and building improvements | 5 and 20 years |
| Machinery, tools and equipment | |
| - in production line | The unit of production |
| - in steel making line | 20 years |
| - in service line | 5 – 10 years |
| - other tools and equipment | 3 – 10 years |
| Furniture, fixtures and office equipment | 5 – 10 years |
| Vehicles | 5 years |
| Roads | 5, 20 and 27 years |
| Berth and berth facilities | 5 and 30 years |



| | |
|-------------------------|--------------|
| Tug boats | 5 – 17 years |
| Customs cargo warehouse | 5 years |

The Group is not recognised depreciation on freehold land or assets under construction and installation.

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

(h) Leases

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

The Company as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

a) Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

| | |
|-----------------------------------|-----------|
| Land and land improvement | 2 years |
| Building and building improvement | 3-6 years |
| Vehicles | 3-5 years |



b) Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the year in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the incremental borrowing rate which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

c) Short-term leases and leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

d) Sale and leaseback transactions

The Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group. Accordingly, the Group recognises only the amount of any gain or loss that relates to the rights transferred to the lessor.

If the fair value of the consideration for the sale of an asset lower than the fair value of the asset, the difference is accounted for as a prepayment of lease payments to measure the sale proceeds at fair value.

The Company as a lessor

Finance leases

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.



Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

(i) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives 3 - 5 years are measured at cost less accumulated amortization and accumulated impairment losses.

(j) Impairment of non-financial assets

The carrying amounts of the Group's assets or its cash-generating unit 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 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 if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

The recoverable amount of a non-financial asset 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.

Reversals of impairment

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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 amortization, if no impairment loss had been recognised.

(k) Trade and other accounts payable

Trade and other accounts payable are stated at cost.



(l) *Employee benefits*

Short-term employee benefits

The Group recognised salaries, wages, bonuses and contributions to the social security fund as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Group and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The Group calculated the obligation under the defined benefit plan by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefits plans are recognised immediately in other comprehensive income.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognizes restructuring-related costs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior years. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the year in which they incurred.

(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 finance cost.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting the Group's obligations under the contract. The provision



is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(n) *Finance costs*

Borrowing costs indirectly attributable to the acquisition of construction or production of qualifying assets that are recognised in profit or loss using the effective interest rate method.

(o) *Income tax*

Income tax expense for the year comprises current tax and deferred tax. Current and deferred tax are 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 the expected tax payable or receivable on 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 following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint venture 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 year, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the year that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.



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.

(p) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

(q) Segment reporting

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.

(r) Financial instrument

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

The Group are classified financial assets, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition is driven by the Company business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement



These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVTOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Company financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

Derecognition of financial instruments

Financial asset

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liability

The Group derecognised a financial liability when the obligation under the liability is discharged or cancelled or expires.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability.

If the modification is not substantial, the difference between; (1) the carrying amount of the liability before the modification; and (2) the present value of cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

Impairment of financial assets

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.



A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(s) *Derivatives and hedge accounting*

The Group uses foreign currencies exchange rate swaps as a derivative to hedge its foreign currencies exchange rate risks.

The Group recognised initial of derivatives at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group presented derivatives as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

(t) *Measurement of fair values*

A number of the Company/the Group accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of financial reporting standards, including the level in the fair value hierarchy in which such valuations should be classified.

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

- Level 1: quoted prices (unadjusted) 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 (i.e. as selling prices) or indirectly (i.e. derived from prices).



- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

(u) *Transactions in foreign currencies*

The Group records the transactions in foreign currencies converting into Thai Baht by using the exchange rates ruling on the transaction dates. The outstanding balances of accounts in foreign currencies as at the statements of financial position date are converted into Thai Baht by using the exchange rates ruling on the same day.

Gain or loss on exchange is taken into income or expense as incurred.

(v) *Related party transactions*

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

(w) *Use of management's judgement and estimates*

The preparation of financial statements in conformity with Thai Financial Reporting Standards ("TFRSs") at times requires the management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Market interest rate for discounting cash flows for the write-off of financial liabilities.

The Group uses judgment to use the market interest rate in discounting cash flows for the write-off of financial liabilities to measure the fair value of each contract after debt restructuring under the rehabilitation plan. This market interest rate reflects the company's current financial cost. The reference interest rate is adjusted with other factors that are comparable to the Company's risk, such as interest rate which 4 major creditors under rehabilitation plan (commercial banks) charged interest with the Company under the Plan.



Allowance for expected credit losses of trade receivables and contract assets

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Allowance for obsolete of inventories

In determining allowance for obsolete of inventories, the management needs to make judgment in estimating allowance for expected credit losses of inventories by estimating net realisable value from the expected selling price in the normal course of business less the selling expenses and allowance for obsolete and slow-moving inventories upon the condition of goods and aging analysis of inventories.

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate (IBR) to discount lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease classification - The Group as a lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.



In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

The Group recognised deferred tax assets for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Non-current provisions for employees benefit

The obligations under the defined benefit plans are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and assessments.

6. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationship with related parties or key management personnel are as follows:

| Name of entities | Country of incorporation/ nationality | Nature of relationships |
|----------------------------------|---|---|
| Prachuap Port Co., Ltd. | Thailand | Subsidiary, shareholding in the proportion of 51.00% Common director |
| West Coast Engineering Co., Ltd. | Thailand | Subsidiary, shareholding in the proportion of 99.99% Common director |
| Helium Miracle 303 | England | The Company is indirect shareholder and had common directors |
| Helium Miracle 301 | England | The Company is indirect shareholder and had common directors |



| Name of entities | Country of incorporation/ nationality | Nature of relationships |
|---|--|--|
| Helium Miracle 302 | England | The Company is indirect shareholder and had common directors |
| Redcar Bulk Terminal Limited | England | The Company is indirect shareholder |
| Thai Cold Rolled Steel Sheet Public Company Limited | Thailand | joint venture, shareholding in the proportion of 35.19% Common director |
| Krung Thai Bank Public Company Limited | Thailand | Shareholder in the Company |
| The Siam Commercial Bank Public Company Limited | Thailand | Shareholder in the Company |
| Tisco Financial Group Public Company Limited | Thailand | Shareholder in the Company |
| Sahaviriya Group Corporation Limited | Thailand | Shareholder in the Company, common directors and direct and indirect shareholding by the Company's director(s) |
| Vanomet Holding AG | Switzerland | Common shareholder and directors and common director with a subsidiary |
| Thai Coated Steel Sheet Co., Ltd. | Thailand | Shareholding by the Company and common directors |
| Bangsaphan Barmill Public Company Limited | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |
| B.S. Metal Co., Ltd. | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |
| Sahaviriya Plate Mill Public Company Limited | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |
| Prapawit Building Property Co., Ltd. | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |
| Western Housing Co., Ltd. | Thailand | Common directors and direct shareholding by the Company's director(s) |
| Sahaviriya Management Co., Ltd. | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |
| C.A.R. Services Co., Ltd. | Thailand | Common shareholders |
| Sahaviriya Panich Corporation Co., Ltd. | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |
| Line Transport Co., Ltd. | Thailand | Common directors with the subsidiary and direct and indirect shareholding by the Company's director(s) |
| Bangpakong Lighyer Co.,Ltd. | Thailand | Indirect shareholding by the Company's director(s) |
| Bangpakong Port Co., Ltd. | Thailand | Common shareholders |
| Sahaviriya Steel Corporation Co., Ltd. | Thailand | Common shareholders |
| Thai Steel Sales Co., Ltd. | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |



| Name of entities | Country of incorporation/ nationality | Nature of relationships |
|--|--|--|
| Prachuap Pattana Development Co., Ltd. | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |
| SVL Corporation Co., Ltd. | Thailand | Common shareholder and directors and direct and indirect shareholding by the Company's director(s) |
| Sahaviriya Shipping Limited | Hong Kong | Common shareholder and directors and direct and indirect shareholding by the Company's director(s) |
| Vanomet AG | Switzerland | Common shareholder and common director with a subsidiary |
| Vanomet Finance AG | Switzerland | Common shareholder and common director with a subsidiary |
| Vanomet International AG | Switzerland | Common shareholder and common director with a subsidiary |
| Atlantic Steel AG | Switzerland | Common shareholder and common director with a subsidiary |
| Bangpakong Shape Steel Co., Ltd. | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |
| Steel Process Holdings Co., Ltd. | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |
| Sahaviriya Capital Holdings Co., Ltd. | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |
| Bangna 26 Property Co., Ltd. | Thailand | Common shareholders |
| KP Capital Co., Ltd. | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |
| Sahaviriya Orchid Co., Ltd. | Thailand | Common shareholders |
| Surasak Muang-Chol Property Co., Ltd. | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |
| Tong Real Estate Co., Ltd. | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |
| Krisna Residence Co., Ltd. | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |
| Chonglom Property Co., Ltd. | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |
| Chumphontanee Property Co., Ltd. | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |
| Soi Hiland Property Co., Ltd. | Thailand | Indirect common shareholders |
| Prachuap Steel Co., Ltd. | Thailand | Shareholders are directors of the company |
| Pomprachul Steel Co., Ltd. | Thailand | Shareholders are directors of the company |
| Bangplakod Steel Co., Ltd. | Thailand | Shareholders are directors of the company |
| SSP Asset Co., Ltd. | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |



| Name of entities | Country of incorporation/ nationality | Nature of relationships |
|---|--|--|
| SV Nittan Co., Ltd. | Thailand | Common directors and indirect shareholding by the Company's director(s) |
| Phrapradaeng Shape Steel Co., Ltd. | Thailand | Shareholders are directors of the company |
| Amarin Steel Co, Ltd. | Thailand | Shareholders are directors of the company |
| Kim Heng Seng Steel Co., Ltd. | Thailand | Shareholders are directors of the company |
| Saha Land Property Holding Co., Ltd. | Thailand | Common directors and indirect shareholding by the Company's director(s) |
| SCJ & Associates Co., Ltd. | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |
| T C H Asset Co., Ltd. | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |
| Thanarom Property Sale Co., Ltd. | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |
| Thipayasombat Co., Ltd. | Thailand | Common directors and indirect shareholding by the Company's director(s) |
| Western Security Guard Co. Ltd. | Thailand | Common directors |
| Pathiu Agriculture Co. Ltd. | Thailand | Common directors |
| Sahaviriya Tower Co. Ltd. | Thailand | Common directors and indirect shareholding by the Company's director(s) |
| Sai Ngam Garden Co. Ltd. | Thailand | Common directors |
| Spicy Co. Ltd. | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |
| Siam Sunrise Co. Ltd. | Thailand | Common directors |
| Bangsaphan Agricultural Energy Co. Ltd. | Thailand | Common directors and direct and indirect shareholding by the Company's director(s) |
| B.N.Steel Trading Co. Ltd. | Thailand | Common directors direct and indirect shareholding by the Company's director(s) |
| SVLTechnology Co. Ltd. | Thailand | Common directors indirect shareholding by the Company's director(s) |
| SVL Property Corporation Co. Ltd. | Thailand | Common directors and indirect shareholding by the Company's director(s) |
| Thepprathanpornmongkol Co. Ltd. | Thailand | Common directors and indirect shareholding by the Company's director(s) |
| Pornpattanacharoen Co. Ltd. | Thailand | Common directors and indirect shareholding by the Company's director(s) |
| Big Blue Co. Ltd. | Thailand | Common directors and indirect shareholding by the Company's director(s) |
| Bangsapan Sampun Co. Ltd. | Thailand | Common directors and direct shareholding by the Company's director(s) |



| Name of entities | Country of incorporation/ nationality | Nature of relationships |
|--|--|--|
| DD Foods Corporation Co. Ltd. | Thailand | Common directors and indirect shareholding by the Company's director(s) |
| Cristalla Co., Ltd | Thailand | Common directors |
| Chuchawal Royal Haskoning Co., Ltd. | Thailand | Common directors |
| Chubb Samaggi Insurance Public Company Limited | Thailand | Common directors |
| C.T. Land Co., Ltd. | Thailand | Common directors |
| CMDF Digital Infrastructure Co., Ltd. | Thailand | Common directors |
| Tris Corporation Co., Ltd. | Thailand | Common directors |
| TCC Intertrade Co., Ltd. | Thailand | Common directors |
| Thunthiphaya Co., Ltd. | Thailand | Common directors |
| Boon Rawd Brewery Co.,Ltd. | Thailand | Common directors |
| Boutique Corporation Public Company Limited | Thailand | Common directors |
| Plantheon Co., Ltd | Thailand | Common directors |
| Plantheon Trading Co., Ltd | Thailand | Common directors |
| Phupen Co., Ltd | Thailand | Common directors |
| Samart Corporation Public Company Limited | Thailand | Common directors |
| Siam Food (2513) Co., Ltd | Thailand | Common directors |
| Siam Food Products Public Company Limited | Thailand | Common directors |
| Chememan Public Company Limited | Thailand | Common directors |
| National Digital Id Co., Ltd | Thailand | Common directors |
| Western Seaboard Co., Ltd | Thailand | Common directors |
| Mk Restaurant Group Co., Ltd | Thailand | Common directors |
| Empire Asia Energy Group Co., Ltd | Thailand | Common directors |
| Asco Business Promotion Co., Ltd | Thailand | Common directors |
| Thai Light Block & Panel Co., Ltd | Thailand | Common directors |
| Thailandpost Distribution Co., Ltd | Thailand | Common directors |
| Key management personnel | Thailand | 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 Group. |



The pricing policies for particular types of transactions are explained further below:

| Transactions | Pricing policies with subsidiary companies and joint venture | Pricing policies with related companies |
|---|--|---|
| Sale of goods | Third party pricing used, dependent on volume and relevant market considerations. | Third party pricing used, dependent on volume and relevant market considerations. |
| Rendering of port services | Port services rendered are charged based on Ministry of Transportation-determined rates, dependent on service volume and relevant market considerations. | Port services rendered are charged based on Ministry of Transportation-determined rates, dependent on service volume and relevant market considerations. |
| Rendering of other services | Charges for rendering of services and maintenance-related services are based on agreements and common credit term. | Charges for rendering of services and maintenance-related services are based on agreements and common credit term. |
| Dividend income | Right to receive dividends | Right to receive dividends. |
| Other income | Sales of scrap material are priced based on scrap weight and the prices set by the Company. Revenue from providing management staff to subsidiaries and joint venture are based on agreements. | Sales of scrap material are priced based on scrap weight and the prices set by the Company. Revenue from providing management staff to related parties are based on agreements. |
| Purchase of goods | Purchases of goods for production are based on third party prices under terms and conditions normally applicable to similar transactions. Certain purchases of steel slab between the company and subsidiaries are based on the agreed price formula. Purchases of rolls are charged on agreed prices. | Purchases of raw material for production are based on market price. |
| Receiving of other services | Maintenance-related services are charged based on long-term maintenance service agreements. The term of the agreement can be modified according to business circumstances. | Transportation charges are based on agreements, dependent on cargo weight and distance. Warehouse rental is charged based on rental agreements. Cut sheet services are charged based on agreements. |
| Receiving of port services | Port services rendered are charged based on Ministry of Transportation-determined rates, dependent on service volume and relevant market considerations. | |
| Distribution costs and administrative expense | Port services rendered are charged based on Ministry of Transportation-determined rates, dependent on service volume and relevant market considerations. | Domestic transportation services are charged based on agreements, dependent on cargo weight and distance. Warehouse rental is charged based on rental agreements. Cut sheet services are charged based on agreements. |
| Loans | | The contractual interest rate |
| Borrowing | The contractual interest rate | |



Significant transactions for the year ended 31 December 2021 and 2020 with related parties are summarized as follows:

| | Consolidated | | Separate | |
|--|----------------------|-----------|----------------------|-----------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Subsidiaries | | | | |
| Cost of services | - | - | 3,866 | - |
| Purchases of goods and receiving of services | - | - | 326,813 | 318,177 |
| Dividend income | - | - | 101,100 | 25,500 |
| Other income | - | - | 16,551 | 20,403 |
| Distribution costs and administrative expenses | - | - | - | 1,411 |
| Finance costs | - | - | 3,335 | 4,425 |
| Joint venture | | | | |
| Sales of goods | 2,176,789 | 725,331 | 2,176,789 | 725,331 |
| Revenue from rendering of services | 94,607 | 73,868 | - | - |
| Other income | 11,320 | 13,449 | 11,320 | 13,449 |
| Distribution costs and administrative expenses | 113 | 535 | 113 | 534 |
| Other related parties | | | | |
| Sales of goods | 3,966,932 | 1,638,783 | 3,966,932 | 1,638,783 |
| Revenue from rendering of services | 140,734 | 11,555 | - | - |
| Purchases of goods and receiving of services (including other related expenses) | 572,874 | 119,080 | 565,464 | 91,843 |
| Finance income | 3,059 | 9,823 | 3,059 | 9,823 |
| Other income | 17,804 | 178,209 | 15,599 | 175,727 |
| Distribution costs and administrative expenses | 46,867 | 443,622 | 32,447 | 435,667 |
| Finance costs | 1,231 | 1,029 | - | - |

| | Consolidated | | Separate | |
|--|----------------------|----------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| The committee and key management personnel remuneration | | | | |
| The committee remuneration | 9,864 | 8,955 | 6,862 | 5,805 |
| Key management personnel remuneration | | | | |
| Short-term benefits | 110,715 | 90,447 | 104,767 | 80,967 |
| Statutory severance pay | 4,951 | 4,802 | 4,785 | 4,641 |
| Other long-term benefits | 41 | 40 | 36 | 35 |
| Total key management personnel remuneration | 115,707 | 95,289 | 109,588 | 85,643 |
| Total the committee and key management personnel remuneration | 125,571 | 104,244 | 116,450 | 91,448 |



Balances as at 31 December 2021 and 2020 with related parties were as follows:

| | Consolidated | | Separate | |
|--|----------------------|------------------|----------------------|------------------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Unit : Thousand Baht | | | | |
| <i>Cash and cash equivalents - related parties</i> | | | | |
| Krung Thai Bank Public Company Limited | 392,494 | 634,955 | 351,463 | 631,213 |
| Siam Commercial Bank Public Company Limited | 32,115 | 3,242 | 28,171 | 3,236 |
| Net | 424,609 | 638,197 | 379,634 | 634,449 |
| <i>Other non-current financial assets - related parties</i> | | | | |
| Krung Thai Bank Public Company Limited | 108 | 107 | - | - |
| Siam Commercial Bank Public Company Limited | 7,690 | 43,322 | 72,690 | 43,322 |
| Net | 72,798 | 43,429 | 72,690 | 43,322 |
| <i>Trade accounts receivable from related parties</i> | | | | |
| Joint venture | | | | |
| Thai Cold Rolled Steel Sheet Public Company Limited | 17,811 | 12,110 | - | - |
| <i>Trade accounts receivable from related parties</i> | | | | |
| B.S. Metal Co., Ltd. | 1,675,752 | 1,767,322 | 1,675,752 | 1,767,320 |
| Sahaviriya Panich Corporation Co., Ltd. | 1,689,882 | 1,730,659 | 1,689,882 | 1,730,659 |
| Others | 9,764 | 4,987 | 7,049 | - |
| Total | 3,393,209 | 3,515,078 | 3,372,683 | 3,497,979 |
| Less Expected credit loss | (3,365,634) | (3,497,979) | (3,365,634) | (3,497,979) |
| Net | 27,575 | 17,099 | 7,049 | - |
| <i>Other receivables from related parties</i> | | | | |
| Subsidiaries | | | | |
| West Coast Engineering Co., Ltd. | - | - | 13,361 | 9,302 |
| Prachuap Port Co., Ltd. | - | - | 32 | 32 |
| Joint venture | | | | |
| Thai Cold Rolled Steel Sheet Public Co., Ltd. | 181 | 186 | 181 | 186 |
| Other related parties | | | | |
| Vanomet AG (as prepaid for goods) | 195,920 | 195,920 | 195,920 | 195,920 |
| Allowance for prepaid for goods | (195,920) | (45,757) | (195,920) | (45,757) |
| Sahaviriya Plate Mill Public Company Limited (Net from expected credit loss amount of Baht 48 million) | 2,192 | 2,251 | 2,192 | 2,251 |
| Line Transport Co., Ltd. | 243 | 1,085 | - | - |



| | Consolidated | | Unit : Thousand Baht | |
|---|----------------------|----------------|----------------------|----------------|
| | financial statements | | Separate | |
| | 2021 | 2020 | 2021 | 2020 |
| Thai Steel Sales Co., Ltd. | 13,651 | - | 13,651 | - |
| B.S. Metal Co., Ltd (Net from expected credit loss amount of Baht 18 million) | 10,237 | 2,857 | 10,237 | 2,857 |
| Others | 9,877 | 7,401 | 9,837 | 7,279 |
| Total | 36,381 | 163,943 | 49,491 | 172,070 |
| <i>Accrued interest receivable - related parties</i> | | | | |
| <i>related parties</i> | | | | |
| Redcar Bulk Terminal Limited | 139 | 110 | 139 | 110 |

| | Consolidated | | Unit : Thousand Baht | |
|---|----------------------|---------------|----------------------|---------------|
| | financial statements | | Separate | |
| | 2021 | 2020 | 2021 | 2020 |
| <i>Current contract assets - related parties</i> | | | | |
| <i>Joint venture</i> | | | | |
| Thai Cold Rolled Steel Sheet Public Company Limited | 2,599 | 2,479 | - | - |
| <i>Right-of-use (net) - related parties</i> | | | | |
| <i>related parties</i> | | | | |
| Prapawit Building Property Co., Ltd. | 32,739 | 56,544 | 22,084 | 43,225 |
| <i>Trade accounts payable to related parties</i> | | | | |
| <i>Subsidiaries</i> | | | | |
| West Coast Engineering Co., Ltd. | - | - | 6,826 | 904 |
| Prachuap Port Co., Ltd. | - | - | 8,403 | 4,011 |
| <i>Other related parties</i> | | | | |
| B.S. Metal Co., Ltd. | 968 | 179 | 968 | 50 |
| SVL Corporation Co., Ltd. | 61,517 | 45,479 | 61,517 | 45,479 |
| Sahaviriya Plate Mill Public Company Limited | 2,920 | 37,260 | 2,920 | 37,260 |
| Others | 3,795 | 41 | 3,762 | 41 |
| Total | 69,200 | 82,959 | 84,396 | 87,745 |



| | Consolidated | | Unit : Thousand Baht | |
|--|----------------------|----------------|----------------------|----------------|
| | financial statements | | Separate | |
| | 2021 | 2020 | 2021 | 2020 |
| <i>Other current payables to related parties</i> | | | | |
| Subsidiaries | | | | |
| West Coast Engineering Co., Ltd. | - | - | 18,058 | 10,050 |
| Prachuap Port Co., Ltd. | - | - | 254 | 4,187 |
| Other related parties | | | | |
| Prapawit Building Property Co., Ltd. | 283 | 289 | 259 | 265 |
| Thai Steel Sales Co., Ltd. | 480 | 543 | - | 63 |
| SVL Corporation Co., Ltd. | 484 | 415 | 355 | - |
| B.S. Metal Co., Ltd. | 3,876 | 1,036 | 3,876 | 1,036 |
| Others | 6,354 | 8,802 | 5,610 | 6,469 |
| Total | 11,477 | 11,085 | 28,412 | 22,070 |
| <i>Current contract liabilities - Other related parties</i> | | | | |
| Joint venture | | | | |
| Thai Cold Rolled Steel Sheet Public Company Limited | 1,393 | 95,005 | - | 91,575 |
| Other related parties | | | | |
| Thai Steel Sales Co., Ltd. | 212,196 | 4,388 | 212,196 | 4,388 |
| B.S. Metal Co., Ltd. | 19,685 | 21,831 | 19,685 | 21,831 |
| Sahaviriya Panich Corporation Co., Ltd. | 3,248 | 92,053 | 3,248 | 92,053 |
| Sahaviriya Plate Mill Public Company Limited | 999 | 197 | - | 197 |
| Total | 237,521 | 213,474 | 235,129 | 210,044 |
| <i>Lease liabilities (net) - related parties</i> | | | | |
| related parties | | | | |
| Prapawit Building Property Co., Ltd. | 32,094 | 57,525 | 23,284 | 42,752 |
| <i>Short-term loans - related parties</i> | | | | |
| Redcar Bulk Terminal Limited | 26,789 | 11,056 | 26,789 | 11,056 |



Movements during the year on Short-term loans borrowings from related parties were as follows:

| | Consolidated | | Separate | |
|---|----------------------|----------|----------------------|----------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| As at 1 January | 11,056 | - | 11,056 | - |
| Increase | 15,350 | 41,008 | 15,350 | 41,008 |
| Decrease | (1,025) | (29,734) | (1,025) | (29,734) |
| Unrealized loss (gain) on exchange rate | 1,408 | (218) | 1,408 | (218) |
| As at 31 December | 26,789 | 11,056 | 26,789 | 11,056 |

On 16 October 2020, the Company entered into a secured short term loan agreement with Redcar Bulk Terminal Limited of GBP 0.60 million, an interest rate of MLR+1% per annum (of two major bank creditor under the rehabilitation plan) which is paid every month. The principal is repayable on 31 December 2022.

| | Consolidated | | Separate | |
|--|----------------------|----------|----------------------|----------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| <i>Long-term loans - related parties</i> | | | | |
| Redcar Bulk Terminal Limited | 25,959 | 29,750 | 25,959 | 29,750 |
| Less Current portion of long-term loans | (25,959) | (14,875) | (25,959) | (14,875) |
| Long-term loans - net | - | 14,875 | - | 14,875 |

Movements during the year on short-term Loans from related parties were as follows:

| | Consolidated | | Separate | |
|---|----------------------|--------|----------------------|--------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| As at 1 January | 29,750 | - | 29,750 | - |
| Increase | - | 30,175 | - | 30,175 |
| Decrease | (6,466) | - | (6,466) | - |
| Unrealized loss (gain) on exchange rate | 2,675 | (425) | 2,675 | (425) |
| As at 31 December | 25,959 | 29,750 | 25,959 | 29,750 |

On 24 November 2020, the Company entered into a secured loan agreement with Redcar Bulk Terminal Limited amounting to GBP 0.74 million at an interest rate of MLR+1% per annum (of the bank, which is two major rehabilitation plans creditors). The principal and interest are repayable every end of month (GBP 0.05million per month). The first installments will be made on 24 June 24 and must be fully paid by 24 November 2022.



| | Consolidated | | Separate | |
|---|----------------------|------|----------------------|--------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| <i>Proceeds from short-term loans - related parties</i> | | | | |
| Subsidiaries | | | | |
| Prachuap Port Co., Ltd. | - | - | 24,424 | 74,500 |

Movements during the year on short-term borrowings from related parties were as follows:

| | Consolidated | | Separate | |
|-------------------|----------------------|------|----------------------|----------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Subsidiaries | | | | |
| As 1 January | - | - | 74,500 | - |
| Increase | - | - | - | 100,000 |
| Decrease | - | - | (50,076) | (25,500) |
| As at 31 December | - | - | 24,424 | 74,500 |

On 5 February 2020, the Company entered into borrowings agreement with Prachuap Port Co., Ltd. for the amount not exceeding Baht 200 million at the interest rate of MLR per annum for using in working capital of the Company, and the Company has received borrowings of Baht 100 million, which is matured on 5 May 2020.

Later, Prachuap Pier Co., Ltd. exercised the right to offset dividend received by the Company and principal debt of Baht 25.5 million. As a result, the debt offsetting is on 5 May 2020, resulted in the Company's borrowings remain of Baht 74.5 million.

On 17 July 2020, the Company and Prachuap Port Co., Ltd. signed memorandum attached with the borrowings agreement by changing the repayment terms from the original payment within 90 days (5 May 2020) to be repaid on demand and cancelled the default interest charge at the rate of 7.5% per annum, the interest will be paid at the new rate of MLR per annum. The principal and interest are repayable every end of the month (6.025% as the drawdown date) starting on 5 May 2020.

In 2021, the Company has exercised the right to offset dividend received by the Company and the principal debt of Baht 50.1 million and accrued interest expenses of Baht 6.0 million resulted in the Company's borrowings remain of Baht 24.42 million.



| | Consolidated | | Separate | |
|--|----------------------|-------------------|----------------------|-------------------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| <i>Liabilities under rehabilitation plan - related parties (Liabilities after discounted cash flows)</i> | | | | |
| Subsidiaries | | | | |
| Prachuap Port Co., Ltd. | - | - | 7,991 | 7,991 |
| Other related parties | | | | |
| Sahaviriya Plate Mill Public Company Limited | 4,300 | 4,300 | 4,300 | 4,300 |
| Financial institutions Group | 28,305,327 | 26,139,429 | 28,305,327 | 26,139,429 |
| Total | 28,309,627 | 26,143,729 | 28,317,618 | 26,151,720 |

Movements during the year for liabilities under the rehabilitation plan from related persons or parties are as follows:

| | Consolidated | | Separate | |
|---|----------------------|-----------|----------------------|-----------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Other related parties | | | | |
| Subsidiaries | | | | |
| Prachuap Port Co., Ltd. | | | | |
| Balance as at 1 January | - | - | 7,991 | 7,991 |
| Repayment | - | - | - | - |
| Balance as at 31 December | - | - | 7,991 | 7,991 |
| Class No.1 : Secured creditors | | | | |
| Balance as at 1 January | 5,233,432 | 5,780,144 | 5,233,432 | 5,780,144 |
| Recognised interest expenses by effective rate | 344,162 | 53,852 | 344,162 | 53,852 |
| Repayment | (341,815) | (155,719) | (341,815) | (155,719) |
| Losses (gains) on elimination recognised as financial liabilities measured at amortised cos | - | (444,846) | - | (444,846) |
| Balance as at 31 December | 5,235,779 | 5,233,431 | 5,235,779 | 5,233,431 |
| Class No 2 : Financial institution creditors for the portions of debt claims that exceed the appraised value of the collateral | | | | |
| Balance as at 1 January | 7,292,081 | 7,315,073 | 7,292,081 | 7,315,073 |
| Recognised interest expenses by effective rate | 400,531 | 30,321 | 400,531 | 30,321 |
| Repayment | (43,961) | (53,313) | (43,961) | (53,313) |
| Balance as at 31 December | 7,648,651 | 7,292,081 | 7,648,651 | 7,292,081 |



Unit : Thousand Baht

| | Consolidated | | Separate | |
|--|----------------------|------------|----------------------|------------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Class No 4 : Creditor of guarantee obligations for loan repayment | | | | |
| Balance as at 1 January | 13,613,917 | 14,152,161 | 13,613,917 | 14,152,161 |
| Recognised interest expenses by effective rate | 695,564 | 870,660 | 695,564 | 870,660 |
| Repayment | (86,826) | (116,236) | (86,826) | (116,236) |
| Adjustment from decrease of obligations guaranteed from liquidation of the creditor class 4 | (586,294) | - | (586,294) | - |
| Gains on elimination financial liabilities measured at amortised cost (gains on rehabilitation plan) | - | (733,124) | - | (733,124) |
| Net (gains) losses on exchange rate | 1,784,538 | (559,544) | 1,784,538 | (559,544) |
| Balance as at 31 December | 15,420,899 | 13,613,917 | 15,420,899 | 13,613,917 |

Significant agreements with related parties

Consortium agreement

On 20 January 2015 a subsidiary entered into a consortium agreement with a local company in order to jointly-operate for projects from the State Railway of Thailand. The consortium has not operated the commercial operations. On 5 October 2021, the subsidiary has dissolved the joint venture business with such company.

