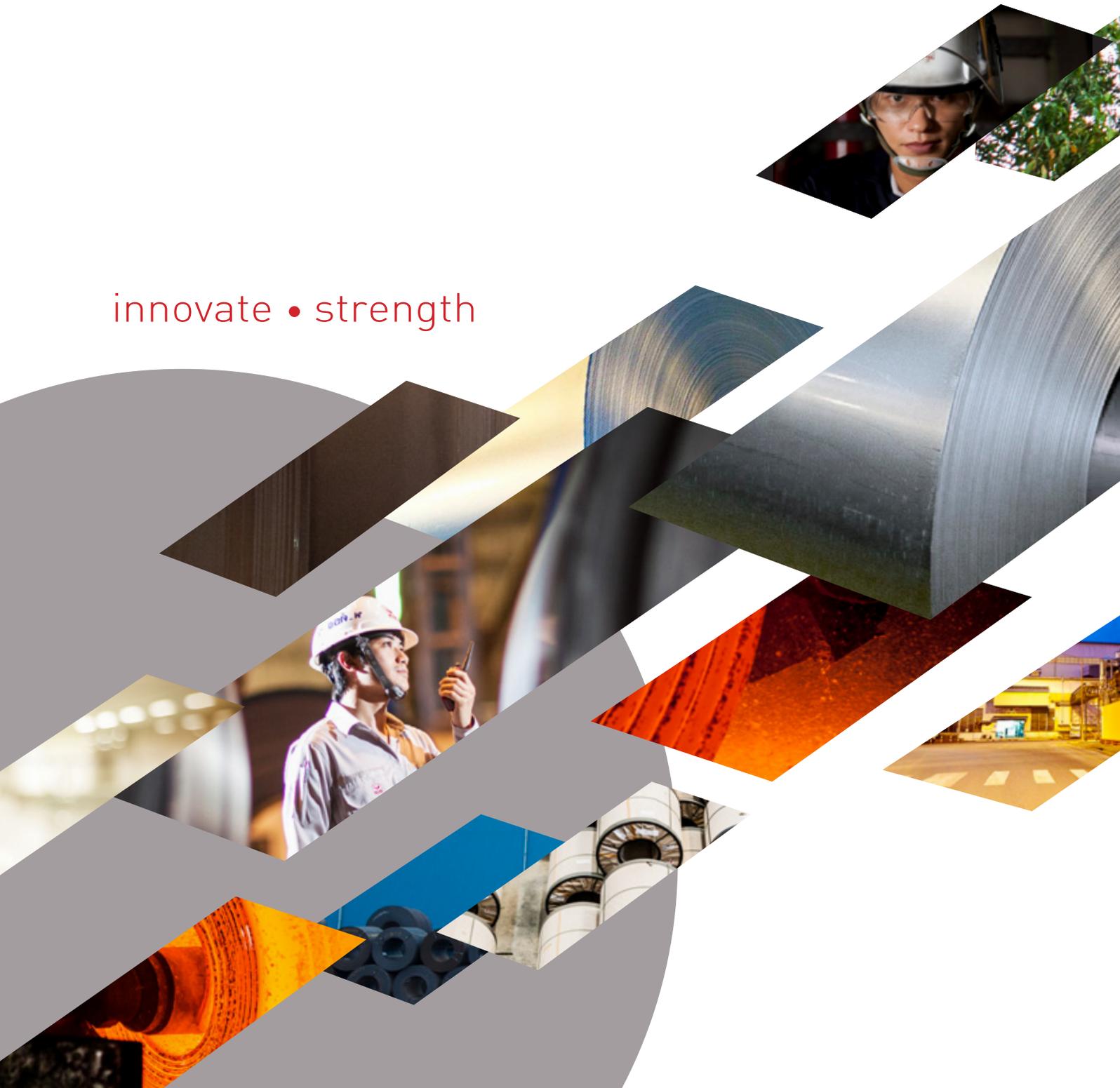




Annual Report 2016

Sahaviriya Steel Industries Public Company Limited

innovate • strength



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Vision

Leading Innovative
and Reliable Steel Company

Mission

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

Values

integrity

Fighting spirit

aim for
excellence

can change

teamwork

service-mind

i F a c t s

We do
what we say

Never give up

Anything is
possible

Be the leader
of change

One for all,
all for one

Deliver more than
expected

Performance Highlights

Financial Highlights		2016	2015 (Restated)	2014
Sales and Service Revenues	Million Baht	19,824	20,173	33,092
Total Revenue	Million Baht	20,305	20,495	33,344
Cost of Sales and Services	Million Baht	15,195	19,389	30,835
Gross Profit (Loss)	Million Baht	4,629	784	2,256
Profit (Loss) Attributable to Owners of the Company	Million Baht	(2,869)	(40,959)	(4,903)
Total Assets	Million Baht	24,228	23,351	71,656
Total Liabilities	Million Baht	67,667	63,991	70,695
Total Equity	Million Baht	(43,439)	(40,640)	960
Equity Attributable to Owners of the Company	Million Baht	(44,089)	(41,271)	244
Net Profit (Loss) Margin	%	(14.47)	(203.04)	(14.82)
Return on Equity	%	N.A.	N.A.	(97.69)
Return on Asset	%	(12.06)	(86.22)	(6.27)
Interest Bearing Debt to Equity Ratio	Times	N.A.	N.A.	9.61
Earning (Loss) per Share	Baht	(0.09)	(1.27)	(0.15)
Book Value per Share	Baht	(1.37)	(1.28)	0.01

2014 figures were reclassified for the purpose of comparison.

Key Data of "SSI" Share

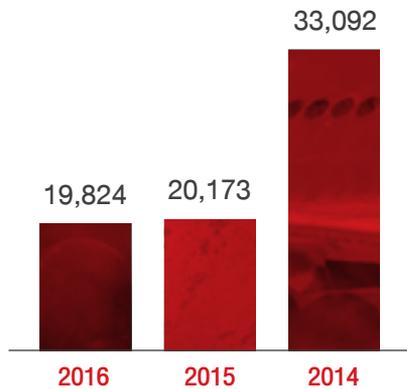
Key Data of "SSI" Share		2016	2015	2014
Closing Price ¹⁾	Baht	0.05	0.04	0.29
High Price	Baht	0.05	0.31	0.44
Low Price	Baht	0.03	0.03	0.27
Average Price	Baht	0.04	0.11	0.35
Number of Listed Shares	Million Shares	32,166	32,166	32,166
Par Value	Baht	1.00	1.00	1.00
Average Daily Trading Volume	Million Shares	19	81	57
Average Daily Trading Value	Million Baht	1	9	20
Market Capitalisation ¹⁾	Million Baht	1,608	1,287	9,328
Foreign Limit	%	49.00	49.00	49.00
Foreign Ownership ²⁾	%	27.26	27.61	30.41
Free Float ²⁾	%	72.74	50.38	44.68
P/E Ratio ¹⁾	Times	N.A.	N.A.	N.A.
Dividend per Share	Baht	-	-	-
Dividend Yield	%	-	-	-

¹⁾ As at 26 April 2016, the last trading date of "SSI" in 2016

²⁾ As at the last business day in December or the latest closing date of the share register book, as the case may be

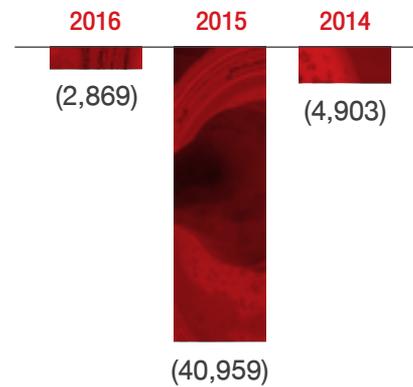
Sales and Service Revenues

Unit: Million Baht

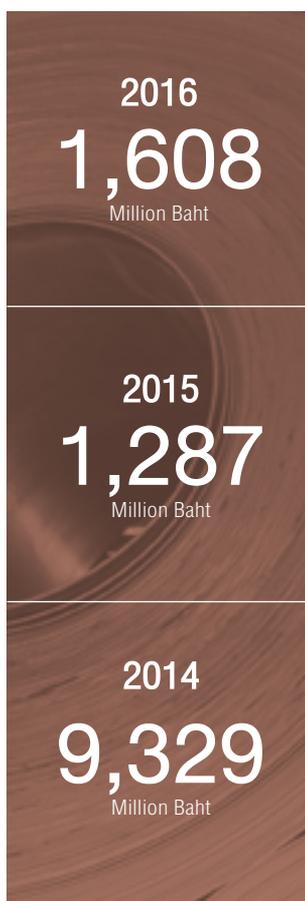


Net Profit (Loss)

Unit: Million Baht

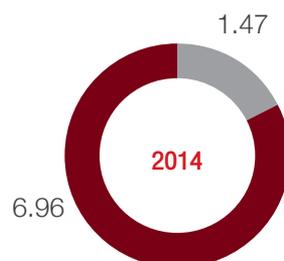
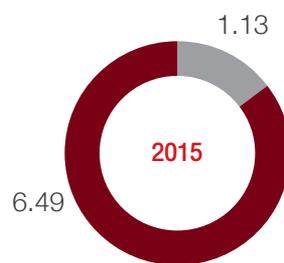
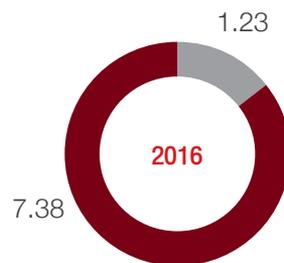


Market Capitalisation



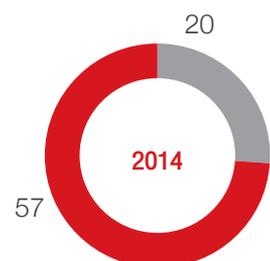
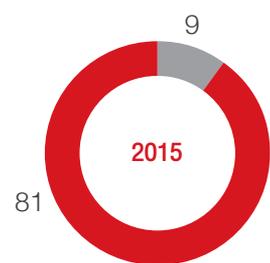
SSI's HRC Sales Volume and Thailand HRC Consumption

- SSI's HRC Sales Volume (Million Tons)
- Thailand HRC Consumption (Million Tons)



Average Trading Volume and Average Daily Trading

- Average Trading Volume (Million Shares)
- Average Daily Trading (Million Baht)



Message from the Chairman of the Board of Directors



Dear Shareholders

On 1 October 2015 Sahaviriya Steel Industries Public Company Limited (the “Company”) submitted a petition for Business Rehabilitation to the Central Bankruptcy Court (the “Court”). This petition resulted from the significant operating losses incurred by Upstream Business unit in the United Kingdom, previously operated by Sahaviriya Steel Industries UK Limited (“SSI UK”) which is a subsidiary of the Company. Such operating losses resulted in the liquidation of SSI UK, causing the major lenders to demand the immediate repayment of the outstanding balance of loans to SSI UK totaling the USD 790 million or approximately Baht 28,000 million, furthermore the lenders enforced the Company’s responsibility for this obligation as guarantor of the loans to SSI UK. Additionally, the major lenders also demanded the immediate repayment of a separate loan to the Company itself with a total outstanding of Baht 23,000 million.

After the Court issued an order for Business Rehabilitation and appointed the Company as a Plan Preparer (the “Plan Preparer”), the Company had prepared and submitted the Business Rehabilitation Plan (the “Plan”) to the Official Receiver, within the provided time. Thereafter, the Creditors’ meeting passed a resolution to accept the Plan and the Court issued an order to approve such Plan, which also determined the Company as the Plan Administrator. This plan preparation process was conducted successfully and duly completed within the expected timeframe.

The chronology of the significant events related to the Business Rehabilitation in 2016 are summarised as follows:

- | | |
|-------------------|---|
| 10 March 2016 | The Court issued an order to approve the Company’s Business Rehabilitation and appointed the Company as a Plan Preparer. |
| 27 April 2016 | SET posted SP sign (Suspension) to prohibit trading of the Company’s securities starting from 27 April 2016 until its financial status and operations are resolved in accordance with SET requirements. |
| 15 September 2016 | The Official Receiver held a creditors’ meeting and the meeting passed a resolution to accept the Rehabilitation Plan with 91.90% of voting rights, as well as appointing 3 creditors, namely, Siam Commercial Bank Public Company Limited, Krungthai Bank Public Company Limited and TISCO Bank Public Company Limited, as a committee of creditors. |
| 15 December 2016 | The Court issued an order to approve the Company’s Business Rehabilitation Plan which determined the Company as the Plan Administrator. |

Despite being under the process of the Plan approval by the Court and facing financial constraints, the Company’s Board of Directors serving as the Board of Directors of the Plan Preparer efficiently supervised the Company’s operations so that it could realise profit from normal operation of the core business. The consolidated financial statements for fiscal year 2016 posted total sales and service revenues of Baht 19,824 million, which was comparable to the previous year at Baht 20,173 million. Increases in HRC spread together with cost reduction measures, while maintaining the Company’s business potential and capabilities, saw the Company recorded a gross profit of Baht 4,629 million, up 491% from Baht 784 million in the previous year. In this period the Company had an EBITDA Baht 2,143 million, an increase of 1,442% compared to Baht 139 million in the previous year (excluded loss from the discontinued operation of the Upstream Business Unit).

The Company's improved business performance with sufficient working capital for production and sales of goods and services resulted from the great support of key stakeholders, including customers and business partners who retained their confidence in the Company's capabilities, as well as in the collaboration of employees, innovation, cost reduction initiatives, business reorganisation measures, new product developments and acquisition of new markets. All of which have positive impacts to the financial liquidity, operating performance and financial position of the Company and will consequently help the Company to achieve the success of the Plan sooner than scheduled.

The Company remains committed to social and community developments on a sustainable basis to strengthen its stakeholders on three basic principles: innovation, stakeholder engagement and operational efficiency. In year 2016, the Company had launched 42 social and community related projects through two kinds of development. Firstly, a social opportunity development was promoted to strengthen underprivileged people in the society. Secondly, a community development comprised of four main dimensions: education, environment, occupation and income earning, and quality of life. Moreover, there were also additional supports from the Company for religious and local cultural activities. (Details as shown in CSR Report 2016.)

Furthermore, the Company's Board of Directors has performed its tasks with full effect overseeing the Company on the principle of good governance. As a result, in 2016, the Company was certified by Thailand's Private Sector Collective Action Coalition Against Corruption Project (CAC) and became a member of CAC, as well as receiving several awards including the "Thailand Outstanding Role Model Company Award for Safety, Occupational Health and Working Environment 2016" (the 5th consecutive year), the "Honorable National Outstanding Industrial Establishment Award in Labour Welfare/Relations Category in 10-consecutive year class" (2006 - 2016), the "EIA Monitoring Awards 2016", and the "Outstanding Employment Support for Persons with Disabilities Award 2016".

Nevertheless, after the Court issued an order to approve the Company's Business Rehabilitation Plan, the Company has commenced undertaking in accordance with the Plan including creditor classification, capital restructuring, and debt repayment so that it will achieve the success of the Plan which stipulates that at least 25% of the outstanding principals to be repaid to all creditors, as well as new investment to be obtained or debt to equity conversion to be made in order that the shareholders' equity becomes positive.

The Company would like to additionally inform that within the Business Rehabilitation ordered by the Court, the statutory rights of shareholders have temporarily been suspended until the Company exits from the Business Rehabilitation. Nonetheless, during such rehabilitation period, the Creditor Committee will oversee the Company's implementation to be in accordance with the Plan while the Company, as the Plan Administrator, will perform its best effort to have the Plan achieved and exit from the Business Rehabilitation status as early as possible. Shareholders can follow the progress on the Company's Business Rehabilitation and periodical operating results, online publication of the Annual Report and CSR Report, as well as updated information of the Company reports publicly announced through SET's channel, or the Company's website at <http://www.ssi-steel.com>. Additionally, shareholders could reach the Company's Investor Relations via phone no. 0-2238-3063-82, or E-mail: ir@ssi-steel.com.

On behalf of the Chairman of the Board of Directors, I would like to thank the shareholders, investors, customers, suppliers, business partners, financial institutions, concerned government agencies, as well as the Company's management and employees for their kind supports on the Company's business throughout the year. Moreover, I would like to thank those who involved in the Business Rehabilitation process and contributed their efforts in the preparation of the Plan which supports the Company's ongoing business with sufficient working capital. The Company, currently as the Plan Administrator, will implement the Plan carefully with intention to achieve the success of the Plan as early as possible.



Mr. Wit Viriyaprapakit

Chairman of the Board of Directors

Business's 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 largest fully-integrated flat steel producer in Southeast Asia. The SSI Bangsaphan Steelworks is a mid-stream steel manufacturer plant, with a capacity of 4.0 million tons per year for HRC and 1.0 million tons per year for HRC pickled and oiled. The Company’s main strategy is “Innovate Premium Value Products” 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 into its wholly-owned subsidiary, 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 2016, SSI Group employed 2,381 employees. SSI Group has continued its policy to recruit locally. The ratio of local employee at the end of 2016 was 77.73% of the total 2,088 employees at Bangsaphan Steelworks of SSI Group.



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

Steel Business

HRC 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.

Port 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 commercialised 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.

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, and petrochemicals.



Significant Changes and Development in 2016

22 January 2016

The Company was certified by Thailand's Private Sector Collective Action Coalition Against Corruption Project (CAC) and became a member of CAC.

26 February 2016

Department of Foreign Trade (DFT) announced the result of a review regarding the extension of safeguard measure on hot-rolled flat steel with other elements added in coils and not in coils, by extending the measure for 3 years from 27 February 2016 to 26 February 2019.

10 March 2016

The Central Bankruptcy Court issued an order for the Company's Business Rehabilitation and appointed the Company as a Plan Preparer which is published in the Royal Gazette on 26 April 2016. The Plan Preparer is responsible for preparing the Business Rehabilitation Plan and submitting it to the Official Receiver within 3 months from the date of the advertisement.

27 April 2016

SET posted SP (Suspension) sign to prohibit the trading of SSI's securities from 27 April 2016 until its financial status and operations are solved in accordance with SET requirements.

9 June 2016

The Company received Green Meetings and Green Meetings Plus Certificate, launched by Thailand Business Council for Sustainable Development (TBCSD) and Thailand Environment Institute to encourage worthy natural resources consumption, reducing environmental impacts and Company's expenses. SSI has passed the Green Meeting evaluation and announced to its employees to practically apply the green meetings throughout the organisation. Moreover, the implementation was introduced to Thai Cold Rolled Steel Sheet Public Company Limited (TCRSS), a Company in SSI Group, who also received Green Meetings Certificate. The event was held at Centara Grand, Central Plaza Ladprao Hotel, Bangkok.

30 June 2016

The Company received Thailand Outstanding Role Model Company Award for Safety, Occupational Health and Working Environment 2016 (the 5th consecutive year). In addition, Thai Cold Rolled Steel Sheet Public Company Limited and Prachuap Port Company Limited, the Companies in SSI Group, also received the award for the 10th and 6th consecutive year, respectively. The event was held at Bangkok International Trade & Exhibition Centre.

4 July 2016

Department of Foreign Trade (DFT) announced the extension of the Anti-dumping measure on hot-rolled flat steel in coils and not in coils, whose origins are from China and Malaysia, for 1 year from 12 August 2016.



17 August 2016

The Company received the Honorable National Outstanding Industrial Establishment Award in Labour Welfare/Relations Category in 10 consecutive year type (2006 - 2016) from the Minister of Labour. The handover ceremony was held at IMPACT Arena, Exhibition and Convention Center.