7. Cash and cash equivalents

Unit : Thousand Baht

| | Consolidated | | Separate | |
|---------------|----------------------|----------------|----------------------|----------------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Cash on hand | 711 | 696 | 600 | 600 |
| Cash at banks | 495,709 | 665,044 | 383,272 | 635,091 |
| Total | 496,420 | 665,740 | 383,872 | 635,691 |

8. Trade accounts receivable

Unit : Thousand Baht

| | Consolidated | | Separate | |
|------------------------------------|----------------------|--------------------|----------------------|--------------------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Related parties (Note 6) | 3,393,209 | 3,515,078 | 3,372,683 | 3,497,979 |
| Other parties | 382,975 | 403,757 | 321,449 | 321,453 |
| Total | 3,776,184 | 3,918,835 | 3,694,132 | 3,819,432 |
| <i>Less Expected credit losses</i> | <i>(3,651,748)</i> | <i>(3,784,031)</i> | <i>(3,650,686)</i> | <i>(3,783,031)</i> |
| Net | 124,436 | 134,804 | 43,446 | 36,401 |



Aging analyses for trade accounts receivable were as follows:

| | Consolidated | | Separate | |
|-----------------------------|----------------------|------------------|----------------------|------------------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Unit : Thousand Baht | | | | |
| Related parties | | | | |
| Within credit terms | 10,170 | 12,656 | 1,159 | - |
| Overdue: | | | | |
| Less than 3 months | 11,381 | 3,221 | 5,890 | - |
| 3-6 months | 6,024 | 1,222 | - | - |
| Over 12 months | 3,365,634 | 3,497,979 | 3,365,634 | 3,497,979 |
| Total | 3,393,209 | 3,515,078 | 3,372,683 | 3,497,979 |
| Less Expected credit losses | (3,365,634) | (3,497,979) | (3,365,634) | (3,497,979) |
| Total | 27,575 | 17,099 | 7,049 | - |
| Other parties | | | | |
| Within credit terms | 75,431 | 93,138 | 29,725 | 25,850 |
| Overdue: | | | | |
| Less than 3 months | 19,734 | 21,867 | 6,672 | 10,551 |
| 3-6 months | 1,696 | 2,700 | - | - |
| 6-12 months | - | 842 | - | 842 |
| Over 12 months | 286,114 | 285,210 | 285,052 | 284,210 |
| Total | 382,975 | 403,757 | 321,449 | 321,453 |
| Less Expected credit losses | (286,114) | (286,052) | (285,052) | (285,052) |
| Total | 96,861 | 117,705 | 36,397 | 36,401 |
| Net | 124,436 | 134,804 | 43,446 | 36,401 |

The normal credit terms granted by the Group ranges from 5 to 90 days.

As at 31 December 2020, the Company had 2 related party receivables overdue from 6-12 months, totaling in the amount of Baht 3,366 million. The Company recognised expected credit loss in full amount in the year 2019. Part of rehabilitation plan stipulated to collect the payment from related parties not less than Baht 300 million a year from 2017 to present. The debt collection from those receivables does not conform to the determination. At present, the Company is in the process of outstanding debt collection. During the year 2020, the Company has received the payment in the amount of Baht 132 million, therefore, allowance for expected credit loss was reversed by the same amount. The Plan No. 2 have been approved by the Court on 18 September 2020, is required within 30 days of the Court's order to approve the revised rehabilitation plan. The Company has to present guidelines for repaying outstanding debts of both receivables which subsequently submitted to the Board of creditors on 5 October 2020, the Plan Management presented solutions to the debts of the two debtors as required by the plan.



9 Current contract assets / Current contract liabilities

9.1 Contract balances

| | | Unit : Thousand Baht | | | |
|--|---|----------------------|----------------|----------------------|----------------|
| | | Consolidated | | Separate | |
| | | financial statements | | financial statements | |
| Note | | 2021 | 2020 | 2021 | 2020 |
| Current contract asset | | | | | |
| Unbilled revenue | | | | | |
| | Related companies | 6 | 2,599 | 2,479 | - |
| | Other companies | | 13,448 | - | - |
| | Retention receivable | | 5,100 | 14,114 | - |
| | Total Current contract assets | | 21,147 | 16,593 | - |
| Current contract liabilities | | | | | |
| Unearned revenue from services and advance from customer - related companies | | | | | |
| | Advanced received from service income | 6 | 2,392 | 3,430 | - |
| | Amount received advance for goods | | 235,129 | 210,044 | 210,044 |
| | Total | | 237,521 | 213,474 | 210,044 |
| Unearned revenue from services and advance from customer - other companies | | | | | |
| | Advanced received from service income | | 14,362 | 35,078 | 2,345 |
| | Amount received advance for goods | | 298,554 | 575,362 | 575,362 |
| | Total | | 312,916 | 610,440 | 602,190 |
| | Total current contract liabilities | | 550,437 | 823,914 | 812,234 |

9.2 Revenue recognised in relation to contract balances

| | | Unit : Thousand Baht | | | |
|--|--|----------------------|---------|----------------------|---------|
| | | Consolidated | | Separate | |
| | | financial statements | | financial statements | |
| | | 2021 | 2020 | 2021 | 2020 |
| | Revenues previously recognised in unearned services income brought forward | | 38,417 | 12,477 | 26,828 |
| | Revenues previously recognised in advance received for goods brought forward | | 785,390 | 207,235 | 207,235 |

9.3 Revenue recognised in relation to contract balances

As at 31 December 2021, the Group expects to have service revenues for future recognition for unsatisfied performance obligation (or partially unsatisfied) of contracts with customers amounting to Baht 702 million



(2020: Baht 233 million). The Group expects to satisfy the obligations of the contract within 3 years and have revenues from the sale of goods which are expected to meet the obligations of the contract of Baht 534 million (2020: Baht 785 million).

9.4 Provisions for onerous contracts

| | Unit : Thousand Baht | | | |
|---|----------------------|--------|----------------------|--------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Provisions for onerous contracts at the beginning of the period | 12,291 | - | 12,291 | - |
| Realized loss on onerous contracts (reverse) loss | 92,700 | 12,291 | 92,700 | 12,291 |
| Provisions for onerous contracts at the ending of the period | 104,991 | 12,291 | 104,991 | 12,291 |

10. Inventories

| | Unit : Thousand Baht | | | |
|---|----------------------|------------------|----------------------|------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Finished goods | 2,721,159 | 664,894 | 2,725,220 | 667,130 |
| Work in progress | 22,903 | 73,389 | 6,659 | 33,561 |
| Raw materials | 799,023 | 461,118 | 792,893 | 446,666 |
| Spare parts and factory supplies | 790,907 | 794,058 | 784,372 | 790,114 |
| Inventories under collateral management agreement and delivery of ownership of goods and services (Note 22) | 2,664,467 | 389,622 | 2,664,467 | 389,622 |
| Goods in transit | 1,826,189 | 2,276,522 | 1,826,189 | 2,276,523 |
| Total | 8,824,648 | 4,659,603 | 8,799,800 | 4,603,616 |
| <i>Less Allowance for devaluation</i> | <i>(803,400)</i> | <i>(343,210)</i> | <i>(803,400)</i> | <i>(343,210)</i> |
| Net | 8,021,248 | 4,316,393 | 7,996,400 | 4,260,406 |

11. Other current assets

| | Unit : Thousand Baht | | | |
|--------------------------------|----------------------|----------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Prepaid expenses | 18,320 | 26,399 | 15,046 | 14,872 |
| Prepaid for goods and supplies | 409,305 | 152,267 | 403,189 | 152,267 |
| Revenue Department receivable | 14,749 | 1,120 | 13,339 | 4 |
| Income tax deducted at source | 67,520 | 44,775 | 15,511 | 10,376 |
| Others | 58,903 | 26,057 | 55,612 | 22,938 |
| Total | 568,797 | 250,618 | 502,697 | 200,457 |



| | Consolidated | | Unit : Thousand Baht Separate | |
|------------------------------------|----------------------|----------------|----------------------------------|----------------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| <i>Less Expected credit losses</i> | (8,032) | (8,032) | (8,032) | (8,032) |
| Net | 560,765 | 242,586 | 494,665 | 192,425 |

12. Other non-current financial assets

Other non-current financial assets as at 31 December 2021 and 2020 are as follows:

| | Consolidated | | Unit : Thousand Baht Separate | |
|---|----------------------|---------------|----------------------------------|---------------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Other non-current financial assets at amortised cost | | | | |
| Restricted deposit at financial institution | 74,048 | 44,136 | 72,690 | 43,322 |
| Other non-current financial assets at amortised cost | | | | |
| Equity securities of non-listed company | 294,000 | 294,000 | 294,000 | 294,000 |
| <i>Less allowance for loss on remeasuring investments</i> | (294,000) | (294,000) | (294,000) | (294,000) |
| Total other non-current financial assets | 74,048 | 44,136 | 72,690 | 43,322 |

- 1) The Group and the Company used bank deposit to guarantee against bank's issuance of letter of guarantee commercial loans.
- 2) The Company has equity instruments as investments in ordinary shares of Thai Coated Steel Sheet Company Limited which engaged in business of manufacturing and distribution of electro galvanized steel sheet in the proportion of investment at 3.70%.



13. Investments in subsidiaries

Investments in subsidiaries as at 31 December 2021 and 2020 were as follows:

Unit : Thousand Baht

| Name of entity | Type of business | Separate financial statements | | | | | | | | | | | |
|----------------------------------|--|-------------------------------|----------|-----------------|----------------|----------------|----------------|------------|----------|----------------|----------------|------------------------------------|---------------|
| | | Ownership proportion | | Paid-up capital | | Cost method | | Impairment | | At cost - net | | Dividend income for the year ended | |
| | | 2021 (%) | 2020 (%) | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Prachuap Port Co., Ltd. | Deep-sea port and marine shipping services | 51.00 | 51.00 | 400,000 | 400,000 | 204,000 | 204,000 | - | - | 204,000 | 204,000 | 56,100 | 25,500 |
| West Coast Engineering Co., Ltd. | Maintenance services | 99.99 | 99.99 | 75,000 | 75,000 | 120,000 | 75,000 | - | - | 120,000 | 75,000 | 45,000 | - |
| Total | | | | 324,000 | 279,000 | 324,000 | 279,000 | - | - | 324,000 | 279,000 | 101,100 | 25,500 |

According to the minutes of the Board of directors' meeting as the Rehabilitation Plan administrator No.4/2021 held on 18 March 2021 and minutes of the Board of creditors' meeting No. 4/2021 held on 2 April 2021, approved the Company to acquire of newly issued ordinary shares of West Coast Engineering Co., Ltd. in the amount of Baht 45 million (4,500,000 shares of Baht 10 each), with the condition that the Company must receive dividend from West Coast Engineering Co., Ltd. of Baht 45 million to pay for such new shares (formerly, the Company has 7,500,000 shares of Baht 75 million). The Company has already paid for such shares in full and the increase was registered with the Ministry of Commerce on 1 June 2021.

As at 31 December 2021, the Company has investment in the amount of Baht 120 million in West Coast Engineering Co., Ltd. The shareholding proportion remains the same.



14. 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:

Unit : Thousand Baht

| | 31 December 2021 | | | Total |
|--|----------------------------|---|-----------------------------|---------|
| | Prachuap Port Co., Ltd. | Other individually immaterial subsidiaries | Intra-group eliminations | |
| Non-controlling interest percentage | 49 | | | |
| Current assets | 154,635 | | | |
| Non-current assets | 1,041,081 | | | |
| Current liabilities | (26,468) | | | |
| Non-current liabilities | (53,500) | | | |
| Net assets | 1,115,748 | | | |
| Carrying amount of non-controlling interest | 546,716 | - | (39,933) | 506,783 |
| Revenue | 272,658 | | | |
| Profit (loss) | 81,884 | | | |
| Total comprehensive income | 81,884 | | | |
| Profit (loss) allocated to non-controlling interest | 40,123 | - | (372) | 39,751 |
| Cash flows from operating activities | 182,251 | | | |
| Cash flows from investing activities | (41,703) | | | |
| Net cash used in financing activities (dividends to non-controlling interest: Baht 24.5 million) | (58,473) | | | |
| Net decrease in cash and cash equivalents | 82,075 | | | |



Unit : Thousand Baht

31 December 2020

| | Prachuap Port Co., Ltd. | Other individually immaterial subsidiaries | Intra-group eliminations | Total |
|--|----------------------------|---|-----------------------------|---------|
| Non-controlling interest percentage | 49 | | | |
| Current assets | 128,776 | | | |
| Non-current assets | 1,084,689 | | | |
| Current liabilities | (13,596) | | | |
| Non-current liabilities | (56,005) | | | |
| Net assets | 1,143,864 | | | |
| Carrying amount of non-controlling interest | 560,493 | - | (39,561) | 520,932 |
| Revenue | 157,035 | | | |
| Profit (loss) | (5,218) | | | |
| Other comprehensive income | - | | | |
| Total comprehensive income | (5,218) | | | |
| Profit (loss) allocated to non-controlling interest | (2,557) | - | 3,637 | 1,080 |
| Cash flows from operating activities | 91,463 | | | |
| Cash flows used in investing activities | (148,545) | | | |
| Net cash used in financing activities (dividends to non-controlling interest: Baht 24.5 million) | (29,460) | | | |
| Net increase in cash and cash equivalents | (86,542) | | | |



15. Investments in joint venture

Investments in joint venture as at 31 December 2021 and 2020 were as follows:

| | | Consolidated financial statements | | | | | | | | Unit : Thousand Baht | | | |
|---|---|-----------------------------------|----------|-----------------|-----------|------------------|------------------|------------------|------------------|-------------------------------------|-----------------|------------------------------------|----------|
| Name of entity | Type of business | Ownership proportion | | Paid-up capital | | Cost method | | Equity method | | Share of profit (loss) for the year | | Dividend income for the year ended | |
| | | 2021 (%) | 2020 (%) | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Thai Cold Rolled Steel Sheet Public Company Limited | Production and distribution of cold coils | 35.19 | 35.19 | 4,816,350 | 4,816,350 | 3,817,962 | 3,817,962 | 2,746,846 | 2,564,157 | 177,310 | (64,625) | - | - |
| Total | | | | | | 3,817,962 | 3,817,962 | 2,746,846 | 2,564,157 | 177,310 | (64,625) | - | - |



Unit : Thousand Baht

Separate financial statements

| Name of entity | Type of business | Ownership proportion | | Paid-up capital | | Cost method | | Impairment | | At cost - net | | Dividend income for the year ended | |
|---|---|----------------------|----------|-----------------|-----------|------------------|------------------|------------------|------------------|------------------|------------------|------------------------------------|----------|
| | | 2021 (%) | 2020 (%) | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Thai Cold Rolled Steel Sheet Public Company Limited | Production and distribution of cold coils | 35.19 | 35.19 | 4,816,350 | 4,816,350 | 3,817,962 | 3,817,962 | 1,189,180 | 1,189,180 | 2,628,782 | 2,628,782 | - | - |
| Total | | | | | | 3,817,962 | 3,817,962 | 1,189,180 | 1,189,180 | 2,628,782 | 2,628,782 | - | - |

Thai Cold Rolled Steel Sheet Public Company Limited has operated its business.

The Company has pledged 150,176,007 common shares in a joint-venture, Thai Cold Rolled Steel Sheet Public Company Limited to Marubeni-Itochu Steel Inc. for the commercial loan of Marubeni-Itochu Steel Incorporation provided to Sahaviriya Steel Industries UK Limited. In 2016, the Company recognised loss on guarantee amount of Baht 513 million as outstanding debts and presented as provisions under rehabilitation plan.

For the year ended 31 December 2021 and 2020, there is no dividend payment.



Joint venture

The following table summarises the financial information of the joint venture as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

| | Unit : Thousand Baht | |
|---|----------------------|------------------|
| | 2021 | 2020 |
| Revenue | 15,775,780 | 8,045,300 |
| Profit (loss) from continuing operations | 516,296 | (181,726) |
| Total comprehensive income | 516,296 | (181,726) |
| Attributable to non-controlling interest | 334,611 | (117,777) |
| Attributable to investee's shareholders | 181,685 | (63,949) |
| | | |
| Current assets | 4,613,780 | 2,419,425 |
| Non-current assets | 3,189,069 | 3,518,684 |
| Current liabilities | (2,343,880) | (998,309) |
| Non-current liabilities | (112,243) | (109,369) |
| Net assets | 5,346,726 | 4,830,431 |
| Attributable to non-controlling interest | 3,465,213 | 3,130,602 |
| Attributable to investee's shareholders | 1,881,513 | 1,699,829 |
| | | |
| Group's interest in net assets of investee at 1 January | 2,564,157 | 2,628,782 |
| Total comprehensive income attributable to the Group | 182,689 | (64,625) |
| Carrying amount of interest in investee at 31 December | 2,746,846 | 2,564,157 |



Contingent liabilities and commitments relating to the joint venture:

| | 2021 | 2020 |
|---|--|--|
| <i>Contingent liabilities directly incurred by the Group</i> | | |
| <i>Capital commitments in relation to interest in joint venture</i> | | |
| Group's share of the joint venture according to | | |
| - from capital expenditure | Baht 53.9 million, USD 0.07 million, JPY 44.9 million and Euro 0.04 million | Baht 27 million, USD 0.07 million, JPY 57.9 million and Euro 0.04 million |
| - from non-cancellable operating lease commitments | - | - |
| - from raw materials and chemical purchases | Baht 11.2 million, and USD 12.5 million | Baht 16.9 million, and USD 12.5 million |
| - from other contracts | Baht 15.3 million, and JYP 10.6 million | Baht 20.6 million, and JYP 10.6 million |
| - Guarantee | Baht 9.29 million | Baht 9.29 million |

16. Long-term loans

Unit : Thousand Baht

| Consolidated and Separate financial statements | | | |
|--|-------|------------------|------------------|
| | Notes | 31 December 2021 | 31 December 2020 |
| Principal | | | |
| Cork Gully LLP | | 507,040 | 456,571 |
| Redcar Bulk Terminal Limited | 6 | 25,959 | 29,750 |
| Total | | 532,999 | 486,321 |
| <i>Less Current portion</i> | 6 | (25,959) | (14,875) |
| Net | | 507,040 | 471,446 |
| Accrued interest | | | |
| Cork Gully LLP | | 20,956 | 9,323 |
| Redcar Bulk Terminal Limited | 6 | - | 110 |
| Total | | 20,956 | 9,433 |



As at 31 December 2021, there is borrowings amount of GBP 11.36 million by prevailing the exchange rate at the transactions date at Baht 40.69 and Baht 40.78 per 1 GBP and at the end of the year at Baht 44.65 per 1GBP.

Movement transaction during the year for long-term loans as follows:

Unit : Thousand Baht

| Consolidated and Separate financial statements | | | | | | |
|--|-------|---------------------|---------------|----------------|---------------|---------------------|
| | Notes | 31 December 2020 | Increase | Decrease | Adjusted | 31 December 2021 |
| Principal | | | | | | |
| Cork Gully LLP | | 456,571 | - | - | 50,469 | 507,040 |
| Redcar Bulk Terminal Limited | 6 | 29,750 | - | (6,466) | 2,675 | 25,959 |
| Total Principal | | 486,321 | - | (6,466) | 53,144 | 532,999 |
| <i>Less Current portion</i> | | (14,875) | | | | (25,959) |
| Net | | 471,446 | | | | 507,040 |
| Accrued interest | | | | | | |
| Cork Gully LLP | | 9,323 | 10,132 | - | 1,501 | 20,956 |
| Redcar Bulk Terminal Limited | 6 | 110 | 1,950 | (2,060) | - | - |
| Total | | 9,433 | 12,082 | (2,060) | 1,501 | 20,956 |

Cork Gully LLP

On 5 February 2020, the Company entered into loans agreement with Cork Gully LLP which is a receiver representative appointed by bank creditors of Sahaviriya Steel Industries UK Limited ("SSI UK") for exercise right to purchase ordinary shares of Redcar Bulk Terminal Limited ("RBT") which engaged in port business in England from British Steel Limited ("BSL") in the proportion of 50% of total issued share capital amount of GBP 11.36 million equivalents to Baht 463 million with the condition that Cork Gully LLP in being Receiver, held the acquired share capital and used them as guarantee to the Company against its borrowings. Subsequent on 24 February 2020, SSI UK received the transferred of share capital of RBT, resulted to the proportion of shareholding in RBT from 50% to 100%. Such loans are charged interest at the rate of GBP at LIBOR averaged 3 months+2% per annum which will be matured on 5 February 2025.



17. Property, plant and equipment

Unit : Thousand Baht

Consolidated financial statements

| Cost | Consolidated financial statements | | | | | | Total |
|--|-----------------------------------|------------------------------|--|--|---------------|--|-------------------|
| | Land and land improvement | Factory and office buildings | Machinery, tools and factory equipment | Office furniture, fixtures and equipment | Vehicles | Assets under construction and installation | |
| As at 31 December 2019 | 1,631,774 | 2,110,963 | 19,310,688 | 252,199 | 92,831 | 705,780 | 24,104,235 |
| Additions | 46,796 | 12,013 | 48,717 | 10,330 | 45 | 514,133 | 632,034 |
| Transfers | 900 | 1,008 | 4,224 | 49 | - | (6,181) | - |
| Transfers to cost of inventory | - | - | - | - | - | (1,048) | (1,048) |
| Transfer received from intangible assets | - | - | - | - | - | (168,229) | (168,229) |
| Disposal/write off | - | - | (8,218) | (2,896) | - | - | (11,114) |
| As at 31 December 2020 | 1,679,470 | 2,123,984 | 19,355,411 | 259,682 | 92,876 | 1,044,455 | 24,555,878 |
| Additions | 45,694 | 7,613 | 52,864 | 13,740 | 1,972 | 215,440 | 337,323 |
| Transfers | 75,989 | 74,299 | 260,554 | 7,273 | 484 | (418,599) | - |
| Transfers to cost of inventory | - | - | - | - | - | (169,655) | (169,655) |
| Transfer received from intangible assets | - | - | - | - | - | (8,211) | (8,211) |
| Disposal/write off | (7,816) | (40) | (20,493) | (11,160) | (2,350) | - | (41,859) |
| Adjustment | - | - | - | - | (38) | - | (38) |
| As at 31 December 2021 | 1,793,337 | 2,205,856 | 19,648,336 | 269,535 | 92,944 | 663,430 | 24,673,438 |



Unit : Thousand Baht

Consolidated financial statements

| | Land and land improvement | Factory and office buildings | Machinery, tools and factory equipment | Office furniture, fixtures and equipment | Vehicles | Assets under construction and installation | Total |
|---------------------------|---------------------------|------------------------------|--|--|----------|--|------------|
| Depreciation | | | | | | | |
| As at 31 December 2019 | 268,927 | 1,798,570 | 10,329,427 | 190,594 | 86,175 | - | 12,673,693 |
| Depreciation for the year | 1,108 | 52,195 | 364,865 | 19,836 | 1,532 | - | 439,536 |
| Disposal/write off | - | - | (6,506) | (2,896) | - | - | (9,402) |
| Adjustment | - | - | 20,147 | - | - | - | 20,147 |
| As at 31 December 2020 | 270,035 | 1,850,765 | 10,707,933 | 207,534 | 87,707 | - | 13,123,974 |
| Depreciation for the year | 69,795 | 55,449 | 391,386 | 21,211 | 1,575 | - | 539,416 |
| Disposal/write off | (6,917) | (35) | (20,453) | (11,065) | (2,350) | - | (40,820) |
| Adjustment | - | - | - | - | (38) | - | (38) |
| As at 31 December 2021 | 332,913 | 1,906,179 | 11,078,866 | 217,680 | 86,894 | - | 13,622,532 |



Unit : Thousand Baht

Consolidated financial statements

| | Land and land improvement | Factory and office buildings | Machinery, tools and factory equipment | Office furniture, fixtures and equipment | Vehicles | Assets under construction and installation | Total |
|---------------------------|---------------------------|------------------------------|--|--|----------|--|------------|
| <i>Loss on impairment</i> | | | | | | | |
| As at 31 December 2019 | 387,348 | 16,088 | 86,566 | - | - | 19,000 | 509,002 |
| Unchanged | - | - | - | - | - | - | - |
| As at 31 December 2020 | 387,348 | 16,088 | 86,566 | - | - | 19,000 | 509,002 |
| Unchanged | (899) | - | - | - | - | - | (899) |
| As at 31 December 2021 | 386,449 | 16,088 | 86,566 | - | - | 19,000 | 508,103 |
| <i>Net book value</i> | | | | | | | |
| As at 31 December 2020 | 1,022,087 | 257,131 | 8,560,912 | 52,148 | 5,169 | 1,025,455 | 10,922,902 |
| As at 31 December 2021 | 1,073,975 | 283,589 | 8,482,904 | 51,855 | 6,050 | 644,430 | 10,542,803 |



Unit : Thousand Baht

| | Separate financial statements | | | | | | Total |
|--|-------------------------------|------------------------------|--|--|----------|--|------------|
| | Land and land improvement | Factory and office buildings | Machinery, tools and factory equipment | Office furniture, fixtures and equipment | Vehicles | Assets under construction and installation | |
| Cost | | | | | | | |
| As at 31 December 2019 | 1,006,391 | 1,948,382 | 16,846,618 | 207,302 | 64,906 | 692,056 | 20,765,655 |
| Additions | - | 12,013 | 48,334 | 5,578 | 45 | 504,698 | 570,668 |
| Transfers to cost of inventory | - | - | - | - | - | (168,229) | (168,229) |
| Disposal/write off | - | - | (7,773) | - | - | - | (7,773) |
| As at 31 December 2020 | 1,006,391 | 1,960,395 | 16,887,179 | 212,880 | 64,951 | 1,028,525 | 21,160,321 |
| Additions | 3,957 | 7,613 | 52,267 | 12,425 | 1,972 | 201,778 | 280,012 |
| Transfers | 75,989 | 74,299 | 260,554 | 7,273 | 484 | (418,599) | - |
| Transfer received from intangible assets | - | - | - | - | - | (8,211) | (8,211) |
| Transfers to cost of inventory | - | - | - | - | - | (169,655) | (169,655) |
| Disposal/write off | - | - | (18,668) | (11,115) | - | - | (29,783) |
| As at 31 December 2021 | 1,086,337 | 2,042,307 | 17,181,332 | 221,463 | 67,407 | 633,838 | 21,232,684 |



Unit : Thousand Baht

Separate financial statements

| | Land and land improvement | Factory and office buildings | Machinery, tools and factory equipment | Office furniture, fixtures and equipment | Vehicles | Assets under construction and installation | Total |
|---------------------------|---------------------------|------------------------------|--|--|----------|--|------------|
| Depreciation | | | | | | | |
| As at 31 December 2019 | 230,583 | 1,693,021 | 8,712,937 | 152,547 | 58,147 | - | 10,847,235 |
| Depreciation for the year | 299 | 46,430 | 274,513 | 17,130 | 1,480 | - | 339,852 |
| Disposal/write off | - | - | (6,061) | - | - | - | (6,061) |
| As at 31 December 2020 | 230,882 | 1,739,451 | 8,981,389 | 169,677 | 59,627 | - | 11,181,026 |
| Depreciation for the year | 4,821 | 50,938 | 365,746 | 18,089 | 1,530 | - | 441,124 |
| Disposal/write off | - | - | (18,628) | (11,021) | - | - | (29,649) |
| As at 31 December 2021 | 235,703 | 1,790,389 | 9,328,507 | 176,745 | 61,157 | - | 11,592,501 |



Unit : Thousand Baht

Separate financial statements

| | Land and land improvement | Factory and office buildings | Machinery, tools and factory equipment | Office furniture, fixtures and equipment | Vehicles | Assets under construction and installation | Total |
|---------------------------|---------------------------|------------------------------|--|--|----------|--|-----------|
| <i>Loss on impairment</i> | | | | | | | |
| As at 31 December 2019 | 110,137 | 13,422 | 86,566 | - | - | - | 210,125 |
| Unchanged | - | - | - | - | - | - | - |
| As at 31 December 2020 | 110,137 | 13,422 | 86,566 | - | - | - | 210,125 |
| Unchanged | - | - | - | - | - | - | - |
| As at 31 December 2021 | 110,137 | 13,422 | 86,566 | - | - | - | 210,125 |
| <i>Net book value</i> | | | | | | | |
| As at 31 December 2020 | 665,372 | 207,522 | 7,819,224 | 43,203 | 5,324 | 1,028,525 | 9,769,170 |
| As at 31 December 2021 | 740,497 | 238,496 | 7,766,259 | 44,718 | 6,250 | 633,838 | 9,430,058 |



Assets value of the Group before accumulated depreciation of building and equipment which were fully depreciated but are still in use up to 31 December 2021 amounted to Baht 2,884 million (2020: Baht 2,870 million).

Assets value of the Company before accumulated depreciation of building and equipment which were fully depreciated but are still in use up to 31 December 2021 amounted to Baht 2,167 million (2020: Baht 2,184 million).

As at 31 December 2021, the Group and the Company has mortgaged/ pledged assets amounting to approximately Baht 8,688 million and Baht 8,450 million respectively (2020: Baht 8,655 million and Baht 8,407 million, respectively), as collateral against bank overdrafts, short-term borrowings and long-term borrowings from financial institutions, and letter of guarantee for electricity, port and goods warehouse, as described in Note 33 to financial statements.

18. Right-of-use assets / Lease liabilities

18.1 Right-of-use assets

The book value of right-of-use assets under lease land, building, leasehold and equipment agreement, and the movement for 2021 as follows:

Unit : Thousand Baht

| | Consolidated financial statements | | | |
|---|-----------------------------------|--------------------------|----------|---------|
| | Land | Building and improvement | Vehicles | Total |
| Cost | | | | |
| As at 1 January 2021 | 2,602 | 83,244 | 23,244 | 109,090 |
| Additions | 8,068 | - | 5,854 | 13,922 |
| Decrease | - | - | (598) | (598) |
| As at 31 December 2021 | 10,670 | 83,244 | 28,500 | 122,414 |
| Accumulated depreciation | | | | |
| As at 1 January 2021 | 2,602 | 25,926 | 9,040 | 37,568 |
| Depreciation for the year | 2,689 | 24,102 | 8,541 | 35,332 |
| Depreciation - Changing condition/write off | - | - | (598) | (598) |
| As at 31 December 2021 | 5,291 | 50,028 | 16,983 | 72,302 |
| Net book value | | | | |
| As at 31 December 2021 | 5,379 | 3,216 | 11,517 | 50,112 |

Unit : Thousand Baht

| | Separate financial statements | | | |
|------------------------|-------------------------------|--------------------------|----------|--------|
| | Land | Building and improvement | Vehicles | Total |
| Cost | | | | |
| As at 1 January 2021 | 2,602 | 66,252 | 10,676 | 79,530 |
| Additions | 8,068 | - | - | 8,068 |
| As at 31 December 2021 | 10,670 | 66,252 | 10,676 | 87,598 |



Unit : Thousand Baht

| | Consolidated financial statements | | | |
|---------------------------------|-----------------------------------|--------------------------|----------|--------|
| | Land | Building and improvement | Vehicles | Total |
| Accumulated depreciation | | | | |
| As at 1 January 2021 | 2,602 | 23,066 | 4,327 | 29,995 |
| Depreciation for the year | 2,689 | 21,102 | 3,836 | 27,627 |
| As at 31 December 2021 | 5,291 | 44,168 | 8,163 | 57,622 |
| Net book value | | | | |
| As at 31 December 2021 | 5,379 | 22,084 | 2,513 | 29,976 |

18.2 Lease liabilities

The book value of Lease liabilities and the movement for 2021 as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|---------------|-------------------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | As at 1 January | 72,885 | 100,490 | 50,513 |
| Additions | 13,923 | 6,321 | 8,068 | - |
| Repayment | (35,852) | (33,926) | (27,706) | (26,447) |
| As at 31 December | 50,956 | 72,885 | 30,876 | 50,513 |
| <i>Less: Current portion of long-term lease</i> | (33,712) | (31,445) | (27,412) | (25,160) |
| Lease liabilities – net current portion of long-term lease | 17,244 | 41,440 | 3,464 | 25,353 |



The Company is liable on minimum lease payment as at 31 December 2021 are as follows:

Unit : Thousand Baht

| | Consolidated financial statements | | | | | |
|---|-----------------------------------|----------------|---------------|---------------------|----------------|---------------|
| | 2021 | | | 2020 | | |
| | Less than 1 year | 1 - 5 years | Total | Less than 1 year | 1 - 5 years | Total |
| Sum of minimum lease payment | 35,766 | 21,109 | 56,875 | 34,750 | 44,112 | 78,862 |
| Deferred lease interest | (2,054) | (3,865) | (5,919) | (3,305) | (2,672) | (5,977) |
| Present value of minimum lease payment | 33,712 | 17,244 | 50,956 | 31,445 | 41,440 | 72,885 |

| | Separate financial statements | | | | | |
|---|-------------------------------|----------------|---------------|---------------------|----------------|---------------|
| | 2021 | | | 2020 | | |
| | Less than 1 year | 1 - 5 years | Total | Less than 1 year | 1 - 5 years | Total |
| Sum of minimum lease payment | 28,398 | 6,024 | 34,422 | 27,251 | 26,119 | 53,370 |
| Deferred lease interest | (986) | (2,560) | (3,546) | (2,091) | (766) | (2,857) |
| Present value of minimum lease payment | 27,412 | 3,464 | 30,876 | 25,160 | 25,353 | 50,513 |

Lease expenses for the year ended 31 December 2021 are recognised in the following items in profit or loss.

Unit: Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|---------------|----------------------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | Depreciation of right-of-use assets | 33,724 | 36,079 | 26,848 |
| Interest paid from lease liabilities | 3,842 | 7,885 | 2,481 | 6,309 |
| Expenses relating to short-term lease | 236 | 180 | - | - |
| Expenses relating to leases of low-value assets | 74 | - | - | - |
| Total | 37,876 | 44,144 | 29,329 | 35,508 |

The Group entered into lease land, building space and vehicles agreement for using in its operation for the averaged period approximate 1 year to 6 years.



19. Other intangible assets

Unit : Thousand Baht

| | Consolidated financial statements | | | |
|--|-----------------------------------|------------------------|------------------------------|---------|
| | Right of use licenses | Software copy right | Assets under installation | Total |
| Cost | | | | |
| As at 31 December 2019 | 5,580 | 250,735 | 32,039 | 288,354 |
| Increase | 1,286 | 3,409 | - | 4,695 |
| Transfer to property, plant and equipment | 1,048 | - | - | 1,048 |
| As at 31 December 2020 | 7,914 | 254,144 | 32,039 | 294,097 |
| Increase | - | 2,964 | 115 | 3,079 |
| Transfer to property, plant and equipment | - | 8,211 | - | 8,211 |
| As at 31 December 2021 | 7,914 | 265,319 | 32,154 | 305,387 |
| <i>Amortization and loss on impairment</i> | | | | |
| As at 31 December 2019 | 3,962 | 239,485 | 32,039 | 275,486 |
| Amortization for the year | 1,598 | 4,043 | - | 5,641 |
| As at 31 December 2020 | 5,560 | 243,528 | 32,039 | 281,127 |
| Amortization for the year | 1,102 | 5,075 | - | 6,177 |
| As at 31 December 2021 | 6,662 | 248,603 | 32,039 | 287,304 |
| <i>Net book value</i> | | | | |
| As at 31 December 2020 | 2,354 | 10,616 | - | 12,970 |
| As at 31 December 2021 | 1,252 | 16,716 | 115 | 18,083 |



Unit : Thousand Baht

| | Separate financial statements | | |
|--|-------------------------------|------------------------------|---------|
| | Software copy right | Assets under installation | Total |
| <i>Cost</i> | | | |
| As at 31 December 2019 | 241,447 | 32,039 | 273,486 |
| Increase | 3,307 | - | 3,307 |
| As at 31 December 2020 | 244,754 | 32,039 | 276,793 |
| Increase | 2,805 | 115 | 2,920 |
| Transfer to property, plant and equipment | 8,211 | - | 8,211 |
| As at 31 December 2021 | 255,770 | 32,154 | 287,924 |
| <i>Amortization and loss on impairment</i> | | | |
| As at 31 December 2019 | 232,900 | 32,039 | 264,939 |
| Amortization for the year | 3,560 | - | 3,560 |
| As at 31 December 2020 | 236,460 | 32,039 | 268,499 |
| Amortization for the year | 4,580 | - | 4,580 |
| As at 31 December 2021 | 241,040 | 32,039 | 273,079 |
| <i>Net book value</i> | | | |
| As at 31 December 2020 | 8,294 | - | 8,294 |
| As at 31 December 2021 | 14,730 | 115 | 14,845 |

20. Deferred tax

Deferred tax assets and liabilities as at 31 December 2021 and 2020 were as follows:

Unit : Thousand Baht

| | Consolidated | | Separate | |
|--------------------------|----------------------|----------|----------------------|----------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Deferred tax assets | 15,403 | 9,771 | - | - |
| Deferred tax liabilities | (38,690) | (38,380) | (16,184) | (15,122) |
| Net | (23,287) | (28,609) | (16,184) | (15,122) |



Movements of deferred tax assets and liabilities during the year were as follows:

Unit : Thousand Baht

| | Consolidated financial statements | | | As at 31 December 2021 |
|---|-----------------------------------|--------------------------|----------------------------------|------------------------------|
| | As at 1 January 2021 | (Charged) / Credited to: | | |
| | | Profit or loss | Other comprehensive income | |
| <i>Deferred tax assets</i> | | | | |
| Trade accounts receivable | 200 | 12 | - | 212 |
| Property, plant and equipment | 9,448 | (633) | - | 8,815 |
| Finance lease liabilities | - | 375 | - | 375 |
| Finance lease liabilities | 98 | 54 | - | 152 |
| Non-current provisions for employee benefit | 11,297 | 765 | - | 12,062 |
| Taxable loss carry forward | 1,676 | 4,943 | - | 6,619 |
| Total | 22,719 | 5,516 | - | 28,235 |
| <i>Deferred tax liabilities</i> | | | | |
| Other current assets | (269) | 228 | - | (41) |
| Property, plant and equipment | (49,909) | (624) | - | (50,533) |
| Finance lease liabilities | (1,150) | 202 | - | (948) |
| Total | (51,328) | (194) | - | (51,522) |
| Net | (28,609) | 5,322 | - | (23,287) |

Unit : Thousand Baht

| | Separate financial statements | | | As at 31 December 2021 |
|--|-------------------------------|--------------------------|----------------------------------|------------------------------|
| | As at 1 January 2021 | (Charged) / Credited to: | | |
| | | Profit or loss | Other comprehensive income | |
| <i>Deferred tax liabilities</i> | | | | |
| Property, plant and equipment | (15,122) | (1,062) | - | (16,184) |
| Total | (15,122) | (1,062) | - | (16,184) |

The Group has not recognised deferred tax assets in temporary differences of some transaction and tax losses because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom or temporary differences will be reversed in the future.



21. Short-term borrowings from financial institution

| | Consolidated | | Unit: Thousand Baht Separate | |
|--|----------------------|--------|---------------------------------|------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Short-term borrowings from financial institutions - collateral | | | | |
| Promissory Note | 39,000 | 40,000 | - | - |
| Total | 39,000 | 40,000 | - | - |

As at 31 December 2021, the above-mentioned borrowings are owned by West Coast Engineering Co., Ltd., a subsidiary has short-term credit lines from two local financial institutions totaling Baht 95.5 million, charged interest at the rate of MLR-0.75 per annum (2020: Baht 110 million), the interest is payable on monthly basis.

As at 31 December 2021, the Group had unutilized credit facilities total amount of Baht 76.5 million and the Company had no credit facilities (31 December 2020: Baht 74.8 million for the Group and no credit facilities for the Company).

Short-term borrowings from PPC, a subsidiary are guaranteed by mortgaging land with its construction structured thereon and / in the future of the subsidiary. Bank overdrafts and short-term borrowings of WCE, a subsidiary are guaranteed by mortgaging land with its construction and transferring the privileges derived from assets insurance of such subsidiary.

22. Trade accounts payable

| | Consolidated | | Unit: Thousand Baht Separate | |
|--------------------------|----------------------|-----------|---------------------------------|-----------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Related parties (Note 6) | 69,200 | 82,959 | 84,396 | 87,745 |
| Other parties | 4,775,466 | 2,754,550 | 4,722,582 | 2,714,140 |
| Total | 4,844,666 | 2,837,509 | 4,806,978 | 2,801,885 |



Inventory under collateral management agreement

The Company entered into the collateral management agreements with company which are incorporated in Japan. Under the terms of the agreements, the Company has to pay a partial deposit and the remainder when withdrawing inventory from the representative company. The Company retains all or a significant portion of the risks and rewards relating to the collateralized inventory. Inventory is stored in the warehouse facilities for which that counter party appoints a representative to act as the collateral manager. These transactions are treated as inventory under collateral management agreements and trade payable under collateral management agreements within the statement of financial position.

23. Other Current Liabilities

Unit : Thousand Baht

| | Consolidated | | Separate | |
|---|----------------------|----------------|----------------------|----------------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Accrued expense | 110,973 | 105,054 | 100,564 | 96,455 |
| Other payables | 51,958 | 60,581 | 38,399 | 45,919 |
| Amounts received in advance from sales of goods | 4,740 | 3,226 | - | - |
| Other | 58,335 | 50,833 | 46,155 | 38,120 |
| Total | 226,006 | 219,694 | 185,118 | 180,494 |

24. Other Current Financial Liabilities

Other current financial liabilities as at 31 December 2021 and 2020 are as follows:

Unit : Thousand Baht

| | Consolidated | | Separate | |
|-------------------|----------------------|------|----------------------|------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Forward contracts | 2,416 | 732 | 540 | 732 |

Forward contracts, derivatives assets held for trading are not defined in hedge accounting relationship, present at fair value through profit or loss.



25. Non-current provisions for employee benefit

| | Consolidated | | Separate | |
|---|----------------------|----------------|----------------------|----------------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Unit : Thousand Baht | | | | |
| <i>Statements of financial position</i> | | | | |
| <i>as at 31 December</i> | | | | |
| Provisions in statements of financial position for: | | | | |
| Statutory severance pay | 397,333 | 367,596 | 341,558 | 315,654 |
| Other long-term employee benefits | 24,427 | 23,568 | 19,894 | 19,025 |
| Total | 421,760 | 391,164 | 361,452 | 334,679 |
| | | | | |
| <i>For the year ended 31 December</i> | | | | |
| <i>Statement of comprehensive income</i> | | | | |
| <i>Recognised in profit or loss:</i> | | | | |
| Statutory severance pay | 30,138 | 31,903 | 25,903 | 27,300 |
| Other long-term employee benefits | 2,428 | 2,417 | 1,891 | 1,891 |
| Total | 32,566 | 34,320 | 27,794 | 29,191 |

Statutory severance pay

The Group and the Company operate defined benefit plans 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 movement in the present value of the provisions for employee benefits for the year ended 31 December 2021 and 2020 were shown in the table below:

| | Consolidated | | Separate | |
|--|----------------------|----------------|----------------------|----------------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Unit : Thousand Baht | | | | |
| Provisions for employee benefits at 1 January | 391,164 | 360,918 | 334,679 | 306,174 |
| <i>Recognised in profit or loss:</i> | | | | |
| Current service costs and interest | 32,566 | 34,320 | 27,794 | 29,191 |
| <i>Others</i> | | | | |
| Benefits paid by the plan | (1,970) | (4,074) | (1,021) | (686) |
| Provisions for employee benefits at 31 December | 421,760 | 391,164 | 361,452 | 334,679 |



Actuarial assumption

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

| | Consolidated | | Separate | |
|----------------------|----------------------|-----------|----------------------|------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Discount rate | 1.63-1.71 | 1.63-1.71 | 1.71 | 1.71 |
| Future salary growth | 5.62-7.02 | 5.62-7.02 | 7.02 | 7.02 |

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

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 obligations by the amounts shown below:

Unit : Thousand Baht

| | Consolidated | | Separate | |
|--|----------------------|----------|----------------------|----------|
| | financial statements | | financial statements | |
| | Increase | Decrease | Increase | Decrease |
| Provisions for employee benefits | | | | |
| 31 December 2021 | | | | |
| Discount rate (0.5% movement) | (13,680) | 17,284 | (11,512) | 14,980 |
| Future salary growth (0.5% movement) | 15,101 | (11,859) | 12,616 | (9,512) |
| Employee turnover rate (0.5-1% movement) | (15,150) | 18,750 | (10,296) | 13,255 |

Unit : Thousand Baht

| | Consolidated | | Separate | |
|-------------------------|----------------------|---------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Cost of sales | 14,303 | 15,337 | 10,659 | 11,422 |
| Distribution costs | 2,958 | 3,107 | 2,801 | 2,954 |
| Administrative expenses | 15,305 | 15,876 | 14,334 | 14,815 |
| Total | 32,566 | 34,320 | 27,794 | 29,191 |



26. Liabilities under business rehabilitation plan and progressive

The Company recorded liabilities under rehabilitation plan at the amortised cost as at 31 December 2021 are presented as follows:

Unit : Thousand Baht

| | Consolidated | | Separate | |
|--|----------------------|-------------------|----------------------|-------------------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Current portion of liabilities under rehabilitation plan | 1,420,202 | 225,082 | 1,420,202 | 233,073 |
| Overdue portion of liabilities under rehabilitation plan | 30,628,526 | 29,527,289 | 30,636,517 | 29,527,289 |
| Total | 32,048,728 | 29,752,371 | 32,056,719 | 29,760,362 |

Unit : Thousand Baht

| | Consolidated | | Separate | |
|--|----------------------|-------------------|----------------------|-------------------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| <i>Current of liabilities</i> | | | | |
| The creditor class 1 | 658,163 | 91,900 | 658,163 | 91,900 |
| The creditor class 2 | 214,062 | 30,992 | 214,062 | 30,992 |
| The creditor class 3 | 66,553 | 9,635 | 66,553 | 9,635 |
| The creditor class 4 | 420,500 | 59,669 | 420,500 | 59,669 |
| The creditor class 5 | 27,142 | 3,924 | 27,142 | 3,924 |
| The creditor class 6 | 33,710 | 28,902 | 33,710 | 28,902 |
| The creditor class 7 | - | - | - | 7,991 |
| The creditor class 12 | 72 | 60 | 72 | 60 |
| Total | 1,420,202 | 225,082 | 1,420,202 | 233,073 |
| <i>Non-current of liabilities</i> | | | | |
| The creditor class 1 | 4,924,983 | 5,486,206 | 4,924,983 | 5,486,206 |
| The creditor class 2 | 7,434,588 | 7,261,730 | 7,434,588 | 7,261,730 |
| The creditor class 3 | 2,311,454 | 2,257,712 | 2,311,454 | 2,257,712 |
| The creditor class 4 | 15,000,399 | 13,555,445 | 15,000,399 | 13,555,445 |
| The creditor class 5 | 942,685 | 920,698 | 942,685 | 920,698 |
| The creditor class 6 | - | 31,037 | - | 31,037 |
| The creditor class 7 | 4,300 | 4,300 | 12,291 | 4,300 |
| The creditor class 12 | 10,117 | 10,161 | 10,117 | 10,161 |
| Total | 30,628,526 | 29,527,289 | 30,636,517 | 29,527,289 |
| Total liabilities under rehabilitation plan | 32,048,728 | 29,752,371 | 32,056,719 | 29,760,362 |



Changes in liabilities under rehabilitation plan which stated at amortised cost for the year ended 31 December 2021 are as follows:

Unit : Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|-------------|----------------------------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| Balance at fair value as at 1 January | 29,752,371 | 30,608,922 | 29,760,362 | 30,616,912 |
| Recognised interest expenses by effective rate | 1,623,951 | 1,709,263 | 1,623,951 | 1,709,263 |
| Repayment | (525,838) | (374,741) | (525,838) | (374,741) |
| Adjustment from decrease of obligations guarantee from liquidation of the creditor class 4 | (586,294) | - | (586,294) | - |
| Gains on elimination financial liabilities measured at amortised cost (gains on rehabilitation plan) | - | (1,631,529) | - | (1,631,529) |
| Net (gains) losses on exchange rate | 1,784,538 | (559,544) | 1,784,538 | (559,544) |
| Balance as at 31 December | 32,048,728 | 29,752,371 | 32,056,719 | 29,760,362 |

Liabilities under business rehabilitation of secured portion, detailed of security, land building and equipment as stated in notes 17 to financial statements.

Liabilities under rehabilitation plan as at 31 December 2021 and 2020 classified by currency as follows:

Unit : Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|---------------|-----------------------------------|------------|-------------------------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| Baht currency | 16,627,829 | 16,137,257 | 16,635,820 | 16,145,248 |
| USD currency | 15,420,899 | 13,615,114 | 15,420,899 | 13,615,114 |
| Total | 32,048,728 | 29,752,371 | 32,056,719 | 29,760,362 |

Rehabilitation plan and progressive

On 1 October 2015, the Board of the Company approved to file the petition for business rehabilitation to the Central Bankruptcy Court. Subsequent on 10 March 2016, the Central Bankruptcy Court has ordered the Company to rehabilitate the business and appointed the Company to be a planner ("the Planner") which announced in the Royal Gazette on 26 April 2016.

As at 15 September 2016, the Official Receiver arranged the creditors meeting for considering the plan and the creditors' meeting passed the special resolution to accept the rehabilitation plan (the Plan) and appointed three



creditors to be the Board of creditors, consist of Siam Commercial Bank Public Company Limited, Krung Thai Bank Public Company Limited and Tisco Bank Public Company Limited.

As at 15 December 2016, the Central Bankruptcy Court ordered to approve with the Plan dated 14 July 2016 (revised plan No.1 amendment by the Board of creditors on 15 September 2016) (the Plan No. 1). The Plan is determined the Company to be the Plan Administrator.

In 2020 the Company ceased to repay the principal under the Plan since March 2020 (interest under the Plan still normally pay) and the Company has filed the petition for revising the Plan No.1 on 27 April 2020 to the Official Receiver. On 18 June 2020, the Official Receiver has attended the creditors meeting and the most of creditors passed the resolution to agree with the revised plan (the Plan dated 14 July 2016 additional revised by the creditors' meeting held on 18 June 2020) ("the Plan No. 2") and the Plan No. 2 is approval by the Central Bankruptcy Court on 18 September 2020 which scheduled to commence the first principal repayment in March 2021.

Later, on 22 September 2021, Sahaviriya Steel Industries Public Company Limited "Plan administrator" needs to revise the rehabilitation plan of the debtor to be achieved, therefore it filed "Applications for revising the rehabilitation plan" (applications for revising the rehabilitation plan No. 2) to the Official Receiver for which held a meeting on 9 November 2021, and the meeting of the most creditors passed the resolution to approve. "Applications for revising the rehabilitation plan" and subsequent the Central Bankruptcy Court approved with the Plan on 14 December 2021.

For financial liabilities that have material difference, will recognize as the new financial liabilities at fair value by discount cash flow method, using market rate, interest expense is recognized by market rate. Different amount between carrying amount of original financial liabilities and present value of new financial liabilities will be recognized as gain on debt restructuring in the statement of profit or loss and other comprehensive income. If, such new financial liabilities do not have material restructuring difference, the Company will recognize the modified financial liabilities by discount cash flow, using original effective interest rate, including the recognition of gain on debt restructuring and interest expense, using original effective interest rate in the statement of profit or loss and other comprehensive income.

The substances of the Plan No.1 and No. 2 and applications for revising the rehabilitation plan No. 2 are as follows:

1. Classification of the creditors

The Business Rehabilitation Plan (the "Plan") has classified the creditors who filed applications for repayment of debts into 13 classes. The total debt claim denominated in Baht 33,849.9 million and in other currencies which include amount of USD 990.9 million, GBP 4.6 million and EUR 0.1 million (converted into Baht at the exchange rate as at 10 March 2016, the date that the Court issued Rehabilitation Order in which the exchange rate for USD 1 = Baht 35.4546, GBP 1 = Baht 50.5173 and EUR 1 = Baht 39.0923, total debt claim equivalent to Baht 69,220.2 million). Detail is as follows:



| Classes No. | Classes of Creditor | Total indebtedness amount equivalent to Thai Baht (in Thousand Baht) | | |
|-------------|---|--|------------------|-------------------|
| | | Principal | Interest | Total |
| 1 | Secured creditors | 9,780,633 | 8,764 | 9,789,397 |
| 2 | Financial institution creditors for the portions of debt claims that exceed the appraised value of the collateral | 12,468,299 | 2,271,120 | 14,739,419 |
| 3 | Financial institution creditors who are the joint creditors under the Debt Restructuring Agreement | 3,968,607 | 526,228 | 4,494,835 |
| 4 | Creditor of guarantee obligations for loan repayment | 28,006,355 | 1,865,495 | 29,871,850 |
| 5 | Suppliers of key raw materials | 1,592,058 | 172,264 | 1,764,322 |
| 6 | Government agencies and authorities | 177,397 | 204,022 | 381,419 |
| 7 | Related party creditors | 872,574 | 587 | 873,161 |
| 8 | Trade accounts payable | 15,110 | 387 | 15,497 |
| 9 | Creditor under the guarantee agreement | 3,545,460 | 224,786 | 3,770,246 |
| 10 | Creditor of contingent liabilities relating to guarantees | 1,185,026 | - | 1,185,026 |
| 11 | Creditor of fines and/or damages incurred in relation to defaults of contract | 279,391 | - | 279,391 |
| 12 | Creditor of professional fees under consultant agreements | 1,927,893 | 21,251 | 1,949,144 |
| 13 | Issuers of bank guarantees | 105,562 | 925 | 106,487 |
| | Total | 63,924,365 | 5,295,829 | 69,220,194 |

Remark: All creditors who filed applications for repayment of debts to the Official Receiver will receive payment under the terms and conditions set forth in the Plan when the Official Receiver, the Bankruptcy Court, or the Supreme Court (as applicable) issues a final order to validate the debt.

2. Capital Restructuring

On the date that the Court issued Rehabilitation Order, the Company had registered capital amount of Baht 50,263.7 million with the registered number of ordinary shares equivalent to 50,263.7 million shares at the par value of Baht 1 each. The issued and paid-up share capital was Baht 32,166.3 million and unissued share capital was Baht 18,097.4 million. The Plan Administrator will restructure the capital as follows:



2.1 *Decrease the unissued ordinary shares*

Within 90 days after the date the Court issues an order approving the Plan, the Company has to decrease the registered but unissued ordinary shares for 18,097.4 million shares. Such decrease will bring down the total value of the registered shares to be equivalent to the total value of issued and paid-up shares at Baht 32,166.3 million dividing into 32,166.3 million ordinary shares at the par value of Baht 1 each.

On 23 December 2016, the Company filed a petition for an amendment of the Memorandum of Association to decrease the unissued ordinary shares. The Court granted permission, on 22 February 2017, to amend the Memorandum of Association in order to cancel the unissued 18,097,401,000 ordinary shares at par value of Baht 1 each. The decrease of share registered capital resulted to the decreasing from Baht 50,263.7 million to Baht 32,166.3 million. The Company has registered the decrease share capital with the Ministry of Commerce on 1 March 2017.

2.2 *Decrease the issued and paid-up share capital by reducing the number of issued and paid-up shares*

Within 90 days after the date the Court's Plan Approval Date, the Company has to decrease the registered share capital from Baht 32,166.3 million to approximately Baht 1,109 million by reducing the number of ordinary shares by applying the ratio of existing shares 29 shares to 1 share. After such reduction, the Company will have the total value of its registered and paid-up shares equivalent to approximately Baht 1,109 million dividing into 1,109 million ordinary shares at the par value of Baht 1 each.

On 19 April 2017, the Company filed the petition to the Central Bankruptcy Court for amendment the Memorandum of Association of the Company for decreasing share capital and on 26 April 2017, the Court ordered the Company to amend the Memorandum of Association to be 31,053,243,844 ordinary shares by decreasing share capital from Baht 32,166.3 million to Baht 1,113.0 million. The Company has registered the decrease share capital with the Ministry of Commerce on 13 July 2017.

2.3 *Increase the share capital by the Debt to Equity Conversion No.1*

Within 90 days after the date the Court's Plan Approval Date, the Company has to increase the total value registered and paid-up shares by Baht 10,000 million by issuing ordinary shares at the amount of 10,000 million shares to be the reserve shares for debt to equity conversion for the creditor in class 2 and/or 3 and/or 4 in conformity with the conditions as stipulated in the Plan. The conversion will be Baht 0.05 per 1 share. After such execution, the Company will have the registered and paid-up share capital of approximately Baht 11,109 million dividing into 11,109 issued and paid-up ordinary shares at the par value of Baht 1 each. Nonetheless, the timeframe for the decrease of unissued ordinary shares, the decrease of the issued and paid-up share capital and the increase of the share capital by the Debt to Equity Conversion No. 1 may be extended for not more than 90 days.



On 24 July 2017, the Company filed the petition to the Central Bankruptcy Court for amendment the Memorandum of Association of the Company for increasing share capital for conversion debt to equity No.1 and on 21 September 2017, the Court has ordered to approve the amendment of memorandum of association for increasing share capital 10,000,000,000 shares at par value of Baht 1 each. As a result, the Company has the increase share capital from Baht 1,113 million to Baht 11,113 million. The Company has registered the decrease share capital with the Ministry of Commerce on 19 October 2017.

The Company converted debt to equity No. 1 to the creditors as determined in the Plan by issuing new 10,000,000,000 ordinary shares at par value of Baht 1 each to 4 creditors who expressed their wishes at the price of Baht 0.05 per share, amounting to Baht 500 million. The Company has filed the amendment of the Memorandum of Association on 28 March 2018.

2.4 Increase of registered share capital for the Debt to Equity Conversion No.2

After the completion of the Debt to Equity Conversion No.1, in case where the creditor may proceed the Debt to Equity Conversion No. 2, their debt will be repaid by the Company's ordinary shares to be newly issued in conformity with the conditions as stipulated in the Plan. The Plan Administrator will have to increase the registered share capital and increase the issued and paid-up share capital by issuing adequate number of ordinary shares at the par value of Baht 1 each to be the reserve shares for the Debt to Equity Conversion No.2 of each and every creditor whose debt will be repaid by the Debt to Equity Conversion No.2 in conformity with the conditions as stipulated in the Plan. The conversion price will be used the market price per share (the market price at the date of the creditor indicate their intention for the Debt to Equity Conversion No.2; the conversion price will be Baht 0.05 per share in the case of no market price). In the allocation of the increased ordinary shares for debt repayment to the creditor as per the aforementioned, the Company can consider to register the issued and paid-up shares one or more times.

2.5 Increase the share capital for debt to equity conversion for the creditor class 7, 9 and 12

Under the principals of the debt repayment of this Plan, the Plan Administrator will have to increase the registered share capital and increase the issued and paid-up share capital by issuing adequate number of ordinary shares at the par value of Baht 1 each to be the reserve shares for the Debt to Equity conversion of the creditor class 7, 9 and 12 of the Plan. The conversion price will be Baht 0.05 per 1 share as stipulated in the Plan. In the allocation of the increased ordinary shares for debt repayment to the creditor as per the aforementioned, the Company can consider to register the issued and paid-up shares one or more times.



3. Debt repayment of each creditor class

3.1 *Creditor Class 1 (Secured creditor)*

- 3.1.1 The outstanding principal of Baht 9,780.6 million will be repaid from cash flow for debt repayment and/or excess cash. The creditor will be paid for 144 monthly instalment payments (the 1st month commencing from the month after the month that the Court approves the Plan).
- 3.1.2 (a) From the date after the Court ordered the business rehabilitation to the Court's Plan approval date, the Creditor Class 1 will be entitled to receive interim interest on the outstanding principal at the rate of 7.5% per annum. Such interim interest will be accrued and paid in the 144th month.
- (b) From the date after the Court's Plan Approval Date until the date the total debt is paid in full, the Creditor Class 1 will be entitled to receive New Interest on the principal at the rate of MLR% per annum; nonetheless, the actual interest payment will be at the rate of 0.5%. The difference between the new interest and the actual interest ("deferred new interest Portion") will be accrued and paid in the 144th month.
- 3.1.3 In case the Company executes the Debt to Equity Conversion No.2, the Creditor Class 1 will receive interest payment at the rate of MLR% per annum from the date after the Debt to Equity Conversion No.2 date.
- 3.1.4 After the Creditor Class 1 receives the repayment of debt in full as stipulated in the Plan which includes the prepayment of debt in full, or the Company has completed the Debt to Equity Conversion No.2 to the creditor who may convert their debt into shares in the Debt to Equity Conversion No.2, the Creditor Class 1 agrees to waive the interim interest and the deferred new interest portion by 50% of such interim interest and the deferred new Interest Portion.
- 3.1.5 With regards to the outstanding interest of Baht 8.8 million, the remaining interim interest and the remaining deferred new Interest Portion from clause 3.1.4, the Creditor Class 1 will be repaid in the 144th month. However, if the Company repays the principals of the Creditor Class 2, 3, 4 and 5 in full in any year, the Company will pay the outstanding interest, the remaining interim interest and the remaining Deferred New Interest Portion to the Creditor Class 1 in the same year.
- 3.1.6 Moreover, during the plan administration period, the Creditor Class 1 who has collaterals which are the shares owned by the Company, can opt to receive the repayment of its outstanding principal and interest in full by transferring the share collaterals to offset such amount. In this event, such Creditor agrees to immediately waive the interim interest and the deferred new interest portion in full on the closing date of the transfer of shares.