15 September 2016

The Official Receiver held a creditors' meeting and the meeting passed a special resolution to accept the rehabilitation plan and the revised plan as well as appointed 3 creditors including Siam Commercial Bank Public Company Limited, Krungthai Bank Public Company Limited and TISCO Bank Public Company Limited to be a committee of creditors.

15 November 2016

Department of Foreign Trade (DFT) announced the provisional measure of the Anti-dumping measure on hot-rolled flat steel in coils and not in coils, whose origins are from Brazil, Iran and Turkey, for 4 months from 16 November 2016.

15 December 2016

The Court issued an order to approve the Company's Business Rehabilitation Plan which determined Sahaviriya Steel Industries Public Company Limited as the Plan Administrator (the "Plan Administrator").

23 December 2016

The Company filed a petition to the Court for an amendment of Memorandum of Association to decrease the unissued ordinary share, as stipulated in the Plan. The Court appointed the date to review the petition before issuing an order on 22 February 2017.

22 February 2017

The Court granted permission to amend the Memorandum of Association to decrease the unissued ordinary share, as stipulated in the Plan.

28 February 2017

The Board of Directors' meeting, No. 3/2017, of Sahaviriya Steel Industries Public Company Limited, as the Plan Administrator, passed the resolution approving criteria and procedures of the Capital Decrease by means of share reduction in accordance with the Plan as well as approving the date to record the names of the shareholders subject to the Capital Decrease by means of share reduction (Record Date) to be on 16 March 2017, and the date to list the names of the shareholders in compliance with Section 225 of the Securities and Exchange Act B.E. 2535 (1992) (including any amendment thereto) (Closing Date) to be on 17 March 2017.

1 March 2017

The Company registered the Capital Decrease for the registered but unissued ordinary shares of 18,097,401,000 shares with the registrar of Public Limited Company, Department of Business Development, Ministry of Commerce. As a result, the registered and paid-up capital of the Company is Baht 32,166,262,124, divided into 32,166,262,124 ordinary shares with the par value of Baht 1 per share. Thereafter, the Company will proceed the Capital Decrease by means of share reduction as stipulated in the Plan.

SSI Group Structure

35.19%

Hot Rolled Coil Business



Sahaviriya Steel Industries
Public Company Limited

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



Core business

Downstream Business



Thai Cold Rolled Steel Sheet
Public Company Limited

- Manufacturer of cold-rolled steel sheet



Increase revenues
and enhance sustainable growth

3.7%

51%

99.99%

Port Business

Engineering Business



Thai Coated Steel Sheet Company Limited

- Manufacturer of electro-galvanised steel sheet



Increase revenues and enhance sustainable growth



Prachuap Port Company Limited

- Provider of deep sea port

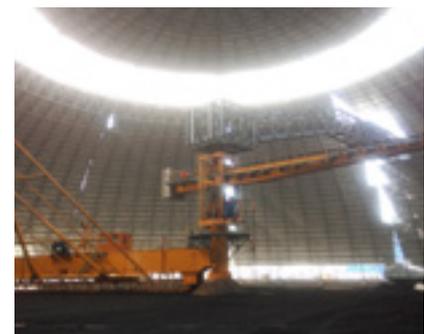


Reduce costs and increase revenues



West Coast Engineering Company Limited

- Provider of engineering and maintenance services



Reduce costs and increase revenues

Relationship with Major Shareholder's Group of Business



The Company and its subsidiaries are part of a business group of Sahaviriya Group, a 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 relationship with its major shareholder's group of businesses as a business partner. Generally, the Company wholesales its products to both domestic and overseas customers. Domestic customers are both the Company's related parties and non-related parties consisting of end-users and traders and coil centers. The Company has no policy to directly do business with retailers or hold shares in the business of its traders and coil centers due to the associated credit risk. One of the common strategies for the business is to separate manufacturer from distributor. As such, there are related companies under Sahaviriya Group which have been established as distributors of HRC and other steel products before the Company's establishment as a manufacturer. The Company has become a major

supplier for those related companies with similar sales portion compared with non-related customers.

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 transfer pricing policies in the notes to the financial statements.

Business Description



Product Description

Hot rolled steel sheet in coil, which is a raw material for 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.

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 1,550 mm and thickness between 1.0 and 20.0 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 0.9 mm to 20.0 mm with

continuous improvement and reduced cost. SSI was one of a few mills which could produce commercial hot-rolled steel sheet in coil at 0.9 mm in thickness in 2008 and achieved production at 0.8 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 1.2 and 6.5 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 Product to the market with specific characteristic as follows:

1. High Grade Products, for use of high quality hot-rolled coil for re-rolling mill, automotive parts and electric appliances.

2. Unique Products, oligopoly products or specific products of SSI such as thin gauge hot-rolled coil product or checkered plate.

3. Innovated Value Products which can increase customer's profit in various ways, to be used in production or as a finished good.

Marketing and Competition

A 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 maximises 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 favourable.

Target Customers

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

Types of Customer, Pricing Policies and Distribution Channels

SSI clients are divided into 5 groups as follows:

1. Domestic Market A1 includes cold-rolled steel manufacturers and manufacturers of gas cylinders whom the Company directly sells to. There are 4 cold-rolled steel manufacturers in Thailand whose cold-rolled steels are used as raw materials for the coated steel industry. This customer group requires an emphasis on surface quality, on-time delivery and price stability. Sales/purchase agreements are on a quarterly/monthly basis in US dollar and/or Thai Baht depending on the agreement.

2. Domestic Market A2 includes hot-rolled steel sheet pickled and oiled coils and the high grade hot-rolled steel market. End users are automotive and parts makers, electric appliance producers, as well as furniture and container manufacturers. Steel processing is provided by the coil centre. Sales and purchasing agreements are completed through trading firms, with an importance being placed on the quality of the steel product, particularly its mechanical properties and the steel surface. Price stability and on-time delivery are also required by this group of customers which leads to sales/purchase agreements mostly made on a quarterly basis in Thai Baht.

3. Domestic Market A3 includes hot-rolled coils with value-added from innovation market, such as goods shelves and scaffolding manufacturers. This group focuses on mechanical properties as well as quick delivery as customers require hot-rolled steel sheet for fabrication following the requirements of end customers. The Company sets a selling price on a monthly basis in Thai Baht and distributed through trading firms.

4. Domestic Market B includes steel pipe makers and general users. This group of customers is price sensitive. SSI is therefore required to compete with importing companies. Sales takes place on a spot basis by direct users, trading firms and coil centres.

5. Export Market includes cold-rolled steel manufacturers and general users requiring thin gauge coils thickness less than 2.0 mm. Sales takes place on a spot basis and depend on the global market situation. The Company offers prices for spot transactions in US dollar and Euro currency and normally sets up the pricing for exports not less than the domestic market price with most sales being made through foreign trading companies.

Sales Ratio of Hot-Rolled Steel Products by Market (%)

Year	A1	A2	A3	B	Export	Total
2014	7.6	12.4	-	79.6	0.4	100
2015	9.4	33.3	1.9	55.4	-	100
2016	8.3	19.2	32.1	40.3	-	100

SSI plans to increase the proportion of premium value products (PVPs) continuously. The PVPs sales volume in 2016 was 469,160 tons, an increase of 15% compared with 2015 resulting from an increase in total HRC Sales Volume due to economic recovery, higher steel demand, as well as the improvement of financial situation and raw material inventory of the Company to support orders which helps better understanding and trust from customers to make an order. Nonetheless, steel imports remain at high level. The proportion of PVPs to total HRC Sales Volume was approximately 41%.

The Proportion of Premium Value Products to Total Sales Volume (%)

Product Type	2014	2015	2016
Premium Value Products	34	38	41
Commercial Products	66	62	59

Hot-rolled Steel Industry in Thailand

Historically, hot-rolled steel had to be imported from abroad until SSI opened the first hot strip mill in Thailand in 1994. Currently, there are 5 hot-rolled steel manufacturers in Thailand as follows:

Hot-rolled Steel Manufacturers in Thailand

Hot-rolled Steel Manufacturers	Maximum Capacity (Tons/year)	Production Began	Product
1. Sahaviriya Steel Industries Plc.	4,000,000	February 1994	Hot-rolled Steel Coil
2. G Steel Plc.	1,800,000	End of 1999	Hot-rolled Steel Coil
3. G J Steel Plc.	1,500,000	4 th Quarter 1997	Hot-rolled Steel Coil
4. Sahaviriya Plate Mill Plc.	1,000,000	1996	Hot-rolled Steel Plate
5. LPN Plate Mill Plc.	500,000	1996	Hot-rolled Steel Plate

According to Thailand Apparent HR Sheet Consumption Statistics provided by the Iron and Steel Institute of Thailand (ISIT), in 2016 SSI had 15% of the approximate hot-rolled steel demand market share, decreasing from 16% in 2015. Imports had 63% market share, increasing from 62% in a year earlier. The other 4 domestic manufacturers had 22% in total, unchanged from the previous year. If focusing on the hot-rolled steel coil market, SSI's share was 17%, unchanged from the previous year. Imports market share was 63%, an increase from 62% in a year earlier. The other 2 domestic manufacturers had a combined market share of 21%, unchanged from the previous year.

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.

Sources and Suppliers

The Company imports all of slabs from abroad. Slab manufacturing countries are located in every part of the world such as China, CIS, South Korea, Japan, South America countries, European countries, and Australia. In 2016, the Company purchased Slabs from 6 manufacturers in 6 countries including Japan, Indonesia, Brazil, Taiwan, Germany, and South Korea. SSI purchases quarterly on the spot market through third party distributors without obligation to any specific company. The Company will notify the suppliers in advance of the demand for raw materials annually or quarterly. The agreement is based on the price in each period. The advance notice requirement enables the Company to reduce the risk of raw material shortage.

Revenue Structure

Product / Business Unit	Operated by	Share-holding by SSI (%)	2016		2015 ²⁾ (Restated)		2014	
			Revenue (Million Baht)	%	Revenue (Million Baht)	%	Revenue (Million Baht)	%
HRC Business	Sahaviriya Steel Industries Plc.	-	19,454 ¹⁾	94.48	19,612 ¹⁾	94.15	32,382 ¹⁾³⁾	97.11
Engineering Business	West Coast Engineering Co., Ltd.	99.99	346	1.68	601	2.89	567	1.70
Port Business	Prachuap Port Co., Ltd.	51.00	282	1.37	244	1.17	144	0.43
Other Revenues	Sahaviriya Steel Industries Plc.		501	2.43	363	1.74	246	0.74
	Prachuap Port Co., Ltd.		3	0.01	7	0.04	3	0.01
	West Coast Engineering Co., Ltd.		6	0.03	4	0.02	2	0.01
			20,592	100.00	20,831	100.00	33,344	100.00

¹⁾ Including sales to Thai Cold Rolled Steel Sheet Plc. amounting to Baht 723 million, Baht 70 million, and Baht 1,485 million in 2016, 2015, and 2014 respectively.

²⁾ Revenues in 2015 were restated.

³⁾ Revenues in 2014 included SSI UK.



Steel Industry and Market Overview

World Steel Industry in 2016

World Steel Association (“WSA”) reported an estimated figure of Crude Steel Production in 2016 at 1,602 million tons, increased 0.73% from 2015. China maintained its position as the production leader, accounting for 50% of total crude steel production with 808 million tons of crude steel, an increase of 1.2% from 2015. Although Chinese government had launched a policy to solve problem of steel oversupply by reducing production capacity, only 47% of total production was in effect in Q1 and Q2 while the china’s crude steel output in Q3 and Q4 rebounded from the global steel price recovery.

An annual decrease of 0.2% in Global Apparent Steel Use in 2016 was due to the slowdown of the global investment which caused the unrecovered of steel consumption. However, economic growth in emerging markets and ASEAN countries especially Vietnam was a factor that boost up steel demand in 2016.

In term of steel prices in 2016, prices of most steel categories had increased. In Q4/2016, steel prices could reach the highest level of the year, two times higher than those of Q4/2015. Hot Rolled Coil prices (FOB China) had continuously climbed up from the range of 270 - 360 USD/MT in Q1/2016 to the range of 325 - 475 USD/MT, 340 - 473 USD/MT and 340 - 560 USD/MT in Q2/2016, Q3/2016 and Q4/2016 respectively. Likewise, slab prices (CFR East Asia Import) had continuously increased from the range of 230 - 325 USD/MT in Q1/2016 to the range of 320 - 430 USD/MT, 330 - 399 USD/MT and 368 - 500 USD/MT in Q2/2016, Q3/2016 and Q4/2016 respectively. The main factor was an increase in prices of raw material for steel making process including coking coal and iron ore. Iron ore price (CFR China) increased from the range of 40 - 64 USD/MT in Q1/2016 to the range of 48 - 70 USD/MT, 55.2 - 61.8 USD/MT and 55.86 - 83.58 USD/MT in Q2/2016, Q3/2016 and Q4/2016 respectively.



Thailand Steel Industry in 2016

Thailand steel industry in 2016 reported Total Apparent Steel Supply of 19.3 million tons, increased 15.3% from 2015 (Source: Iron and steel Institute of Thailand, ISIT). Considering steel consumption by products, the most risen steel consumption was long steel product, risen by 24% YoY while flat steel consumption was reported risen by 10.3% YoY.

In 2016, domestic steel production was approximately 7.9 million tons, increased by 24% YoY, following the growth of Thailand Apparent Steel Supply which has mainly result from construction activities, especially steel consumption in government projects. In addition, demand for special steel grades in the automotive sector had grown due to expansion of production facilities and export markets. (Source: Kasikorn Research Center)

Prevailing Trade Remedy Measures against imported hot-rolled flat steel sheet and cold-rolled flat steel sheet in Thailand are as follows:

Products	Country of Origin	Measures	Duty Rate	Status ¹⁾	Effective Period
HR	China, Malaysia	Anti-dumping	23.57% - 42.51%	Extended measure not over 1 year during Sunset investigation	12 Aug 2016 - 22 Jun 2017 (Investigation announcement on 23 Jun 2016 and investigation period within 1 year)
HR (with Boron added)	China	Anti-dumping	14.28% - 19.47%	Final	26 Dec 2012 - 25 Dec 2017
HR	Japan, South Africa, Russia, Kazakhstan, India, South Korea, Taiwan, Venezuela, Argentina, Ukraine, Algeria, Indonesia, Slovakia, Romania	Anti-dumping	0% - 128.11%	Final	22 May 2015 - 21 May 2020
HR	Brazil, Iran, Turkey	Anti-dumping	7.09% - 38.52%	Provisional Measure	16 Nov 2016 - 15 Mar 2017
HR (Pickling and Oiled)	South Korea	Anti-dumping	22.11%	Initiation	4 Feb 2016
HR (with other elements added)	All (UN developing countries excluded, except Turkey)	Safeguard	41.67% 40.42% 39.21%	Final	27 Feb 2016 - 26 Feb 2017 27 Feb 2017 - 26 Feb 2018 27 Feb 2018 - 26 Feb 2019
HR (without other elements added; thickness 0.9 - 50 mm and width 600 - 3,048 mm)	All (UN developing countries excluded, except Brazil)	Safeguard	21.92% 21.52% 21.13%	Final	24 Dec 2014 - 6 Jun 2015 7 Jun 2015 - 6 Jun 2016 7 Jun 2016 - 6 Jun 2017 (DFT announced the Notification of initiation in the Royal Gazette dated on 3 Oct 2016)
CRC	China, Vietnam, Taiwan	Anti-dumping	4.22% - 20.11%	Final	6 Feb 2014 - 5 Feb 2019

¹⁾ According to Thai regulations, the two stages of AD and Safeguard are Provisional and Final Measure. Provisional Measure may be imposed if there is clear evidence and a preliminary determination that increased imports have caused or are threatening to cause serious injury. After making the Final Determination that dumped imports are causing injury for AD or imports are causing serious injury for SG, the Final measures will be applied.

Report of the Audit Committee for 2016



The Board of Directors' meeting No. 7/2014 held on 19 June 2014 reappointed the Audit Committee whose term expired for another three year term, from 30 June 2014 to 29 June 2017.

In 2016, the Committee held 5 meetings and its members' attendance were as follows:

Audit Committee Members		Number of Meetings Attended / Number of Meetings
1. Mr. Somchai Sakulsurarat	Chairperson of the Audit Committee	5/5
2. Mr. Permpoon Krairiksh	Audit Committee Member	3/5
3. Mr. Yamsak Manomaiphiboon	Audit Committee Member	5/5

The Committee performed the following duties:

1. Reviewed the Company's 2016 interim financial statement together with its interim consolidated financial statements rendered by the Finance and Accounting Division. Reviewed the annual financial statements as well as its consolidated financial statements with the external auditors and the management, and submitted them to the Board of Directors for approval before disclosure to The Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). Acknowledged the auditor's report on the Company's financial statement for the year ended

31 December 2016, the auditor did not express an opinion on the financial statements due to 1) Material uncertainty concerning going concern basis of accounting and success of rehabilitation plan; 2) Material uncertainty concerning the balance of long-term loans from financial institution, trade payable, other payable to related party, other current liabilities and other noncurrent liabilities, which is dependent on the final judgment from the Official Receiver or the outcome of the appeal; and 3) Limitation of audit scope on comparative information. Since SSI UK entered the liquidation process, the financial statements of SSI UK have not been included in the consolidated financial statements of the SSI Group which therefore has the possible effect on the comparability of the current year's consolidated financial performance and the corresponding figures.

2. Approved Group Internal Audit's the 3 years strategic plan, the manpower plan, the annual audit plan as well as acknowledged the internal audit reports regarding internal control.

3. Reviewed the adequacy of the 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 in Thailand.

4. 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 for the first quarter of 2016, and quarterly monitored progress in litigations involving the Company.

5. Acknowledged reports from the auditors that there were no issues to be presented to the Audit Committee according to section 89/25 of the Securities and Exchange Act.

6. Reviewed the quarterly Major Risk Management Report prepared by the Risk Management Committee as well as acknowledged the annual anti-corruption risk assessment.

7. Reviewed the annual Risk Management System and its guidelines provided by the Risk Management Committee.

8. Considered and made recommendation to the management for the selection of external auditor to be proposed as auditors of the Company for the fiscal year 2017.

9. Ensured the transactions between the Company and its related companies complying with the Securities and Exchange laws and laws concerning the Company's businesses and followed up on accounts receivable/accounts payable report of the related companies.

10. Acknowledged reports from the Company Secretary to ensure compliance of conflicts of interest transactions as specified in the Company's policies and procedures, as requested by the SEC.

11. Considered the delegation of responsibility to the senior management, for managing and monitoring of overdue debt collection from related companies.

12. Reviewed the Company's Audit Committee charter (4th edition).

13. Carried out the Audit Committee's self-assessment for 2016 and submitted it to the Board of Directors.

14. Reviewed the information disclosed to the SET and the SEC in the 2016 Company annual report (Form 56-2) and the annual information disclosure form ended 31 December 2016 (Form 56-1).

15. Reported the Audit Committee's activities for the year 2016 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 2016 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 SET and 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. Somchai Sakulsurarat

Chairperson of the Audit Committee

27 February 2017

Report of the Risk Management Committee for 2016

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.