The Plan No. 2

Since the Creditor in this class has already received the partial payment as at 28 February 2020, the outstanding principal to the Creditor Class 1 had the amount of Baht 5,755.1 million. Therefore, the substances of aforementioned No. 3.1.1 is revised to:

“3.1.1 The outstanding principal amount of Baht 5,755.1 million was received from cash inflows for debts repayment and/or cash flows surplus. The Creditor will receive the payment for such debts on a monthly basis through 118 installments, commenced on the last business day of March 2021.

3.2 Creditors, Class 2, 3, 4 and 5

3.2.1 Creditor Class 2 (Financial institution creditors for the portions of debt claims that exceed the appraised value of the collateral). The outstanding principal of Baht 2,319.2 million will be repaid from cash inflows for debt repayment and/or cash flows surplus. The creditor will be received for 144 monthly instalment payments (the 1st month commencing from the month after the month that the Court approves the Plan). The remaining principal of Baht 10,149.1 million will be repaid in the 144th month from the new funding and/or refinancing and/or cash flow surplus.

3.2.2 Creditor Class 3 (Financial institution creditors who are the joint creditors under the Loan Rescheduling Agreement). The outstanding principal of Baht 722.6 million will be repaid from cash flow for debt repayment and/or excess cash. The creditor will be paid for 144 monthly instalment payments (the 1st month commencing from the month after the month that the Court approves the Plan). The remaining principal of Baht 3,246 million will be repaid in the 144th month from the new funding and/or refinancing and/or cash flow surplus.

3.2.3 Creditor Class 4 (Creditor of guarantee obligations for loan repayment). The outstanding principal of Baht 5,209.4 million will be repaid from cash flow for debt repayment and/or cash flow surplus. The creditor will be paid for 144 monthly instalment payments (the 1st month commencing from the month after the month that the Court approves the Plan). The remaining principal of Baht 22,796.9 million will be repaid in the 144th month from the new funding and/or refinancing and/or cash flow surplus.

3.2.4 Creditor Class 5 (Suppliers of key raw materials). The outstanding principal of Baht 291.7 million will be repaid from cash flow for debt repayment and/or cash flow surplus. The creditor will be paid for 144 monthly installment payments (the 1st month commencing from the month after the month that the Court approves the Plan). The remaining principal of Baht 1,300.3 million will be repaid in the 144th month from the new funding and/or refinancing and/or cash flow surplus. However, if the creditors in Class 5 have debt payable to the Company, the Plan Administrator must set off the repayment against such debt payable before repaying the installment payment.



3.2.5 From the date after the Court ordered the business rehabilitation to the Court's Plan Approval Date, the Creditor Classes 2, 3, 4 and 5 will be entitled to receive interim interest on the outstanding principal. Such interim interest will be accrued and paid in the 144th month. In addition, from the date after the Court's Plan Approval Date until the date the total debt is paid in full, the Creditor Classes 2, 3, 4 and 5 will be entitled to receive new interest at the rate on the principals as follows:

| | |
|---------------------------|-----------------|
| 1st Month – 60th Month | 1.00% per annum |
| 61st Month – 84th Month | 1.75% per annum |
| 85th Month – 96th Month | 2.00% per annum |
| 97th Month – 108th Month | 2.25% per annum |
| 109th Month – 120th Month | 2.50% per annum |
| 121st Month – 144th Month | 2.75% per annum |

In this regards, the creditor will receive actual interest payment at the rate of 0.1% per annum. The deferred new interest portion, which is the difference between the new interest and the actual interest, will be accrued and paid in the 144th month.

3.2.6 The Creditor Classes 2 and 4 will receive partial principal repayment by the Company's ordinary shares. The Creditor Class 3 has the right to receive partial principal repayment by the Company's ordinary shares under the Debt to Equity Conversion No. 1 as stipulated in the Plan.

3.2.7 The Creditor Classes 2, 3, 4 and 5 have the right to notify the Company of their intention to receive principal repayments by Company's ordinary shares under the Debt to Equity Conversion No. 2 as stipulated in the Plan.

3.2.8 In case the Company executes the Debt to Equity Conversion No. 2, if there are remaining outstanding principals, the interest computed and actually paid from the date after the Debt to Equity Conversion No. 2 date until the date the creditor' principals are fully paid will be MLR% per annum for Creditor Classes 2, 3 and 5, and LIBOR+4.5% per annum for Creditor Class 4.

3.2.9 The creditor Classes 2, 3, 4 and 5 agree to waive the entire amount of outstanding interests of Baht 2,271.1 million, Baht 526.2 million, Baht 1,865.5 million and 172.3 million respectively, as well as the entire interim interests and the deferred new interest portions after their principals have been paid in full as stipulated in the Plan which include the prepayment of debt in full, or have been converted to equity in the Debt to Equity Conversion No. 2 as stipulated in the Plan.

3.2.10 The debt of the Creditor Class 4 is the right to claim on the Company in the capacity of the guarantors of Sahaviriya Steel Industries UK Limited ("SSI UK"). Therefore, in case the creditor in Class 4 receive debt repayment from the liquidation process of SSI UK at whichever amount, their right to receive repayment from the Company as stipulated in the Plan will be decreased at same amount by reducing the installment repayment of the principals of the Creditor Class 4 in inverse order.



The Plan No. 2

Since the Creditor in this class has already received the partial payment as at 28 February 2020, the outstanding principal to the Creditor Class 3,4 and 5 had the amount of Baht 1,603.3 million, Baht 498.5 million, Baht 3,144.6 million and Baht 203.3 million respectively which was received from cash inflows for debt repayment and /or cash flows surplus. Therefore, the substances of the mentioned above No.3.2.1, 3.2.2, 3.2.3, and 3.2.4 are revised to:

“3.2.1 Creditor Class 2 (Financial institution creditors for the portions of debt claims that exceed the appraised value of the collateral). The outstanding principal of Baht 1,603.3 million will be repaid from cash inflows for debt repayment and/or cash flows surplus. The Creditor will received the payment for such debts on a monthly basis through 118 installments, commenced on the last working day of March 2021 and the outstanding principal in the amount of Baht 10,153.4 million will be received the repayment in December 2030 from the new funding and/or refinancing and/or cash flow surplus”.

“3.2.2 Creditor Class 3 (Financial institution creditors who are the joint creditors under the Loan Rescheduling Agreement). The outstanding principal of Baht 498.5 million will be repaid from cash inflows for debt repayment and/or cash flows surplus. The Creditor will received the payment for such debts on a monthly basis through 118 installments, commenced on the last business day of March 2021 and the outstanding principal in the amount of Baht 3,156.7 million will be received the repayment in December 2030 from the new funding and/or refinancing and/or cash flow surplus”.

“3.2.3 Creditor Class 4 (Creditor of guarantee obligations for loan repayment). The outstanding principal of Baht 3,144.6 million will be repaid from cash inflows for debt repayment and/or cash flows surplus. The Creditor will received the payment for such debts on a monthly basis through 118 installments, commenced on the last business day of March 2021 and the outstanding principal in the amount of Baht 19,901.6 million will be received the repayment in December 2030 from the new funding and/or refinancing and/or cash flow surplus”.

“3.2.4 Creditor Class 5 (Suppliers of key raw materials). The outstanding principal of Baht 203.3 million will be repaid from cash inflows for debt repayment and/or cash flows surplus. The Creditor will received the payment for such debts on a monthly basis through 118 installments, commenced on the last business day of March 2021 and the outstanding principal in the amount of Baht 1,287.4 million will be received the repayment in December 2030 from the new funding and/or refinancing and/or cash flows surplus. However, if the creditors in Class 5 have debt payable to the Company, the Plan Administrator must offset the repayment against such debt payable before repaying the installment payment”.



The Plan No. 2

Since the Creditor Class 2, 3, 4 and 5 has changed the repayment table, therefore, the substances of aforementioned No. 3.2.5 and 3.2.9 are revised to:

“3.2.5 From the date after the Court ordered the business rehabilitation to the Court’s Plan Approval Date, the Creditor Classes 2, 3, 4 and 5 will be entitled to receive interim interest on the outstanding principal. Such interim interest will be accrued and paid in the 168th month. In addition, from the date after the Court’s Plan Approval Date until the date the total debt is paid in full, the Creditor Classes 2, 3, 4 and 5 will be entitled to receive new interest at the rate on the outstanding principals as follows:

| | |
|---------------------------|-----------------|
| 1st Month – 60th Month | 1.00% per annum |
| 61st Month – 84th Month | 1.75% per annum |
| 85th Month – 96th Month | 2.00% per annum |
| 97th Month – 108th Month | 2.25% per annum |
| 109th Month – 120th Month | 2.50% per annum |
| 121st Month – 168th Month | 2.75% per annum |

In this regards, the creditor will receive actual interest payment at the rate of 0.1% per annum. The deferred new interest portion, which is the difference between the new interest and the actual interest, will be paid in December 2030”.

The Plan No. 2

“3.2.9 The creditor Classes 2, 3, 4 and 5 agree to waive the entire amount of outstanding interests of Baht 2,257.9 million, Baht 523.5 million, Baht 1,662.4 million and 150.3 million accordingly, as well as the entire interim interests and the deferred new interest portions after their principals have been paid in full as stipulated in the Plan which include the prepayment of debt in full, or have been converted to equity in the Debt to Equity Conversion No. 2 as stipulated in the Plan.”

3.3 Creditor Class 6 (Government agencies and authorities)

3.3.1 The outstanding principal of Baht 177.4 million will be repaid from cash flow for debt repayment. The creditor will be paid for 60 monthly installment payments (the 1st month commencing from the month after the month that the Court approves the Plan).

3.3.2 Any other debt owed to the Creditor Class 6 including the penalty and surcharge of Baht 204.0 million, outstanding interest, defaulted interest, fines, statutory costs, expenses and others incurred from contracts and/or law whose repayments have not been stipulated in this Plan will be immediately waived for the entire amount after the completion of the debt repayment to such Creditor under the Plan.



The Plan No. 2

Since the Creditor Class 6 has already received the partial payment as at 28 February 2020, the outstanding principal in the amount of Baht 63.6 million. Therefore, the substances of aforementioned No. 3.3.1 is revised to:

“3.3.1 The outstanding principal of Creditor Class 6 in the amount of Baht 63.6 million will be repaid from cash inflows for debt repayment. The Creditor will received the payment for such debts on a monthly basis through 22 installments, commenced on the last business day of March 2021”.

3.4 Creditor Class 7 (Related party creditors)

3.4.1 The outstanding principal of Baht 872.6 million will be repaid by the increase in the Company's ordinary shares with the conversion price at Baht 0.05 per share within the last working day of the 84th month (the 1st month commencing from the month after the month that the Court approves the Plan). If, however, within such period of time, any Creditor in Class 7 has not yet received the final judgment of its debt claim, the Plan Administrator must increase the Company's registered ordinary shares in advance to be the reserve shares for the Debt to Equity conversion of the Creditor Class 7 and increase the number of issued and paid-up shares after the final judgment of the debt claim is issued.

3.4.2 Any other debt owed to the Creditor Class 7 including the outstanding interest of Baht 0.6 million defaulted interest, fines, penalty, surcharge, statutory costs, expenses and others incurred from contracts and/or law whose repayments have not been stipulated in this Plan will be immediately waived for the entire amount after the completion of the debt repayment to such creditor under the Plan.

The Creditor Class 7 On 1 February 2016, the Company's director, lender under loan agreement amount of Baht 637 million, a loan creditor entered into sell and buy agreement and transferred the right on claiming to Sahaviriya Plate Mill Public Company Limited in the amount of Baht 413.7 million and B.S. Metal Co., Ltd. in the amount of Baht 223.3 million. In 2015 ,Sahaviriya Plate Mill Public Company Limited taken the debt amounts from transfer the right on claiming to offset with trade and other receivables with the Company and resulting to the Company has to record payables with the amount to be repaid to Sahaviriya Plate Mill Public Company Limited amount of Baht 4.3 million and in 2017, B.S. Metal Co., Ltd. taken the debt amount from transfer the right on claiming to offset with trade accounts receivable with the Company in the amount of Baht 223.3 million. Later on, the Company's management withdrew the repayment request. The request was authorized by the official custodian, hence, Sahaviriya Plate Mill Public Company Limited received the repayment of Baht 4.3 million from B.S. Metal Co., Ltd.



The Plan No. 2

As for the Official Receiver has a final order that this Class of Creditor to receive the debt repayment as at 28 February 2020, the outstanding principal to the Creditor Class 7 amount of Baht 12.3 million. Therefore, the substances of aforementioned No. 3.4.1 is revised to:

“3.4.1 The outstanding principal of Baht 12.3 million will be repaid by the increase in the Company's ordinary shares with the conversion price at Baht 0.05 per share within the last working day of the 84th month (the 1st month commencing from the month after the month that the Court approves the Plan). If, however, within such period of time, any Creditor in Class 7 has yet received the final judgment of its debt claim, the Plan Administrator must increase the Company's registered ordinary shares in advance to be the reserve shares for the Debt to Equity conversion of the Creditor Class 7 and increase the number of issued and paid-up shares after the final judgment of the debt claim is issued”.

3.5 *Creditor Class 8 (Trade creditor)*

The debt owed to the Creditor Class 8 including the outstanding principal of Baht 15.1 million, each creditor will receive the debt settlement from cash inflows for debt settlement in the normal course of business.

3.6 *Creditor Class 9 (Creditor under the guarantee agreement)*

3.6.1 The debt of the Creditor Class 9 comprises of the outstanding principal of Baht 3,545.5 million and the outstanding interest of Baht 224.8 million. Such debt will be repaid as stipulated in the Plan when the Creditor in Class 9 in the capacity of the joint guarantor pays the principal debt on behalf of SSI UK and the principal debt of such principal creditors as per the Senior Facilities Agreement dated 16 March 2011 (and the subsequent amendments) must be already repaid in full.

3.6.2 The right to claim of the Creditor Class 9 will be equal to half of the amount that the Creditor Class 9 in the capacity of the joint guarantor pays to the principal creditors.

3.6.3 In case the Creditor Class 9 and the Company in the capacity of the joint guarantors have individually paid the principal debt to the principal creditors in accordance with such joint guarantee agreement, the Plan Administrator must offset the amount before proceeding to the Debt to Equity conversion for the Creditor Class 9.

3.6.4 The remaining outstanding principal after the offset will be repaid by the Company's ordinary shares to be newly issued with the conversion price at Baht 0.05 per share within 180 days after the date the Creditor in Class 9 submits evidences of the debt repayment to the Plan Administrator.

3.6.5 The Plan Administrator will negotiate with the Creditor Class 9 to make an agreement between the Company and the Creditor to reduce the debt and to waive the right of recourse with one another in order to decrease the debt burden or to waive the debt payment to each other.



3.6.6 Any other debt owed to the Creditor Class 9 including the outstanding interest, defaulted interest, fines, penalty, surcharge, statutory costs, expenses and others incurred from contracts and/or law whose repayments have not been stipulated in this Plan will be immediately waived for the entire amount after the completion of the debt repayment to such creditor under the Plan.

The Creditor Class 9 One of the creditor class 9 is the Company management who requested the Company to repay principal and interest, totaling of USD 100 million and USD 6.3 million, respectively. Later on 31 October 2016, the Official Receiver dismissed the stated request. Subsequently, on 19 January 2017, the Board of Directors' meeting of the Company passed the resolution approving the Company to prepare an agreement for a waiver of their right of recourse with one another, in respect to the joint guarantee of the Revolving Facility B Loan of SSI UK. The Company assigned the audit committee to review and agree the agreement details and condition. Details of the agreement had been considered in the Audit Committee's meeting on 27 January 2017 which is considered a related transaction.

3.7 *Creditor Class 10 (Creditor of contingent liabilities relating to guarantees)*

3.7.1 The debt owed to the Creditor Class 10 comprises the outstanding principal of Baht 1,185.0 million which is contingent liability and has not been crystalized under the guarantee by the Company for SSI UK for the damages that the Creditor Class 10 may obtain or be claimed by the third party for environmental damages in relation to the Sale and Purchase Agreement and the delivery of goods per related contracts. Therefore, the Creditor Class 10 will be repaid as stipulated in the Plan only after the final judgment of their debt claims are issued and the third party, such as a governmental agency in England or a person entitled to claim, has demanded the Creditor Class 10 to pay for the damages. After the Creditor in Class 10 has already paid for such damages and submitted trustworthy evidences together with other true concerning documents to prove to the Plan Administrator that it verily pays the damages will the Creditor be paid as stipulated in the Plan.

3.7.2 The outstanding principal of Baht 220.4 million will be repaid from cash inflows for debt repayment and/or cash flows surplus. The creditor will be paid for 144 monthly installment payments (the 1st month commencing from the month after the month that the final order to receive the debt repayment). The remaining principal of Baht 964.6 million will be repaid in the 144th month from the new funding and/or refinancing and/or cash flows surplus.

3.7.3 From the date after the final judgment of the debt claim is issued and the Creditor Class 10 has already paid for such damages and submitted trustworthy evidences together with other true concerning documents to prove to the Plan Administrator that it verily pays the damages until the date the total debt is paid in full, the Creditor Class 10 will be entitled to receive new interest at the rate on the principal as specified in point 3.2.5. In this regards, the creditor will receive actual interest payment at the rate of 0.1% per annum. The deferred new interest portion which is the difference between the new interest and the actual interest will be paid in the 144th month.



3.7.4 The Creditor Class 10 has the right to notify the Company of its intention to receive principal repayment by Company's ordinary shares under the Debt to Equity Conversion No.2 as stipulated in the Plan. However, if the Company has proceeded the Debt to Equity Conversion No.2 to other creditor before the Creditor Class 10 receives the final judgment and pays for any damages in accordance with the Sale and Purchase Agreement and concerning contracts to such third party, the Plan Administrator has the authority to increase the Company's registered ordinary shares in advance to be the reserve shares for the Debt to Equity conversion of the Creditor Class 10 and will increase the number of issued and paid-up shares after the final judgment of the debt claim is issued and the Creditor has submitted trustworthy evidences together with other true concerning documents to prove to the Plan Administrator that the creditor had verily paid such damages.

3.7.5 In case the Creditor Class 10 receives the Company's ordinary shares from the Debt to Equity Conversion, No.2 if there are remaining outstanding principals, the interest computed and actually paid from such date until the date the creditor' principals are fully paid will be LIBOR+4.5% per annum.

3.7.6 The Creditor Class 10 agrees to waive the entire amount of outstanding interest after their principals have been paid in full as stipulated in the Plan which includes the prepayment of debt in full, or have been converted to equity in the Debt to Equity Conversion No. 2 as stipulated in the Plan.

One of the creditor class 10 requested the Company to repay debt, totaling of USD 31 million. Subsequently, on 23 April 2018, the Official Receiver ordered the Company to repay this creditor class 10, totaling of USD 31 million, under the condition that the environment damages incurred and conformed to the environment responsibility condition under the trading of integrated still mill and steel trading agreement dated 24 February 2011.

The Plan No. 2

As at 28 February 2020, the outstanding principal to be paid to the Creditor Class 10 in the amount of Baht 985.2 million. Therefore, the substances of aforementioned No. 3.7.1 and 3.7.2 are revised to:

"3.7.1 The debt owed to the Creditor Class 10 comprises the outstanding principal of Baht 985.2 million which is contingent liability and has not been crystalized under the guarantee by the Company for SSI UK for the damages that the Creditor Class 10 may obtain or be claimed by the third party for environmental damages in relation to the Sale and Purchase Agreement and the delivery of goods per related contracts. Therefore, the Creditor Class 10 will be repaid as stipulated in the Plan only after the final judgment of their debt claims are issued and the third party, such as a governmental agency in England or a person entitled to claim, has demanded the Creditor Class 10 to pay for the damages. After the Creditor in Class 10 has already paid for such damages and submitted trustworthy evidences together with other true concerning documents to prove to the Plan Administrator that it verily pays the damages will the Creditor be paid as stipulated in the Plan.



3.7.2 The outstanding principal of Baht 183.5 million will be repaid from cash inflows for debt repayment and/or cash flows surplus. The creditor will be paid for 168 monthly installment payments, commenced on the last working day of the month after the month that the final order to receive the debt repayment and the outstanding principal in the amount of Baht 801.7 million will be received the repayment in the 144th month from the new funding and/or refinancing and/or cash flow surplus”.

3.8 Creditor Class 11 (Creditor of fines and/or damages incurred in relation to defaults of contract)

3.8.1 The outstanding principal of Baht 52.0 million will be repaid from cash inflows for debt repayment and/or cash flows surplus. The creditor will be paid for 144 monthly instalment payments (the 1st month commencing from the month after the month that the final order to receive the debt repayment). The remaining principal of Baht 227.4 million will be repaid in the 144th month from the new funding and/or refinancing and/or cash flows surplus.

3.8.2 From the date after the final judgment of the debt claim is issued until the date the total debt is paid in full, the Creditor Class 11 will be entitled to receive new interest at the rate on the principal as specified in clause 3.2.5. In this regards, the creditor will receive actual interest payment at the rate of 0.1% per annum. The deferred new interest portion which is the difference between the new interest and the actual interest will be paid in the 144th month.

3.8.3 The Creditor Class 11 has the right to notify the Company of its intention to receive principal repayment by Company's ordinary shares under the Debt to Equity Conversion No.2 as stipulated in the Plan. However, if the Company has proceeded the Debt to Equity Conversion No.2 to other creditor before the Creditor Class 11 receives the final judgment of its claim, the Plan Administrator has the authority to increase the Company's registered ordinary shares in advance to be the reserve shares for the Debt to Equity conversion of the Creditor Class 11 and will increase the number of issued and paid-up shares after the final judgment of the debt claim.

3.8.4 In case the Creditor Class 11 receives the Company's ordinary shares from the Debt to Equity Conversion No 2., if there are remaining outstanding principals, the interest computed and actually paid from such date until the date the creditor' principals are fully paid will be MLR% per annum.

3.8.5 The Creditor Class 11 agrees to waive the entire amount of outstanding interest after their principals have been paid in full as stipulated in the Plan which includes the prepayment of debt in full, or have been converted to equity in the Debt to Equity Conversion No. 2 as stipulated in the Plan.

As at 28 September 2016, one of the creditor class 11 filed a wrongful dismissal claim of Official Receiver, total amount of Baht 279 million to the Central Bankruptcy Court. Subsequently on 8 March 2017



The Plan No. 2

The debt owed to the Creditor Class 11 comprises a creditor which had the outstanding principal amount of Baht 279.4 million. Subsequent, the Official Receiver has a final order to dismiss the request to receive the repayment of this creditor in total amount. As a result, there is no creditor to have a right to receive the repayment in this class.

The Company has not recorded liabilities since the management considered that there is uncertainty and possibly in loss of economic benefit for such debts settlement.

3.9 Creditor Class 12 (creditor of professional fees under consultant agreements)

3.9.1 The outstanding principal of Baht 188.0 million will be repaid from cash inflows for debt repayment and/or cash flows surplus. The creditor will be paid for 144 monthly installment payments (the 1st month commencing from the month after the month that the Court approves the Plan). However, the Company will repay the debt to any Creditor in Class 12 only after the Creditor has already obtained the final judgment of its debt claim.

3.9.2 The outstanding principal of Baht 776.0 million will be repaid by the increase in the Company's ordinary shares with the conversion price at Baht 0.05 per share within the last working day of the 84th month (the 1st month commencing from the month after the month that the Court approves the Plan). If, however, within such period of time, any Creditor in Class 12 has not yet received the final judgment of its debt claim, the Plan Administrator must increase the Company's registered ordinary shares in advance to be the reserve shares for the Debt to Equity conversion of the Creditor Class 12 and increase the number of issued and paid-up shares after the final judgment of the debt claim is issued.

3.9.3 The remaining outstanding principal of Baht 963.9 million including the outstanding interest of Baht 21.3 million, defaulted interest, fines, penalty, surcharge, statutory costs, expenses and others incurred from contracts and/or law whose repayments have not been stipulated in this Plan will be immediately waived for the entire amount after the completion of the debt repayment to such creditor under the Plan.

One of the creditors in the Creditor class 12 of rehabilitation plan who filed the application for repayment of debts, as at 25 March 2019 there is the order of the Official Receiver to dismiss the application for receiving debt settlement of such creditor. Subsequently, such creditor filed request for disputation of which Central Bankruptcy Court has affirmed in accordance with the Official Receiver's order on 28 October 2020. Later on 7 April 2021, such creditor filed the appeal against in the Court. On 26 October 2021, the Court has affirmed the order of the Official Receiver and on 7 December 2021, the Court issued a letter for certify that the case is come to an end.



3.10 Creditor Class 13 (Issuers of bank guarantees)

The Creditor in this Class is the Creditor who issued letter of guarantees to the Company to guarantee for the Company's debt. This Creditor will not be affected by the debt restructuring under this Plan because the obligation as per the letter of guarantees has not yet been due. Nonetheless, the Creditor will receive the payments for fees and other expenses in relation to the original contracts and agreements.

4. Collection from related company receivables

B.S. Metal Co., Ltd. and Sahaviriya Panich Corporation Co., Ltd. have the outstanding debt with the Company and the collection from both receivables is the part of cash flows to be taken to settle to creditors under rehabilitation plan. Therefore, during the performance in accordance with the rehabilitation plan, the Company dealt with B.S Metal Co., Ltd., Sahaviriya Panich Corporation Co., Ltd. and related companies on the basis and methodology as follow:

- 4.1 If both receivables still deal with the Company that the Company gradually reduced the outstanding current trade accounts to both receivable. In the goods purchasing order from the Company that new goods will be delivered not exceed 95 per cent of the amount payment in that period and the Company has to take total receipt of the goods payment to settle the existing debt.
- 4.2 As per No. 4.1, both receivable have to settle the existing debts or goods ordered in each time by cash payment before the date of goods delivery.
- 4.3 The Company has to follow up the debt settlement from both receivables by computing the amounts between new goods valuation and goods price to be settled for the existing debt or the amounts which the receivable gradually settled debt (if there is no trading).
- 4.4 Amounts of debt settlement which both receivable computed as per No. 4.3 not less than the amount of Baht 300 million per annum and both receivables have to make total outstanding debt settlement (the existing and new debt) to the Company within 7 years from 2017 onwards. In 2019, all outstanding debt is not exceeding than Baht 2,640 million and at the end of 2021 the outstanding debt balance (the existing and new debt) will not exceed than Baht 1,760 million.
- 4.5 If the receivables do not make payment as time determined in No. 4.2, the goods delivery to received is suspended.
- 4.6 If the Company is unable to collect the outstanding debt from B.S. Metal Co., Ltd. and Sahaviriya Panich Corporation Co., Ltd. as determined in No. 4.4 above and the Board of creditor informed the Company by notice for such defaulting and caused to be the default as determined in the rehabilitation plan.



The Plan No. 2

Add the requirement for the collection from related party debtors is as follows:

- “4.7 From the date of the Court’s ordered to approve the revised rehabilitation plan, the Company has to present the guidelines for the repayment of both debtors and the solution of the troubles arising with those two debtors which are other than the stipulated in No. 9.1 (Rehabilitation Plan) above to the Creditors Committee for consideration and approval. The guideline should be thought about the benefits of the Company However, the Company shall offer another solution to resolve the troubles until the approval is made by the Creditors Committee if the Company’s solution is not satisfactory by The Creditors Committee.

5. Excess cash flows

The Company's excess cash flows derived from the following allocations:

For every end of the 6-month calendar year, in the event that the sum of (1) EBITDA occurs and (2) the amount reclaimed by the Company from the reduction of B.S. Metal Co., Ltd. and Sahaviriya Panich Corporation Co., Ltd. in accordance with the criteria specified in the calculated plan have higher than profit before depreciation, interest and taxes and refund amount from debt reduction of B.S. Metal Co., Ltd. and Sahaviriya Panich Corporation Co., Ltd. assume that the total amount (1) and (2) exceeds the sum of profit before depreciation, interest and taxes, and the amount of return on debt reduction of B.S. Metal Co., Ltd. and Sahaviriya Panich Corporation Co., Ltd. are excess cash flows.

The Plan No. 2

The allocation methodology of cash flows according to the revised Plan is calculated from 2 ways excess cash flows as follows:

- (1) 1st way: Bring (a) the result of actual EBITDA, less actual investment expenses (CAPEX), and exclude income from reversal of allowance for doubtful accounts. B.S. Co., Ltd. Metal Co., Ltd. and Sahaviriya Panich Corporation Co., Ltd. deducted (b) EBITDA as specified in attachment to the Plan No. 1.2, less investment expenses (CAPEX) as specified in the attachment to the Plan No. 1.2, which is defined annually, thus calculating the 6-month periods compared to 50% of the figures in each year.
- (2) 2nd way, if the Company receives a refund from the debts reduction of B.S. Metal Co., Ltd. and Sahaviriya Panich Corporation Co., Ltd. are calculated in accordance with the criteria set out in the revised Plan as actually incurred.

Therefore, total amount calculated from clauses (1) and (2) above in each period is combined to form excess cash flows for the period and allocated as planned. For excess cash flows calculated in 2020, the Plan Administrator must not take to allocate the debts settlement.



6. Excess cash flows allocation methodology

Excess cash flows were taken to allocate the debts settlement as follows:

- (1) 85% of the principal debts of class 1 creditors in proportion to the outstanding principal debt of each creditor in that class (Pro rate) are granted to reduce interim interest payable and suspended interest at 50% of the interim interest payable and suspended interest obligations based on the proportion of principal repayment from excess cash flows compared with the outstanding principal as at the date of the Court order for rehabilitation (10 March 2016).
- (2) 15% was settled for the principal of class 2 creditors, class 3, class 4, class 5, class 10, class 11 based on the proportionate of outstanding principal of each class of creditors, and each creditor in that class (Pro rate) before maturity, the Company is granted to reduce the outstanding interest payable and suspended interest obligations as planned based on the proportion of principal that the Company repays from excess cash flows compared with the outstanding principal as at the date of the Court order for rehabilitation (10 March 2016).