The Committee who serves a term of three years from 4 December 2013 to 3 December 2016. Members of the Committee are now listed as follows:

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

The Board meeting, on 17 November 2016, had resolution reappointing the Committee whose terms would expire on the 3 December 2016, to serve a term of three years from 4 December 2016 to 3 December 2019. Members of the Committee are now listed as follows:

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

2. 2.1 The Committee is in charge of the responsibility of 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. 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 2016, the Committee reviewed and provided recommendation to management in the quarterly Risk Management Committee meeting and assessed 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.

2.2 In 2016, the Committee oversee financial risks of West Coast Engineering Co., Ltd. ("WCE") and significant risk of Prachuap Port Co., Ltd ("PPC"), the Company's subsidiaries, which the impact of those risks might have effect to the Company's performance.

2.3 Besides the risks related to normal business of the Company, in 2016 when the Company entering to Business Rehabilitation process, the Committee also paid attention to the risks related to the rehabilitation by considering the risks at each stage of the rehabilitation, impact to the SSI stock in the Stock Exchange of Thailand, the limitation of Automatic Stay provision and the Company's measures, as well as provided advice for the Company to implement in order to achieve the success of the rehabilitation set a forth.



Dr. Tongchat Hongladaromp

Chairman of the Risk Management Committee

10 February 2017

Risk Factors



In 2016, 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, and 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. Though, under the Business Rehabilitation, the Company as the Plan Preparer and later the Plan Administrator, can carry out its main business as normal, the Company is aware of the risks and risk factors that may affect its business. Regarding this, Risk Management Committee (RMC) helps the Board of Directors to oversee risk management tasks by monitoring and evaluating key risks while Audit Committee (AC) reviews the adequacy of risk management system. Throughout 2016, 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 2016 can be summarized as follows:

1. Market Risk

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

Fluctuation of prices, steel product demand and Metal Spread is a risk that may affect the Company’s performance and causes the Company’s inability to achieve its objectives. The fluctuation is a result of direct and indirect changes in economic, social, and competition factors, as well as other changes occurring domestically and overseas. The Company summarized major risk factors that related to product prices, sales quantity, and metal spread as follows:

- 1) Demand side: domestic and overseas economic factors, consumer goods market condition, private and public investment policies have significantly impacted to product demand causing the Company's incapability to deliver the shipment volume and price as planned.
- 2) Supply side: domestic sales volume from imported products and domestic competitors may affect the Company's sales volume. In addition, the government's trade policy may affect the volume of dumping imported hot roll coils from overseas.
- 3) Other factors which affect price and Metal Spread: volume and price of raw material, foreign exchange rate, interest, transportation cost, etc.
- 3) Closely monitor domestic and overseas markets in order to analyze and consider product sales to well respond to the order and import of slabs from foreign countries as well as for searching more raw material sources in order to obtain raw materials with high quality, low cost, adequate quantity and short delivery time.
- 4) Ensure that the production plan meets the sales plan and shorten delivery time of finished products.
- 5) Closely monitor on dumping situation of imported products in order to take proper and timely actions.
- 6) Emphasized on the Innovated Premium Value Products for particular applications such as construction, vehicle manufacture, etc.

In response to the fluctuation of prices, steel demand, and Metal Spread of the Company as mentioned above, the Company implemented measures to mitigate the risks as the followings:

- 1) Carefully manage raw material procurement concerning the raw material price that will make the Company satisfied with the required spread between the selling price and the raw material price given an expected sales volume. In a normal course of business, it is necessary for the Company to maintain inventories of raw materials and finished goods in an appropriate quantity to enhance sales and production to run efficiently as well as reduce price volatility and carrying cost especially an interest expense. In 2016, the Company has been able to maintain low average price of raw material inventory and in proportion that can produce a variety of products.
- 2) Focus on premium value products with value added and lower price fluctuation. The Company emphasized on selling products that satisfy needs of each customer to reduce risk in price and competitiveness.

2. Financial Risk

- **Liquidity Risk**

In 2016, the Company's key liquidity risk factors came from sales volume and volatility of product price as well as overdue trade receivable but they had no significant impact to the liquidity of the Company during the year. In addition, during the Company has entered the Business Rehabilitation and subject to limitation, called Automatic Stay, pursuant, to Section 90/12(9) of the Bankruptcy Act which prohibits the Company to dispose of, distribute, transfer, let, pay debt, create debt or do any act which creates encumbrances over its asset except where such act is essential so that the debtor may carry on its business as normal, the Company, accordingly, can control its liquidity as set.

After the Court has approved the Plan on 15 December 2016, the debt repayment will be in accordance with the Plan. The Company continues to manage and prioritize on sales and product innovation for premium value, rigorously conducts cost reduction in production and reduces other expenses, and carry out capital restructuring and debt repayment under the Plan in order to achieve the success as stipulated in the Plan.

- **Exchange Rate Risk**

As all of the main raw materials for production (Slab), are imported from overseas, therefore the Company has outstanding foreign currency expenses while its revenues are from domestic sales dominated in Thai Baht. The Company, then, exposes to foreign exchange rate risk as a result of fluctuation in foreign currency exchange and may have impact to the Company's 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.

In 2016, the entering to the Business Rehabilitation and being under the limitation of Automatic Stay, the Company was suspended the credit line for forward contract which is a tool used to mitigate the foreign exchange rate risk. However, the Company has opened a Foreign Currency Deposit (FCD) account to help reduce the risk of exchange rate fluctuations during the suspension of the forward contract. After the Court issued an order approving the Plan on 15 December 2016, the Company may be able to reacquire the credit limit on foreign currency forward contracts and, as a result, the risk of fluctuations in foreign currency exchange rates will be reduced.

- **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.

3. 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, 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, and unusable machinery due to obsolete part. These may affect hot-rolled coil production or may lead to 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, and 7. Increase productivity of pickling and oiling process project 8. Total Productive Maintenance (TPM) project and 9. Zero Accident project.

- **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 also 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.

Throughout the year, the Company had practiced emergency plan in all area total of 18 times to ensure readiness of personnel to control the incident in case of fire.

- **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 14001:2004 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.

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

Since submitting a petition for Business Rehabilitation to the Court on 1 October 2015, the Company has currently been in the process of Business Rehabilitation under the Bankruptcy Act, ordered by the Court. The Business Rehabilitation, at any stage, may be objected by creditors or denied by the Court. If occurs, it may lead to a delayed or unsuccessful rehabilitation. Moreover, 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. During 2016, the progress of the Business Rehabilitation is as follows:

- On 10 March 2016, the Court issued an order for Business Rehabilitation and appointed the Company as the **Plan Preparer**.
- On 14 July 2016, the Company submitted the Plan to the Official Receiver.
- On 15 September 2016, the Official Receiver held a creditors' meeting and the meeting passed a special resolution to accept the rehabilitation plan and the revised plan as well as appointed 3 creditors including Siam Commercial Bank Public Company Limited, Krungthai Bank Public Company Limited and TISCO Bank Public Company Limited to be a committee of creditors.
- On 15 December 2016, the Court issued an order to approve the Company's Business Rehabilitation Plan which determined Sahaviriya Steel Industries Public Company Limited as the Plan Administrator (the "**Plan Administrator**").

In 2016, the Company has established a working group for Business Rehabilitation and debt restructuring, which works closely with Weerawong Chinnavat and Peangpanor Ltd., Baker Tilly Corporate Advisory Services (Thailand) Limited and National Advisory Company Limited (the Company's legal counsel, cash monitoring agency and financial advisors accordingly), who help assist the Company for entering the rehabilitation process, preparing the Rehabilitation Plan and offering the Plan to the creditor's meeting for approval before seeking for Court approval, as well as implementing the Plan to achieve the success as stipulated in the Plan.

5. Risk from Investment in SSI Securities

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. For SSI securities, The Stock Exchange of Thailand has posted SP, NP, and NC signs on SSI securities to suspend trading of SSI from 27 April 2016 until its financial status and operations are solved in accordance with SET requirements as a result of the Company's financial statements for the year ended 31 December 2015, audited by an independent auditor, showed negative shareholders' equity. The Company is then subject to possible delisting unless the Company is able to solve its financial status and operations within time provided, in compliance with SET regulations. The closing price on 26 April 2016, the last trading date of SSI securities, was Baht 0.05 per share.

The Company had prepared and submitted the Plan to the Court and the Court issued an order to approve the Plan on 15 December 2016 and appointed the Company as the Plan Administrator. As the Plan Administrator, the Company will implement the Plan and report progress of the implementation on the Plan to the Stock Exchange of Thailand regularly.

General Information and Other Key Information

Name	: Sahaviriya Steel Industries Public Company Limited
Abbreviation	: SSI
Company Registration No.	: 0107537000688
Website	: 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 Rumphueng, Bangsaphan, Prachuap Khiri Khan 77140 Tel. 0-3269-1403-5, 0-3269-1412-5, 0-3269-1419-20 Fax 0-3269-1416, 0-3269-1421

Type and Number of Shares (As of 31 December 2016)

Registered Capital	50,263,663,124	Baht
Ordinary Shares	50,263,663,124	Shares
Par Value	1	Baht per share
Paid-up Capital	32,166,262,124	Baht
Ordinary Shares	32,166,262,124	Shares
Par Value	1	Baht per share

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 2016

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 1 st Floor, Prapawit Building, 28/1 Surasak Road, Silom, Bangrak, Bangkok 10500 Tel. 0-2237-6746-9 Fax 0-2630-0516	Engineering Business	75,000,000	10	7,500,000	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 0-2236-7046, 0-2236-7057	Port 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	CRC Business	4,816,350,000	4.50	1,070,300,000	35.19

Name and Location of other References

Share Registrar

Ordinary Shares : Thailand Securities Depository Co., Ltd.
93 Ratchadapisek Road, Din Daeng, Bangkok 10400
Tel. 0-2009-9000
Fax 0-2009-9991
TSD Call Center 0-2009-9999

Auditors : Ms. Orawan Chunhakitpaisan C.P.A. Registration No. 6105
Mr. Charoen Phosamritlert C.P.A. Registration No. 4068
Mr. Sakda Kaothanthong C.P.A. Registration No. 4628
KPMG Phoomchai Audit Limited
Empire Tower, 50th - 51st Floors,
95 South Sathorn Road, Bangkok 10120
Tel. 0-2677-2000
Fax 0-2677-2222

Corporate Secretary : Mr. Surasak Ngamsidhipongsa
Assistant Vice President - Corporate Secretariat Office
Tel. 0-2238-3063-82
Fax 0-2236-8892
Email surasakn@ssi-steel.com

Major Shareholders

List of Major Shareholders

Listed are the names and shareholdings of the ten largest shareholders (pursuant to article 258, voted the same way) as of 30 March 2015, the latest closing date of the shareholder register book for the rights to attend the 26th Annual General Meeting of Shareholders.

Names	As of 30 March 2015	
	Number of Shares	Percentage of Shareholding
1. SAHAVIRIYA GROUP	9,539,171,399	29.66
2. VANOMET HOLDING AG	6,341,157,453	19.71
3. MARUBENI-ITOCU STEEL INC.	1,133,908,088	3.53
4. JFE STEEL CORPORATION	1,133,908,088	3.53
5. MR. KOMOL JUNGRUNGRUENKIT	864,125,900	2.69
6. MR. PRATEEP TUNGMATITHAM	768,788,680	2.39
7. THE BANK OF NEW YORK (NOMINEES) LIMITED A/C 5100	761,624,600	2.37
8. THAI NVDR COMPANY LIMITED	291,144,908	0.91
9. MR. CHIT SRIWANNAWIT	270,617,400	0.84
10. MR. VICHIT RATANASIRIVILAI	250,514,140	0.78
THAI SHAREHOLDERS	22,382,994,926	shares
FOREIGN SHAREHOLDERS	9,783,263,198	shares

Note:

Sahaviriya Group consisting of:

	Percentage of Shareholding
1. Sahaviriya Group Corporation Limited	18.62%
is an investment holding company whose major shareholders are:	
(1) Mr. Win Viriyaprapaikit, who owns 47.15% of all shares	
(2) Mrs. Theerarat Kunattanonda, who owns 30.91% of all shares	
(3) Mr. Piya Viriyaprapaikit, who owns 20.95% of all shares	
(4) Others 0.99% of all shares	
2. Sahaviriya Inter Steel Holdings Company Limited	9.23%
(formerly named SSV ASSET Company Limited)	
is an investment holding company whose major shareholders are:	
(1) Sahaviriya Group Corporation Limited, who owns 97.89% of shares	
(2) KP Capital Company Limited, who owns 1.93% of shares	
(3) Others 0.18% of shares	
3. Mrs. Sirikul Viriyaprapaikit Bendi	1.12%
4. Ms. Kanokvatee Viriyaprapaikit	0.44%
5. Mrs. Krisna Viriyaprapaikit	0.16%
6. Mrs. Theerarat Kunatthanonda	0.08%
7. Mrs. Prapa Viriyaprapaikit	100 shares
8. Mr. Wit Viriyaprapaikit	100 shares
Total shareholding in SSI	<u>29.66%</u>

Foreign Limit

The Company's foreign shareholding was limited at 49% of the paid-up capital. As of 30 December 2016, the Company's foreign shareholding was 27.26% of the paid-up capital.

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.

On 19 April 2016, the Board of Directors' meeting No. 2/2016 of Sahaviriya Steel Industries Public Company Limited as the Plan Preparer by the Central Bankruptcy Court's order on 10 March 2016, as the red case No. For.8/2559, had resolution that no dividend payment shall be made for the operating results of the year 2015, as the Company had retained deficit as at 31 December 2015. Therefore, the Company was unable to allocate dividend payment to shareholders.

The Board of Directors



1. Mr. Wit Viriyaprapaikit

Chairman of the Board of Directors
Age 81 years

Appointment Date:

21 January 1994

Family Relationship with Other Directors:

Father of Mr. Win Viriyaprapaikit

% of Shareholding:

0.00000031% (100 shares)

Education and Training:

Honorary B.A., Rajamangala Institute of Technology

Work Experience in the Last 5 Years and/or Important Positions:

- 2008 - 2012 • Chairman of the Board of Directors,
Thai Cold Rolled Steel Sheet
Public Company Limited
- 1995 - 2010 • Director,
Bangpakong Lighter Company Limited
- Director,
Bangpakong Port Company Limited
- 1994 - 2010 • Chairman of the Board of Directors,
Bangsaphan Barmill
Public Company Limited
- 1990 - 2010 • Director,
Thai Coated Steel Sheet Company Limited
- Director, Prachuap Port Company Limited
- 1990 - 2003 • Director and Chairman of the Board
of Executive Directors,
Thai Cold Rolled Steel Sheet
Public Company Limited
- 1982 - 2000 • Director, SVOA Public Company Limited
- 1982 - 1998 • Director,
Bank of Ayudhya Public Company Limited

Current Position in Other Organisation:**In listed companies:**

- None -

In non-listed companies:

- Director, Sahaviriya Group Corporation Limited
- Director, Sahaviriya Inter Steel Holdings Company Limited
- Director, Sahaviriya Steel Corporation Limited

In other organisation that may cause any conflict of interest to the Company:

- Director, Sahaviriya Plate Mill Public Company Limited
- Director, B.S. Metal Company Limited
- Director, Prapawit Building Property Company Limited
- Director, Sahaviriya Panich Corporation Limited
- Director, Western Housing Company Limited

Meeting Attendance in Year 2016:

1. The Board of Directors Meeting	4/4 times
2. The Board of Directors Meeting as the Plan Preparer	12/12 times
3. The Board of Directors Meeting as the Plan Administrator	1/1 time

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
- None -
2. Being sentenced for an Absolute Receivership
- Yes -
3. Being sentenced to be Bankrupt
- None -

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.
- None -
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.
- None -

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.

- None -

2. Mr. Somchai Sakulsurarat

Deputy Chairman of the Board of Directors,
Independent Director
and Chairman of the Audit Committee
Age 68 years

Appointment Date:

26 February 2010

Family Relationship with Other Directors:

- None -

% of Shareholding:

- None -

Education and Training:

- M.B.A., Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Bachelor of Economics (English Program), Thammasat University
- The Joint State-Private Sectors Regular Course, National Defense College
- Certificate of Financial and Banking, Associateship Diploma of the Institute of Bankers, London
- Advance Certificate Course in Public Administration and Law for Executives, King Prajadhipok's Institute
- Director Certification Program (DCP 80/2006), Thai Institute of Directors Association

Work Experience in the Last 5 Years and/or Important Positions:

Former:

- Director, Lenso Corporation Public Company Limited
- Director and Chairman of Audit Committee, Globlex Holding Management Public Company Limited
- Chairman of the Board of Directors, Thai Agro Exchange Company Limited
- Advisor of Deputy Minister of Finance (Mr. Pradit Phattharaprasit)
- The Senate, the National Legislative Assembly of Thailand
- Chief Executive Officer, Thai Military Bank Public Company Limited
- Chief Executive Officer, Bangkok Metropolitan Bank Public Company Limited
- President, Bank of Ayudhya Public Company Limited

Current Position in Other Organisation:

In listed companies:

- Chairman of the Board of Directors and Chairman of the Nomination and Remuneration Committee, Chumporn Palm Oil Industry Public Company Limited
- Chairman of the Board of Directors, S. Khonkaen Food Public Company Limited

In non-listed companies:

- Chairman of the Board of Directors, Prachuap Port Company Limited
- Director, West Coast Engineering Company Limited
- Chairman of the Board of Directors, SCJ & Associates Company Limited

In other organisation that may cause any conflict of interest to the Company:

- None -

Meeting Attendance in Year 2016:

1. The Board of Directors Meeting	4/4 times
2. The Board of Directors Meeting as the Plan Preparer	12/12 times
3. The Board of Directors Meeting as the Plan Preparer	1/1 time
4. The Independent Directors Meeting	4/4 times
5. The Audit Committee Meeting	5/5 times

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
- None -
2. Being sentenced for an Absolute Receivership
- None -
3. Being sentenced to be Bankrupt
- None -

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.
- None -
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.
- None -
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.
- None -

Additional Information on Holding Independent Directors Status:

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

3. Mr. Tongchat Hongladaromp

Director, Independent Director
and Chairman of the Risk Management
Committee
Age 78 years

Appointment Date:

1 March 1994

Family Relationship with Other Directors:

- None -

% of Shareholding:

- None -

Education and Training:

- 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
- Director Accreditation Program (DAP 36/2005), Thai Institute of Directors Association
- Finance for Non-Finance Director 24/2005 (FND 24/2005), Thai Institute of Directors Association

Work Experience in the Last 5 Years and/or Important Positions:

- 2005 - 2012 • Director, Asian Institute of Technology
- 2004 - 2010 • Independent Director, Bangkok Polyethylene Public Company Limited
- 2006 - 2008 • Director, PTT Exploration and Production Public Company Limited
- 2003 - 2008 • Director, PTT Chemical Public Company Limited
- 1997 - 2008 • Chairman of the Board of Directors, TMB Asset Management Company Limited
- 2001 - 2003 • President, Thai Petrochemical Industry Public Company Limited
- 1996 - 2001 • President, Thai Telephone & Telecommunication Public Company Limited

- 1987 - 1991 • President, PTT Exploration and Production Public Company Limited
- 1979 - 1987 • Governor, Petroleum Authority of Thailand
- 1976 - 1979 • Governor, Expressway and Rapid Transit Authority of Thailand

Current Position in Other Organisation:

In listed companies:

- Chairman of the Board of Directors, Samart Corporation Public Company Limited

In non-listed companies:

- Director, West Coast Engineering Company Limited
- Chairman of the Board of Directors, Linde (Thailand) Public Company Limited
- Chairman of the Board of Directors, C.T. Land Company Limited
- Chairman of the Board of Directors, Chuchawal-Royal Haskoning Company Limited
- Director, Thai Light Block & Panel Company Limited
- President of the University Council, King Mongkut's University of Technology Thonburi

In other organisation that may cause any conflict of interest to the Company:

- None -

Meeting Attendance in Year 2016:

- | | |
|---|------------|
| 1. The Board of Directors Meeting | 3/4 times |
| 2. The Board of Directors Meeting as the Plan Administrator | 7/12 times |
| 3. The Board of Directors Meeting as the Plan Administrator | 1/1 time |
| 4. The Independent Directors Meeting | 3/4 times |
| 5. The Risk Management Committee Meeting | 4/4 times |

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
 - None -
2. Being sentenced for an Absolute Receivership
 - None -
3. Being sentenced to be Bankrupt
 - None -

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.
 - None -
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.
 - None -
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.
 - None -

Additional Information on Holding Independent Directors Status:

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

4. Mr. Siripol Yodmuangcharoen

Director, Independent Director,
and Chairman of the Nomination
and Remuneration Committee
Age 68 years

Appointment Date:

30 April 2010

Family Relationship with Other Directors:

- None -

% of Shareholding:

- None -

Education and Training:

- D.B.A., University of South Australia, Australia
- M.B.A., Thammasat University
- B.A. Economics, Thammasat University
- 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

Work Experience in the Last 5 Years and/or Important Positions:

- 2012 - 2013
- Director, CAT Telecom Public Company Limited
 - Director, Thailand Institute of Scientific and Technological Research
- 2011 - 2013
- Director and Chairman of the Board of Executive Directors/
Chairman of the Audit Committee,
Thai Credit Guarantee Corporation (TCG)
- 2010 - 2011
- Director and Chairman of
the Risk Management Committee,
Government Housing Bank
- 2009 - 2010
- Director,
Siam City Bank Public Company Limited

- 2007 - 2009
- Commission Member, Securities and Exchange Commission
 - Director, Office of Insurance Commission
 - Commission Members, The Office of the Agricultural Futures Trading Commission
 - Permanent Secretary, Ministry of Commerce
- 2003 - 2009
- Chairman of the Executive Board, The Office of the Agricultural Futures Trading Commission
- 2005 - 2008
- Director, Government Savings Bank
- 2001 - 2007
- Director General Department of Internal Trade, Ministry of Commerce

Current Position in Other Organisation:

In listed companies:

- Independent Director, Thai President Foods Public Company Limited
- Director and Chairman of the Risk Management Committee, Siam Food Products Public Company Limited

In non-listed companies:

- Vice Chairman of the Board of Directors, Plantheon Company Limited
- Chairman of the Board of Executive Directors, The Gem and Jewelry Institute of Thailand (Public Organization)
- Public Sector Development Commission OPDC, Office of the Public Sector Development Commission

In other organisation that may cause any conflict of interest to the Company:

- None -

Meeting Attendance in Year 2016:

1. The Board of Directors Meeting	1/4 times
2. The Board of Directors Meeting as the Plan Preparer	3/12 times
3. The Board of Directors Meeting as the Plan Administrator	0/1 time
4. The Independent Directors Meeting	2/4 times
5. The Nomination and Remuneration Committee Meeting	3/3 times

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
- None -
2. Being sentenced for an Absolute Receivership
- None -
3. Being sentenced to be Bankrupt
- None -

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.
- None -
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.
- None -
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.
- None -

Additional Information on Holding Independent Directors Status:

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

5. Mr. Permpoon Krairiksh

Director, Independent Director,
Audit Committee Member
and Risk Management Committee Member
Age 65 years

Appointment Date:

8 December 1999

Family Relationship with Other Directors:

- None -

% of Shareholding:

- None -

Education and Training:

- B.A., Boston University, U.S.A.
- The Joint State-Private Sectors Regular Course, National Defense College
- 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 The Chairman Program (RCP 37/2015), Thai Institute of Directors Association

Work Experience in the Last 5 Years and/or Important Positions:

- 1999 - 2011 • Executive Vice President, Division Head, Retail Credit and Business Support Division, The Siam Commercial Bank Public Company Limited
- 2007 - 2009 • Chairman of the Board of Directors, SCB Asset Management Company Limited

Current Position in Other Organisation:

In listed companies:

- None -

In non-listed companies:

- Director, Boon Rawd Brewery Company Limited

- Independent Director and Audit Committee Member, Chubb Samaggi Insurance Public Company Limited
- Independent Director and Chairman of the Risk Management Committee, The Cambodian Commercial Bank

In other organisation that may cause any conflict of interest to the Company:

- None -

Meeting Attendance in Year 2016:

1. The Board of Directors Meeting	4/4 times
2. The Board of Directors Meeting as the Plan Preparer	8/12 times
3. The Board of Directors Meeting as the Plan Administrator	1/1 time
4. The Independent Directors Meeting	4/4 times
5. The Audit Committee Meeting	3/5 times
6. The Risk Management Committee Meeting	4/4 times

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
- None -
2. Being sentenced for an Absolute Receivership
- None -
3. Being sentenced to be Bankrupt
- None -

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.
- None -
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.
- None -
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.
- None -

Additional Information on Holding Independent Directors**Status:**

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

6. Mr. Pichai Eursirisub

Director, Independent Director
and Good Corporate Governance
Committee Member
Age 58 years

Appointment Date:

1 March 2013

Family Relationship with Other Directors:

- None -

% of Shareholding:

0.1978% (63,640,600 Shares)

Education and Training:

- Commerce, Bangkok Business College

Work Experience in the Last 5 Years and/or Important Positions:

- None -

Current Position in Other Organisation:**In listed companies:**

- None -

In non-listed companies:

- Business Owner and President,
Kim Heng Seng Steel Company Limited

- Director, SV Nittan Company Limited
- Director, Amarin Steel Company Limited

In other organisation that may cause any conflict of interest to the Company:

- None -

Meeting Attendance in Year 2016:

1. The Board of Directors Meeting	4/4 times
2. The Board of Directors Meeting as the Plan Preparer	12/12 times
3. The Board of Directors Meeting as the Plan Administrator	1/1 times
4. The Independent Directors Meeting	2/4 times
5. The Good Corporate Governance Committee Meeting	3/3 times

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
 - None -
2. Being sentenced for an Absolute Receivership
 - None -
3. Being sentenced to be Bankrupt
 - None -

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.
 - None -
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.
 - None -
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.
 - None -

Additional Information on Holding Independent Directors Status:

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

7. Mr. Yarnsak Manomaiphiboon

Director, Independent Director,
Audit Committee Member
and Good Corporate Governance
Committee Member

Age 53 years

Appointment Date:

27 February 2012

Family Relationship with Other Directors:

- None -

% of Shareholding:

- None -

Education and Training:

- M.B.A., Indiana University, Bloomington, U.S.A.
- Bachelor Degree in Engineering (2nd Class Hons.), Chulalongkorn University
- Director Certification Program (DCP 60/2005), Thai Institute of Directors Association
- Director Accreditation Program (DAP 23/2004), Thai Institute of Directors Association
- Capital Market Academy Leadership Program (CMA 5), Capital Market Academy
- Public Director Certification Program (PDI 3), Public Director Institute

Work Experience in the Last 5 Years and/or Important Positions:

- | | |
|-------------|---|
| 2014 - 2016 | <ul style="list-style-type: none"> • Chairman of the Board of Directors, Thai Credit Guarantee Corporation (TCG) • Director, The Krungthep Thanakom Company Limited |
| 2011 | <ul style="list-style-type: none"> • Independent Director, Audit Committee Member and Risk Management Committee Member, Krung Thai Bank Public Company Limited • Chairman of the Board of Directors, KTB Leasing Company Limited |
| 2010 - 2011 | <ul style="list-style-type: none"> • Director, Federation of Thai Capital Market Organizations |
| 2009 - 2011 | <ul style="list-style-type: none"> • Director and Chairman of the Audit Committee, MCOT Public Company Limited • Chairman of the Risk Management Committee and Executive Director, Bualuang Securities Public Company Limited • Director, The Thai Bond Market Association |
| 2008 | <ul style="list-style-type: none"> • Director, Settrade Dot Com Company Limited |
| 2007 - 2011 | <ul style="list-style-type: none"> • Executive Director, Association of Thai Securities Companies |
| 2007 - 2008 | <ul style="list-style-type: none"> • IT Steering Committee, The Stock Exchange of Thailand |
| 2005 - 2009 | <ul style="list-style-type: none"> • President and Executive Director, Bualuang Securities Public Company Limited |

Current Position in Other Organisation:

In listed companies:

- Independent Director and Chairman of Audit Committee, Principle Capital Public Company Limited

In non-listed companies:

- President, Association of Thai Securities Companies
- Advisor, Federation of Thai Capital Market Organizations

In other organisation that may cause any conflict of interest to the Company:

- None -

Meeting Attendance in Year 2016:

1. The Board of Directors Meeting	3/4 times
2. The Board of Directors Meeting as the Plan Preparer	8/12 times
3. The Board of Directors Meeting as the Plan Administrator	1/1 time
4. The Independent Directors Meeting	3/4 times
5. The Audit Committee Meeting	5/5 times
6. The Good Corporate Governance Committee Meeting	3/3 times

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
- None -
2. Being sentenced for an Absolute Receivership
- None -
3. Being sentenced to be Bankrupt
- None -

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.
- None -
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.
- None -
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.
- None -

Additional Information on Holding Independent Directors Status:

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

8. Mr. Somchai Pipitvijitkorn

Director, Risk Management Committee Member and Nomination and Remuneration Committee Member
Age 77 years

Appointment Date:

29 April 2003

Family Relationship with Other Directors:

- None -

% of Shareholding:

- None -

Education and Training:

- M.B.A., Michigan State University, U.S.A.
- Bachelor's Degree (Second Honors), Faculty of Accounting, Chulalongkorn University
- Seminar on Directors' Compensation of Thai Companies 2004 held on 22 February 2005

Work Experience in the Last 5 Years and/or Important Positions:

- | | |
|-------------|---|
| 2010 - 2014 | • Chairman of the Board of Directors, Bangsaphan Barmill Public Company Limited |
| 2004 - 2014 | • Director, Bangsaphan Barmill Public Company Limited |
| 2009 - 2012 | • Director, Thai Cold Rolled Steel Sheet Public Company Limited |
| 1990 - 1999 | • Director, Sahaviriya Steel Industries Public Company Limited |
| | • Director, Thai Cold Rolled Steel Sheet Public Company Limited |

- 1986 - 1998 • Director,
Siam City Cement Public Company Limited
- 1984 - 1999 • Director,
Bank of Ayudhya Public Company Limited
- 1983 - 1999 • Director, Ayudhya Life Assurance
Public Company Limited

Current Position in Other Organisation:

In listed companies:

- Director, MK Restaurant Group Public Company Limited

In non-listed companies:

- None -

In other organisation that may cause any conflict of interest to the Company:

- Director, Sahaviriya Plate Mill Public Company Limited

Meeting Attendance in Year 2016:

1. The Board of Directors Meeting	3/4 times
2. The Board of Directors Meeting as the Plan Preparer	4/12 times
3. The Board of Directors Meeting as the Plan Administrator	1/1 times
4. The Risk Management Committee Meeting	4/4 times
5. The Nomination and Remuneration Committee Meeting	2/3 times

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
- None -
2. Being sentenced for an Absolute Receivership
- None -
3. Being sentenced to be Bankrupt
- None -

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.
- None -

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.
- None -

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.
- None -

9. Mr. Kamol Juntima

Director and Chairman of
the Good Corporate Governance
Committee Member
Age 78 years

Appointment Date:

28 April 1998

Family Relationship with Other Directors:

- None -

% of Shareholding:

0.0040% (1,284,000 shares)

Education and Training:

- 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
- 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 and/or Important Positions:

- 2008 - 2013 • Chairman of Ethics Committee, Federation of Accounting Professions
- 2003 - 2013 • Directors and Chairman of the Audit Committee, Electronic Industry Public Company Limited
- 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
- 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
- 1993 - 1998 • Deputy Permanent Secretary for Finance, Ministry of Finance

Current Position in Other Organisation:

In listed companies:

- Chairman of the Board of Directors, IT CITY Public Company Limited

In non-listed companies:

- Chairman of the Board of Directors, West Coast Engineering Company Limited
- Director, Prachuap Port Company Limited
- Chairman of the Board of Directors, TRIS Rating Company Limited

In other organisations that may cause any conflict of interest to the Company:

- None -

Meeting Attendance in Year 2016:

- | | |
|---|-------------|
| 1. The Board of Directors Meeting | 4/4 times |
| 2. The Board of Directors Meeting as the Plan Preparer | 12/12 times |
| 3. The Board of Directors Meeting as the Plan Administrator | 1/1 times |
| 4. The Good Corporate Governance Committee Meeting | 3/3 times |

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
- None -
2. Being sentenced for an Absolute Receivership
- None -
3. Being sentenced to be Bankrupt
- None -

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.
- None -
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.
- None -
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.
- None -

10. Mr. Win Viriyaprapaikit

Director, Group Chief Executive Officer,
Group Executive Officer and President
Age 46 years

Appointment Date:

30 June 1999

Family Relationship with Other Directors:

Son of Mr. Wit Viriyaprapaikit

% of Shareholding:

- None -

Education and Training:

- M.B.A., Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Bachelor's degree in Industrial Engineering, Keio University, Tokyo, Japan

- 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 and/or Important Positions:

- 2010 - 2015 • Director and President, Sahaviriya Steel Industries UK Limited
- 2008 - 2014 • Director and Management Committee Member, Thai Cold Rolled Steel Sheet Public Company Limited
- 2012 - 2013 • Chairman of the Board of Directors and Chairman of the Management Committee, Thai Cold Rolled Steel Sheet Public Company Limited
- 1996 - 2012 • Director, Thai Coated Steel Sheet Company Limited
- 1999 - 2003 • Director, Thai Cold Rolled Steel Sheet Public Company Limited

Current Position in Other Organisation:

In listed companies:

- Director, Bangsaphan Barmill Public Company Limited

In non-listed companies:

- Director and Chairman of the Board of Executive Directors, West Coast Engineering Company Limited
- Director and Chairman of the Board of Executive Directors, Prachuap Port Company Limited
- Director, Sahaviriya Group Corporation Limited
- Director, Sahaviriya Inter Steel Holdings Company Limited
- Director, Sahaviriya Steel Corporation Limited

In other organisation that may cause any conflict of interest to the Company:

- Director, Sahaviriya Management Company Limited
- Chairman of the Board of Directors, Thai Steel Sales Company Limited
- Director, Prapawit Building Property Company Limited

Meeting Attendance in Year 2016:

- | | |
|---|-------------|
| 1. The Board of Directors Meeting | 4/4 times |
| 2. The Board of Directors Meeting as the Plan Preparer | 12/12 times |
| 3. The Board of Directors Meeting as the Plan Administrator | 1/1 time |

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
- None -
2. Being sentenced for an Absolute Receivership
- None -
3. Being sentenced to be Bankrupt
- None -

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.
- None -
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.
- None -
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.
- None -

11. Mr. Nava Chantanasurakon

Director, the Nomination and Remuneration Committee Member, Group Executive Officer and Vice President, Group Public Affairs Division and Commercial Division
Age 51 years

Appointment Date:

18 June 2015

Family Relationship with Other Directors:

- None -

% of Shareholding:

- None -

Education and Training:

- 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
- Director 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

Work Experience in the Last 5 Years and/or Important Positions:

- 2014 - 2015 • Chairman of the Board of Directors,
Thai Cold Rolled Steel Sheet
Public Company Limited
- 2012 - 2015 • Chairman of the Management Committee,
Thai Cold Rolled Steel Sheet
Public Company Limited
- 2012 - 2014 • President, Thai Cold Rolled Steel Sheet
Public Company Limited
- 2003 - 2007 • Director, Corporate Affairs Division,
Pikul-thong Lum-sum Group of Companies
- 1991 - 2003 • Deputy General Manager,
Human Resources Department,
Toyota Motor Thailand Company Limited

Current Position in Other Organisation:**In listed companies:**

- None -

In non-listed companies:

- Director and Management Committee Member,
Thai Cold Rolled Steel Sheet Public Company Limited
- Director and Executive Director,
Thai Coated Steel Sheet Company Limited

In other organisation that may cause any conflict of interest
to the Company:

- None -

Meeting Attendance in Year 2016:

1. The Board of Directors Meeting	4/4 times
2. The Board of Directors Meeting as the Plan Preparer	9/12 times
3. The Board of Directors Meeting as the Plan Administrator	1/1 time
4. The Nomination and Remuneration Committee Meeting	2/3 times

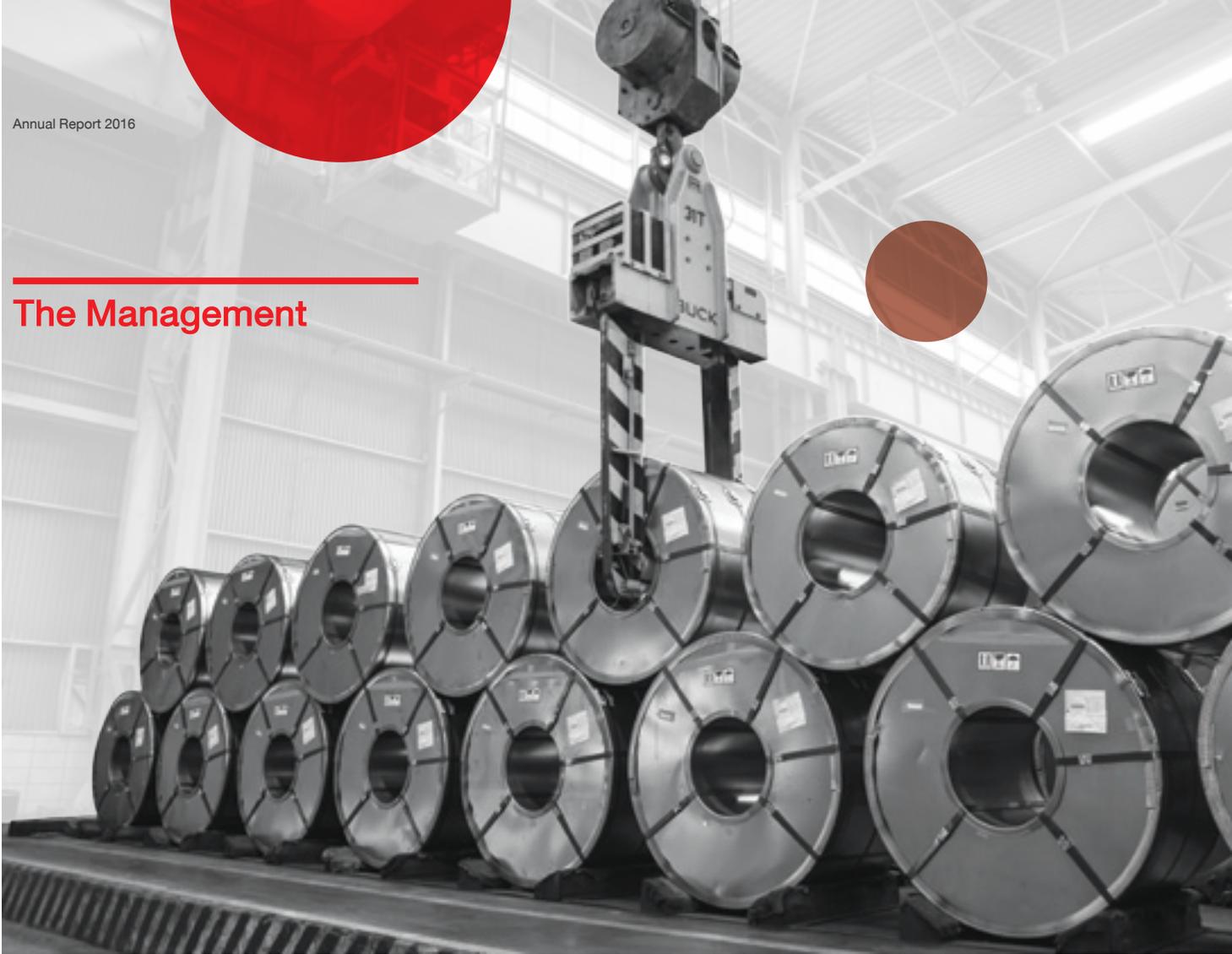
Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
- None -
2. Being sentenced for an Absolute Receivership
- None -
3. Being sentenced to be Bankrupt
- None -