The Plan No. 2

- (1) In 2021, the Company was able to reserve excess cash flows to support the Company's operations in total but not exceeding Baht 662 million. If this number is exceeded, the excess amount will be allocated in accordance with clause (3).
- (2) In 2022 and 2023, the Company was able to reserve excess cash flows to support the Company's operations, but when combined with the excess cash flows already reserved in accordance with Clause (1), not exceeding Baht 1,000 million. If this number is exceeded, excess amount will be allocated in accordance with clause (3).
- (3) In excess of the allocations in clauses (1) and (2) above, and from the year 2024 onwards, they should be allocated as follows:
 - 3.1 15% is excess cash flows reserved for debts settlement that the Plan Administrator must deposit in the bank account with the objective of preserving the repayment of principal and interest payments according to the repayment period or as excess cash flows to pay off the debt further early to maintain this amount. The Company can set aside funds from excess cash flows to reserve repayments in excess of the principal and interest that the Company must pay to all creditors for an average of 3 periods, by calculating from the principal and interest payable of the calendar year following the year when the excess cash flows reserved exceeded that limit. However, if the Company encountered the financial trouble, it is necessary to use the excess cash flows deposited in the bank account to pay off principal and interest payments. This is a monthly installment in the order in which the payment is matured, or if the intention is to use excess cash flows to pay off the debt further early or use the funds in any other cases. The Company shall consider the necessary grounds and present the details to the Creditors Committee for consideration and approval.



3.2 85% will be allocated the debts settlement according to the proportion specified in the Plan as follows:

3.2.1 85% will be settled the principal of class 1 creditors as a proportion of the outstanding principal of each creditor in that class (Pro rate) before maturity.

The Company will receive a reduction in interim interest payable and suspended interest at the rate of 50% of the interim interest payable and suspended interest obligations as defined in the Plan in proportion to the principal repayment of excess cash flows and outstanding principal as at the date of the Court order for rehabilitation.

3.2.2 15% was settled for the principal of class 2 creditors, class 3, class 4, class 5, class 10, class 11 based on the proportionate of outstanding principal of each class of creditors, and each creditor in that class (Pro rate) before maturity.

The Plan Administrator will prematurely repay the excess cash flow within 15 days after submitting the report of excess cash flows by deducting the debt as approved by the Creditors Committee, unless in the event of business reasons and necessities, and maintaining excess cash flows for the benefit and necessity of the Company's business operations, as well as to support the expansion of the business or its potential impact on the Company. In the event of fluctuations in steel prices or events affecting the Company's business operations in the near future, or in the event of a profit from steel stocked. If the Plan Administrator deems that the funds should not be paid early, the Plan Administrator should discuss with the Creditors Committee for approval that all or part of the excess cash flows do not bring to pay the debt early or to be calculated in the next period, and then consider whether to repay all or part of the debt or calculate it against the excess cash flows in the next period. The Company shall prepare a semi-yearly budget (at least) as well as clarify the reasons and necessary to use excess cash flows in the entity working capital.

7. The success of the Plan

7.1 The Company has repaid the outstanding principal to every Creditor as stipulated in the Plan in the amount not less than 25% of the outstanding principal that the Company has to pay under the Plan, and

7.2 The Company has secured new funding from an investor(s) to repay debt such that the shareholders' equity of the Company becomes positive, or

7.3 Debt to equity conversion in accordance with the Rehabilitation Plan has been executed such that the shareholders' equity of the Company becomes positive.

The Plan No. 2

Revise No. 5.1 above by revising to

"7.1 The Company has made repayment for the outstanding principals to all creditors in accordance with the rehabilitation plan including the case of creditors who received the repayment by conversion debts to



equity No.1 and No. 2 in the total amount not less than 25% of the outstanding principals to be repaid under the Plan and”

Applications for revising the Plan No.2

Cancel the original substance in clause 17.1, page 74 of the plan, and use the following substance instead "The rehabilitation plan has a six-year implementation period from the date of the Court ordered to approve the plan. In the event that the implementation of this plan is not fulfilled in accordance with Article 17.2 of the plan, within 6 years, the plan administrator is able to proceed for revising the plan by requesting for extension the procedures period according to the methodology as stipulated in the Bankruptcy Act."

8. Repayment for the Classes of Creditors

Applications for revising the Plan No.2

Additional the following substance is the last paragraph of clause 8.2.4, page 48 of the plan.

"However, after the Court's approval of the applications for revising the plan No. 2, entitle three creditors of class 4, and the plan administrator agreed to convert debt in foreign currencies both principal and interest into Thai Baht by determining conversion date and the reference date of exchange rate for converting foreign currency debt to both principal and interest into Thai Baht. This can define the conversion of either or partial amounts of debt in the same proportion of all Class 4 creditors and exchange rate references to use foreign exchange rates according to the average selling rate of that currency as announced by the Bank of Thailand on the date that the three creditors of Class 4 and the plan administrator further determined. Reference exchange rate must be used after the day of the Court ordered to approve the applications for revising the plan No.2. The Class 4 creditors will continue to receive the existing amount and determination according to attachment No. 7 of the plan."

9. Definition

Applications for revising the Plan No.2

Additional definition in Article 1.1: "Applications for revising the Plan No.2" appended to the definition of "Final Order to Receive Debt Payment" in Page 1 of the Plan Includes the following substance:

" Applications for revising the Plan No.2: proposal for revising of the plan administrator according to the applications dated 3 September 2021, which is the application that the plan administrator requested to extend the implementation period from 5 years to 6 years, as well as amendments to other issues and requests for revising such application (if any)."

The Progressive in operation under the business rehabilitation for the year ended 31 December 2021 and 2020

For the year ended 31 December 2021, the Company repaid the debt to creditors under the rehabilitation plan, principal of Baht 157.6 million, excess cash flows of Baht 300 million and interest amounting to Baht 68.2 million totally Baht 525.8 million.



For the year ended 31 December 2020, the Company has made repayment to creditors under the Plan for the principals amount of Baht 305.6 million and interest total amount of Baht 68.8 million, totally Baht 374.4 million. Thus, the Company has not made the principals repayment since March 2020 until February 2021, in accordance with the applications for revising the plan ("Plan No. 2") and subsequently the Central Bankruptcy Court approved the plan on 18 September 2020.

Class 4 creditors will be entitled to receive amount from the sale of collateral assets from liquidation process of Sahaviriya Steel Industries UK Co., Ltd., liquidator of Sahaviriya Steel Industries UK Co., Ltd., has sold the collateral assets and has paid the amount to class 4 creditors in total. The rehabilitation plan required such amount to reduce the principal installment in the last installment in respective upward. In 2021, the Company received evidence of debt reduction from class 4 creditors, reducing the Company's legal debt obligations due to the amount paid to creditors of USD 18.8 million equivalents to Baht 586.3 million. The Company recognizes the reduction in obligation guarantee from the liquidation process of the debtor in full in the income statement.

The liquidation process is currently not completed. Hence the debt obligation from environmental guarantee of USD 31 million is remained for which the Company does not record such debt obligations as debts under the rehabilitation plan. The disclosure is stated in note 33.

In 2015, major lenders demanded immediate payments of USD 788 million and GBP 1 million respectively (equivalent to Baht 28,384 million and Baht 46 million respectively) and Baht 1.6 million with Sahaviriya Steel Industries UK Co., Ltd. and subsequently, the major lender also asked the Company to take responsibility for the debt as a loan guarantor, resulting in the Company's inability to maintain its financial ratio and does not repay the matured principal and interest to the bank. That the major lender called for total loans repayment immediately. The incident caused the Board of Directors to approve the Company's request for rehabilitation to the Central Bankruptcy Court on 1 October 2015 as a result of a rehabilitation plan approved by the Central Bankruptcy Court on 15 December 2016. The provisions from acted as guarantors and other creditors under the rehabilitation plan are included in part of the rehabilitation plan. Therefore, the reclassification of borrowings, provisions, other creditors and accrued interest under the rehabilitation plan are conformed to the repayment plan specified in the rehabilitation plan.

Collection from related company receivables

According to the rehabilitation plan, the Company must track the debts of B.S. Metal Co., Ltd. and Sahaviriya Commercial Corporation Co., Ltd., required to collect from the debtors at least Baht 300 million per annum, and both debtors must repay all outstanding debts (both existing and new debts) to the Company to be completed within 7 years from the year 2017 onwards. By the end of 2020, the remaining amount (both existing and new debts) will not exceed Baht 2,640 million, and by the end of 2021, the remaining amount (both existing and new debts) will be not exceeding Baht 1,760 million and the Company has proposed guidelines, repayment of debts and solutions to such debtors to the Creditors Committee for approval.

As at 31 December 2021 and 2020, the debts of two debtors amounted to Baht 3,365.6 million and Baht 3,497.9 million, respectively. The Company has received the settlement for year 2021 total amount of Baht 132.3 million. The Company has reversed allowance for expected credit losses in full. The receiving of debts repayment and outstanding debts do not meet the requirements of the rehabilitation plan. The incident is not considered a default because the Creditors Committee has not received a notice of default. Currently, the Company is monitoring the



debt, and the Company proposes the repayment guidelines for the outstanding debts of both debtors and the resolutions to both receivables to the Creditors Committee for approval which is currently under consideration by the Creditors Committee.

27. Share capital

Movements of share capital for the year ended 31 December 2021 and 2020 are as follows:

| Par value per share (in Baht) | | 2021 | | 2020 | |
|-------------------------------------|---|----------------------------|--------------------------|----------------------------|--------------------------|
| | | Number | Amount | Number | Amount |
| | | <i>Thousand shares</i> | <i>Thousand Baht</i> | <i>Thousand shares</i> | <i>Thousand Baht</i> |
| Authorized | | | | | |
| ordinary shares | | | | | |
| As at 1 January | 1 | 11,113,018 | 11,113,018 | 11,113,018 | 11,113,018 |
| - unchanged | | - | - | - | - |
| As at 31 December | 1 | <u>11,113,018</u> | <u>11,113,018</u> | <u>11,113,018</u> | <u>11,113,018</u> |
| Issued and paid-up | | | | | |
| ordinary shares | | | | | |
| As at 1 January | | 11,113,018 | 11,113,018 | 11,113,018 | 11,113,018 |
| - unchanged | | - | - | - | - |
| As at 31 December | 1 | <u>11,113,018</u> | <u>11,113,018</u> | <u>11,113,018</u> | <u>11,113,018</u> |

28. Segment information

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. 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

| | |
|-----------|---------------------------------|
| Segment 1 | Manufacture of hot rolled coils |
| Segment 2 | Maintenance services |
| Segment 3 | Deep-sea port services |

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax 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.



Information about reportable segments

Information about segment income and profit (loss) for the year ended 31 December 2021 and 2020 are as follows:

| | Manufacture of hot rolled coils | | Maintenance services | | Deep-sea port services | | Elimination | | Total segment | |
|---|------------------------------------|------------|----------------------|---------|------------------------|-----------|-------------|-----------|---------------|------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | Unit : Thousand Baht | | | | | | | | | |
| External revenue | 34,737,089 | 17,681,506 | 371,804 | 325,015 | 204,572 | 118,389 | - | - | 35,313,465 | 18,124,910 |
| Inter-segment revenue | 3,866 | - | 265,434 | 283,791 | 64,151 | 35,752 | (333,451) | (319,543) | - | - |
| Segment profit (loss) before income tax | (630,603) | 433,496 | (28,108) | 12,854 | 102,875 | (5,728) | 75,697 | (73,016) | (480,139) | 367,606 |
| Reportable segment assets as at 31 December | 22,042,973 | 18,587,799 | 359,299 | 360,414 | 1,195,715 | 1,213,465 | (319,352) | (481,851) | 23,278,635 | 19,679,827 |
| Reportable segment liabilities as at 31 December | 38,152,545 | 34,065,706 | 196,134 | 174,774 | 79,968 | 69,601 | (78,530) | (109,234) | 38,350,117 | 34,200,847 |



Geographical segments

- Segment 1 - is managed and operates manufacturing facilities and sales offices in Thailand
Segment 2 and 3 - operate principally in Thailand. There is no material revenues derived from, or assets located in, foreign countries.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Geographical information

| | Consolidated | | Unit : Thousand Baht Separate | |
|---------------|----------------------|-------------------|----------------------------------|-------------------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Income | | | | |
| Domestic | 34,681,021 | 17,928,655 | 34,116,156 | 17,496,802 |
| Overseas | 632,444 | 196,255 | 624,799 | 184,704 |
| Total | 35,313,465 | 18,124,910 | 34,740,955 | 17,681,506 |

Major customer

For the year ended 31 December 2021, Revenues from 2 customers of the Group's segment 1 represent approximately Baht 11,885 million (2020: 2 customers Baht 7,502 million).



29. Expenses by nature

| | Unit : Thousand Baht | | | |
|--|----------------------|------------|----------------------|------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Changes in inventories of finished goods and work in progress | 2,005,779 | 1,217,875 | 2,031,188 | 1,240,282 |
| Raw materials and consumables used | 30,901,259 | 14,794,820 | 30,656,854 | 14,584,316 |
| Employee benefit expenses | 1,234,941 | 1,088,284 | 941,906 | 793,141 |
| Fuel oil and electrical expenses | 651,048 | 533,588 | 643,043 | 525,866 |
| Depreciation and amortization | 750,582 | 649,485 | 642,988 | 540,841 |
| Maintenance expenses | 229,304 | 204,672 | 219,662 | 196,933 |
| Transportation expenses | 476,152 | 357,303 | 476,152 | 357,303 |
| Professional fee | 182,422 | 286,118 | 161,591 | 162,802 |
| Minimum lease payments recognised as an operating lease expenses | 13,826 | 19,768 | 13,826 | 13,740 |
| Credit loss | 17,879 | 1,243 | 17,817 | 1,243 |
| Advertising and public relation expenses | 7,008 | 9,751 | 7,008 | 9,751 |
| Loss on devaluation of inventories (reversal) | 460,190 | (538,518) | 460,190 | (538,518) |
| Loss on onerous contracts | 92,700 | 12,291 | 92,700 | 12,291 |



30. Income tax

Income tax recognised in profit or loss

Unit : Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|------------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| Current income tax | | | | |
| Current year | (21,743) | - | - | - |
| Deferred tax expense | | | | |
| Movements in temporary differences | 5,322 | 9,821 | (1,062) | (853) |
| Total tax (expense) income | (16,421) | 9,821 | (1,062) | (853) |

Reconciliation of effective tax rate

Unit : Thousand Baht

| | Consolidated financial statements | | | |
|--|-----------------------------------|------------------|----------|----------------|
| | 2021 | | 2020 | |
| | Tax rate | Amount | Tax rate | Amount |
| | (%) | | (%) | |
| Gain (loss) before income tax | | (480,139) | | 367,607 |
| Income tax using the Thai corporation tax rate | 20 | (96,028) | 20 | 73,521 |
| Income not subject to tax | | (20,220) | | (9,431) |
| Expenses not deductible for tax purposes | | 537,545 | | 66,902 |
| Double taxable expenses | | (63) | | (7,303) |
| Unrecognise deferred tax assets and deferred tax liabilities during the year | | (16,421) | | 9,821 |
| Under tax provided in prior year, lower (over) | | - | | (3,819) |
| Tax loss carry forward | | (422,310) | | (119,870) |
| Total | | (16,421) | | 9,821 |



Unit : Thousand Baht

| | Separate financial statements | | | |
|---|-------------------------------|------------------|----------|----------------|
| | 2021 | | 2020 | |
| | Tax rate | Amount | Tax rate | Amount |
| | (%) | | (%) | |
| Gain (loss) before income tax expense | | (630,603) | | 433,496 |
| Income tax using the Thai corporation tax rate | 20 | (126,121) | 20 | 86,699 |
| Income not subject to tax | | (20,220) | | (9,431) |
| Expenses not deductible for tax purposes | | 542,076 | | 42,602 |
| Unrecognised deferred tax assets and deferred tax liabilities during the year | | (1,062) | | (853) |
| Tax loss carry forward | | (395,735) | | (119,870) |
| Total | | (1,062) | | (853) |

Income tax recognition depends on the best estimates of the management in respect of the weighted average of tax rate for the year which expected for the year, using revenues before interim income tax, effective rate of the Group. The Company has the effects from these factors as following:

- Taxable losses and temporary differences incurred during the year which deferred tax assets were not recorded since the management deems that there is no direction to utilize the future taxable profit.
- Certain net profit of the Group incurred from the promoted business activities that net profit of such activities were exempted from income tax.
- Losses of some subsidiaries of the Group cannot be netted with profit of other subsidiaries in income tax calculation.

31. Earnings (loss) per share

Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the year were based on the profit for the year attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the year.



For the year ended 31 December 2021 and 2020 as follows:

| | Consolidated | | Separate | |
|---|----------------------|----------------------|----------------------|----------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2021 | 2020 | 2021 | 2020 |
| Profit (Loss) for the year attributable to ordinary shareholders of the Company (<i>Thousand Baht</i>) | (496,560) | 376,347 | (631,665) | 432,643 |
| Number of ordinary shares issued as at 1 January | 11,113,018 | 11,113,018 | 11,113,018 | 11,113,018 |
| Effects of shares issued during the year | - | - | - | - |
| Weighted average number of ordinary shares outstanding (basic) (<i>Thousand shares</i>) | 11,113,018 | 11,113,018 | 11,113,018 | 11,113,018 |
| Basic earnings (loss) per share (<i>Baht</i>) | (0.05) | 0.03 | (0.06) | 0.04 |

32. Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to (1) the manufacture of hot rolled coils and hot rolled pickled and oiled coils (2) the provision of marine shipping services (3) the provision of high-powered tug boat services (4) the manufacture of industrial machinery and equipment, mechanical parts, and the repair and improvement of industrial machinery and equipment and steel structures for industrial use.

The privileges granted include:

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of import duty on essential raw materials and supplies imported;
- (c) exemption from payment of income tax for sales of hot rolled coils and hot rolled pickled and oiled coils, to the extent that the amount sold does not exceed 1.6 million tons a year, for a period of 8 years from the date on which the income is first derived from such operations (13 May 2004).
- (d) exemption from payment of income tax on net income from the provision of marine shipping services, for a period of 8 years from the date on which the income is first derived from such operations (14 November 2006) to the extent that the amount of tax exempted does not exceed 100 percent of the total investment made, excluding the price of land and working capital. The amount of income tax exempted thus must not exceed Baht 1,146 million, and such cap is to be adjusted according to the actual capital investment (excluding land cost and working capital) as of the started date operation of the project commences. In addition, the privilege also includes an exemption from payment of import duty on machinery approved by the Board;



- (e) exemption from payment of income tax on net income from the provision of high-powered tug boat services, for a period of 8 years from the date on which the income is first derived from such operations (4 July 2012) to the extent that the amount of tax exempted does not exceed 100 percent of the total investment made, excluding the price of land and working capital. The amount of income tax exempted thus must not exceed Baht 300 million, and such cap is to be adjusted according to the actual capital investment (excluding land cost and working capital) as of the started date operation of the project commences;
- (f) exemption from payment of income tax on net income from manufacture of industrial machinery and equipment, mechanical parts, and the repair and improvement of industrial machinery and equipment and steel structures for industrial use, for a period of 8 years from the date on which the income is first derived from such operations, to the extent that the amount of tax exempted does not exceed 100 percent of the total investment made, excluding the price of land and working capital. The total amount of income tax exempted thus must not exceed Baht 167 million, and such cap is to be adjusted according to the actual capital investment (excluding land cost and working capital) as of the started date operation of the project commences.

As promoted companies, the Group must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses for the year ended 31 December

Unit : Thousand Baht

| | Consolidated financial statements | | | | | |
|---------------------------|-----------------------------------|--------------------------------|-------------------|------------------------|----------------------------|-------------------|
| | 2021 | | | 2020 | | |
| | Promoted Businesses | Non- promoted Businesses | Total | Promoted Businesses | Non-promoted Businesses | Total |
| Export sales and services | - | 632,444 | 632,444 | - | 196,255 | 196,255 |
| Local sales and services | - | 35,014,472 | 35,014,472 | - | 18,248,198 | 18,248,198 |
| Eliminations | - | (333,451) | (333,451) | - | (319,543) | (319,543) |
| Total revenues | - | 35,313,465 | 35,313,465 | - | 18,124,910 | 18,124,910 |

Unit : Thousand Baht

| | Separate financial statements | | | | | |
|---------------------------|-------------------------------|--------------------------------|-------------------|------------------------|----------------------------|-------------------|
| | 2021 | | | 2020 | | |
| | Promoted Businesses | Non- promoted Businesses | Total | Promoted Businesses | Non-promoted Businesses | Total |
| Export sales and services | - | 624,799 | 624,799 | - | 184,704 | 184,704 |
| Local sales and services | - | 34,116,156 | 34,116,156 | - | 17,496,802 | 17,496,802 |
| Total revenues | - | 34,740,955 | 34,740,955 | - | 17,681,506 | 17,681,506 |



33. Commitments and contingent liabilities

| | Consolidated | | Unit: Million Baht Separate | |
|--|----------------------|-----------|--------------------------------|------------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| <i>Capital expenditures commitment Contracted but not provided for</i> | | | | |
| Machinery and equipment | 155 | 59 | 289 | 135 |
| Total | 155 | 59 | 289 | 135 |

As at 31 December 2021, the Group had capital expenditures amount of Baht 100 million, USD 0.4 million and EUR 1.1 million (2020: Baht 37 million, USD 0.5 million and EUR 0.2 million) in relation to the acquisition and installation of machinery and equipment.

As at 31 December 2021, the Company had capital expenditures amount of Baht 234 million, USD 0.4 million and EUR 1.1 million (2020: Baht 113 million, USD 0.5 million and EUR 0.2 million) in relation to the acquisition and installation of machinery and equipment.

As at 31 December 2021, the Group had the minimum amount to be paid in the future under the lease as follows:

| | Consolidated | | Unit: Million Baht Separate | |
|--|----------------------|--------------|--------------------------------|--------------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| <i>Non-cancellable operating lease commitments</i> | | | | |
| Within one year | 0.56 | 0.30 | 0.21 | 0.23 |
| After one year but within five years | 0.14 | 0.21 | - | - |
| Total | 0.70 | 0.51 | 0.21 | 0.23 |
| <i>Other commitments</i> | | | | |
| Raw materials purchases | 4,721 | 821 | 4,721 | 821 |
| Letter of credit | 32 | - | - | - |
| Other agreements | 636 | 312 | 664 | 297 |
| Total | 5,389 | 1,133 | 5,385 | 1,118 |

As at 31 December 2021, the Group had other commitments in relation to purchase spare parts and equipment supplies, and to obtain maintenance services amounting to Baht 341.4 million, USD 3.3 million, EUR 3.9 million, GBP 0.6 million and JPY 11.1 million (31 December 2020: Baht 219 million, USD 1 million, EUR 1.5 million, GBP 0.1 million and JPY 8.2 million).

As at 31 December 2021, the Company had other commitments in relation to purchase spare parts and equipment supplies, and to obtain maintenance services amounting to Baht 370.1 million, USD 3.3 million, EUR



3.9 million, GBP 0.6 million and JPY 11.1 million (31 December 2020: Baht 203.4 million, USD 1 million, EUR 1.5 million, GBP 0.1 million and JPY 8.2 million).

Contingent liabilities

a) As at 31 December 2021 and 2020, the Group was liable to banks in respect to the following guarantees:

Unit: Million Baht

| | Consolidated financial statements | | Separate financial statements | |
|------------------------|--------------------------------------|------------|----------------------------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| Electricity supply | 107 | 107 | 104 | 104 |
| Performance guarantees | 80 | 78 | 49 | 34 |
| Others | 11 | 11 | - | - |
| Total | 198 | 196 | 153 | 138 |

As at 31 December 2021 and 2020, the Group had outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of the business. These included letters of guarantee for:

- To the Customs Department in respect of the establishment of a wharf and go-downs amounting to Baht 11 million (31 December 2020: amount of Baht 11 million),
- The contractual performance amounting to Baht 80 million (31 December 2020: amount of Baht 78 million),
- Electricity usage amount of Baht 107 million (31 December 2020: amount of Baht 107 million).

b) As at 31 December 2021, the Company has contingent liabilities from guarantee contracts and damages under agreement in the amount of USD 31 million with the condition that the environment damages incurred and conformed to the environment responsibility condition under the trading of integrated still mill and steel trading agreement dated 24 February 2011.

Dispute

Land in Prachuabkirikhan

a) On 9 July 2010, the Prachuabkirikhan Provincial Land Office, Bangsaphan Branch (“the Land Office”) ordered the Company and a subsidiary to submit the Certificates of Utilization (Nor. Sor. 3 Kor) (“the Certificates”) for various plots of land, with an aggregate value of Baht 123.1 million for the Company and Baht 187.6 million for the subsidiary, for cancellation. Later, the Land Office announced that it was issuing replacement certificates for the Certificates (Nor. Sor. 3 Kor). The Company and the subsidiary filed a lawsuit against the officers of the Land Office with the Central Administrative Court “CAC”, petitioning the CAC to order the cancellation of the announcement of the Company and the subsidiary. The Company and the subsidiary also petitioned the CAC to identify measures to provide them with temporary relief. The Court accepted the lawsuit for consideration.



On 1 September 2010, the Company and the subsidiary filed a lawsuit against the Director-General of the Department of Lands and the Deputy Permanent Secretary of the Ministry of Interior with the CAC, petitioning the court to order the revocation of the order of the Director-General of the Department of Lands issued on 5 January 2010, which ordered the revocation and re-drawing up the area under the Certificates, and the withdrawal of the appeal decision of the Deputy Permanent Secretary of the Ministry of Interior. Also, the Company and the subsidiary requested the court to suspend the execution of a sentence of the CAC. On 6 August 2013, the Central Administrative Court ordered to stay the execution ordering the Company and its subsidiary to vacate from the National Forest and to undertake no activities on that land. Subsequent on 23 December 2014, the CAC reversed the ordering to relieve the execution which ordered the Company and its subsidiary to vacate from the National Forest.

In addition, the Court ordered to try this case together with the case in which the Company and subsidiary filed a lawsuit against the abovementioned officer of Land Department. Prachuap Kiri Khan Province, Bang Saphan Branch.

On 29 August 2017, the Central Administrative Court has dismissed the case, subsequent on 27 September 2017, the Company and subsidiary filed the appeal to protest the judgment to the Administrative Supreme Court.

At the present, the plaint is still pending the Court's trial.

- b) On 20 December 2010, the Bangsaphan Sheriff, as the official responsible for the oversight and care of the National Forest, Klong Mae-Rumphueng forest, Prachuabkirikhan province ("the Forest"), issued a written order for the Company and the subsidiary to vacate the land for which the Director-General of the Department of Lands ordered revocation of the Certificates and for which the Land Office issued replacement certificates for the Certificates within 30 January 2011.

On 30 March 2011, the Company and the subsidiary filed a lawsuit petitioning the CAC to order the cancellation of written order of the Bangsaphan Sheriff on 20 December 2010, for the Company and the subsidiary to vacate from the Forest and to undertake no activities on that land.

On 20 February 2018, the Central Administrative Court has judged to dismiss the aforementioned lawsuit, subsequent on 19 March 2018, the Company and subsidiary filed the appeal to dispute the judgment to the Central Administrative Court.

At the present, the plaint is still pending the Court's trial.

However, the Management of the Company and subsidiaries believes that the results of trial will not be affected to the future operation of the Company and subsidiaries. In the preparation of financial statement, the Company and subsidiaries have fully recorded provision for impairment of land and asset structured on such land in the year 2007 and 2008 respectively.



34. Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

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 monitors the return on capital, which the Group defines as result for operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

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 (Note 21 and 26). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

For liabilities under Rehabilitation Plan, interest as stipulated in the Plan. Portion of interest would be waived if the Company can comply with certain condition.

The effective interest rates of interest-bearing financial liabilities as at 31 December 2021 and the periods in which those liabilities mature or re-price were as follows:



Unit : Thousand Baht

Consolidated financial statements as at 31 December 2021

| Particular | Notes | Floating interest based on market rate | Fixed interest rate | Non-interest bearing | Total | Interest rate |
|---|-------|---|---------------------------|-------------------------|------------|--------------------------------|
| <u>Financial assets</u> | | | | | | |
| Cash and cash equivalents | 7 | 496,420 | - | - | 496,420 | 0.05% - 0.125% |
| Trade accounts receivable | 8 | - | - | 124,436 | 124,436 | - |
| Other current receivables from related parties- Other receivables | 8 | - | - | 18,566 | 18,566 | - |
| Current contract assets | 9 | - | - | 21,147 | 21,147 | - |
| Short-term loans from related parties | 6 | 26,789 | - | - | 26,789 | MLR+1 |
| Current portion of long-term loans | 16 | 25,959 | - | - | 25,959 | MLR+1 |
| Other non-current financial assets | 12 | 74,048 | - | - | 74,048 | 0.100% LIBOR 3 Month + 2 |
| Long-term loans | 16 | 507,040 | - | - | 507,040 | |
| <u>Financial liabilities</u> | | | | | | |
| Short-term borrowings from financial institutions | 21 | 39,000 | - | - | 39,000 | MLR-0.75 |
| Trade accounts payable | 22 | - | - | 4,844,666 | 4,844,666 | - |
| Other current payables | 23 | - | - | 221,266 | 221,266 | - |
| Current portion of liabilities under rehabilitation plan | 26 | 658,163 | 762,039 | - | 1,420,202 | MLR and 1.00% to 2.75% |
| Current portion of lease liabilities | 18 | - | 33,712 | - | 33,712 | 5.40% |
| Other current financial liabilities | 24 | - | - | 2,416 | 2,416 | - |
| Liabilities under rehabilitation plan | 26 | 4,924,983 | 25,703,543 | - | 30,628,526 | MLR and 1.00% to 2.75% |
| Lease liabilities | 18 | - | 17,244 | - | 17,244 | 5.40% |



Unit : Thousand Baht

Separate financial statements as at 31 December 2021

| Particular | Notes | Floating interest based on market rate | Fixed interest rate | Non-interest bearing | Total | Interest rate |
|---|-------|---|---------------------------|-------------------------|------------|---------------------------|
| <u>Financial assets</u> | | | | | | |
| Cash and cash equivalents | 7 | 383,872 | - | - | 383,872 | 0.05% - 0.125% |
| Trade accounts receivable | 8 | - | - | 43,446 | 43,446 | - |
| Other current receivables from related parties | | | | | | |
| – Other receivable | 6 | - | - | 20,966 | 20,966 | - |
| Short-term loans from related parties | 6 | 26,789 | - | - | 26,789 | MLR+1 |
| Current portion of long-term loans | 16 | 25,959 | - | - | 25,959 | MLR+1 |
| Other non-current financial assets | 12 | 72,690 | - | - | 72,690 | 0.100% |
| Long-term loans | 16 | 570,040 | - | - | 570,040 | LIBOR 3 Month + 2 |
| <u>Financial liabilities</u> | | | | | | |
| Trade accounts payable | 22 | - | - | 4,806,978 | 4,806,978 | - |
| Other current payables | 23 | - | - | 185,118 | 185,118 | - |
| Current portion of liabilities | | | | | | MLR and 1.00% |
| Under rehabilitation plan | 26 | 658,163 | 762,039 | - | 1,420,202 | to 2.75% |
| Current portion of lease liabilities | 18 | - | 27,412 | - | 27,412 | 5.40% |
| Short-term borrowings from related parties | 6 | - | 24,424 | - | 24,424 | 6.025% |
| Other current financial liabilities | 24 | - | - | 540 | 540 | - |
| Liabilities under rehabilitation plan | 24 | 4,924,983 | 25,711,534 | - | 30,636,517 | MLR and 1.00% to 2.75% |
| Lease liabilities | 18 | - | 3,464 | - | 3,464 | 5.40% |



Impact of reference interest rate reform

The Company is exposed to risk from reference interest rate set by the London InterBank Offered Rates (LIBOR) transaction of financial instruments, which will be replaced or reformed. The Company expects no significant impact on profit and loss in its financial statements, as the affected items contain only long-term loans. The Company is currently considering changes to interest rates with its future counterparts.