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.
- None -
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.
- None -
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.
- None -

The Management



1. Mr. Win Viriyaprapaikit

Group Chief Executive Officer

Appointment Date: 1 September 2011

Group Executive Officer

Appointment Date: 17 November 2015

President

Appointment Date: 1 January 2004

Age 46 years

Family Relationship with Other Directors:

Son of Mr. Wit Viriyaprapaikit

% of Shareholding:

- None -

Education and Training:

- M.B.A., Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Bachelor's Degree in Industrial Engineering, Keio University, Tokyo, Japan
- Director 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 and/or Important Positions:

- 2010 - 2015 • Director and President,
Sahaviriya Steel Industries UK Limited
- 2008 - 2014 • Director and Management Committee
Member, Thai Cold Rolled Steel Sheet
Public Company Limited
- 2012 - 2013 • Chairman of the Board of Directors
and Chairman of the Management
Committee, Thai Cold Rolled Steel Sheet
Public Company Limited
- 1996 - 2012 • Director, Thai Coated Steel Sheet
Company Limited
- 1999 - 2003 • Director, Thai Cold Rolled Steel Sheet
Public Company Limited

Current Position in Other Organisation:**In listed companies:**

- Director, Bangsaphan Barmill Public Company Limited

In non-listed companies:

- Director and Chairman of the Board of Executive Directors, West Coast Engineering Company Limited
- Director and Chairman of the Board of Executive Directors, Prachuap Port Company Limited
- Director, Sahaviriya Group Corporation Limited
- Director, Sahaviriya Inter Steel Holdings Company Limited
- Director, Sahaviriya Steel Corporation Limited

In other organisations that may cause any conflict of interest to the Company:

- Director, Sahaviriya Management Company Limited
- Chairman of the Board of Directors,
Thai Steel Sales Company Limited
- Director, Prapawit Building Property Company Limited

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
- None -
2. Being sentenced for an Absolute Receivership
- None -
3. Being sentenced to be Bankrupt
- None -

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.
- None -
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.
- None -
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.
- None -

2. Mr. Nava Chantanasurakon**Group Executive Officer**

Appointment Date: 17 November 2015

**Vice President, Commercial Division
and Group Public Affairs Division**

Appointment Date: 17 April 2015

Age 51 years

Family Relationship with Other Directors:

- None -

% of Shareholding:

- None -

Education and Training:

- 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
- Director 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

Work Experience in the Last 5 Years and/or Important Positions:

- 2014 - 2015 • Chairman of the Board of Directors,
Thai Cold Rolled Steel Sheet
Public Company Limited
- 2012 - 2015 • Chairman of the Management Committee,
Thai Cold Rolled Steel Sheet
Public Company Limited
- 2012 - 2014 • President, Thai Cold Rolled Steel Sheet
Public Company Limited
- 2003 - 2007 • Director, Corporate Affairs Division,
Pikul-thong Lum-sum Group of Companies
- 1991 - 2003 • Deputy General Manager,
Human Resources Department,
Toyota Motor Thailand Company Limited

Current Position in Other Organisation:

In listed companies:

- None -

In non-listed companies:

- Director and Management Committee Member,
Thai Cold Rolled Steel Sheet Public Company Limited
- Director and Executive Director,
Thai Coated Steel Sheet Company Limited

In other organisations that may cause any conflict of interest to the Company:

- None -

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
- None -
2. Being sentenced for an Absolute Receivership
- None -
3. Being sentenced to be Bankrupt
- None -

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.
- None -
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.
- None -
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.
- None -

3. Mr. Kittisak Mapanao

Group Executive Officer

Appointment Date: 17 November 2015

Chief Technology Officer

Appointment Date: 1 June 2012

Age 50 years

Family Relationship with Other Directors:

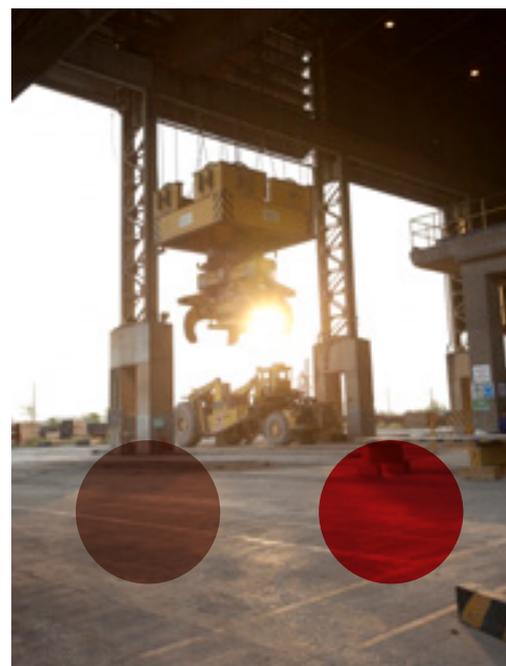
- None -

% of Shareholding:

0.0059% (1,892,000 shares)

Education and Training:

- M.B.A., Chulalongkorn University
- B.Eng. (Industrial Engineering), Khonkaen University
- Directors Certification Program (DCP 104/2009),
Thai Institute of Directors Association



Work Experience in the Last 5 Years and/or Important Positions:

- 2013 - 2015 • Director,
Sahaviriya Steel Industries UK Limited
- 2010 - 2012 • Director and Management Committee
Member, Thai Cold Rolled Steel Sheet
Public Company Limited
- 1991 - 1992 • Industrial Engineer,
Hana Coil Company Limited

Current Position in Other Organisation:

In listed companies:

- None -

In non-listed companies:

- President, West Coast Engineering Company Limited
- Director and Executive Director,
Prachuap Port Company Limited
- Director and Executive Director,
West Coast Engineering Company Limited

In other organisations that may cause any conflict of interest to the Company:

- None -

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
- None -
2. Being sentenced for an Absolute Receivership
- None -
3. Being sentenced to be Bankrupt
- None -

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.
- None -
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.
- None -
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.
- None -

4. Mr. Narongrit Chotnuchittrakul

Group Executive Officer

Appointment Date: 17 November 2015

Group CFO

Appointment Date: 17 April 2015

Vice President

• Finance & Accounting Division
and Secretary to the Risk Management
Committee

Age 47 years

Family Relationship with Other Directors:

- None -

% of Shareholding:

- None -

Education and Training:

- M.B.A., Dhurakijpundit University
- Bachelor of Business Administration,
Bangkok University
- Bachelor of Accounting, Siam University

Work Experience in the Last 5 Years and/or Important Positions:

- 2012 - 2015 • President,
West Coast Engineering Company Limited
- 2009 - 2011 • Vice President - Finance and Accounting
Division, Thai Cold Rolled Steel Sheet
Public Company Limited

Current Position in Other Organisation:

In listed companies:

- None -

In non-listed companies:

- Director and Executive Director,
Thai Coated Steel Sheet Company Limited
- Director and Executive Director,
West Coast Engineering Company Limited

In other organisations that may cause any conflict of
interest to the Company:

- None -

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
- None -
2. Being sentenced for an Absolute Receivership
- None -
3. Being sentenced to be Bankrupt
- None -

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.
- None -
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.
- None -
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.
- None -

5. Mr. Somsak Sivapaiboon

Group Executive Officer

Appointment Date: 17 November 2015

Age 54 years

Family Relationship with Other Directors:

- None -

% of Shareholding:

0.0031% (1,000,000 shares)

Education and Training:

- M.S. (Logistics and Supply Chain Management), Sripatum University
- M.B.A., Sukhothai Thammathirat Open University
- Bachelor of Management Science, Sukhothai Thammathirat Open University
- 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

Work Experience in the Last 5 Years and/or Important Positions:

- 2013 - 2015 • Director, Sahaviriya Steel Industries UK Limited
- 2010 - 2012 • President, Thai Cold Rolled Steel Sheet Public Company Limited
- Director, Thai Coated Steel Sheet Company Limited
- 2006 - 2012 • Deputy Chairman of the Board of Directors, Chu Kai Public Company Limited
- 2004 - 2012 • Director and Executive Director, Thai Cold Rolled Steel Sheet Public Company Limited
- 2001 - 2012 • Director, Prachuap Port Company Limited
- 2005 - 2010 • President, Line Transport Company Limited
- 2001 - 2010 • President, Prachuap Port Company Limited
- 2000 - 2005 • President, Bangsaphan Transport Company Limited
- 1997 - 2000 • General Manager - Sales & Marketing, Thai Steel Sales Company Limited

Current Position in Other Organisation:**In listed companies:**

- None -

In non-listed companies:

- Chairman of the Board of Directors and Chairman of the Management Committee, Thai Cold Rolled Steel Sheet Public Company Limited
- Director and Executive Director, Thai Coated Steel Sheet Company Limited
- Director and Executive Director, Prachuap Port Company Limited
- Director and Executive Director, West Coast Engineering Company Limited
- Chairman of the Board of Directors, Pornpiyacharn Transport Company Limited

In other organisations that may cause any conflict of interest to the Company:

- None -

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
 - None -
2. Being sentenced for an Absolute Receivership
 - None -
3. Being sentenced to be Bankrupt
 - None -

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.
 - None -
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.
 - None -
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.
 - None -

6. Mr. Thavorn Cananub

Vice President, Port Business

Appointment Date: 17 November 2015

Age 54 years

Family Relationship with Other Directors:

- None -

% of Shareholding:

- None -

Education and Training:

- M.Eng (Industrial Engineering), Kasetsart University
- B.Eng (Production Engineering),
King Mongkut's University of Technology Thonburi

Work Experience in the Last 5 Years and/or Important Positions:

- 1996 - 2013
- Assistant Vice President,
Office of the President,
Sahaviriya Steel Industries
Public Company Limited

Current Position in Other Organisation:

In listed companies:

- None -

In non-listed companies:

- Director, Executive Director and President,
Prachuap Port Company Limited

In other organisations that may cause any conflict of interest to the Company:

- None -

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
- None -
2. Being sentenced for an Absolute Receivership
- None -
3. Being sentenced to be Bankrupt
- None -

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.
- None -
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.
- None -
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.
- None -

7. Mr. Thinnakorn Phadungwong

Vice President,

• Group Product Development Office,
Group Technology Office

Appointment Date: 31 October 2015

Age 49 years

Family Relationship with Other Directors:

- None -

% of Shareholding:

- None -

Education and Training:

- Master's Degree of Metallurgical Engineering,
Chulalongkorn University
- Bachelor's Degree of Industrial Engineering,
Kasetsart University

Work Experience in the Last 5 Years and/or Important Positions:

- 2013 - 2015 • Vice President - Manufacturing Division, Sahaviriya Steel Industries Public Company Limited
- 2000 - 2012 • Assistant Vice President - Manufacturing Division (Operation), Sahaviriya Steel Industries Public Company Limited

Current Position in Other Organisation:

In listed companies:

- None -

In non-listed companies:

- None -

In other organisations that may cause any conflict of interest to the Company:

- None -

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
- None -
2. Being sentenced for an Absolute Receivership
- None -
3. Being sentenced to be Bankrupt
- None -

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.
- None -
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.
- None -
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.
- None -

8. Mr. Manin Inprom

Vice President, Manufacturing Division

Appointment Date: 19 May 2016

Age 46 years

Family Relationship with Other Directors:

- None -

% of Shareholding:

- None -

Education and Training:

- M.B.A., Burapha University
- Bachelor's Degree of Industrial Engineering, Kasetsart University

Work Experience in the Last 5 Years and/or Important Positions:

- 2014 - 2015 • Assistant Vice President - Manufacturing Division (Operation), Sahaviriya Steel Industries Public Company Limited
- 2012 - 2014 • Assistant Vice President - Group Purchasing Office, Office of the President, Sahaviriya Steel Industries Public Company Limited

Current Position in Other Organisation:

In listed companies:

- None -

In non-listed companies:

- None -

In other organisations that may cause any conflict of interest to the Company:

- None -

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
 - None -
2. Being sentenced for an Absolute Receivership
 - None -
3. Being sentenced to be Bankrupt
 - None -

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.
 - None -
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.
 - None -
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.
 - None -

9. Mr. Peter Rowson

Vice President,

Group Financial Accounting of Office

Appointment Date: 17 November 2015

Age 53 years

Family Relationship with Other Directors:

- None -

% of Shareholding:

- None -

Education and Training:

- 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 and/or Important Positions:

- 2013 - 2015 • Finance Director,
Sahaviriya Steel Industries UK Limited
- 2009 - 2011 • Finance Director,
V2O Management Company Limited
- 2004 - 2008 • Chief Financial Officer,
Focus Energy Company Limited

Current Position in Other Organisation:

In listed companies:

- None -

In non-listed companies:

- None -

In other organisations that may cause any conflict of interest to the Company:

- None -

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
 - None -
2. Being sentenced for an Absolute Receivership
 - None -
3. Being sentenced to be Bankrupt
 - None -

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.
 - None -
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.
 - None -
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.
 - None -

10. Mr. Yongyuth Malithong

Vice President,
Group Human Resources Office,
Human Resources Division,
Group Purchasing Office

Appointment Date: 1 January 2016

- Vice President,
- Group Public and Community Relations Office,
- Group External Affairs Office

Appointment Date: 16 September 2016

- Secretary to the Nomination,
- Remuneration Committee

Age 46 years

Family Relationship with Other Directors:

- None -

% of Shareholding:

- None -

Education and Training:

- 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 and/or Important Positions:

- 2008 - 2010 • HR & GA Director,
New International School of Thailand
- 2007 - 2008 • Operation Director,
Master Car Rental Company Limited
(Millennium Auto Group)
- 2006 - 2007 • Operation Manager,
Master Car Rental Company Limited
(Millennium Auto Group)

Current Position in Other Organisation:

In listed companies:

- None -

In non-listed companies:

- None -

In other organisations that may cause any conflict of interest to the Company:

- None -

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
- None -
2. Being sentenced for an Absolute Receivership
- None -
3. Being sentenced to be Bankrupt
- None -

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.
- None -
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.
- None -
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.
- None -

11. Mr. Surasak Ngamsidhipongsa

Corporate Secretary,

Appointment Date: 21 January 1994

Age 58 years

Family Relationship with Other Directors:

- None -

% of Shareholding:

- None -

Education and Training:

- 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
- Director Certification Program (DCP 15/2002), Thai Institute of Directors Association
- Company Secretary Program (CSP 5/2004), Thai Institute of Directors Association
- TCLA Executive Development Program (EDP 8), Thai Listed Companies Association

Work Experience in the Last 5 Years and/or Important Positions:

- 1988 - 1993 • Deputy Secretary to the Board of Directors, Siam Realty and Services Company Limited
- 1985 - 1993 • Senior Analyst, Bank of Ayudhya Public Company Limited

Current Position in Other Organisation:

In listed companies:

- None -

In non-listed companies:

- None -

In other organisations that may cause any conflict of interest to the Company:

- None -

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
 - None -
2. Being sentenced for an Absolute Receivership
 - None -
3. Being sentenced to be Bankrupt
 - None -

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.
 - None -
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.
 - None -
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.
 - None -

12. Ms. Pattamawan Boontang

Secretary to the Audit Committee
and Secretary to the Good Corporate
Governance Committee
Age 41 years

Family Relationship with Other Directors:

- None -

% of Shareholding:

- None -

Education and Training:

- M.B.A., Southeastern University (London Campus)
- B. Sc. in Computer Science,
The University of the Thai Chamber of Commerce

Work Experience in the Last 5 Years and/or Important Positions:

- 2011 - 2015 • Audit Manager-IT,
Sahaviriya Steel Industries
Public Company Limited
- 2005 - 2011 • Assistant Audit Manager-IT,
Sahaviriya Steel Industries
Public Company Limited

Current Position in Other Organisation:

In listed companies:

- None -

In non-listed companies:

- None -

In other organisations that may cause any conflict of interest to the Company:

- None -

Criminal Record During the Past 10 Years:

1. Being sentenced in Criminal Offence
- None -
2. Being sentenced for an Absolute Receivership
- None -
3. Being sentenced to be Bankrupt
- None -



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.
- None -
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.
- None -
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.
- None -

Shareholding of Directors and Management

No.	Director and Management Name	31 December 2015 (Par value of Baht 1 per share)	31 December 2016 (Par value of Baht 1 per share)	Increase (Decrease) in no. of shares during 2016 (Par value of Baht 1 per share)
1.	Mr. Wit Viriyaprapaikit	100 shares	100 shares	-
2.	Mr. Somchai Sakulsurarat	-	-	-
3.	Mr. Tongchat Hongladaromp	-	-	-
4.	Mr. Siripol Yodmuangcharoen	-	-	-
5.	Mr. Permpoon Krairiksh	-	-	-
6.	Mr. Pichai Eursirisub	63,640,600 shares	63,640,600 shares	-
7.	Mr. Yarnsak Manomaiphiboon	-	-	-
8.	Mr. Somchai Pipitvijitkorn	-	-	-
9.	Mr. Kamol Juntima	1,284,000 shares	1,284,000 shares	-
10.	Mr. Win Viriyaprapaikit	-	-	-
11.	Mr. Nava Chantanasurakon	-	-	-
12.	Mr. Kittisak Mapanao	1,892,000 shares	1,892,000 shares	-
13.	Mr. Narongrit Chotnuchittrakul	-	-	-
14.	Mr. Somsak Sivapaiboon	500,000 shares	1,000,000 shares	500,000 shares
15.	Mr. Thavorn Cananub	-	-	-
16.	Mr. Thinnakorn Phadungwong	-	-	-
17.	Mr. Manin Inprom	-	-	-
18.	Mr. Peter Rowson	-	-	-
19.	Mr. Yongyuth Malithong	-	-	-

Report of the Nomination and Remuneration Committee for 2016

The Nomination and Remuneration Committee (the “Committee”) hereby reports the assignments performed by the Nomination and Remuneration Committee for further consideration and presentation to the Annual General Meeting of Shareholders for the year 2016 as appropriate.

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 the Vice President of Human Resources and Administration Division as the Secretary to the Committee. The term of office is from 1 September 2014 to 31 August 2017.

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 |
| (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 2 meetings in 2016 to consider the following matters:

1.1 The meeting of the Nomination and Remuneration Committee was held on 19 April 2016 to consider an adjustment of the President’s salary.