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. The Group primarily utilised forward exchange contracts with maturities of less than one year to hedge such financial liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent year.

As at 31 December 2021 and 2020, the Group and Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

| | Consolidated | | Separate | |
|---|----------------------|---------------------|----------------------|---------------------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Unit : Thousand Baht | | | | |
| <i>US Dollars</i> | | | | |
| Cash and cash equivalents | 6,058 | 1,897 | 6,058 | 1,897 |
| Trade accounts payable | (4,253,247) | (2,487,013) | (4,252,012) | (2,487,013) |
| Provisions under guarantee agreement and others | (23,663,341) | (21,905,081) | (23,663,341) | (21,905,081) |
| Other current liabilities | (1,402) | (1,633) | (1,402) | (1,633) |
| Total | (27,911,932) | (24,391,830) | (27,910,697) | (24,391,830) |
| <i>Pound Sterling</i> | | | | |
| Short term loans | 52,748 | - | 52,748 | - |
| Other current liabilities | (15,158) | (6,786) | (15,158) | (6,786) |
| Total | 37,590 | (6,786) | 37,590 | (6,786) |
| <i>Euro</i> | | | | |
| Cash and cash equivalents | 262 | 4,677 | 262 | 4,677 |
| Trade accounts receivable | 97 | 166 | - | - |
| Trade accounts payable | (176,141) | (28,124) | (176,141) | (28,124) |
| Other current payables | (1,565) | (1,836) | (1,565) | (1,836) |
| Total | (177,347) | (25,117) | (177,444) | (25,283) |
| <i>Yen</i> | | | | |
| Trade accounts payable | (311) | (870) | (283) | (842) |
| Total | (311) | (870) | (283) | (842) |



The Company has derivatives instruments by entering into forward foreign exchange contracts as at 31 December 2021 as follows:

Unit : Thousand Baht

| Consolidated financial statements | | | |
|-----------------------------------|------------------|--|-----------------------------------|
| Currency | Purchased amount | Exchange rate under contract of the purchased amount (Baht/foreign currency) | Maturity date |
| US Dollar | 12,000 | 33.50 – 33.47 | 5 April 2022 |
| US Dollar | 52 | 32.82 – 33.61 | 31 January 2022- 31 March 2022 |
| Euro | 1,074 | 38.80 – 39.87 | 28 January 2022 - 31 May 2022 |

Unit : Thousand Baht

| Separate financial statements | | | |
|-------------------------------|------------------|--|---------------|
| Currency | Purchased amount | Exchange rate under contract of the purchased amount (Baht/foreign currency) | Maturity date |
| US Dollar | 12,000 | 33.50 – 33.47 | 5 April 2022 |

Analysis the impacts of changes in exchange rate

The Group has not materially affected pre-tax profits due to changes in the fair value of currency assets and liabilities that may arise from changes in the exchange rate of assets and liabilities denominated in foreign currency.

Credit risk

The Group exposed to credit risks associated with trade and other receivables, bank deposits and other financial instruments. The maximum amount the Group may lose from lending is the book value shown in the statement of financial position, except derivatives.

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.



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.

As at 31 December 2021, the Group has approximately 19.76% of its liabilities due within a year compared to the book value of liabilities presented in the financial statements (The Company :19.57%). The Group assessed the concentration of risks relating to borrowings for settle the existing debts and concluded that such risk is low The Group has sufficient access to various of funding sources.

Details of maturities of non-derivative financial liabilities of the Group as at 31 December 2021 based on undiscounted contractual cash flows to present value, can be shown as follows:

Unit : Thousand Baht

| | | Consolidated financial statements | | | | |
|---------------------------------------|-----------|-----------------------------------|------------------|------------------|-------------------|-------------------|
| Note | On demand | Within 1 year | 1 - 5 years | Over 5 years | Total | |
| Non-derivatives | | | | | | |
| Short-term borrowings from | | | | | | |
| financial institutions | 21 | - | 39,000 | - | - | 39,000 |
| Trade accounts payable | 22 | - | 4,844,666 | - | - | 4,844,666 |
| Other current payables to related | | | | | | |
| parties | 6 | - | 11,477 | - | - | 11,477 |
| Other current payables | 23 | - | 221,266 | - | - | 221,266 |
| Current contract liabilities | 9 | - | 550,437 | - | - | 550,437 |
| Liabilities under rehabilitation plan | 26 | - | 1,420,202 | 5,223,890 | 25,404,636 | 32,048,728 |
| Lease liabilities | 18 | - | 33,712 | 17,244 | - | 50,956 |
| Total non-derivatives | | - | 7,120,760 | 5,241,134 | 25,404,636 | 37,766,530 |

Unit : Thousand Baht

| | | Separate financial statements | | | | |
|---------------------------------------|-----------|-------------------------------|------------------|------------------|-------------------|-------------------|
| Note | On demand | Within 1 year | 1 - 5 years | Over 5 years | Total | |
| Non-derivatives | | | | | | |
| Short-term borrowings from related | | | | | | |
| parties | 6 | 24,424 | - | - | - | 24,424 |
| Trade accounts payable | 22 | - | 4,806,978 | - | - | 4,806,978 |
| Other current payables to related | | | | | | |
| parties | 6 | - | 28,412 | - | - | 28,412 |
| Other current payables | 23 | - | 185,118 | - | - | 185,118 |
| Current contract liabilities | 9 | - | 536,028 | - | - | 536,028 |
| Liabilities under rehabilitation plan | 26 | - | 1,420,202 | 5,223,890 | 25,412,627 | 32,056,719 |
| Lease liabilities | 18 | - | 27,412 | 3,464 | - | 30,876 |
| Total non-derivatives | | 24,424 | 7,004,150 | 5,227,354 | 25,412,627 | 37,668,555 |



Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of investments in equity and debt securities, which are held for trading, held to maturity and available for sales, is determined by reference to their quoted bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option.



The fair value of financial assets and liabilities, together with the carrying values shown in the statement of financial position at 31 December 2021 and 2020 were as follows:

| | Consolidated | | Unit : Thousand Baht Separate | |
|-------------------------|-----------------------|----------------|----------------------------------|----------------|
| | Fair value level 2 | Carrying value | Fair value level 2 | Carrying value |
| 2021 | | | | |
| Current | | | | |
| Derivatives - contracts | (2,416) | (2,416) | (540) | (540) |
| Total | (2,416) | (2,416) | (540) | (540) |
| | | | | |
| 2020 | | | | |
| Current | | | | |
| Derivatives - contracts | (732) | (732) | (732) | (732) |
| Total | (732) | (732) | (732) | (732) |



Fair value of financial instruments

The most of the Group's financial assets and liabilities are classified as short-term or bear interest rates close to market interest rates. Therefore, the Group estimates the fair value of most financial assets and liabilities close to the book value shown in the statement of financial position.

Book value and fair value of financial assets and financial liabilities as at 31 December 2021 and 1 January 2021 are as follows:

| Unit : Thousand Baht | | | | |
|--|--------------------------------------|-------------------|-------------------|-------------------|
| Consolidated financial statements as at 31 December 2021 | | | | |
| | Book value | | | Fair value |
| | Fair value through profit or loss | Amortized cost | Total | |
| Financial instruments disclosed at fair value | | | | |
| Financial assets | | | | |
| Cash and cash equivalents | - | 496,420 | 496,4290 | 496,420 |
| Trade accounts receivable | - | 124,436 | 124,436 | 124,436 |
| Other current receivables from related parties – Other receivables | - | 18,566 | 18,566 | 18,566 |
| Current contract asset | - | 21,147 | 21,147 | 21,147 |
| Short-term loans from related parties | - | 26,789 | 26,789 | 26,789 |
| Current portion of long-term loans | - | 25,959 | 25,959 | 25,959 |
| Other non-current financial assets | | | | |
| Restricted deposit at financial institution | - | 74,048 | 74,048 | 74,048 |
| Long-term loans | - | 507,040 | 507,040 | 507,040 |
| Total financial assets | - | 1,294,405 | 1,294,405 | 1,294,405 |
| Financial liabilities | | | | |
| Short-term borrowings from financial institutions | - | 39,000 | 39,000 | 39,000 |
| Trade accounts payable | - | 4,844,666 | 4,844,666 | 4,844,666 |
| Other current payables | - | 221,266 | 221,266 | 221,266 |
| Current portion of liabilities under rehabilitation plan | - | 1,420,202 | 1,420,202 | 1,420,202 |
| Current portion of lease liabilities | - | 33,712 | 33,712 | 33,712 |
| Other current financial liabilities | | | | |
| - Derivatives | 2,416 | - | 2,416 | 2,416 |
| Liabilities under rehabilitation plan | - | 30,628,526 | 30,628,526 | 30,628,526 |
| Lease liabilities | - | 17,244 | 17,244 | 17,244 |
| Total financial liabilities | 2,416 | 37,204,616 | 37,207,032 | 37,207,032 |



Unit : Thousand Baht

| Consolidated financial statements as at 1 January 2021 | | | | |
|--|--------------------------------------|-------------------|-------------------|-------------------|
| | Book value | | | Fair value |
| | Fair value through profit or loss | Amortized cost | Total | |
| Financial instruments disclosed at fair value | | | | |
| Financial assets | | | | |
| Cash and cash equivalents | - | 665,740 | 665,740 | 665,740 |
| Trade accounts receivable | - | 134,804 | 134,804 | 134,804 |
| Other current receivables from related parties – Other receivables | - | 150,162 | 150,162 | 150,162 |
| Current contract asset | - | 16,593 | 16,593 | 16,593 |
| Short-term loans from related parties | - | 11,056 | 11,056 | 11,056 |
| Current portion of long-term loans | - | 14,875 | 14,875 | 14,875 |
| Other non-current financial assets | | | | |
| - Restricted deposit at financial institution | - | 44,136 | 44,136 | 44,136 |
| Other Long-term loans | - | 471,446 | 471,446 | 471,446 |
| Total financial assets | - | 1,508,812 | 1,508,812 | 1,508,812 |
| Financial liabilities | | | | |
| Short-term borrowings from financial institutions | - | 40,000 | 40,000 | 40,000 |
| Trade accounts payable | - | 2,837,509 | 2,837,509 | 2,837,509 |
| Other current payables | - | 216,468 | 216,468 | 216,468 |
| Current portion of liabilities under rehabilitation plan | - | 225,082 | 225,082 | 225,082 |
| Current portion of lease liabilities | - | 31,445 | 31,445 | 31,445 |
| Other non-current financial liabilities | | | | |
| - Derivatives | 732 | - | 732 | 732 |
| Liabilities under rehabilitation plan | - | 29,527,288 | 29,527,288 | 29,527,288 |
| Lease liabilities | - | 41,439 | 41,439 | 41,439 |
| Total financial liabilities | 732 | 32,919,231 | 32,919,963 | 32,919,963 |



Unit : Thousand Baht

| Separate financial statements as at 31 December 2021 | | | | |
|---|--------------------------------------|-------------------|-------------------|-------------------|
| | Book value | | | Fair value |
| | Fair value through profit or loss | Amortized cost | Total | |
| Financial assets | | | | |
| Cash and cash equivalents | - | 383,872 | 383,872 | 383,872 |
| Trade accounts receivable | - | 43,446 | 43,446 | 43,446 |
| Other current receivables from related parties – Other receivables | - | 38,472 | 38,472 | 38,472 |
| Short-term loans from related parties | - | 26,789 | 26,789 | 26,789 |
| Current portion of long-term loans | - | 25,959 | 25,959 | 25,959 |
| Other non-current financial assets -Restricted deposit at financial institution | - | 72,690 | 72,690 | 72,690 |
| Other Long-term loans | - | 507,040 | 507,040 | 507,040 |
| Total financial assets | - | 1,098,268 | 1,098,268 | 1,098,268 |
| Financial liabilities | | | | |
| Trade accounts payable | - | 4,806,978 | 4,806,978 | 4,806,978 |
| Other current payables | - | 185,118 | 185,118 | 185,118 |
| Current portion of liabilities under rehabilitation plan | - | 1,420,202 | 1,420,202 | 1,420,202 |
| Current portion of lease liabilities | - | 27,412 | 27,412 | 27,412 |
| Short-term borrowings from related parties | - | 24,424 | 24,424 | 24,424 |
| Other current financial liabilities - Derivatives | 540 | - | 540 | 540 |
| Liabilities under rehabilitation plan | - | 30,636,517 | 30,636,517 | 30,636,517 |
| Lease liabilities | - | 3,464 | 3,464 | 3,464 |
| Total financial liabilities | 540 | 37,104,115 | 37,104,655 | 37,104,655 |



Unit : Thousand Baht

| Separate financial statements as at 1 January 2021 | | | | |
|--|--------------------------------------|-------------------|-------------------|-------------------|
| | Book value | | | Fair value |
| | Fair value through profit or loss | Amortized cost | Total | |
| Financial assets | | | | |
| Cash and cash equivalents | - | 635,691 | 635,691 | 635,691 |
| Trade accounts receivable | - | 36,401 | 36,401 | 36,401 |
| Other current receivables from related parties – Other receivables | - | 150,162 | 150,162 | 150,162 |
| Short-term loans from related parties | - | 11,056 | 11,056 | 11,056 |
| Current portion of long-term loans | - | 14,875 | 14,875 | 14,875 |
| Other non-current financial assets | | | | |
| -Restricted deposit at financial institution | - | 43,322 | 43,322 | 43,322 |
| Other Long-term loans | - | 471,446 | 471,446 | 471,446 |
| Total financial assets | - | 1,362,953 | 1,362,953 | 1,362,953 |
| Financial liabilities | | | | |
| Trade accounts payable | - | 2,801,885 | 2,801,885 | 2,801,885 |
| Other current payables | - | 180,494 | 180,494 | 180,494 |
| Current portion of liabilities under rehabilitation plan | - | 233,073 | 233,073 | 233,073 |
| Current portion of lease liabilities | - | 25,160 | 25,160 | 25,160 |
| Short-term borrowings from related parties | - | 74,500 | 74,500 | 74,500 |
| Other non-current financial liabilities | | | | |
| - Derivatives | 732 | - | 732 | 732 |
| Liabilities under rehabilitation plan | - | 29,527,288 | 29,527,288 | 29,527,288 |
| Lease liabilities | - | 25,353 | 25,353 | 25,353 |
| Total financial liabilities | 732 | 32,867,753 | 32,868,485 | 32,868,485 |



The Group accessed the fair value of financial instruments on the basis as follows:

- a) Financial assets and financial liabilities will be matured in short-term, such as cash on hand and deposits at financial institutions, receivables and payables, current contract asset are presented by the estimated fair value based on carrying value in statements of financial position.
- b) Loans and borrowings which had interest rate close to market interest rate, are presented by the estimated fair value based on carrying value in statements in financial position.
- c) The Company had liabilities under the rehabilitation plan amortized cost by using the discounted future cash flows technique and valuation theory model.
- d) Future exchange contract presented at fair value by using discounted future cash flows and valuation theory model. Information use in valuation is an observable information in relevant market, such as exchange rates immediately.

During the current year, there is no transferring between the hierarchical of fair value.

35. Financial Statements Approval

These financial statements were approved and authorized for issue by the Company's Board of directors on 28 February 2022.



Part

4

Certification
of Information




The Company has reviewed the information on this annual registration statement with care and hereby certifies that the information is accurate, complete, not false or misleading, and does not lack material information that should be notified. In addition, the Company certifies that:

(1) The financial statements and financial information summarized in this annual registration statement show material information accurately and completely regarding the financial condition, the operating results and the cash flows of the Company and the subsidiaries;


(2) The Company has provided an efficient disclosure system to ensure that the material information of the Company and the subsidiaries is disclosed accurately and completely, and has supervised compliance with such disclosure system;

(3) The Company has provided an efficient internal control system, supervised compliance with the system, and submitted the information on the internal control assessment on 10 February 2022 to the auditor and the Audit Committee, which covers deficiencies, significant changes on the internal control system, and wrongful acts that may affect the preparation of financial reporting of the Company and the subsidiaries.

In this regard, as proof that all the documents are identical to those certified by the Company, the Company has authorized Mr. Narongrit Chotnuchittrakul to sign on every page of the documents, and the absence of the authorized signature of Mr. Narongrit Chotnuchittrakul on any document shall be deemed that such unsigned document has not been certified by the Company.

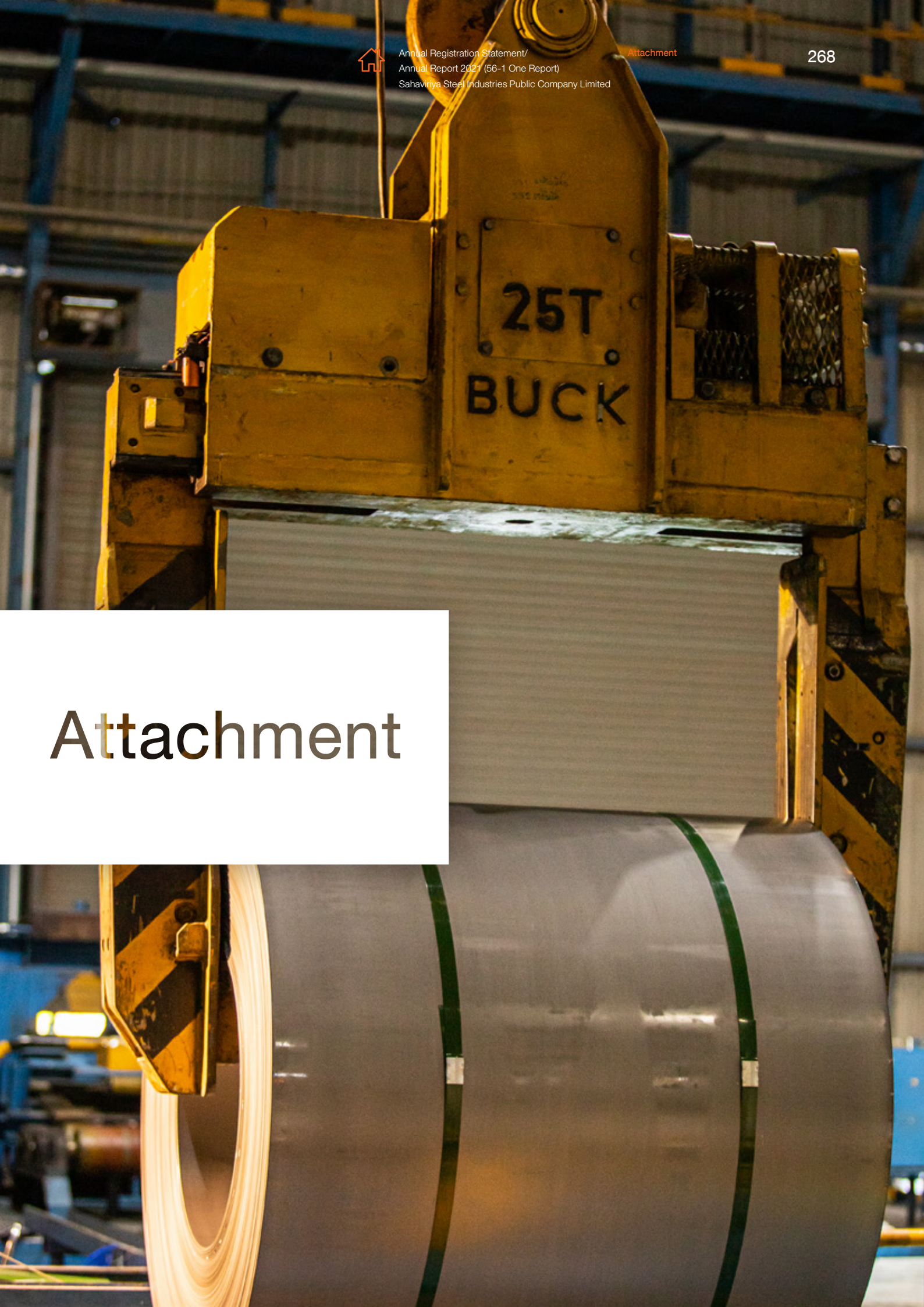
| Name | Position | Signature |
|----------------------------|--|--|
| 1. Mr. Kamol Juntima | Chairman of the Board of Directors of Sahaviriya Steel Industries Public Company Limited (as the Plan Administrator) |  |
| 2. Mr. Win Viriyaprapaikit | Group CEO |  |



| Authorized person | Position | Signature |
|--------------------------------|-------------------------------|--|
| Mr. Narongrit Chotnuchittrakul | Group Chief Financial Officer |  |



Attachment





Attachment 1

Details of the Directors, Executives, Controlling Persons, Company Secretary, Group Chief Financial Officer and Head of Accounting

Mr. Kamol Juntima

Chairman of the Board of Directors and Chairman of the Good Corporate Governance Committee,
Authorized Director

| | | | |
|----------|-------------------|-------------------------|-------------------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 83 Years | 28 April 1998 | 0.0003% (44,429 shares) | Directors and Executives: -None- |

Education and Training

Education:

- M.P.A., National Institute of Development Administration (NIDA)
- Bachelor of Commerce, Thammasat University
- Bachelor of Accountancy, Thammasat University
- The National Defense Regular Course (Class 33), National Defense College

Training:

- Director Certification Program (DCP 3/2000), Thai Institute of Directors Association
- The Role of The Chairman Program (RCP 4/2001), Thai Institute of Directors Association
- Board & CEO 1/2003, Thai Institute of Directors Association
- DCP Refresher Course 4/2007, Thai Institute of Directors Association

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|--|--|--|---|
| 2002 - 2020 | - Chairman of the Board of Directors | IT CITY Public Company Limited | Retail Sale of Computers and Peripheral Units |
| 2016 - 2018 | - Chairman of the Audit Quality Oversight Subcommittee | Federation of Accounting Professions | |
| 2008 - 2013 | - Chairman of Ethics Committee | Federation of Accounting Professions | |
| 2003 - 2013 | - Directors and Chairman of the Audit Committee | Electronic Industry Public Company Limited | Manufacture of Bare Printed Circuit Boards |
| 2007 - 2012 | - Chairman of Audit and Evaluation Committee | Ministry of Education | |
| 2000 - 2002 | - Chairman of the Board | Financial Sector Restructuring Authority (FRA) | |
| 1998 - 2000 | - Audit Committee Chairman | Provincial Electricity Authority (PEA) | |
| 1998 | - Comptroller General | Ministry of Finance | |
| 1996 - 1998 | - Chairman of the Board | Government Lottery Office | |
| 1995 - 1999 | - Director and Chairman of Executive Board | Government Housing Bank | Government Bank |
| 1993- 1998 | - Deputy Permanent Secretary for Finance | Ministry of Finance | |
| Current Position in Other Organization | | | |
| 2013 - Present | - Chairman of the Board of Directors | TRIS Corporation Limited | Consulting Firm |
| 2003 - Present | - Chairman of the Board of Directors | Prachuap Port Company Limited | Port Business |
| 1999 - Present | - Chairman of the Board of Directors | West Coast Engineering Company Limited | Engineering Business |

Meeting Attendance in year 2021:

- | | |
|---|-------------|
| 1. The Board of Directors Meeting as the Plan Administrator | 12/13 times |
| 2. The Good Corporate Governance Committee Meeting | 4/4 times |

Criminal record during the past 10 years:

- | | |
|---|---|
| 1. Being sentenced in Criminal Offence | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 2. Being sentenced for an Absolute Receivership | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 3. Being sentenced to be Bankrupt | <input type="radio"/> Yes <input checked="" type="radio"/> No |

Punishment record during the past 5 years related to the Commission of Offences under the Provisions of the Securities and Exchange Act B.E. 2535 or Derivatives Act B.E. 2546 in the following cases:

- | | |
|--|---|
| 1. Act in bad faith or with gross negligence. | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 2. Disclosure or providing the information or a false statement which may be misled, or concealing facts which should have been stated in materiality that may affect on the decision-making to shareholders, investors, or related persons. | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 3. Unfair practices or taking advantage of investors in the trading of securities or derivatives, or being or having been participated in or supported such act. | <input type="radio"/> Yes <input checked="" type="radio"/> No |



Mr. Tongchat Hongladaromp

Directors, Independent Director and Risk Management Committee Member

| | | | |
|----------|-------------------|-----------------------|---------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 83 Years | 1 March 1994 | -None- | Directors and Executives: |
| | | | -None- |

Education and Training

Education:

- Ph.D.Eng.(Civil), Northwestern University, U.S.A.
- M.Eng. (Civil), Asian Institute of Technology
- B.Eng. (Civil), Chulalongkorn University
- The National Defense Regular Course (Class 32), National Defense College

Training:

- Director Accreditation Program (DAP 36/2005), Thai Institute of Directors Association
- Finance for Non-Finance Director (FND 24/2005), Thai Institute of Directors Association

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|--|---------------------------------------|---|---|
| 2003 - 2020 | - President of the University Council | King Mongkut's University of Technology Thonburi | Public Higher Education Institutions |
| 2005 - 2012 | - Director | Asian Institute of Technology | Private Higher Education Institutions |
| 2004 - 2010 | - Independent Director | Bangkok Polyethylene Public Company Limited | Manufacture Polyethylene |
| 2006 - 2008 | - Director | PTT Exploration and Production Public Company Limited | Exploration and Production of Petroleum |
| 2003 - 2008 | - Director | PTT Chemical Public Company Limited | Petrochemical |
| 1997 - 2008 | - Chairman of the Board of Directors | TMB Asset Management Company Limited | Portfolio and Fund Management |
| 2001 - 2003 | - President | Thai Petrochemical Industry Public Company Limited | Petrochemical |
| 1996 - 2001 | - President | Thai Telephone & Telecommunication Public Company Limited | Telephone Network Systems in Provincial Areas |
| 1987 - 1991 | - President | PTT Exploration and Production Public Company Limited | Exploration and Production of Petroleum |
| 1979 - 1987 | - Governor | Petroleum Authority of Thailand | Energy |
| 1976 - 1979 | - Governor | Expressway and Rapid Transit Authority of Thailand | Express Way |
| Current Position in Other Organization | | | |
| 2013 - Present | - Director | Thai Light Block & Panel Company Limited | Manufacture Lightweight Concrete |
| 2012 - Present | - Chairman of the Board of Directors | Chuchawal-Royal Haskoning Company Limited | Urban Design and Planning |
| 2008 - Present | - Chairman of the Board of Directors | Samart Corporation Public Company Limited | Selling Communication Equipment and Tools |
| 2007 - Present | - Chairman of the Board of Directors | Linde (Thailand) Public Company Limited | Manufacture Industrail Gas and Medical Gas |
| 2006 - Present | - Chairman of the Board of Directors | C.T. Land Company Limited | Real Estate |
| 1999 - Present | - Director | West Coast Engineering Company Limited | Engineering Business |



Meeting Attendance in year 2021:

- | | |
|---|------------|
| 1. The Board of Directors Meeting as the Plan Administrator | 9/13 times |
| 2. The Independent Directors Meeting | 1/1 time |
| 3. The Risk Management Committee Meeting | 1/4 times |

Criminal record during the past 10 years:

- | | |
|---|---|
| 1. Being sentenced in Criminal Offence | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 2. Being sentenced for an Absolute Receivership | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 3. Being sentenced to be Bankrupt | <input type="radio"/> Yes <input checked="" type="radio"/> No |

Punishment record during the past 5 years related to the Commission of Offences under the Provisions of the Securities and Exchange Act B.E. 2535 or Derivatives Act B.E. 2546 in the following cases:

- | | |
|--|---|
| 1. Act in bad faith or with gross negligence. | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 2. Disclosure or providing the information or a false statement which may be misled, or concealing facts which should have been stated in materiality that may affect on the decision-making to shareholders, investors, or related persons. | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 3. Unfair practices or taking advantage of investors in the trading of securities or derivatives, or being or having been participated in or supported such act. | <input type="radio"/> Yes <input checked="" type="radio"/> No |

Additional information on holding independent directors status:

Nature of Relationship:

1. Not being related to management, major shareholder of the Company or its subsidiaries
2. Not being related to the Company, its subsidiaries, its associated companies, or a juristic entity that may have conflict of interest at present or the past 2 years
 - Not being director in roles of management, employees, or advisor who receives full time salary
 - Not providing professional service (i.e. auditor or legal counsel)
 - Not having significant business relationship with the Company in the manner that may interfere with the independent judgment



Mr. Siripol Yodmuangcharoen

Directors, Independent Director, Good Corporate Governance Committee Member
and Chairman of the Nomination and Remuneration Committee

| | | | |
|----------|-------------------|-----------------------|---------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 73 Years | 30 April 2010 | -None- | Directors and Executives: |
| | | | -None- |

| Education and Training | Work Experience in the last 5 years (as of 31 December 2021) | | | |
|--|--|--|---|--|
| | Period | Position | Company | Type of Business |
| <p>Education:</p> <ul style="list-style-type: none"> - D.B.A., University of South Australia, Australia - M.B.A., Thammasat University - B.A. Economics, Thammasat University <p>Training:</p> <ul style="list-style-type: none"> - The National Defense Regular Course, National Defense College - Top Executive Program in Commerce and Trade (TEPCoT 1) - Certificate, The Civil Service Commission (CSC 17) - Director Certification Program (DCP 131/2010), Thai Institute of Directors Association - Capital Market Academy Leadership Program (CMA 7), Capital Market Academy | 2008 - 2017 | - Chairman of the Board of Executive Directors | The Gem and Jewelry Institute of Thailand (Public Organization) | Research and Development of Gem and Jewelry |
| | 2011 - 2016 | - Public Sector Development Commission OPDC | Office of the Public Sector Development Commission | |
| | 2010 - 2016 | - Independent Director | Thai President Foods Public Company Limited | Manufacturer and distributor of instant noodle products |
| | 2012 - 2013 | - Director | CAT Telecom Public Company Limited | |
| | | - Director | Thailand Institute of Scientific and Technological Research | |
| | 2010 - 2013 | - Director and Chairman of the Board of Executive Directors/ Chairman of the Audit Committee and Chairman of the Board of Directors | Thai Credit Guarantee Corporation (TCG) | A state-owned specialized financial institution governed by the Ministry of Finance, was established under the "Small Industry Credit Guarantee Corporation Act B.E. 2534" |
| | 2010 - 2011 | - Director and Chairman of the Risk Management Committee | Government Housing Bank | Government Bank |
| | 2009 - 2010 | - Director | Siam City Bank Public Company Limited | Commercial Bank |
| | 2007 - 2009 | - Permanent Secretary - Commission Members | Ministry of Commerce Securities and Exchange Commission | |
| | | - Director | Office of Insurance Commission | |
| | - Commission Members | The Office of the Agricultural Futures Trading Commission | | |



| Education and Training | Work Experience in the last 5 years (as of 31 December 2021) | | | |
|--|--|---|---|--|
| | Period | Position | Company | Type of Business |
| Mr. Siripol Yodmuangcharoen (Continued) | 2003 - 2009 | - Chairman of the Executive Board | The Office of the Agricultural Futures Trading Commission | Government Bank |
| | 2005 - 2008 | - Director | Government Savings Bank | |
| | 2001 - 2007 | - Director General Department of Internal Trade | Ministry of Commerce | |
| | 2000 - 2001 | - Deputy Permanent Secretary | Ministry of Commerce | |
| | Current Position in Other Organization | | | |
| | 2009 - Present | - Director and Chairman of the Risk Management Committee - Vice Chairman of the Board of Directors | Siam Food Products Public Company Limited TCC Intertrade Company Limited | Manufacture of canned fruit and vegetables Trading company focused on agricultural products, such as sugar, molasses, palm oil, rubber, coffee and ethanol, for both in Thailand and abroad to meet the highest satisfaction of customers, both buyers and sellers. |