The Committee considered an adjustment of the President’s salary based on the overall performance of the Company in 2016 as well as other factors including the Company’s financial results and historical salary adjustments of the President. Nevertheless, the President expressed his intention not to be considered for an annual salary increase in 2016 in order to moderate the liquidity problem of the Company. The Committee unanimously resolved to approve as proposed and will propose to the Board of Directors as the Plan Preparer of rehabilitation for further approval.

1.2 The meeting of the Nomination and Remuneration Committee was held on 14 July 2016 to acknowledge the issues as follows:

1.2.1 Considering special allowance (Bonus) for the President for 1H2017 period: The Committee considered that the President contributed his dedicated knowledge and ability to run the business, consequently, despite financial constraints, the Company has net profit of Baht 988 million in 1H2017 (excluded extraordinary items which are difference between default interest expenses and normal interest expenses and profit (loss) on exchange rate of guaranteed debt but included the provision for impairment of inventory (Slab + Coil) in June 2017). Therefore, the Committee unanimously resolved to approve a special allowance (Bonus) to the President at a rate of 2.25 times the salary to be a morale figure in the work of the President in his dedication to work in full knowledge. The Committee will propose to the Board of Directors, as the Plan Preparer of rehabilitation, for further approval.

1.2.2 Proposing welfare and benefit for Group Executive officers: The Committee considered that President, as the top executive of the Company, has frequently required to contact customers, trade partners and other government agencies outside the Company as well as to meet customers, trade partners and government officials out of business hours several times a week, at meeting places where are inconvenience to travel. Besides, to ensure the consistent of welfare and benefit for executive level, the Committee consequently unanimously resolved to propose the welfare and benefits for Group Executive Officers to the Board of Directors, as the Plan Preparer of rehabilitation, for further approval.

1.2.3 Proposing the criteria of job renewal for executive (Assistant Vice President level up): The Committee resolved to propose the proposal proposed by the President to the Board of Directors, as the Plan Preparer of rehabilitation, for further approval. Details are as follows:

Job renewal for executive

Position Level	Criteria		
	Job renewal	Holding the position such as Assistant Vice President, Vice President	Selection
Executive (Assistant Vice President level up)	5 Years	Not exceed to 3 Years	Appropriate

However, acceptance of the renewal for executives is the right and voluntary of each person.

2. The Nomination and Remuneration Committee held 1 meeting in 2017 to consider the following matters:

The meeting of the Nomination and Remuneration Committee on 27 February 2017 considered the issue as follows:

2.1 Stipulation of the directors' remuneration: the Committee considered that the existing rate of the directors' remuneration was appropriate given the current economic condition. The Committee therefore resolved to maintain the remuneration payment determination from point 1 to 6 unless resolved to change by the shareholders' meeting and resolved to refrain the annual payment to the directors in 2016. Details are as follows:

Financial Remuneration

The determination of remuneration as approved by the shareholders' meeting:

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) (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) 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. 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. However, 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.

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.

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.

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.

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.

2.2 Considering qualified candidate to replace retired director: the Committee could not considered the directors retiring because the Company has entered the rehabilitation since 10 March 2016 and Central Bankruptcy Court approved the Plan which determined the Company as the Plan Administrator on 15 December 2016. Therefore, the consideration of the retiring directors has been postponed regarding the rehabilitation in accordance with Bankruptcy

Act B.E. 2483 (1940). The Nomination and Remuneration Committee to nominate the qualified candidates to replace the directors retiring by rotation to the Board of Directors' meeting for considering and proposing to the next Annual General Meeting of Shareholders.

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 executive, 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."



Mr. Siripol Yodmuangchareon

Chairman of the Nomination and Remuneration Committee

27 February 2017

Remuneration of Directors and Management in 2016

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.

On 19 April 2016, the Board of Directors' meeting No. 2/2016 of Sahaviriya Steel Industries Public Company Limited as the Plan Preparer by the Central Bankruptcy Court's order on 10 March 2016, as the red case No. For.8/2559, acknowledged the remunerations paid for the year of 2015 to each director and each committee appointed by the Board of Directors. The meeting also acknowledged the directors' annual bonuses for the year of 2015 to be omitted in accordance with criteria as approved by the shareholders' meeting.

Summary of 2016 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 (Baht)					Total Remuneration (Baht)
	Board of Directors	Audit Committee	Nomination and Remuneration Committee**	Good Corporate Governance Committee	Risk Management Committee	
1. Mr. Wit Viriyaprapaikit ¹⁾	-	-	-	-	-	-
2. Mr. Somchai Sakulsurarat ^{2) 3)}	-	-	-	-	-	-
3. Mr. Tongchat Hongladaromp ⁴⁾	300,000	-	-	-	50,000	350,000
4. Mr. Siripol Yodmuangcharoen ⁵⁾	300,000	-	37,500	-	-	337,500
5. Mr. Permpoon Krairiksh	300,000	45,000	-	-	40,000	385,000
6. Mr. Pichai Eursirisub	300,000	-	-	30,000	-	330,000
7. Mr. Yarnsak Manomaiphiboon	300,000	75,000	-	30,000	-	405,000
8. Mr. Somchai Pipitvijitkorn	300,000	-	20,000	-	40,000	360,000
9. Mr. Kamol Juntima ⁶⁾	300,000	-	-	37,500	-	337,500
10. Mr. Win Viriyaprapaikit *	-	-	-	-	-	-
11. Mr. Nava Chantanasurakon **	-	-	-	-	-	-
Total	2,100,000	120,000	57,500	97,500	130,000	2,505,000

Remarks:

¹⁾ Chairman of the Board of Directors

²⁾ Deputy Chairman of the Board of Directors

³⁾ Chairman of the Audit Committee

⁴⁾ Chairman of the Risk Management Committee

⁵⁾ Chairman of the Nomination and Remuneration Committee

⁶⁾ Chairman of the Good Corporate Governance Committee

* Mr. Win Viriyaprapaikit, Director, Group Chief Executive Officer, Group Executive Officer and the President, considered as an employee of the Company, shall not receive the meeting allowance or a director's remuneration.

** Mr. Nava Chantanasurakon, Group Executive Officer and Vice President, Commercial Division and Group Public Affairs Division, considered as an employee of the Company, shall not receive the meeting allowance or a director's remuneration.

- The Chairman of the Board of Directors and Deputy Chairman of the Board of Directors, who were already entitled remuneration for their full-time performance, shall not receive the meeting allowance.

Remunerations for Full-time Performance of Chairman of the Board of Directors and Deputy Chairman of the Board of Directors in 2016

No.	Name	Position of Director	Remuneration for Full-time Performance (Baht)
1.	Mr. Wit Viriyaprapaikit	Chairman of the Board of Directors	3,600,000
2.	Mr. Somchai Sakulsurarat	Deputy Chairman of the Board of Directors	2,400,000

Remuneration of Independent Directors of the Company Who Hold Directorship in the Company's Subsidiary in 2016

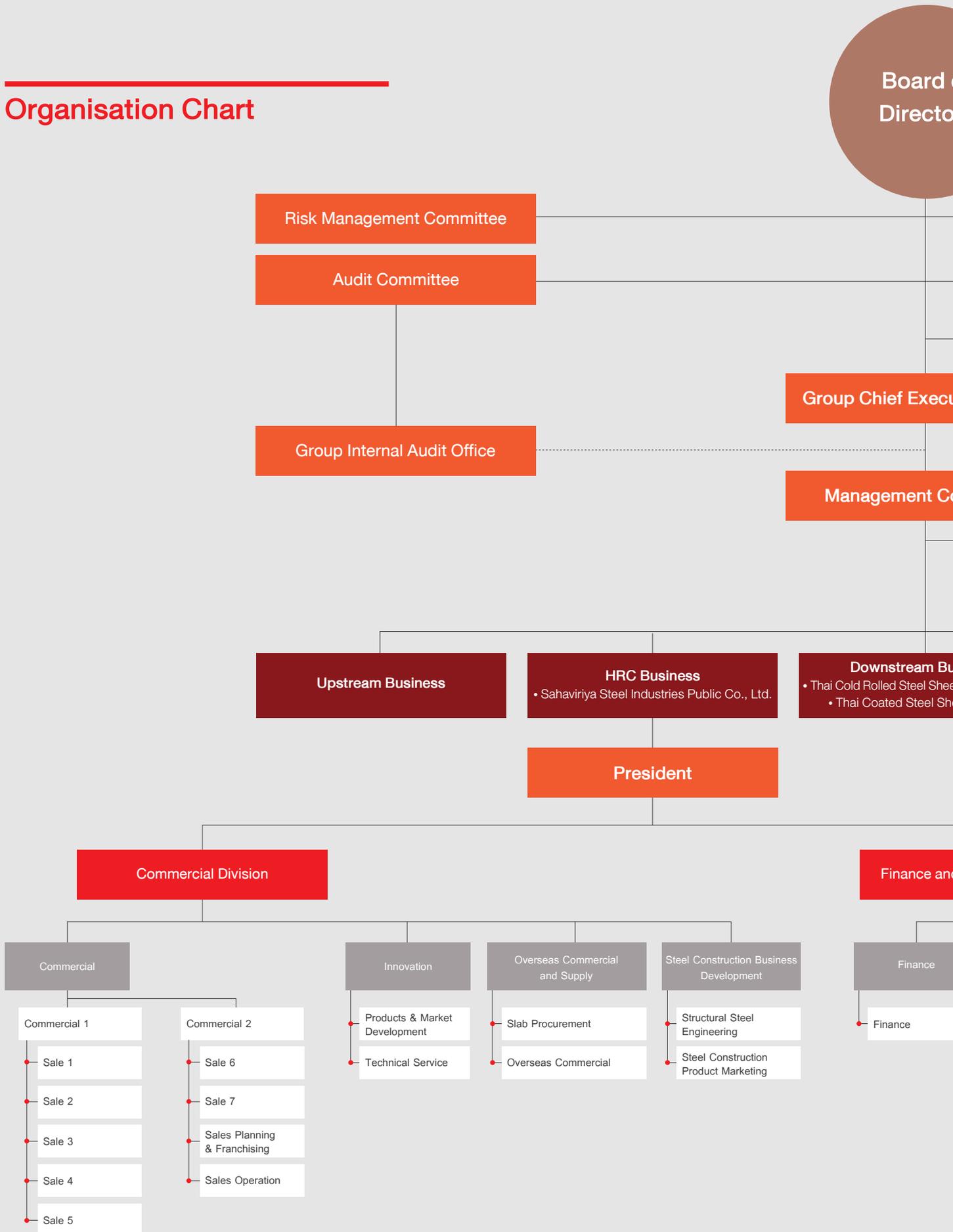
No.	Name of the Company's Independent Directors Who Hold Directorship in the Company's Subsidiary	Position in the Subsidiary	Meeting Allowance in 2015 (Baht)
West Coast Engineering Company Limited			
1.	Mr. Somchai Sakulsurarat	Director	150,000
2.	Mr. Tongchat Hongladaromp	Director	150,000
Prachuap Port Company Limited			
1.	Mr. Somchai Sakulsurarat	Chairman of the Board of Directors	360,000

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, for 9 people plus the President, totaled Baht 60,123,074.10 for the year.

2. Other Remunerations

Contributions to the provident fund for executives in a position of Vice President and higher, for 9 people plus the President, totaled Baht 4,197,747.62 for the year.

Organisation Chart



of
ers

Nomination & Remuneration
Committee

Good Corporate Governance
Committee

Office of the Chairman
• Corporate Secretariat Office

utive Officer

ommittee

- Group Technology Office
- Group Finance and Accounting Office
- Group Risk Management Office
- Group Information Technology Office
- Group Corporate Strategy Office
- Group Public and Community Relations
- Group Purchasing Office
- Group Legal Office
- Group Government Affairs Office
- Group Human Resources Office
- Group Compliance and Corporate Governance Office
- Group External Affairs Office

Business

st Public Co., Ltd.
et Co., Ltd.

Engineering Business

• West Coast Engineering Co., Ltd.

Port Business

• Prachuap Port Co., Ltd.

d Accounting Division

Accounting

- Financial Accounting
- Management Accounting
- Cost Accounting

Human Resources
& Administration Division

Human Resources
& Administration
(BKK)

- Human Resources & Administration (BKK)
- Training & Development (BKK)

Human Resources
& Administration
(BSP)

- Welfare & Employee Relations
- Human Resources & Admin. (BSP)

Manufacturing Division

Operation

- Production & Planning Control
- HSM Production
- HFL & PO Production
- Slab & Coil Yard

Maintenance

- Electrical Maintenance
- Mechanical Maintenance
- Utility and Fluid

- Safety & Environmental
- Warehouse

Good Corporate Governance Committee's Report for 2016



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. Pichai Eursirisub (independent director).

The duties and responsibilities of the Committee are:

- 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 2016, the Committee held three 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 2016.

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 2016 using the self assessment of committee as a whole form issued by The Stock Exchange of Thailand and considered the draft self-assessment report for 2016 of 3 Committees: the Risk Management Committee, the Nomination and Remuneration Committee and the Good Corporate Governance Committee and submitted it to the Board of Directors.

3. Intensive supervision of the corporate social and environmental responsibility activities conducted by the Public and Community Relations Office and the Safety and Environment Office. There were in total 42 social and community development activities with a total budget of Baht 2,799,032.03, and 17,220 beneficiaries.

4. Acknowledgments 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 the 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.
 - 4.3 Report on the progress in preparation for entering the certification process of Thailand's Private Sector Collective Action Coalition Against Corruption Project (CAC). On 27 January 2016, the Company acknowledged the CAC Committee's resolution that the Company has been certified and became a member of CAC for a 3-year period from the date of the resolution.
5. Others
- 5.1 Regular monitoring of the progress and results from the implementation of the resolutions of the Committee.
 - 5.2 Acknowledged report from the asset loss consideration sub-working committee.
 - 5.3 Revision of the information disclosed to the SET and the SEC, as published in the Annual Information Disclosure form ended 31 December 2016 (Form 56-1) and in the 2016 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.
 - 5.4 Report to the Board of Directors on the Committee's activities for the year 2016.

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

Good Corporate Governance



Good Corporate Governance Policy

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 emphasises 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, did not require to hold the Annual General Meeting of shareholders for 2016. Consequently, several assessment projects in relation to the Corporate Governance were not evaluated, including the Corporate Governance Report of Thai Listed Companies 2016 (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

The Company’s activities in 2016 to ensure compliance with the Good Corporate Governance Policy, with reference to the Organisation 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 and the SET’s. The Company reports its progress of the business rehabilitation to the SET quarterly, other than submitting the financial statements and the Management Discussion and Analysis.

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.

Business Philosophy of the Company

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

The business plan for 2017 to 2019 consisted of:

- 1) Economic Outlook
- 2) SWOT Analysis
- 3) 3-Year Strategic Plan
 - 3.1) Vision, Mission and Values Statement
 - 3.2) Strategic Objectives and Strategic Goals
 - 3.3) Strategic Activities and Projects Plan
 - 3.4) Strategic Financial Plan

The Management Committee reviewed and agreed to change the Vision and Mission of the Company to be in line with the Company's business philosophy and the current situation of the company, as follows:

Vision: Leading Innovative and Reliable Steel Company

Mission: Innovate premium value steel product and service for customers, create sustainable shared value and trust for stakeholders

Business Ethics of the Company

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) Perform duties to their fullest capacity with integrity, care, prudence and fair treatment for the best interest of all shareholders.

2) Present the operating performance report, financial status report and other reports with accuracy and completeness and in a timely manner.

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.

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:

1) Deliver quality products and services that meet or exceed the expectation of customers.

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.

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.

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.

5) Strictly protect confidential information of customers and not use their information for any other interest or in any improper respect.

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:

1) Never request, receive or pay any fraudulent benefits from or to suppliers.

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) 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:

- 1) Never seek any confidential information of the competitors by unfaithful or improper means.
- 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, opportunit, development, and potential based on humanitarian practices regardless of their race, religion, gender or physical condition. The guidelines are as follows:

- 1) Treat employees with respect, value and dignity.
- 2) Provide fair compensation to employees.
- 3) Provide a safe working environment to employees considering their lives and property at all times.
- 4) Appoint, rotate, promote and demote employees with sincerity, based on their knowledge, merit and suitability.
- 5) Value the development of knowledge and ability of all employees.
- 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 2016, the Company received awards under various categories which its details can be found in the Corporate Social Responsibility Report.

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 organising 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 2016.

3.1.1 Stakeholder: Shareholders

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

3.1.2 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. customer visit, monthly meeting, training, providing advice and assisting customers with issues related to its products.

- The Company has a complaints handling process. If the customer was not satisfied with the product, the customer can feedback 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 2016, the Company launched the new value-added products i.e. Extra Strength Steel, Steel solution and project as well as services i.e. product size control to increase customer's productivity and reduce the unnecessary loss of customers, ultra fast delivery for its urgent order to support customer. In 2016, the Company delivered innovative value-added products to customers for 19% of its total volume.

3.1.3 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 Subcommittee arranged activities to find a potential slab producer for both quality and quantity to ensure consistent quantity. They continued to tighten up relationships with slab producers especially with long-term and consistent manufacturers. There is also the exchange of information and experience among those. The Company invited overseas suppliers to attend meetings with the Company, to review technical protocol and specifications in order to develop a greater variety of raw materials to improve response to the market requirements. The meeting helped define a solution for improving raw material quality and other problems.

- The Group Purchasing Office has performed the following tasks:

- 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 website, as well as submit procurement bids. This enables the Company to have an efficient and transparent procurement process.

- 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 2016, the number of vendors have increased by 107.

- Organising annual seminars and meetings with suppliers and service providers. In 2016, a meeting was held in March to clarify the Company's procurement policy and its target, 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.

- In 2016, the Company has procured Baht 1,320 million of goods from general suppliers, including energy products of Baht 540 million, roll of Baht 127 million, spares of Baht 103 million, consumables of Baht 101 million, services of Baht 384 million and others of Baht 65 million. The Company also procured products from local communities in Bangsaphan area with a volume of Baht 173 million. In 2017, the Company expects its volume of procurement to rise by up to Baht 1,800 million from general suppliers and Baht 185 million from local communities.

- Visiting the production process and management system of 13 general suppliers and 3 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.

- 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 realisation 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.

3.1.4 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.

3.1.5 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, 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 5 consecutive years type (2012 - 2016).

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:

- 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.

- Benefits such as 1) housing loan, since 1999, to help employees and their family with housing assistance 2) rent allowances, since 2001, to help employees who was delegated to work at Bangsaphan plant with housing rent 3) hardship allowances for employees who was delegated to work at Bangsaphan plant as an incentive for living and working in Bangsaphan

area 4) per diem allowances, accommodation and vehicles (Domestic), since 1997, to assist employees who have to work, attend training / seminar outside the office 5) uniform, since 2003, the Company provided a uniform for an employee for tidiness and safety in the workplace 6) group medical and health insurance, since 2008, to promote employees' wellness and health and ensure employees receive prompt medical care 7) 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 8) 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 9) shuttle bus service for employees, since 2005, to provide a convenient way for employees to travel to work at plant 10) home visit for sickness absence, since 2002, to express concerns and provide appropriate assistance for them and 11) leave entitlement for a death in the immediate family. Since 2015, employees were allowed to leave to attend the funeral of an immediate family. 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.

- 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.

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

- 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 2016, the Company had an average training hours of 20.30 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 and a buddy program for good deeds. 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 TV, 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.

3.1.6 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 Information Technology Office.

3.1.7 Stakeholders: Social and Community

- Sahaviriya Steel Industries Public Company Limited applied business philosophy and ethics in its business by believing in the value of personnel, 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 Public and Community Relations Office undertook various activities as shown in the Corporate and Social Responsibility Report.