Meeting Attendance in year 2021:

| | |
|---|-------------|
| 1. The Board of Directors Meeting as the Plan Administrator | 13/13 times |
| 2. The Independent Directors Meeting | 1/1 time |
| 3. The Good Corporate Governance Committee Meeting | 4/4 times |
| 4. The Nomination and Remuneration Committee Meeting | 5/5 times |

Criminal record during the past 10 years:

| | |
|---|---|
| 1. Being sentenced in Criminal Offence | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 2. Being sentenced for an Absolute Receivership | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 3. Being sentenced to be Bankrupt | <input type="radio"/> Yes <input checked="" type="radio"/> No |

Punishment record during the past 5 years related to the Commission of Offences under the Provisions of the Securities and Exchange Act B.E. 2535 or Derivatives Act B.E. 2546 in the following cases:

| | |
|--|---|
| 1. Act in bad faith or with gross negligence. | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 2. Disclosure or providing the information or a false statement which may be misled, or concealing facts which should have been stated in materiality that may affect on the decision-making to shareholders, investors, or related persons. | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 3. Unfair practices or taking advantage of investors in the trading of securities or derivatives, or being or having been participated in or supported such act. | <input type="radio"/> Yes <input checked="" type="radio"/> No |

Additional information on holding independent directors status:

Nature of Relationship:

- Not being related to management, major shareholder of the Company or its subsidiaries
- Not being related to the Company, its subsidiaries, its associated companies, or a juristic entity that may have conflict of interest at present or the past 2 years
 - Not being director in roles of management, employees, or advisor who receives full time salary
 - Not providing professional service (i.e. auditor or legal counsel)
 - Not having significant business relationship with the Company in the manner that may interfere with the independent judgment



Mr. Permpoon Krairiksh

Director, Independent Director, Audit Committee Member
and Chairman of the Risk Management Committee

| | | | |
|----------|-------------------|-----------------------|---------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 70 Years | 8 December 1999 | -None- | Directors and Executives: |
| | | | -None- |

Education and Training

Education:

- B.A., Boston University, U.S.A.
- The Joint State-Private Sectors Regular Course, National Defense College

Training:

- Director Accreditation Program (DAP 3/2003), Thai Institute of Directors Association
- Understanding the Fundamental of Financial Statements (UFS 12/2007), Thai Institute of Directors Association
- The Role of Chairman Program (RCP 37/2015), Thai Institute of Directors Association

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|--|---|---|-------------------------------------|
| 2013 - 2021 | - Independent Director and Chairman of the Risk Management Committee | The Cambodian Commercial Bank | Commercial Bank |
| 1999 - 2011 | - Executive Vice President Division Head, Retail Credit and Business Support Division | The Siam Commercial Bank Public Company Limited | Commercial Bank |
| 2007 - 2009 | - Chairman of the Board of Directors | SCB Asset Management Company Limited | Portfolio and Fund Management |
| Current Position in Other Organization | | | |
| 2017 - Present | - Chairman of the Board of Directors and Independent Director | Boutique Corporation Public Company Limited | Holding Company |
| 2016 - Present | - Director | Boon Rawd Brewery Company Limited | Manufacture of malt liquor and malt |
| 2013 - Present | - Independent Director and Audit Committee Member | Chubb Samaggi Insurance Public Company Limited | Non-life Insurance |

Meeting Attendance in year 2021:

| | |
|---|------------|
| 1. The Board of Directors Meeting as the Plan Administrator | 9/13 times |
| 2. The Independent Directors Meeting | 1/1 time |
| 3. The Audit Committee Meeting | 5/5 times |
| 4. The Risk Management Committee Meeting | 4/4 times |

Criminal record during the past 10 years:

| | |
|---|---|
| 1. Being sentenced in Criminal Offence | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 2. Being sentenced for an Absolute Receivership | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 3. Being sentenced to be Bankrupt | <input type="radio"/> Yes <input checked="" type="radio"/> No |

Punishment record during the past 5 years related to the Commission of Offences under the Provisions of the Securities and Exchange Act B.E. 2535 or Derivatives Act B.E. 2546 in the following cases:

| | |
|--|---|
| 1. Act in bad faith or with gross negligence. | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 2. Disclosure or providing the information or a false statement which may be misled, or concealing facts which should have been stated in materiality that may affect on the decision-making to shareholders, investors, or related persons. | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 3. Unfair practices or taking advantage of investors in the trading of securities or derivatives, or being or having been participated in or supported such act. | <input type="radio"/> Yes <input checked="" type="radio"/> No |

Additional information on holding independent directors status:

Nature of Relationship:

- Not being related to management, major shareholder of the Company or its subsidiaries
- Not being related to the Company, its subsidiaries, its associated companies, or a juristic entity that may have conflict of interest at present or the past 2 years
 - Not being director in roles of management, employees, or advisor who receives full time salary
 - Not providing professional service (i.e. auditor or legal counsel)
 - Not having significant business relationship with the Company in the manner that may interfere with the independent judgment



Mr. Yarnsak Manomaiphiboon

Director, Independent Director, Good Corporate Governance Committee Member
and Chairman of the Audit Committee

| | | | |
|----------|-------------------|-----------------------|---------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 58 Years | 27 February 2012 | -None- | Directors and Executives: |
| | | | -None- |

| Education and Training | Work Experience in the last 5 years (as of 31 December 2021) | | | |
|--|--|--|---|--|
| | Period | Position | Company | Type of Business |
| <p>Education:</p> <ul style="list-style-type: none"> - M.B.A., Indiana University, Bloomington, U.S.A. - Bachelor Degree in Engineering, (2nd Class Hons.), Chulalongkorn University <p>Training:</p> <ul style="list-style-type: none"> - Director Accreditation Program (DAP 23/2004), Thai Institute of Directors Association - Director Certification Program (DCP 60/2005), Thai Institute of Directors Association - Capital Market Academy Leadership Program (CMA 5), Capital Market Academy - Public Director Certification Program (PDI 3), Public Director Institute | 2013 - 2021 | - Independent Director and the Chairman of Audit Committee | Principal Capital Public Company Limited | Real Estate |
| | 2014 - 2016 | - Chairman of the Board of Directors | Thai Credit Guarantee Corporation (TCG) | A state-owned specialized financial institution governed by the Ministry of Finance, was established under the "Small Industry Credit Guarantee Corporation Act B.E. 2534" |
| | 2011 | - Director and Executive Director - Independent Director, Audit Committee Member and Risk Management Committee Member | The Krungthep Thanakom Company Limited Krung Thai Bank Public Company Limited | Bangkok Enterprise Commercial Bank |
| | 2010 - 2011 | - Chairman of the Board of Directors - Director | KTB Leasing Company Limited Federation of Thai Capital Market Organizations | Leasing Business |
| | 2009 - 2011 | - Independent Director and Chairman of the Audit Committee - Chairman of the Risk Management Committee and Executive Director - Director | MCOT Public Company Limited Bualuang Securities Public Company Limited The Thai Bond Market Association | Television Programme and Broadcasting Activities Securities Brokerage |
| | 2008 | - Director | Settrade Dot Com Company Limited | |
| | 2007 - 2011 | - Executive Director | Association of Thai Securities Companies | |
| | 2007 - 2008 | - IT Steering Committee | The Stock Exchange of Thailand | |
| | 2005 - 2009 | - President and Executive Director | Bualuang Securities Public Company Limited | Securities Brokerage |



| Education and Training | Work Experience in the last 5 years (as of 31 December 2021) | | | |
|---|--|---|---|-----------------------------------|
| | Period | Position | Company | Type of Business |
| Mr. Yarnsak Manomaiphiboon (Continued) | Current Position in Other Organization | | | |
| | 2021 - Present | - Director | CMDF DIGITAL Infrastructure Company Limited | Web page and networks programming |
| | 2018 - Present | - Director | ASCO Business Promotion Company Limited | Holding Company |
| | | - Director | National Digital ID Company Limited | Computer facilities management |
| | 2017 - Present | - Independent Director and Audit Committee Member | Chememan Public Company Limited | Manufacture of lime and plaster |
| 2012 - Present | - Secretary General | Association of Thai Securities Companies | | |

Meeting Attendance in year 2021:

- | | |
|---|-------------|
| 1. The Board of Directors Meeting as the Plan Administrator | 13/13 times |
| 2. The Independent Directors Meeting | 0/1 time |
| 3. The Good Corporate Governance Committee Meeting | 4/4 times |
| 4. The Audit Committee Meeting | 5/5 times |

Criminal record during the past 10 years:

- | | | |
|---|---------------------------|-------------------------------------|
| 1. Being sentenced in Criminal Offence | <input type="radio"/> Yes | <input checked="" type="radio"/> No |
| 2. Being sentenced for an Absolute Receivership | <input type="radio"/> Yes | <input checked="" type="radio"/> No |
| 3. Being sentenced to be Bankrupt | <input type="radio"/> Yes | <input checked="" type="radio"/> No |

Punishment record during the past 5 years related to the Commission of Offences under the Provisions of the Securities and Exchange Act B.E. 2535 or Derivatives Act B.E. 2546 in the following cases:

- | | | |
|--|---------------------------|-------------------------------------|
| 1. Act in bad faith or with gross negligence. | <input type="radio"/> Yes | <input checked="" type="radio"/> No |
| 2. Disclosure or providing the information or a false statement which may be misled, or concealing facts which should have been stated in materiality that may affect on the decision-making to shareholders, investors, or related persons. | <input type="radio"/> Yes | <input checked="" type="radio"/> No |
| 3. Unfair practices or taking advantage of investors in the trading of securities or derivatives, or being or having been participated in or supported such act. | <input type="radio"/> Yes | <input checked="" type="radio"/> No |

Additional information on holding independent directors status:

Nature of Relationship:

- Not being related to management, major shareholder of the Company or its subsidiaries
- Not being related to the Company, its subsidiaries, its associated companies, or a juristic entity that may have conflict of interest at present or the past 2 years
 - Not being director in roles of management, employees, or advisor who receives full time salary
 - Not providing professional service (i.e. auditor or legal counsel)
 - Not having significant business relationship with the Company in the manner that may interfere with the independent judgment



Mr. Napong Sirikantayakul

Director, Independent Director, Audit Committee Member
and Nomination and Remuneration Committee Member

| | | | |
|----------|-------------------|-----------------------|---------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 64 Years | 15 July 2021 | -None- | Directors and Executives: |
| | | | -None- |

| Education and Training | Work Experience in the last 5 years (as of 31 December 2021) | | | |
|--|--|--|---|--|
| | Period | Position | Company | Type of Business |
| Education: - M.S. (Development Economics), National Institute of Development Administration (NIDA) - B.S. (Accounting), Bangkok University - The National Defense Regular Course (Class 53), National Defense College Training: - Advanced Audit Committee Program (AACP 18/2015), Thai Institute of Directors Association - Director Certification Program (DCP 75/2006), Thai Institute of Directors Association - Capital Market Academy Leadership Program (CMA 20), Capital Market Academy - The Programme of Senior Executives on Justice Administration Batch 18, Judicial Training Institute | 2018 - 2021 | - Director | Suvarnabhumi Airport Hotel Company Limited | Hotel and Restaurant |
| | 2014 - 2017 | - Director | The Sports Authority of Thailand | State Enterprise under the Ministry of Tourism and Sport |
| | 2016 - 2017 | - Director | Thailand Post Company Limited | Postal |
| | | - Accountant, Advisory Level | The Comptroller General's Department, Ministry of Finance | |
| Current Position in Other Organization | | | | |
| | 2021 - Present | - Director | The Botanical Garden Organization | State Enterprise under the Ministry of National Resource and Environment |
| | 2019 - Present | - Director and Chairman of the Audit Committee | Thailandpost Distribution Company Limited | Land Transport and Freight Service |
| | 2016 - Present | - Audit Committee Member | Thailand Convention and Exhibition Bureau (Public Organization) | Public Organization |

Meeting Attendance in year 2021:

| | |
|---|-----------|
| 1. The Board of Directors Meeting as the Plan Administrator | 5/5 times |
| 2. The Independent Directors Meeting | 0/1 time |
| 3. The Audit Committee Meeting | 2/2 times |

Criminal record during the past 10 years:

| | |
|---|---|
| 1. Being sentenced in Criminal Offence | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 2. Being sentenced for an Absolute Receivership | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 3. Being sentenced to be Bankrupt | <input type="radio"/> Yes <input checked="" type="radio"/> No |

Punishment record during the past 5 years related to the Commission of Offences under the Provisions of the Securities and Exchange Act B.E. 2535 or Derivatives Act B.E. 2546 in the following cases:

| | |
|--|---|
| 1. Act in bad faith or with gross negligence. | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 2. Disclosure or providing the information or a false statement which may be misled, or concealing facts which should have been stated in materiality that may affect on the decision-making to shareholders, investors, or related persons. | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 3. Unfair practices or taking advantage of investors in the trading of securities or derivatives, or being or having been participated in or supported such act. | <input type="radio"/> Yes <input checked="" type="radio"/> No |

Additional information on holding independent directors status:

Nature of Relationship:

- Not being related to management, major shareholder of the Company or its subsidiaries
- Not being related to the Company, its subsidiaries, its associated companies, or a juristic entity that may have conflict of interest at present or the past 2 years
 - Not being director in roles of management, employees, or advisor who receives full time salary
 - Not providing professional service (i.e. auditor or legal counsel)
 - Not having significant business relationship with the Company in the manner that may interfere with the independent judgment



Mr. Somchai Pipitvijitkorn

Director, Risk Management Committee Member
and Nomination and Remuneration Committee Member,
Authorized Director

| | | | |
|----------|-------------------|-----------------------|---------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 82 Years | 29 April 2003 | -None- | Directors and Executives: |
| | | | -None- |

Education and Training

Education:

- M.B.A., Michigan State University, U.S.A.
- Bachelor's Degree (Second Class Honors), Chulalongkorn University

Training:

- Seminar on Directors' Compensation of Thai Companies 2004, held on 22 February 2005

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|--|--------------------------------------|---|--|
| 2010 - 2014 | - Chairman of the Board of Directors | Bangsaphan Barmill Public Company Limited | Manufacture of Steel Bar and Deformed Bar |
| 2004 - 2014 | - Director | Bangsaphan Barmill Public Company Limited | Manufacture of Steel Bar and Deformed Bar |
| 2009 - 2012 | - Director | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| 1990 - 1999 | - Director | Sahaviriya Steel Industries Public Company Limited | Manufacture of Hot Rolled Coil and Hot Rolled Coil Pickled Oiled |
| | - Director | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| 1986 - 1998 | - Director | Siam City Cement Public Company Limited | Manufacture of Cement |
| 1984 - 1999 | - Director | Bank of Ayudhya Public Company Limited | Commercial Bank |
| 1983 - 1999 | - Director | Ayudhya Life Assurance Public Company Limited | Life Insurance |
| Current Position in Other Organization | | | |
| 2012 - Present | - Director | MK Restaurant Group Public Company Limited | Restaurants |
| 2003 - Present | - Director | Sahaviriya Plate Mill Public Company Limited | Manufacture of Iron and Steel Sheet |

Meeting Attendance in year 2021:

- | | |
|---|-------------|
| 1. The Board of Directors Meeting as the Plan Administrator | 13/13 times |
| 2. The Risk Management Committee Meeting | 4/4 times |
| 3. The Nomination and Remuneration Committee Meeting | 5/5 times |

Criminal record during the past 10 years:

- | | |
|---|---|
| 1. Being sentenced in Criminal Offence | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 2. Being sentenced for an Absolute Receivership | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 3. Being sentenced to be Bankrupt | <input type="radio"/> Yes <input checked="" type="radio"/> No |

Punishment record during the past 5 years related to the Commission of Offences under the Provisions of the Securities and Exchange Act B.E. 2535 or Derivatives Act B.E. 2546 in the following cases:

- | | |
|--|---|
| 1. Act in bad faith or with gross negligence. | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 2. Disclosure or providing the information or a false statement which may be misled, or concealing facts which should have been stated in materiality that may affect on the decision-making to shareholders, investors, or related persons. | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 3. Unfair practices or taking advantage of investors in the trading of securities or derivatives, or being or having been participated in or supported such act. | <input type="radio"/> Yes <input checked="" type="radio"/> No |



Mr. Win Viriyaprapaikit

Director, Group Chief Executive Officer, Head of Upstream Business Unit,
Head of Hot Rolled Business Unit, Head of HBU Business Stewardship and Business Partners Office,
Authorized Director

| | | | |
|----------|-------------------|-----------------------|-------------------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 51 Years | 30 June 1999 | -None- | Directors and Executives: -None- |

Education and Training

Education:

- M.B.A., Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Bachelor's degree in Industrial Engineering, Keio University, Tokyo, Japan

Training:

- Directors Certification Program (DCP 100/2008), Thai Institute of Directors Association
- The Role of The Chairman Program (RCP 20/2008), Thai Institute of Directors Association
- Capital Market Academy Leadership Program (CMA 5), Capital Market Academy

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|--|---|---|--|
| 2004 - 2021 | - President | Sahaviriya Steel Industries Public Company Limited | Manufacture of Hot Rolled Coil and Hot Rolled Coil Pickled Oiled |
| 2007 - 2020 | - Director | Sahaviriya Steel Corporation Company Limited | Manufacture of Basic Iron and Steel |
| 1999 - 2020 | - Director | Sahaviriya Inter Steel Holdings Company Limited | Holding Company |
| 2010 - 2015 | - Director and President | Sahaviriya Steel Industries UK Limited | Upstream Business |
| 2008 - 2014 | - Director and Management Committee Member | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| 2012 - 2013 | - Chairman of the Board of Directors and Chairman of the Management Committee | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| 1996 - 2012 | - Director | Thai Coated Steel Sheet Company Limited | Manufacture of Coated Steel Sheet |
| 1999 - 2003 | - Director | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| Current Position in Other Organization | | | |
| 2018 - Present | - Director | Sahaviriya Plate Mill Public Company Limited | Manufacture of Iron and Steel Sheet |
| 2010 - Present | - Director | Bangsaphan Barmill Public Company Limited | Manufacture of Steel Bar and Deformed Bar |
| 2005 - Present | - Director | Prapawit Building Property Company Limited | Management of Real Estate |
| 2002 - Present | - Director and Chairman of the Board of Executive Directors | West Coast Engineering Company Limited | Engineering Business |
| 1999 - Present | - Director | Sahaviriya Management Service Company Limited | Holding Company |
| | - Director and Chairman of the Board of Executive Directors | Prachuap Port Company Limited | Port Business |
| 1997 - Present | - Chairman of the Board of Directors | Thai Steel Sales Company Limited | Metal Service Centers and Other Metal Merchant Wholesalers |
| 1996 - Present | - Director | Sahaviriya Group Corporation Limited | Holding Company |



Meeting Attendance in year 2021:

1. The Board of Directors Meeting as the Plan Administrator 13/13 times

Criminal record during the past 10 years:

1. Being sentenced in Criminal Offence Yes No
2. Being sentenced for an Absolute Receivership Yes No
3. Being sentenced to be Bankrupt Yes No

Punishment record during the past 5 years related to the Commission of Offences under the Provisions of the Securities and Exchange Act B.E. 2535 or Derivatives Act B.E. 2546 in the following cases:

1. Act in bad faith or with gross negligence. Yes No
2. Disclosure or providing the information or a false statement which may be misled, or concealing facts which should have been stated in materiality that may affect on the decision-making to shareholders, investors, or related persons. Yes No
3. Unfair practices or taking advantage of investors in the trading of securities or derivatives, or being or having been participated in or supported such act. Yes No



Mr. Nava Chantanasurakon

Director and President,
Authorized Director

| | | | |
|----------|--------------------------------|-----------------------|---------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 56 Years | 18 June 2015 | -None- | Directors and Executives: |
| | Appointment Date as President: | | -None- |
| | 1 December 2021 | | |

Education and Training

Education:

- Master of Public Administration (Public Policy & Project Management), National Institute of Development Administration (NIDA)
- Bachelor of Arts (Politics and Government), 1st Class Honor, Thammasat University

Training:

- Directors Certification Program (DCP 104/2008), Thai Institute of Directors Association
- Capital Market Academy Leadership Program (CMA 19), Capital Market Academy
- National Defense Program (NDC 57), National Defense College
- Top Executive Program in Commerce and Trade (TEPCoT 12), Commerce Academy
- Advanced Master of Management Program (AMM 5), National Institute of Development Administration (NIDA)
- Environmental Good Governance Certification Program for Top Executive, Ministry of Natural Resources and Environment

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|--|--|--|--|
| 2018 - 2021 | - Senior Vice President <u>Supervision</u> Group Government Affair Office <u>Management</u> Commercial Division | Sahaviriya Steel Industries Public Company Limited | Manufacture of Hot Rolled Coil and Hot Rolled Coil Pickled Oiled |
| 2012 - 2021 | - Director and Management Committee Member | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| 2012 - 2018 | - Director and Executive Director | Thai Coated Steel Sheet Company Limited | Manufacture of Coated Steel Sheet |
| 2014 - 2015 | - Chairman of the Board of Directors | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| 2012 - 2015 | - Chairman of the Management Committee | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| 2012 - 2014 | - President | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| 2003 - 2007 | - Director, Corporate Affairs Division | Pikul-thong Lum-sum Group of Companies | Garment Business |
| 1991 - 2003 | - Deputy General Manager, Human Resources Department | Toyota Motor Thailand Company Limited | Manufacture of Passenger Cars |
| Current Position in Other Organization | | | |
| 2018 - Present | - Director | Sahaviriya Plate Mill Public Company Limited | Manufacture of Iron and Steel Sheet |
| 2017 - Present | - Director and Executive Director | Thai Steel Sales Company Limited | Metal Service Centers and Other Metal Merchant Wholesalers |

Meeting Attendance in year 2021:

- | | |
|---|-------------|
| 1. The Board of Directors Meeting as the Plan Administrator | 13/13 times |
| 2. The Nomination and Remuneration Committee Meeting | 4/4 times |

Criminal record during the past 10 years:

- | | |
|---|---|
| 1. Being sentenced in Criminal Offence | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 2. Being sentenced for an Absolute Receivership | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 3. Being sentenced to be Bankrupt | <input type="radio"/> Yes <input checked="" type="radio"/> No |

Punishment record during the past 5 years related to the Commission of Offences under the Provisions of the Securities and Exchange Act B.E. 2535 or Derivatives Act B.E. 2546 in the following cases:

- | | |
|--|---|
| 1. Act in bad faith or with gross negligence. | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 2. Disclosure or providing the information or a false statement which may be misled, or concealing facts which should have been stated in materiality that may affect on the decision-making to shareholders, investors, or related persons. | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| 3. Unfair practices or taking advantage of investors in the trading of securities or derivatives, or being or having been participated in or supported such act. | <input type="radio"/> Yes <input checked="" type="radio"/> No |



Mr. Kittisak Mapanao

Director, Senior Vice President, Chief Technology Officer, Head of Engineering Business Unit,
Head of Steel Construction Business Office, Head of Dream Maker Business Office,
Authorized Director

| | | | |
|----------|-------------------|-------------------------|---------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 55 Years | 15 February 2018 | 0.0005% (65,467 shares) | Directors and Executives: |
| | | | -None- |

Education and Training

Education:

- M.B.A., Chulalongkorn University
- B.Eng. (Industrial Engineering),
Khonkaen University

Training:

- Directors Certification Program
(DCP 104/2009), Thai Institute of
Directors Association

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|--|--|--|--|
| 2012 - 2018 | - Director and Executive Director | Prachuap Port Company Limited | Port Business |
| 2013 - 2015 | - Director | Sahaviriya Steel Industries UK Limited | Upstream Business |
| 2010 - 2012 | - Director and Management Committee Member | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| 1991 - 1992 | - Industrial Engineer | Hana Coil Company Limited | Manufacture of Micro Electronic Clock |
| Current Position in Other Organization | | | |
| 2015 - Present | - President | West Coast Engineering Company Limited | Engineering Business |
| 2011 - Present | - Director and Executive Director | West Coast Engineering Company Limited | Engineering Business |

Meeting Attendance in year 2021:

1. The Board of Directors Meeting as
the Plan Administrator 13/13 times

Criminal record during the past 10 years:

1. Being sentenced in Criminal Offence Yes No
2. Being sentenced for an Absolute Receivership Yes No
3. Being sentenced to be Bankrupt Yes No

Punishment record during the past 5 years related to the Commission of Offences under the Provisions of the Securities and Exchange Act B.E. 2535 or Derivatives Act B.E. 2546 in the following cases:

1. Act in bad faith or with gross negligence. Yes No
2. Disclosure or providing the information or a false statement which may be misled, or concealing facts which should have been stated in materiality that may affect on the decision-making to shareholders, investors, or related persons. Yes No
3. Unfair practices or taking advantage of investors in the trading of securities or derivatives, or being or having been participated in or supported such act. Yes No



Mr. Narongrit Chotnuchittrakul

Director, Senior Vice President,
Supervision - Group Information Technology Office, Chief Finance Officer, Group Chief Finance Officer,
Head of Group Risk Management Office, Head of Downstream Business Unit, Secretary to the Risk Management Committee,
Authorized Director

Age: 52 Years Appointment Date: 18 July 2019 (%) of Share Holding: -None- Family Relationship with Directors and Executives: -None-

Education and Training

Education:

- M.B.A., Dhurakijpundit University
- Bachelor of Business Administration, Bangkok University
- Bachelor of Accounting, Siam University

Training:

- Directors Certification Program (DCP 309/2021), Thai Institute of Directors Association

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|-------------|---|---|--|
| 2017 - 2020 | - Director, Management Committee Member and President | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| 2011 - 2018 | - Director and Executive Director | West Coast Engineering Company Limited | Engineering Business |
| 2013 - 2017 | - Vice President, Accounting and Finance Division | Sahaviriya Steel Industries Public Company Limited | Manufacture of Hot Rolled Coil and Hot Rolled Coil Pickled Oiled |
| 2012 - 2015 | - President | West Coast Engineering Company Limited | Engineering Business |
| 2009 - 2011 | - Vice President, Finance and Accounting Division | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |

Current Position in Other Organization

| | | | |
|----------------|---|---|--|
| 2020 - Present | - Director and Executive Director | Prachuap Port Company Limited | Port Business |
| | - Director and Executive Director | West Coast Engineering Company Limited | Engineering Business |
| | - Director | Sahaviriya Plate Mill Public Company Limited | Manufacture of Iron and Steel Sheet |
| | - Director | Thai Steel Sales Company Limited | Metal Service Centers and Other Metal Merchant Wholesalers |
| 2013 - Present | - Chairman of the Board of Directors and Chairman of the Management Committee | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| | - Director | Thai Coated Steel Sheet Company Limited | Manufacture of Coated Steel Sheet |

Meeting Attendance in year 2021:

1. The Board of Directors Meeting as the Plan Administrator 13/13 times

Criminal record during the past 10 years:

1. Being sentenced in Criminal Offence Yes No
2. Being sentenced for an Absolute Receivership Yes No
3. Being sentenced to be Bankrupt Yes No

Punishment record during the past 5 years related to the Commission of Offences under the Provisions of the Securities and Exchange Act B.E. 2535 or Derivatives Act B.E. 2546 in the following cases:

1. Act in bad faith or with gross negligence. Yes No
2. Disclosure or providing the information or a false statement which may be misled, or concealing facts which should have been stated in materiality that may affect on the decision-making to shareholders, investors, or related persons. Yes No
3. Unfair practices or taking advantage of investors in the trading of securities or derivatives, or being or having been participated in or supported such act. Yes No



Mr. Win Viriyaprapaikit

Group Chief Executive Officer,
Head of Upstream Business Unit, Head of Hot Rolled Business Unit,
Head of HBU Business Stewardship and Business Partners Office

| | | | |
|----------|-------------------|-----------------------|-------------------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 51 Years | 1 January 2004 | -None- | Directors and Executives: -None- |

Education and Training

Education:

- M.B.A., Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Bachelor's degree in Industrial Engineering, Keio University, Tokyo, Japan

Training:

- Directors Certification Program (DCP 100/2008), Thai Institute of Directors Association
- The Role of The Chairman Program (RCP 20/2008), Thai Institute of Directors Association
- Capital Market Academy Leadership Program (CMA 5), Capital Market Academy

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|--|---|---|--|
| 2004 - 2021 | - President | Sahaviriya Steel Industries Public Company Limited | Manufacture of Hot Rolled Coil and Hot Rolled Coil Pickled Oiled |
| 2007 - 2020 | - Director | Sahaviriya Steel Corporation Company Limited | Manufacture of Basic Iron and Steel |
| 1999 - 2020 | - Director | Sahaviriya Inter Steel Holdings Company Limited | Holding Company |
| 2010 - 2015 | - Director and President | Sahaviriya Steel Industries UK Limited | Upstream Business |
| 2008 - 2014 | - Director and Management Committee Member | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| 2012 - 2013 | - Chairman of the Board of Directors and Chairman of the Management Committee | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| 1996 - 2012 | - Director | Thai Coated Steel Sheet Company Limited | Manufacture of Coated Steel Sheet |
| 1999 - 2003 | - Director | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| Current Position in Other Organization | | | |
| 2018 - Present | - Director | Sahaviriya Plate Mill Public Company Limited | Manufacture of Iron and Steel Sheet |
| 2010 - Present | - Director | Bangsaphan Barmill Public Company Limited | Manufacture of Steel Bar and Deformed Bar |
| 2005 - Present | - Director | Prapawit Building Property Company Limited | Management of Real Estate |
| 2002 - Present | - Director and Chairman of the Board of Executive Directors | West Coast Engineering Company Limited | Engineering Business |
| 1999 - Present | - Director | Sahaviriya Management Service Company Limited | Holding Company |
| | - Director and Chairman of the Board of Executive Directors | Prachuap Port Company Limited | Port Business |
| 1997 - Present | - Chairman of the Board of Directors | Thai Steel Sales Company Limited | Metal Service Centers and Other Metal Merchant Wholesalers |
| 1996 - Present | - Director | Sahaviriya Group Corporation Limited | Holding Company |



Mr. Nava Chantanasurakon

President

| | | | |
|----------|--------------------------------|-----------------------|---------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 56 Years | 1 April 2008 | -None- | Directors and Executives: |
| | Appointment Date as President: | | -None- |
| | 1 December 2021 | | |

| Education and Training | Work Experience in the last 5 years (as of 31 December 2021) | | | |
|--|--|--|--|--|
| | Period | Position | Company | Type of Business |
| <p>Education:</p> <ul style="list-style-type: none"> - Master of Public Administration (Public Policy & Project Management), National Institute of Development Administration (NIDA) - Bachelor of Arts (Politics and Government), 1st Class Honor, Thammasat University <p>Training:</p> <ul style="list-style-type: none"> - Directors Certification Program (DCP 104/2008), Thai Institute of Directors Association - Capital Market Academy Leadership Program (CMA 19), Capital Market Academy - National Defense Program (NDC 57), National Defense College - Top Executive Program in Commerce and Trade (TEPCoT 12), Commerce Academy - Advanced Master of Management Program (AMM 5), National Institute of Development Administration (NIDA) - Environmental Good Governance Certification Program for Top Executive, Ministry of Natural Resources and Environment | 2018 - 2021 | - Senior Vice President <u>Supervision</u> Group Government Affair Office <u>Management</u> Commercial Division | Sahaviriya Steel Industries Public Company Limited | Manufacture of Hot Rolled Coil and Hot Rolled Coil Pickled Oiled |
| | 2012 - 2021 | - Director and Management Committee Member | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| | 2012 - 2018 | - Director and Executive Director | Thai Coated Steel Sheet Company Limited | Manufacture of Coated Steel Sheet |
| | 2014 - 2015 | - Chairman of the Board of Directors | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| | 2012 - 2015 | - Chairman of the Management Committee | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| | 2012 - 2014 | - President | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| | 2003 - 2007 | - Director, Corporate Affairs Division | Pikul-thong Lum-sum Group of Companies | Garment Business |
| | 1991 - 2003 | - Deputy General Manager, Human Resources Department | Toyota Motor Thailand Company Limited | Manufacture of Passenger Cars |
| | Current Position in Other Organization | | | |
| | 2018 - Present | - Director | Sahaviriya Plate Mill Public Company Limited | Manufacture of Iron and Steel Sheet |
| 2017 - Present | - Director and Executive Director | Thai Steel Sales Company Limited | Metal Service Centers and Other Metal Merchant Wholesalers | |



Mr. Kittisak Mapanao

Senior Vice President, Chief Technology Officer,
Head of Engineering Business Unit

| | | | |
|----------|-------------------|-------------------------|-------------------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 55 Years | 1 May 2008 | 0.0005% (65,467 shares) | Directors and Executives: -None- |

Education and Training

Education:

- M.B.A., Chulalongkorn University
- B.Eng. (Industrial Engineering), Khonkaen University

Training:

- Directors Certification Program (DCP 104/2009), Thai Institute of Directors Association

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|--|--|---|---------------------------------------|
| 2012 - 2018 | - Director and Executive Director | Prachuap Port Company Limited | Port Business |
| 2013 - 2015 | - Director | Sahaviriya Steel Industries UK Limited | Upstream Business |
| 2010 - 2012 | - Director and Management Committee Member | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| 1991 - 1992 | - Industrial Engineer | Hana Coil Company Limited | Manufacture of Micro Electronic Clock |
| Current Position in Other Organization | | | |
| 2015 - Present | - President | West Coast Engineering Company Limited | Engineering Business |
| 2011 - Present | - Director and Executive Director | West Coast Engineering Company Limited | Engineering Business |



Mr. Narongrit Chotnuchittrakul

Senior Vice President,
Supervision - Group Information Technology Office,
Chief Finance Officer, Group Chief Finance Officer, Head of Group Risk Management Office,
Head of Downstream Business Unit and Secretary to the Risk Management Committee

| | | | |
|------------------|--|---------------------------------|---|
| Age: 52 Years | Appointment Date: 1 January 2010 Appointment Date as Secretary to the Risk Management Committee: 1 July 2020 | (%) of Share Holding: -None- | Family Relationship with Directors and Executives: -None- |
|------------------|--|---------------------------------|---|

Education and Training

Education:

- M.B.A., Dhurakijpundit University
- Bachelor of Business Administration, Bangkok University
- Bachelor of Accounting, Siam University

Training:

- Directors Certification Program (DCP 309/2021), Thai Institute of Directors Association

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|--|---|---|--|
| 2017 - 2020 | - Director, Management Committee Member and President | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| 2011 - 2018 | - Director and Executive Director | West Coast Engineering Company Limited | Engineering Business |
| 2013 - 2017 | - Vice President, Accounting and Finance Division | Sahaviriya Steel Industries Public Company Limited | Manufacture of Hot Rolled Coil and Hot Rolled Coil Pickled Oiled |
| 2012 - 2015 | - President | West Coast Engineering Company Limited | Engineering Business |
| 2009 - 2011 | - Vice President, Finance and Accounting Division | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| Current Position in Other Organization | | | |
| 2020 - Present | - Director and Executive Director | Prachuap Port Company Limited | Port Business |
| | - Director and Executive Director | West Coast Engineering Company Limited | Engineering Business |
| | - Director | Sahaviriya Plate Mill Public Company Limited | Manufacture of Iron and Steel Sheet |
| | - Director | Thai Steel Sales Company Limited | Metal Service Centers and Other Metal Merchant Wholesalers |
| | - Chairman of the Board of Directors and Chairman of the Management Committee | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| 2013 - Present | - Director | Thai Coated Steel Sheet Company Limited | Manufacture of Coated Steel Sheet |



Mr. Somsak Sivapaiboon

Senior Vice President, Head of Marine Business Unit,
Head of Partnership Management Center, Head of Marine Business Development Office,
Head of Ship Building & Recycling Business Office, Head of Offshore Business Office,
Head of MBU Business Stewardship and Business Partners Office

| | | | |
|----------|-------------------|-----------------------|---------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 59 Years | 1 March 2013 | - (2 shares) | Directors and Executives: |
| | | | -None- |

Education and Training

Education:

- M.S. (Logistics and Supply Chain Management), Sripatum University
- M.B.A., Sukhothai Thammathirat Open University
- Bachelor of Management Science, Sukhothai Thammathirat Open University

Training:

- Directors Accreditation Program (DAP 60/2006), Thai Institute of Directors Association
- Directors Certification Program (DCP 84/2007), Thai Institute of Directors Association
- Finance for Non-Finance Director (FND 34/2007), Thai Institute of Directors Association
- Capital Market Academy Leadership Program (CMA 9), Capital Market Academy
- Top Executive Program in Commerce and Trade: TEPCOT 12, Commerce Academy
- Security Management and Leadership for Executives Program: SML 2, National Defence College

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|--|---|---|--|
| 2017 - 2020 | - Director | Thai Steel Sales Company Limited | Metal Service Centers and Other Metal Merchant Wholesalers |
| 2015 - 2020 | - Directors and Management Committee Member | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| 2015 - 2019 | - Director and Executive Director | Thai Coated Steel Sheet Company Limited | Manufacture of Coated Steel Sheet |
| | - Director and Executive Director | West Coast Engineering Company Limited | Engineering Business |
| 2015 - 2017 | - Chairman of the Board of Directors and Chairman of the Management Committee | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| 2013 - 2015 | - Director | Sahaviriya Steel Industries UK Limited | Upstream Business |
| 2010 - 2014 | - Chairman of the Board of Directors | Pornpiyacharn Transport Company Limited | Transport and Freight Services |
| 2010 - 2012 | - President | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| | - Director | Thai Coated Steel Sheet Company Limited | Manufacture of Coated Steel Sheet |
| 2006 - 2012 | - Deputy Chairman of the Board of Directors | Chu Kai Public Company Limited | Wholesale of Machinery and Equipment |
| 2004 - 2012 | - Director and Executive Director | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| 2001 - 2012 | - Director | Prachuap Port Company Limited | Port Business |
| 2005 - 2010 | - President | Line Transport Company Limited | Land Transport |
| 2001 - 2010 | - President | Prachuap Port Company Limited | Port Business |
| 2000 - 2005 | - President | Bangsaphan Transport Company Limited | Land Transport |
| 1997 - 2000 | - General Manager, Sales & Marketing | Thai Steel Sales Company Limited | Metal Service Centers and Other Metal Merchant Wholesalers |
| Current Position in Other Organization | | | |
| 2019 - Present | - Managing Director | Prachuap Port Company Limited | Port Business |
| 2013 - Present | - Director and Executive Director | Prachuap Port Company Limited | Port Business |



Mr. Jira Chotinuchit

Senior Vice President

Supervision - Group Legal Office - Group Sustainable Development and Communication Office
- Group Infrastructure and Local Affairs Office - Group Compliance and Corporate Governance Office,
Head of Energy Business Unit, Head of Group Procurement Office, Head of Infrastructure Business Unit

Age: 54 Years Appointment Date: 1 September 2018 (%) of Share Holding: -None- Family Relationship with Directors and Executives: -None-

Education and Training

Education:

- Master of Comparative and International Law, University of IOWA, U.S.A.
- Bachelor of Law, Chulalongkorn University

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|--|--|--|--|
| 2012 - 2018 | - Managing Director | Lockton Wattana Insurance Company Limited | Non-Life Insurance Agents and Brokers |
| 2007 - 2012 | - Vice President attached to Office of the President | Sahaviriya Steel Industries Public Company Limited | Manufacture of Hot Rolled Coil and Hot Rolled Coil Pickled Oiled |
| Current Position in Other Organization | | | |
| 2019 - Present | - Director and Executive Director | Prachuap Port Company Limited | Port Business |
| | - Director and Executive Director | West Coast Engineering Company Limited | Engineering Business |

Mr. Thinnakorn Phadungwong

Vice President,
Head of Steel Solution Center

Age: 54 Years Appointment Date: 1 May 2013 (%) of Share Holding: -None- Family Relationship with Directors and Executives: -None-

Education and Training

Education:

- The Doctor of Engineering (Mechanical Engineering), The Sirindhorn International Thai-German Graduate School of Engineering (TGGS), King Mongkut's University of Technology North Bangkok
- Master's Degree of Metallurgical Engineering, Chulalongkorn University
- Bachelor's Degree of Industrial Engineering, Kasetsart University

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|--|--|--|--|
| 2013 - 2015 | - Vice President, Manufacturing Division | Sahaviriya Steel Industries Public Company Limited | Manufacture of Hot Rolled Coil and Hot Rolled Coil Pickled Oiled |
| 2000 - 2012 | - Assistant Vice President, Manufacturing Division (Operation) | Sahaviriya Steel Industries Public Company Limited | Manufacture of Hot Rolled Coil and Hot Rolled Coil Pickled Oiled |
| Current Position in Other Organization | | | |
| 2020 - Present | - Director | Sahaviriya Plate Mill Public Company Limited | Manufacture of Iron and Steel Sheet |



Mr. Manin Inprom

Vice President,
Management - Manufacturing Division

| | | | |
|----------|-------------------|-----------------------|---------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 51 Years | 19 May 2016 | -None- | Directors and Executives: |
| | | | -None- |

Education and Training

Education:

- M.B.A., Burapha University
- Bachelor's Degree of Industrial Engineering, Kasetsart University

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|--|--|--|--|
| 2014 - 2015 | - Assistant Vice President, Manufacturing Division (Operation) | Sahaviriya Steel Industries Public Company Limited | Manufacture of Hot Rolled Coil and Hot Rolled Coil Pickled Oiled |
| 2012 - 2014 | - Assistant Vice President, Group Purchasing Office, Office of the President | Sahaviriya Steel Industries Public Company Limited | Manufacture of Hot Rolled Coil and Hot Rolled Coil Pickled Oiled |
| Current Position in Other Organization | | | |
| 2017 - Present | Director | Thai Coated Steel Sheet Company Limited | Manufacture of Coated Steel Sheet |

Mr. Peter Rowson

Vice President, Upstream Business Unit

| | | | |
|----------|-------------------|-----------------------|---------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 58 Years | 1 November 2014 | -None- | Directors and Executives: |
| | | | -None- |

Education and Training

Education:

- The Fellowship of Chartered Accountants, Chartered Accountant (ICAEW), Institute of Chartered Accountants of England and Wales Manchester Metropolitan University

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|--|--------------------|--|-------------------|
| 2013 - 2015 | - Finance Director | Sahaviriya Steel Industries UK Limited | Upstream Business |
| 2009 - 2011 | - Finance Director | V2O Management Company Limited | |
| 2004 - 2008 | - CFO | Focus Energy Company Limited | |
| Current Position in Other Organization | | | |
| -None- | | | |



Mr. Veerawit Tulalamba

Vice President, Downstream Business

| | | | |
|----------|-------------------|-----------------------|---------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 51 Years | 1 June 2017 | -None- | Directors and Executives: |
| | | | -None- |

| Education and Training | Work Experience in the last 5 years (as of 31 December 2021) | | | |
|---|--|---|--|--|
| | Period | Position | Company | Type of Business |
| Education: - Master of Business Administration, National Institute of Development Administration (NIDA) - B.A. Economics, Thammasat University | 2017 - 2020 | - Vice President and Chief Finance Officer | Sahaviriya Steel Industries Public Company Limited | Manufacture of Hot Rolled Coil and Hot Rolled Coil Pickled Oiled |
| | 2018 - 2020 | - Director and Executive Director | West Coast Engineering Company Limited | Engineering Business |
| | | - Director and Executive Director | Prachuap Port Company Limited | Port Business |
| | | - Director | Sahaviriya Plate Mill Public Company Limited | Manufacture of Coated Steel Sheet |
| | 2014 - 2017 | - Assistant Vice President, Group Finance and Accounting Office | Sahaviriya Steel Industries Public Company Limited | Manufacture of Hot Rolled Coil and Hot Rolled Coil Pickled Oiled |
| | 2004 - 2014 | - Deputy Managing Director and Company Secretary | Bangsaphan Barmill Public Company Limited | Manufacture of Steel Bar and Deformed Bar |
| | Current Position in Other Organization | | | |
| 2020 - Present | - Director and Management Committee Member | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill | |
| | - Director | Thai Coated Steel Sheet Company Limited | Manufacture of Coated Steel Sheet | |



Mr. Yongyuth Malithong

Vice President,
Head of Group Human Resource Office and Secretary to the Nomination and Remuneration Committee

| | | | |
|----------|--|-----------------------|---------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 51 Years | 1 January 2016 | -None- | Directors and Executives: |
| | Appointment Date as Secretary to the Nomination and Remuneration Committee: | | -None- |
| | 1 January 2016 | | |

Education and Training

Education:

- Master of Public Administration (Human Resources Management), National Institute of Development Administration (NIDA)
- Bachelor of Art (Political Science), Chiang Mai University

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|--|--------------------------|---|-----------------------------------|
| 2008 - 2010 | - HR & GA Director | New International School of Thailand | Private School |
| 2007 - 2008 | - Operation Director | Master Car Rental Company Limited (Millennium Auto Group) | Car Rental |
| 2006 - 2007 | - Operation Manager | Master Car Rental Company Limited (Millennium Auto Group) | Car Rental |
| Current Position in Other Organization | | | |
| 2017 - Present | - Director and President | Sahaviriya Plate Mill Public Company Limited | Manufacture of Coated Steel Sheet |

Mr. Narase Krudpun

Vice President,
Head of SSI Building Technology Operating Unit

| | | | |
|----------|-------------------|-------------------------|---------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 57 Years | 1 April 2020 | 0.0006% (76,170 shares) | Directors and Executives: |
| | | | -None- |

Education and Training

Education:

- Master of Public Administration, National Institute of Development Administration (NIDA)
- Bachelor of Engineering, King Mongkut's University of Technology North Bangkok

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|--|--|---|--|
| 2014 - 2020 | - Assistant Vice President, Innovation Sub-Division | Sahaviriya Steel Industries Public Company Limited | Manufacture of Hot Rolled Coil and Hot Rolled Coil Pickled Oiled |
| 1996 - 2014 | - Senior Department Manager, Quality Control and Production Planning | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |
| Current Position in Other Organization | | | |
| -None- | | | |



Mr. Napat Panupichit

Vice President,
Head of Commercial Division

| | | | |
|----------|-------------------|-----------------------|---------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 48 Years | 1 December 2021 | -None- | Directors and Executives: |
| | | | -None- |

Education and Training

Education:

- Bachelor's Degree in Engineering,
Major Industrial Engineering,
Mahidol University

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|--|---|--|--|
| 2021 | - Assistant Vice President, Head of Commercial Division | Sahaviriya Steel Industries Public Company Limited | Manufacture of Hot Rolled Coil and Hot Rolled Coil Pickled Oiled |
| 2018 - 2021 | - Assistant Vice President, Innovation Sub-Division | Sahaviriya Steel Industries Public Company Limited | Manufacture of Hot Rolled Coil and Hot Rolled Coil Pickled Oiled |
| Current Position in Other Organization | | | |
| 2021 - Present | - Director and Management Committee Member | Thai Cold Rolled Steel Sheet Public Company Limited | Manufacture of Cold Rolled Steel Mill |

Mr. Chaovarat Junpradub

Vice President,
Head of Galvanized Steel Business Development, Head of Group Material Engineering Office

| | | | |
|----------|-------------------|-----------------------|---------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 48 Years | 1 December 2021 | -None- | Directors and Executives: |
| | | | -None- |

Education and Training

Education:

- Bachelor of Engineering,
Chulalongkorn University

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|--|--|---|--|
| 2013 - 2021 | - Assistant Vice President - Head of Group Material Engineering Office - Head of Galvanized Steel Business Development Office | Sahaviriya Steel Industries Public Company Limited | Manufacture of Hot Rolled Coil and Hot Rolled Coil Pickled Oiled |
| Current Position in Other Organization | | | |
| -None- | | | |



Mr. Ratchata Jirachotekamjorn

Vice President,
Head of Robotic & Automation Business Development Office, Vice President
Supervision - Group Automation Technology Office

| | | | |
|----------|-------------------|-----------------------|---------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 48 Years | 1 December 2021 | -None- | Directors and Executives: |
| | | | -None- |

Education and Training

Education:

- Master of Business Administration,
National Institute of Development
Administration (NIDA)

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|---|---|---|--|
| 2012 - 2021 | - Assistant Vice President - Head of Technology Solution Center - Head of Group Automation Technology Office | Sahaviriya Steel Industries Public Company Limited | Manufacture of Hot Rolled Coil and Hot Rolled Coil Pickled Oiled |
| Current Position in Other Organization | | | |
| -None- | | | |

Mr. Chaiphat Khemaphiruk

Vice President,
Deputy Head of Infrastructure Business Unit

| | | | |
|----------|-------------------|-----------------------|---------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 50 Years | 1 January 2022 | -None- | Directors and Executives: |
| | | | -None- |

Education and Training

Education:

- Master of Economics
(Business of Economics),
Kasetsart University
- Bachelor of Economics,
Thammasart University

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|---|-------------------------------|---|------------------|
| 2021 | - Deputy Managing Director | KE Capital Partner Company Limited | |
| 2017 - 2020 | - Senior Vice President | Master Plan Group, TCC Group | |
| 2013 - 2017 | - Vice President | Industrial Estate Development, TCC Group | |
| Current Position in Other Organization | | | |
| -None- | | | |



Mr. Surasak Ngamsidhipongsa

Company Secretary

| | | | |
|----------|-------------------|-----------------------|---------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 63 Years | 21 January 1994 | -None- | Directors and Executives: |
| | | | -None- |

Education and Training

Education:

- M.B.A., Thammasat University
- M.A. (Economic Law), Chulalongkorn University
- LL.M. (Business Law), Ramkhamhaeng University
- M.P.P.M., National Institute of Development Administration (NIDA)
- Barrister-at-law, Institute of Legal Education Thai Bar Association
- Bachelor of Law, Ramkhamhaeng University

Training:

- Directors Certification Program (DCP 15/2002), Thai Institute of Directors Association
- Company Secretary Program (CSP 5/2004), Thai Institute of Directors Association
- TLCA Executive Development Program (EDP 8), Thai Listed Companies Association

Work Experience in the last 5 years (as of 31 December 2021)

| Period | Position | Company | Type of Business |
|-------------|--|--|------------------|
| 1988 - 1993 | - Deputy Secretary to the Board of Directors | Siam Realty and Services Company Limited | Car Rental |
| 1985 - 1993 | - Senior Analyst | Bank of Ayudhya Public Company Limited | Commercial Bank |

Current Position in Other Organization

-None-



Mr. Thanapatr Phongpipattana

The person supervising accounting Chief Accountant

| | | | |
|----------|-------------------|-----------------------|---------------------------|
| Age: | Appointment Date: | (%) of Share Holding: | Family Relationship with |
| 47 Years | 14 August 2018 | -None- | Directors and Executives: |
| | | | -None- |

| Education and Training | Work Experience in the last 5 years (as of 31 December 2021) | | | |
|---|--|------------------------------|--|--|
| | Period | Position | Company | Type of Business |
| Education: - Bachelor of Business Administration (Accounting), Ramkhamhaeng University Training: - Financial Statement Analysis - Updated Accounting and Taxation for Accountants | 2017 - 2021 | - Senior Manager, Accounting | Sahaviriya Steel Industries Public Company Limited | Manufacture of Hot Rolled Coil and Hot Rolled Coil Pickled Oiled |
| | Current Position in Other Organization | | | |
| | -None- | | | |

Criminal record during the past 10 years:

- Being sentenced in Criminal Offence Yes No
- Being sentenced for an Absolute Receivership Yes No
- Being sentenced to be Bankrupt Yes No

Punishment record during the past 5 years related to the Commission of Offences under the Provisions of the Securities and Exchange Act B.E. 2535 or Derivatives Act B.E. 2546 in the following cases:

- Act in bad faith or with gross negligence. Yes No
- Disclosure or providing the information or a false statement which may be misled, or concealing facts which should have been stated in materiality that may affect on the decision-making to shareholders, investors, or related persons. Yes No
- Unfair practices or taking advantage of investors in the trading of securities or derivatives, or being or having been participated in or supported such act. Yes No



Remark:

Subsidiaries

WCE = West Coast Engineering Co., Ltd.
PPC = Prachuap Port Co., Ltd.

Joint Venture

TCRSS = Thai Cold Rolled Steel Sheet Plc.

Related Companies

ASCO = ASCO Business Promotion Co., Ltd.
BOU = Boutique Corporation Plc.
BRW = Boon Rawd Brewery Co., Ltd.
BSBM = Bangsaphan Barmill Plc.
BSE = Bangsaphan Agricultural Energy Co., Ltd.
CB26 = Bangna 26 Property Co., Ltd.
CCL = Chonglom Property Co., Ltd.
CPPW = Prapawit Building Property Co., Ltd.
CSMC = Surasak Muang-Chol Property Co., Ltd.
CHEM = Chememan Plc.
CHUB = Chubb Samaggi Insurance Plc.
CMDF = CDMF DIGITAL Infrastructure Co., Ltd.
CRH = Chuchawal-Royal Haskoning Co., Ltd.
CTLA = C.T. Land Co., Ltd.
CTRL = Crystalla Co., Ltd.
KR = Krisna Residence Co., Ltd.
NDID = National Digital ID Co., Ltd.
MAEG = Empire Asia Energy Group Co., Ltd.
MK = MK Restaurant Group Plc.

Related Companies

PPD = Prachuab Pattana Development Co., Ltd.
PPE = Phuphen Co., Ltd.
PTO = Plantheon Co., Ltd.
PTOT = Plantheon Trading Co., Ltd.
SF = Siam Food Products Plc.
SF13 = Siam Food Products (2513) Co., Ltd.
SLP = Saha Land Property Holdings Co., Ltd.
SMC = Smart Corporate Plc.
SPC = Spicy Co., Ltd.
SSN = Sai Ngam Garden Co., Ltd.
SSR = Siam Sunrise Co., Ltd.
SSPA = SSP Asset Co., Ltd.
SVG = Sahaviriya Group Corporation Co., Ltd.
SVL = SVL Corporation Limited
SVN = SV Nittan Co., Ltd.
SVM = Sahaviriya Management Service Co., Ltd.
SVPM = Sahaviriya Plate Mill Plc.
SVT = Sahaviriya Tower Co., Ltd.
TCCI = TCC Intertrade Co., Ltd.
TCHA = TCH Asset Co., Ltd.
TCS = Thai Coated Steel Sheet Co., Ltd.
TLB = Thai Light Block & Panel Co., Ltd.
TPD = Thailandpost Distribution Co., Ltd.
TPS = Thanarom Property Sale Co., Ltd.
TRIS = TRIS Corporate Limited
TSB = Thip Sombut Co., Ltd.

Related Companies

TSS = Thai Steel Sales Co., Ltd.
TT = Thunthiphaya Co., Ltd.
WB = Western Housing Co., Ltd.
WS = Western Security Guard Co., Ltd.
WSB = Western Seaboard Co., Ltd.

① = Chairman of the Board of Directors
② = Director
③ = Independent Director
④ = Chairman of the Board of Executive Directors
⑤ = Executive Director
⑥ = President/Managing Director
⑦ = Group Chief Executive Officer
⑧ = Senior Vice President
⑨ = Vice President
● = Chairman of the Audit Committee
○ = Audit Committee Member
★ = Chairman of the Nomination and Remuneration Committee
☆ = Nomination and Remuneration Committee Member
⊠ = Chairman of the Good Corporate Governance Committee
✂ = Good Corporate Governance Committee Member
⚙ = Chairman of the Risk Management Committee
⊕ = Risk Management Committee Member
✦ = Chairman of the Management Committee
✧ = Management Committee Member



Attachment 2

Details of Directors of Subsidiaries and Joint Venture as of 31 December 2021

| Name of Directors | Subsidiaries | | Joint Venture |
|----------------------------------|--|-------------------------------|---|
| | West Coast Engineering Company Limited | Prachuap Port Company Limited | Thai Cold Rolled Steel Sheet Public Company Limited |
| 1. Mr. Kamol Juntima | ① | ① | |
| 2. Mr. Tongchat Hongladaromp | ② | | |
| 3. Mr. Win Viriyaprapaikit | ② ③ | ② ③ | |
| 4. Mr. Harit Sutabutr | ② | | |
| 5. Mr. Panya Srichantra | ② | | |
| 6. Mr. Somsak Sivapaiboon | | ② ④ ⑧ | |
| 7. Mr. Kittisak Mapanao | ② ④ ⑧ | | |
| 8. Mr. Narongrit Chotnuchitrakul | ② ④ | ② ④ | ① ⑤ |
| 9. Mr. Jira Chotinuchit | ② ④ | ② ④ | |
| 10. Mr. Suradet Mukyangkoon | | ② | |
| 11. Mr. Prapa Voraruth | | ② | |
| 12. Mr. Anuwat Chaikittivanich | | ② | |
| 13. Mr. Veerawit Tulalamba | | | ② ⑥ |
| 14. Mr. Napat Panupichit | | | ② ⑥ |
| 15. Mr. Eiji Hagiya | | | ② ⑥ |
| 16. Mr. Soichiro Ichimura | | | ② ⑥ |
| 17. Mr. Toshihiro Tachibana | | | ② |
| 18. Mr. Isao Fukushima | | | ② |
| 19. Mr. Hideki Nishihara | | | ② ⑥ ⑦ |

Remark:

- | | |
|--|---------------------------------|
| ① = Chairman of the Board of Directors | ② = Director |
| ③ = Chairman of the Board of Executive Directors | ④ = Executive Director |
| ⑤ = Chairman of the Management Committee | ⑥ = Management Committee Member |
| ⑦ = President | ⑧ = Managing Director |



Attachment 3

Details of Head of Internal Audit and Head of Compliance

Head of Internal Audit

Miss Pattamawan Boontang

| | |
|--------------------|--|
| Position | Head of Group Internal Audit Office and Secretary to the Audit Committee |
| Education | - M.B.A., Southeastern University (London Campus), U.K. - B.Sc. in Computer Science, University of the Thai Chamber of Commerce |
| Certificate | - Certified Information Systems Auditor (CISA), The Information Systems Audit and Control Association (ISACA) |
| Experience | 2011 - 2015 - Audit Manager IT, Sahaviriya Steel Industries Public Company Limited 2005 - 2011 - Assistant Audit Manager IT, Sahaviriya Steel Industries Public Company Limited |

Head of Compliance

Mr. Jirapat Pathamasuwan

| | |
|--------------------|---|
| Position | Head of Group Compliance and Corporate Governance Office |
| Education | - Master Degree of Economics Law, Chulalongkorn University - Bachelor Degree of Laws, Thammasat University |
| Certificate | - Graduate Diploma of Taxation, University of the Thai Chamber of Commerce |
| Experience | 2021 - Present - Head of Group Compliance and Corporate Governance Office, Sahaviriya Steel Industries Public Company Limited 2020 - 2021 - Country Legal Counsel, ABB Electrification (Thailand) Company Limited 2018 - 2020 - Head of Group Legal Office, Sahaviriya Steel Industries Public Company Limited 2011 - 2018 - Senior Legal Manager, Delta Electronics (Thailand) Public Company Limited |



Attachment 4

Business Assets and Asset Appraisal

Please see details in section 1.2.3 Business Assets

Attachment 5

Corporate Governance Policy and Code of Ethics



Please see details on website

<https://www.ssi-steel.com/en/investor-relations-2/corporate-governance/>

Attachment 6

Report of the Audit Committee

Please see details in section 8.2 Report of the Audit Committee



Sahaviriya Steel Industries Public Company Limited

Head Office:

28/1 Prapawit Building, 2nd - 3rd Floor,
Surasak Road, Silom, Bangrak,
Bangkok 10500

Tel.: 0-2238-3063-82,

0-2630-0280-6

Fax: 0-2236-8890,

0-2236-8892

Factory:

9 Moo 7, Mae Ramphueng, Bangsaphan,
Prachuap Khiri Khan 77140

Tel.: 0-3269-1403,

0-3269-1411,

0-3269-1413-14,

0-3269-1419-20

Fax: 0-3269-1416,

0-3269-1421