- The Safety and Environmental Integrity Management Office and the Company are engaged in social and community contribution and environmental activities as follows:

- The Company promulgated the safety, occupational health and environment policy signed by the President in 2015 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, campaign to promote desired safe behaviors (BBS Programs), 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 (OHSAS 18001) and environmental management system (ISO 14001).

- The Company announced the energy policy signed by the Group Chief Executive Officer and the President in 2016, to demonstrate its commitment to appropriately improving the energy management system by preparing for ISO 50001 certification process.

- 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.

- The Company reported the result of projects implemented in 2016 that the work-related accidents rate was less than last year. The rate of work-related injury that results in days away from work in 2016 was 0.35 cases per one million hours worked, decreased by 53.95% compare to that of 2015 which was 0.76 cases per one million hours worked.

- 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.

- 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.

Safety and environmental policy demonstrates the Company's commitment to reducing the environmental impact, preserving 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. 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.

- Excellent workplace in Occupational Health, Safety and Working Environment from Ministry of Labor for the fifth consecutive year (since 2012).

- Prime Minister's Industry Awards for Safety Management for 2015

- EIA Monitoring Awards 2916

- The Group Purchasing Office supported the purchase of environmentally friendly products by sourcing products that have been authorised to use the Green label by the Thailand Environment Institute and also provided support to energy saving policy. The Company continually procured Energy Saving LED Bulbs for using at SSI Bangsaphan Plant.

3.2 Compensation Measures

In the event that the stakeholders are damaged by violation of rights under the law, the Company has offered insurance to protect the rights of the stakeholders as follows:

- Directors & Officers Liability Insurance
- Marine Cargo Open Policy
- Public Liability Insurance
- All Risks of Property Damage, Machinery

Breakdown, Boiler Explosion and Business Interruption Insurance (for major plants)

- Property All Risks Insurance (for office buildings)

In addition to the primary insurance coverage mentioned above, the Company has extend its insurance coverage to other SSI subsidiaries that have been operating locally; such as West Coast Engineering Company Limited; Prachuap Port Company Limited and Thai Cold Rolled Steel Sheet Public Company Limited. Furthermore, a constant monitoring of unusual situations has been put in place to periodically assess the risks that may cause damage to the Company and its stakeholders. Provisions of additional insurance coverage would be implemented to the offset any increased risk.

3.3 Dispute with Stakeholders

The Company has conducted its business in a way that avoids conflicts or disputes with the stakeholders; inclusive of its business involvements with customers, suppliers, competitors, employees, social, and the community. The Company has provided a mechanism to oversee and supervise all divisions of the Company to operate in compliance with the law by preparing a list of legal and regulatory restrictions that are to be complied with. In addition, each division has also reviewed its legal compliance and reported both complying and non-complying actions to the Group Legal Office to present to the Audit Committee. In order to better monitoring on the company's operation, in 2017, the Company separated the compliance monitoring work from the Group Legal Office by setting up the Group Compliance and Corporate Governance Office. This department will be responsible for independent oversight of the Company's internal operations, including improvements and reviews the Company's legal compliance systematically.

For major litigations and disputes against the Company as disclosed in the notes on the financial statements, the Company's Group Legal Office will operate, coordinate and report any progress, predict outcomes of the cases and give recommendations to the Group Chief Executive Officer and the President periodically as well as report to the Audit Committee and the Board of Directors on a quarterly basis.

3.4 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@yahoo.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.

Moreover, 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 2016, the Company carried out several anti-corruption initiatives as detailed in the Corporate Social Responsibility Report 2015 under the section of Anti-Corruption.

4. Information Disclosure and Transparency

The Board of Directors recognises the importance of disclosing material information of the Company, both financial and non-financial information, and that such information must be accurate, complete, timely, transparent and in accordance with the regulations stipulated by the Office of the Securities and Exchange Commission and The Stock Exchange of Thailand. The information is presented both in Thai and English for the investors, shareholders, securities analysts and other related parties including the public in order for them to have the information equally in accordance with the principles of good corporate governance. This material information may have a significant impact on the trading price of securities of the Company on The Stock Exchange of Thailand.

The Board of Directors has explicitly declared its intention to execute its work in the Good Corporate Governance Policy of the Company.

The Company assigned responsibility for disclosing the Company's information to The Stock Exchange of Thailand and the Office of the Securities and Exchange Commission to the Corporate Secretary Office and the Group Investor Relations Department, Group Corporate Finance Office.

4.1 Information Disclosure Pursuant to the Notifications, Rules or Regulations of The Stock Exchange of Thailand and/or the Office of the Securities and Exchange Commission

In 2016, the information disclosure of the Company by the Corporate Secretary Office comprised the following:

- Disclosed all information necessary for the investors and shareholders to make decisions according to the regulations of The Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. This included the financial reports relating to the financial status and operating performance of the Company on a semiannual and annual basis after reviewed or audited by the licensed auditor, as well as the Management Discussion and Analysis (MD&A) of the Company, its subsidiaries and its joint venture for a period of six-month. The Company also reported its progress of the business rehabilitation to The Stock Exchange of Thailand and the Office of the Securities and Exchange Commission quarterly.

- Distributed the 2015 Annual Report (Form 56-2) to the Company's shareholders, along with the notice of the Annual General Meeting of Shareholders, and informed such information to The Stock Exchange of Thailand and the Office of the Securities and Exchange Commission within the period required by law.

- Submitted Form 56-1 for the year ending 31 December 2015 to The Stock Exchange of Thailand and the Office of the Securities and Exchange Commission within 3 months from the end of accounting period of the Company as required by law.

The disclosure of information to The Stock Exchange of Thailand and the Office of the Securities and Exchange Commission was properly completed and submitted in a timely manner.

4.2 Information Disclosure Pursuant to the Guidelines of The Stock Exchange of Thailand on the Transparency of the Companies

The Board of Directors appointed a department to be responsible for the "Investor Relations" as a center for investor communication and to have the duty to disclose information of the Company to shareholders, institutional investors, public investors, securities analysts and relevant government sectors. To enhance the information provided to the aforementioned parties for in depth investment analysis of the Company's securities, the Company has combined such a unit with the Corporate Finance Department to become the Corporate Finance and Investor Relations Department in 2011. At present, it becomes the Group Investor Relation Department, the Group Corporate Finance Office. The Public and Community Relations Office takes direct responsibility for the information disclosure to the public through mass media. Both offices have disclosed and distributed material information through the Company's website at <http://www.ssi-steel.com> with regular updates on the information given for the stakeholders and related parties to always have key information of the Company such as financial information, annual reports, organisation news, social activities and securities analysis articles, both in Thai and English.

4.2.1 Investor Relations

In 2016, the Group Investor Relations Department performed the following key activities through various channels:

- Published the Company's financial and nonfinancial information, good corporate governance policy, business ethics, director ethics and employee ethics (both in Thai and English) on the Company's website at <http://www.ssi-steel.com> for shareholders and investors to have a convenient channel to equally access the Company's information at all times.

- Arranged for better communication between investors and shareholders and the Company. They can raise questions to the executives or request for more information through the e-mail address: ir@ssi-steel.com. They can also register to receive e-mail updates through the Company's website.

- Provided management discussion and analysis (MD&A) of the Company, its subsidiaries and its joint venture for the quarterly operating performance to be disclosed with semiannual and annual financial statements. This is for investors to acknowledge and understand of any major changes including factors and events that affect its financial position and results of operations apart from the information in the financial statements.

4.2.2 Other Stakeholder and Public Relations

In 2016, the Public and Community Relations Office pursued the following key activities:

- Issued press releases and photo releases regarding the Company's activities to news reporters, so that information of the Company reaches investors and the general public on a regular basis.

- Set up interviews with the Company's executives when requested by mass media, to raise an understanding and accurate knowledge of the Company.

- Arranged for publication of information and articles about the Company through various media, including:

- Print media such as newspapers and annual reports.

- Exhibitions to provide useful information to target groups and the public.

- Special media or electronic media such as the Company's website <http://www.ssi-steel.com>, <http://www.blogssi.com/360degree/>, <http://www.blogssi.com/ssiarsa/> and videos.

- Provided communication channel for inquiries or information request raised to the Company via e-mail address: pr@ssi-steel.com

5. Responsibilities of the Board of Directors

5.1 Board Structure

5.1.1 Board Composition

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 11 January 2016, consisted of 11 members, including 6 Independent directors, 5 non-executive directors and 2 executive directors, Mr. Win Viriyaprapaikit who acts as the Group Chief Executive Officer and President, and Mr. Nava Chantanasurakon who acts as Group Executive Officer of Group Government Affairs and Vice President of Commercial Division. The number of independent directors is sufficient as defined by the Good Corporate Governance Policy and the Principles of for Listed Companies 2012.

The names of the Board of Directors are as follows:

1. Mr. Wit Viriyaprapaikit
Chairman of the Board of Directors
2. Mr. Somchai Sakulsurat
Deputy Chairman of the Board of Directors
Independent Director
3. Mr. Tongchat Hongladaromp
Director and Independent Director
4. Mr. Siripol Yodmuangcharoen
Director and Independent Director
5. Mr. Permpoon Krairiksh
Director and Independent Director
6. Mr. Pichai Eursirisub
Director and Independent Director
7. Mr. Yarnsak Manomaiphiboon
Director and Independent Director
8. Mr. Somchai Pipitvijitkorn
Director
9. Mr. Kamol Juntima
Director
10. Mr. Win Viriyaprapaikit
Director
11. Mr. Nava Chantanasurakon
Director

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

5.1.2 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.

5.1.3 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. Wit Viriyaprapaikit is the Chairman of the Board of Directors and Mr. Win Viriyaprapaikit is the Group CEO and President of the Company with the segregation of duties and responsibilities of each position explicitly determined.

5.1.4 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.

5.1.5 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, Chair person 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.

5.2 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. Details of the Authority and Duties of the Board of Directors are as follows:

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 right (except for the right to receive dividends, if any), in accordance with the Bankruptcy Act, until the 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.

5.2.1 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.

5.2.2 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.

5.2.3 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 2016 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.

5.2.4 Internal Control and Internal Audit System

Details can be found in the section of Internal Control and Risk Management.

5.2.5 Risk Management

Details can be found in the section of Risk Factors.

5.3 Meetings of the Board of Directors

5.3.1 *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 2016, there were 16 meetings of the Board of Directors being held as follows:

1) As the Company' Board of Director: Total of 4 meetings from January to February (2 meetings per month)

2) As the Plan Preparer: Total of 12 meetings from March to December (once a month except in May and November held 2 meetings per month)

3) As the Plan Administrator: During the final meeting of the year as the Plan Preparer on 15 December 2016, the Court appointed the Company as a Plan Administrator.

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 2016, the meetings of sub-committees can be summarised as follows:

1) Audit Committee held 5 meetings in February, May, August, November and December.

2) Nomination and Remuneration Committee held 3 meetings in February, April and July.

3) Good Corporate Governance Committee held 3 meetings in February, June and December.

4) Risk Management Committee held 4 meetings in January, May, August and October.

The Company also held specific meetings of independent directors consisting of 6 members. In 2016, there were 4 meetings held in February, May, August and November 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.

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

Meeting Attendance of Directors in 2016 (Number of Meetings Attended / Number of Meetings Held)						
Name	Board of Directors	Audit Committee	Nomination and Remuneration	Good Corporate Governance	Risk Management	Independent Directors
1. Mr. Wit Viriyaprapaikit Chairman	16/16					
2. Mr. Somchai Sakulsurarat Deputy Chairman and Independent Director	16/16	5/5				4/4
3. Mr. Tongchat Hongladaromp Independent Director	10/16				4/4	3/4
4. Mr. Siripol Yodmuangcharoen Independent Director	4/16		3/3			2/4
5. Mr. Somchai Pipitvijitkorn Director	7/16		2/3		4/4	
6. Mr. Kamol Juntima Director	16/16			3/3		
7. Mr. Pempoon Krairiksh Independent Director	12/16	3/5			4/4	4/4
8. Mr. Yamsak Manomaiphiboon Independent Director	11/16	5/5		3/3		3/4
9. Mr. Pichai Eursirisub Independent Director	16/16			3/3		2/4
10. Mr. Win Viriyaprapaikit Director	16/16					
11. Mr. Nava Chantanasurakon Director	13/16		2/3			

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 Secretary or the secretary of the meeting of each sub-committee.



5.4 The Board of Directors' Performance Assessment

5.4.1 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 since 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.

5.4.2 Sub-Committees' Self-assessment

For the self-assessment of the committees, In 2016, every sub-committee conducted self-assessment using the self assessment of committee as a whole form issued by The Stock Exchange of Thailand. There were 3 sub-committees: the Audit Committee, the Risk Management Committee and the Nomination and Remuneration Committee, conducted self-assessment on an individual basis. 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. The Board of Director acknowledged the self-assessment report for 2016 of all sub-committees.

5.5 Director and Executive Remuneration

At the Annual General Meeting of Shareholders No. 16 held on 5 April 2005, it was resolved that the guidelines and remuneration rates be adjusted to a more appropriate level. The Board of Directors and the Board of Executive Directors would receive monthly compensation, while compensation of other committee members would be paid for each meeting. The President, as a senior executive position, would be compensated only for his/her executive role, but not as a director. 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. At the Extraordinary General Meeting of Shareholders No. 2/2011 held on 22 September 2011, the shareholders resolved to approve an adjustment on director remuneration to be in line with the change of the board structure.

In summary, the remuneration of directors and senior executives of the Company has been consistent with the criteria proposed by the Nomination and Remuneration Committee as approved by the Board of Directors and at the shareholders' meeting. Details of remuneration of directors and senior executives in 2014 can be found in the section of the Remuneration of Directors and Management.

5.6 Director and Management 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 study visit 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.

5.6.1 Development Program for Directors

1) Orientation for new directors

There is no new director in 2016. The Corporate Secretary Office collects and delivers documents and information necessary for new directors to perform their 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 of the Board of Directors.

5.6.2 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

Details can be found in the section of the Management.

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 including the position of the President. The President submitted the qualification and criteria for the successor to be selected as the President along with the list of qualified executives, to the Nomination and Remuneration Committee meeting No. 1/2016 on 15 February 2016 for consideration and reported to the Board of Directors for acknowledgment.

In addition, the President also proposed to the Nominating and Remuneration Committee at its meeting No. 3/2559 on 14 July 2016, about the extensions of retiring executives from the assistant vice president level and above. The objective is to retain effective and competent employees to continue working with the Company beyond retirement age (55 years). The retiring executives from the assistant vice president level and above, will be selected as appropriate, can extend an additional 5 years of work with not more than 3 years in executive position. An executive who wishes to continue working beyond the retirement age have the voluntary right to accept the criteria for a request for extended employment. The Remuneration and Nomination Committee submitted this criteria to the Board of Directors (as a Plan Preparer) No. 7/2016 held on 15 August 2016 for an approval.

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. As a result, 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 and President, 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 2016 the Audit Committee consisted of three members, whose term of office is 3 years, (from 30 June 2014 to 29 June 2017) as follows:

1. Mr. Somchai Sakulsurarat
Chairman of the Audit Committee
2. Mr. Permpoon Krairiksh
Audit Committee Member
3. Mr. Yarnsak Manomaiphiboon
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 and internal audit system. 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 2016, the Nomination and Remuneration Committee consisted of 3 members whose term of office is 3 years (from 1 September 2014 to 31 August 2017) 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 subcommittee. 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. For reporting, the committee shall report regularly of performance results to the Board of Directors according to its charter:

- 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.
- 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 2016, the Good Corporate Governance Committee consisted of 3 members, whose term of office is 3 years (from 4 December 2016 to 3 December 2019), as follows:

1. Mr. Kamol Juntima
Chairman of the Good Corporate Governance Committee
2. Mr. Yamsak Manomaiphiboon
Good Corporate Governance Committee Member
3. Mr. Pichai Eursirisub
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. Appoint external good corporate governance advisers if deemed necessary and appropriate, at the Company's expense.

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

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

10. 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.

11. 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):

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

11.2 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 2016, the Risk Management Committee consisted of 3 members whose term of office is three years (from 4 December 2016 to 3 December 2019), as follows:

1. Mr. Tongchat Hongladaromp
Chairman of the Risk Management Committee
2. Mr. Somchai Pipitvijitkorn
Risk Management Committee Member
3. Mr. Permpoon Krairiksh
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 2016, the Management Committee consisted of 8 members, as follows:

1. Mr. Win Viriyaprapaikit
Chairman of the Management Committee
2. Mr. Nava Chantanasurakon
Management Committee Member
3. Mr. Kittisak Mapanao
Management Committee Member
4. Mr. Narongrit Chotnuchitrakul
Management Committee Member

5. Mr. Somsak Sivapaiboon
Management Committee Member
6. Mr. Thavorn Cananub
Management Committee Member
7. Mr. Manin Inprom
Management Committee Member
8. Mr. Yongyuth Malithong
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 Authorisation Chart approved by the Board of Directors.

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

Nomination and Appointment of Directors and Management

1. Independent Directors

- The Nomination and Remuneration Committee has set the criteria for selecting an independent director as stated in the Nomination and Remuneration Committee's charter item No. 5.1.2.

- The number and qualification of an independent director are defined as follows:

(1) The Company shall have independent directors at least one-third of its board size but not less than three Independent Directors.

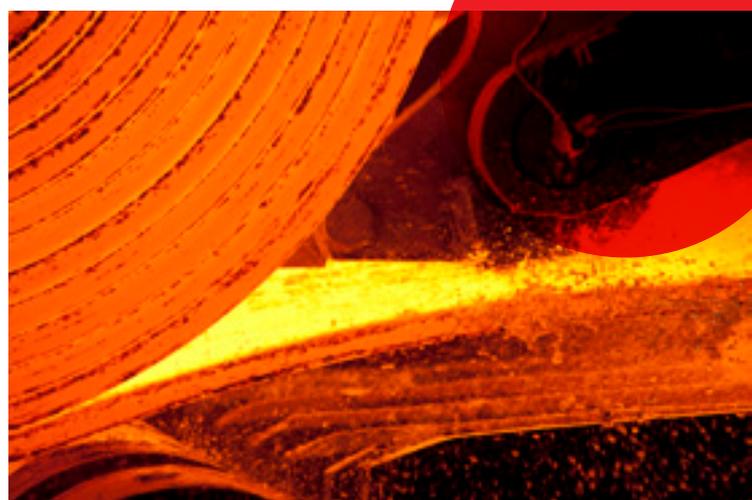
(2) An independent director shall have the following qualifications:

(A) Holds no more than 0.5% of total voting shares of the Company, its parent company, its subsidiaries, its associated companies, its major shareholder or controlling person of the Company, including shares held by related persons of the independent director.

(B) Is not or has not ever been an executive director, employee, staff, advisor who receives full time salary or a controlling person of the Company, its parent company, its subsidiaries, its associated companies, the subsidiaries in same level, its major shareholder or controlling person of the Company unless the foregoing status has ended not less than 2 years prior to the date of appointment. The aforementioned prohibited qualifications do not include the case where the independent director was a government official of, or an advisor to, a government unit who is a major shareholder or controlling person of the Company.

(C) Is not a person related by blood or legal registration such as; father, mother, spouse, sibling and child including spouse of the children, management, major shareholders, controlling persons or persons to be nominated to management or controlling person of the Company or its subsidiaries.

(D) Is not or has not had a business relationship with the Company, its parent company, its subsidiaries, its associated companies, its major shareholder or controlling person of the Company, in the manner that may interfere with his independent judgment; or, is not or has not ever been a significant shareholder or controlling person of any person having business relationship with the Company, its parent company, its subsidiaries, its associated companies, its major shareholder or controlling person of the Company unless the foregoing relationship has ended not less than 2 years prior to the date of appointment. The term 'business relationship' aforementioned under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services, or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or its counterparty being subject to indebtedness payable to the other party in the amount of 3% or more of the net tangible assets



of the Company or Baht 20 million or more, whichever is the lesser. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurred during the period of 1 year prior to the date on which the business relationship with the person commences.

(E) Is not or has not ever been an auditor of the Company, its parent company, its subsidiaries, its associated companies, its major shareholder or controlling person of the Company and is not a significant shareholder or partner of an audit firm which employs auditors of the Company, its parent company, its subsidiaries, its associated companies, its major shareholder or controlling person of the Company unless the foregoing relationship has ended not less than 2 years prior to the date of appointment.

(F) Neither be nor have been any professional advisor including a legal advisor or financial advisor who receives an annual service fee exceeding Baht 2 million from the Company, its parent company, its subsidiaries, its associated companies, its major shareholder or controlling person of the Company, and neither be nor have been a significant shareholder, controlling person or partner of the professional advisor unless the foregoing relationship ended not less than 2 years prior to the date of appointment.

(G) Is not a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder.

(H) Does not operate any business which has the same nature as, and is in competition with, the business of the Company and its subsidiaries or is not to become a significant partner in a partnership or is not an executive director, employee, member of staff or advisor who receives a full time salary or holds more than 1% of total voting shares of any other companies operating business which has the same nature as and is in competition with the business of the Company or its subsidiaries.

(I) Does not have any other characteristics that will cause the inability to express independent opinions with regard to the Company's business operations. After being appointed as independent directors with qualifications in accordance with clauses (A) to (I), the independent directors may be assigned by the Board of Directors to make decision on the business of the Company, its parent company, subsidiaries, associated companies, its subsidiaries in the same level, its major shareholders or controlling person of the Company, in the form of collective decision.

Remarks:

- Related person means a person in section 258 of Securities and Exchange Commission Act.
- Significant shareholder means a shareholder in any entity having more than 10% of the total voting shares, including shares held by a related person.
- Partner means a person authorised by the audit firm or professional provider to sign an auditors' report or a professional report (as the case may be) on behalf of juristic person.
- An executive director means a director holding a management position, a director with the responsibility in any implementation as management and an authorised director who can sign in binding company, except if it is expressly shown to be signing at the approval of the committee and in joint signing with other directors.
- A subsidiary in the same level means any two or more subsidiaries under the same parent company.

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

2. Directors and Management

- The Nomination and Remuneration Committee defined the criteria for selection of directors and management as explicitly stated in The Nomination and Remuneration Committee Charter that

“5.1.2 Selection of director candidates for nominating as the Company's director or the President, and proposal of their names at the Board of Directors' meeting and/or a shareholders' meeting for further consideration. The Nomination and Remuneration Committee shall proceed as follows:

5.1.2.1 Determine the qualifications and personal characteristics of the candidates proposed for selection as Board members or the President, with regards to: a good leader, special expertise and certain knowledge and experience required, moral, integrity and accountability, principle and professional commitment to work, maturity and stability, and the ability to express an independent opinion.

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

5.1.2.3 Consider time available of candidates whether it is enough to devote to the position as the Company's director such as the number of meetings attended will come into the consideration for the re-election of any director for an additional term and the number of company that candidates simultaneously serves on will be taken into consideration for the Nomination of new directors.

5.1.2.4 Carefully verify the nominated person for qualifications according to the legislation and regulations requirements.”

The shareholders have the right to appoint directors to a board. The Company notified The Stock Exchange of Thailand regarding the right of minority shareholders to propose matters considered important and constructive

as an agenda of the shareholder's meeting as well as the right to propose qualified candidates for the director nomination. The proposal must be submitted in advance via e-mail or a regular mail to the Company Secretary within a specified period, and in compliance with the guidelines published on the Company's website.

The company went into the rehabilitation process when the Central Bankruptcy Court approved the rehabilitation plan on 15 December 2016 and appointed the Company as a plan administrator. This resulted in the termination of the shareholders' rights, therefore, the shareholders could not re-elect the Board members when their terms are expired. If there any change of Board members is required, a request shall be sent to the Central Bankruptcy Court for consideration.

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.

Supervision of Use of Inside Information

1. Relevant laws and the Company's policy regarding the use of inside information to prevent wrongful action on the Company's securities trading and to ensure a fair and an equal treatment to all shareholders are listed below:

- The Securities and Exchange Act, B.E. 2535 (1992)

- The Securities and Exchange Commission (SEC) notification number Sor.Jor. 12/2552 (2009), regarding the preparation and disclosure of report on securities holding of directors, executives and auditors dated 10 June 2009.

- The Company's Good Corporate Governance Policy 2014 stated that 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.

- The practice guidelines of the Board of Directors regarding the use and protection of inside information for trading of the Company's securities (No. 4) became effective on 2 March 2015:

- Directors and employees must not use inside information from reports that have been or will be made regarding the Company's business activities, for the benefit of themselves or others. Moreover, they must not advise others on the purchase and sale of securities of the Company based on such information.

- Directors and employees who possess inside information must protect the information that has not yet been disclosed to the public with due care and must limit access to such information to only those who need to know, as well as must not disclose such information to the public except as authorised or required by the laws.

- Directors and executives must not buy or sell or transfer the Company's securities, which they, their spouses and minor children hold, for a period of one month starting from the end of each fiscal quarter and ending after one full day of trading following a public disclosure of the Company's quarterly or annual results.

- The Company requires the directors and executives of the Company including employees in the position of Assistant Vice President and higher, Department manager or equivalent and higher in the Finance and Account Division, Section manager or equivalent and higher in the Investor Relations Department to report their holdings and change of holdings of the Company's securities within 30 days from the date of appointment as a director or an executive of the Company and within 3 business days from the date of purchasing or selling the Company's securities.

2. Supervision on compliance with relevant laws and the Company's policies

- To ensure material information of the Company is kept confidential prior to disclosing to The Stock Exchange of Thailand and is disclosed immediately after the Board of Directors passes a resolution on such matter to The Stock Exchange of Thailand before any other channel in order for the shareholders and investors to access the disclosed information on a timely and equal basis.

- To report the holdings of the Company's securities of the Company's executives to the meeting of Good Corporate Governance Committee on a quarterly basis.

- To report to every meeting of the Board of Directors regarding the holdings of securities of the Company's directors and executives pursuant to the notifications of the Securities and Exchange Commission and to disclose such information to the Office of the Securities and Exchange Commission.

3. Punishment measure for employees not complying with the practice guidelines of the Board of Directors regarding the use and protection of inside information for trading of the Company's securities

- The Company has imposed a punishment measure for employees performing an action considered to be harmful to the Company's reputation as well as taking advantage from working at the Company for their own or other benefits or disclosing the confidential information related to business conduction, operating system, production and any other confidential information. The measure is in accordance with the practice guideline of Disciplinary Punishment Measure and Disciplinary Action which refers to Human Resource Management Policy No. 4/2008 dated 27 May 2008 regarding Disciplinary Action and Disciplinary Punishment.

Auditor's Remuneration in 2016

1. Audit Fee

The Company, its subsidiaries and joint venture in Thailand including Prachuap Port Company Limited, West Coast Engineering Company Limited and Thai Cold Rolled Steel Sheet Public Company Limited accrued an audit fee for the past fiscal year of Baht 4,055,000 to KPMG Phoomchai Audit Limited, of which the auditor, a person or business related to the auditor and an office of the auditor.

2. Non-audit Fee

The Company and its subsidiaries in Thailand (Prachuap Port Company Limited) also accrued Baht 60,000 for other services which have not been completed during the past fiscal year, the auditing of a project that received investment privilege and for which an exemption from annual income tax may be requested, to KPMG Phoomchai Audit Limited and a person or business related to the auditor and an office of the auditor.

Social and Community Contribution



Overview

The Company has set a policy for itself and its subsidiaries to conduct their businesses with responsibility to society, environment, and stakeholders in accordance with CSR guidelines, launched by The Stock Exchange of Thailand. The Company's CSR report can be found on CSR booklets and on the Company's website at <http://www.ssi-steel.com>.

The Company has operated CSR by adhering its mission "Innovate premium value steel product and service for customers, create sustainable shared value and trust for stakeholders" and integrating with its policies in various aspects. These include good corporate governance policy, business ethics and business practices to conduct suitable business for its manner and communicating to all groups of stakeholders. The Company establishes the guidelines for CSR operation and communication under the concept "innovate • strength".

Report Production

This CSR report has been developed in accordance with Global Reporting Initiative (GRI) G4 which is an international initiative.

Business Operation and Its Effects on CSR

The Company has conducted its business in a way that avoids conflicts or disputes with the stakeholders; inclusive of its business involvements with customers, suppliers, competitors, employees, society, and the community. The Company has provided a mechanism to oversee and supervise all divisions of the Company to operate in legal compliance by preparing a list of legal and regulatory restrictions to be complied by the Company. The list is updated on a regular basis. In addition, each division also reviews its legal compliance and reports to the Group Legal Office to collect and present all findings to the Audit Committee on a quarterly basis.

For major litigations and disputes against the Company as disclosed in the notes to the financial statements, the Company's Group Legal Office will coordinate and report the progress, predict the outcomes of those cases, and give recommendations to the Group CEO and President periodically, as well as report to the Audit Committee and the Board of Directors on a quarterly basis.

CSR-After-Process

The Company has continuously focused on social and community development in accordance with sustainable development to strengthen the relationship with its stakeholders. This has been done by adhering to three principles: creativity, stakeholder engagement and operation efficiency. By 2016, the Company operated 42 social and community development projects. These projects are divided into two parts: 1) Social development to strengthen the underprivileged and 2) Community development in 4 aspects: Education quality development, Environment quality development, Occupation and income development, and Good quality of life development which includes religion and culture support. Examples of the 2016 projects are as follows:

- The Company collaborated with steel industry partners, namely Thai Cold Rolled Steel Sheet Public Company Limited (TCRSS), NS-Siam United Steel Company Limited (NS-SUS), NS Blue Scope (Thailand) Limited (NS Blue Scope) and JFE Steel Galvanizing (Thailand) Company Limited (JSGT), to arrange Thailand Iron Man Mini Marathon 2016 and able to raise Baht 2 million funding for foundations that support underprivileged people. There were over 1,200 participants in the event.

- The Company has supported educational projects, including Sahaviriya Funds for Bangsaphan Educational Developments Project and SVG Annual Scholarships, which has continuously provided scholarships for primary schools – bachelor's degree students in Bangsaphan district. In 2016, 22 schools received 256 scholarships, worth Baht 590,000. Moreover, SSI staff also provided additional fund, "Tun Nee Phue Nong", with 97 scholarships, worth Baht 123,000, for the youths in Bangsaphan.

- The Company has developed many youth development projects such as Sufficiency Economy School for Sustainability Project, Young Agriculturist Project, Youth Council Project and Local Curriculum Development Project.

- The Company considers its responsibility to the environment and natural resources. Besides controlling its industrial processes to ensure that pollution would not affect the quality of life and health of staff and local residents, the Company, together with associated officers, has arranged activities to improve the quality of the environment including, SSI Beach Clean-Up Project, Bangsaphan Car Free Day, SSI Waste Bank Project, Youth Conservation Camp, and Super Smart & Intelligent Kids 2016 (SSI KIDS) which involves supporting the youth to realize the importance of water in their communities and to collect water sampling to test water quality.

- "SSI Arsa Project", a volunteering project that SSI Staff and executives worked together to arrange activities to help the society and community in Bangsaphan district. This project has generated pride among the staff. In 2016, SSI Staff arranged 15 activities under the project "SSI 25th Anniversary, 250 Virtues." There were 254 SSI Staff members with 2,032 volunteering service hours, plus 201 residents with 1,608 volunteering service hours, participating in this project.

Anti-Corruption

The Board of Director places a strong emphasis on conducting business under the principles of good corporate governance and social responsibility which is intended for sustainable development. The Company deems that corruption is harmful and causes great damage to organisations and the nation. The Company therefore fully supports the implementation of the anti-corruption policy. As a result, on 22 January 2016, the Company was certified by Thailand's Private Sector Collective Action Coalition Against Corruption Project (CAC) and became a member of CAC. In 2016, the Company carried out several anti-corruption initiatives as follows:

The Company established supervision and control practices to prevent and monitor fraud and corruption risks, which were summarized as follows:

1. Policies and Guidelines on Anti-corruption

The Company promulgated the policy and guidelines regarding anti-corruption in 2013 and continuously abided by them to confirm its intent and expectations to fight against corruption.

The anti-corruption policy states that Directors, Executives, and all employees are prohibited from accepting or being involved in any type of corruption either directly or indirectly. The Company shall act strictly in enforcing compliance with Thai anti-corruption laws and regulations, and those of each country in which the Company conducts its business. The Board also determined that the Company's subsidiaries and its jointly controlled companies shall adopt this anti-corruption policy including any guidelines issued by virtue of such a policy.

The anti-corruption guidelines provide guidance on offering or receiving gifts or entertainment or hospitality activities, granting contributions or donations to charities or common wealth, and political contributions. Guidance on reporting of suspected fraud or corruption is also provided. This policy and guidelines were developed in addition to the "SSI WAY" including the Company's commitment to ethics which is mentioned in business philosophy, integrity which is mentioned in business ethics, employee ethics and values, as well as the ethical conduct for employees on conflicts of interest which is mentioned in the Company's guidelines regarding conflicts of interest.

2. Communication of Policies and Guidelines on Anti-corruption

The Company recognised the importance of communicating policy and guidelines on anti-corruption. All employees were able to access to this policy and guidelines which were posted on the company Intranet and also available on the Company's website.



3. Training

The Company has continually provided training to encourage executives and employees to be aware of anti-corruption and to ensure that employees truly understand and can comply with the anti-corruption policy and guidelines. Moreover, a topic on the anti-corruption policy was included in the orientation program for new employees. In 2016, the orientation program was held four times.



4. Putting Policies into Practice

The Anti-corruption working committee has been appointed since 20 July 2015, to put the anti-corruption policy into practice and to enable the Company to maintain what it has been doing as a certified company of Thailand's Private Sector Collective Action Coalition Against Corruption. This is to express the Board's commitment and intent on Anti-corruption and to ensure that the Company has an anti-corruption measures monitoring, a delegation of power and a clear responsibility to implement the anti-corruption policy. In 2016, The Anti-corruption working committee studied the draft Guidelines for Internal Control Measures in Preventing Bribery, issued by the National Anti-Corruption Commission, and prepared the Company to get ready for the official launched.

5. Fraud and Corruption Risk Assessment

The Company assessed risk of fraud and corruption by the risk owner of each division who identified events where fraud and corruption risk might occur in his/her area, assessed the likelihood and impact, reviewed and designed appropriate measures to combat fraud and corruption. The Group Risk Management Office then collected their results and proposed them to the Risk Management Working Committee for consideration before submission to the Risk Management Committee for acknowledgement. This will be done annually.

The Company determined guidelines on monitoring and evaluating compliance with the anti-corruption policy as follows:

1. Whistle-Blowing System

The Company provided Whistle-Blowing channels for stakeholders to raise concerns about offenses against the law, unethical practices, poor or unacceptable practices, abuse of authority, irregularities, corruption, fraud or misconduct, violations of the Company's conflict of interest policy, abuse and disregard of company's policies,

guidelines, instructions or procedures, fraudulent financial reporting, deficiencies in internal control systems or any action that may cause damage to the informants or the Company, without fear of retribution by having measures to protect the informants or whistleblowers. The Company also provided measures to review or investigate the whistleblower's concerns and the imposition of punishment of offenders. All the whistleblower's concerns that were raised with the Good Corporate Governance Committee were to be tracked and examined, resolved and responded to informers as soon as possible. These were also reported to the Audit Committee for acknowledgement. Moreover, a summary of the Good Corporate Governance Committee's activities were also reported to the Board of Directors twice a year.

2. Internal Audit

The Group Internal Audit Office participated in an assessment to assure and advise on good corporate governance, risk management and internal control. The Company's internal control was assessed by the Group Internal Audit Office together with the management every six months especially the assessment of risk factors relating to misstatements arising from fraudulent financial reporting or misappropriation of assets. The Group Internal Audit Office also developed an audit coverage plan and an annual audit plan using a risk based approach including fraud and corruption risk. The audit engagements were conducted following the annual audit plan that has been approved by the Audit Committee and the audit results were reported to the Audit Committee.

3. The self-assessment and monitoring for compliance with Business ethics and Employee ethics

In December 2016, the Company surveyed its employees about their perceptions and compliance with the Company's Code of Conduct including Business ethics and Employee ethics by using the self-assessment questionnaire as a tool. Not only the perceptions and

compliance with the Company's code of conduct but also the anti-corruption policy was also surveyed. The objectives of the survey are to improve the effectiveness of internal communications to ensure employees understand the Company's Code of Conduct and anti-corruption policy and to monitor and assess employees' compliance with them.

Innovation, Research and Development

The Company recognises the need to focus on capability development in the steel industry. This is shown by the increase in number of research projects that the Company has created and applied for certification. Since 2006, the R&D expense related to 90 certified research projects was approximately Baht 64.2 million. However, in 2015, the National Science and Technology Development Agency (NSTDA) has changed its certification procedure and the Company faced financial difficulty, therefore, the number of our certified research project was not increase from 2014.

However, the Company continues to encourage R&D department to develop its research for creating knowledge in organisation and enhancing competitiveness by supporting PhD Scholarship Programme. In 2016, the research of scholarship recipient on "EFFECT OF STRIP THICKNESS ON MECHANICAL ADHESION OF THERMAL OXIDE SCALE OF HOT ROLLED LOW CARBON STEEL STRIP" was honored to present in the 9th International Symposium on High-Temperature Corrosion Protection of Materials (HTCPM 2016). Moreover, the recipient's research on "Effects of carbon and coiling temperature on the adhesion of thermal oxide scales to hot-rolled carbon steels" is published in an International Journal of Corrosion Science, a widely used reference journal for research in material science.

Safety, Occupational Health and Work Environment Management

The Company recognises its social responsibility to take care of its employees and contractors working in the SSI Bangsaphan Steelworks area by focusing on safety and occupational health in accordance with the occupational health principle. The management of safety and occupational health is based on OHSAS 18001 standard which have been conducted and developed efficiently. As a result, the Company received Thailand Outstanding Role Model Company Award for Safety, Occupational Health and Working Environment 2016 for 5 consecutive year.

The Company has operated its occupational health and safety management, by arranging a number of projects, instilling the concept of safety, such as Zero Accident Campaign, Behaviour Based Safety (BBS) Project and Safety Patrol. The Occupational Health and Safety Committee has closely monitored and provided guidelines to improve safety in all of the plant areas. With support from the management, the Lost Time Injury Frequency Rate (LTIFR) in 2016 has reduced to 0.35 from 0.76 in 2015.

Lost Time Injury Frequency Rate (LTIFR) of SSI Group

Company	2014	2015	2016
SSI	1.10	0.76	0.35
TCRSS	0.00	0.52	0.00
WCE	2.32	2.12	0.77
PPC	2.94	0.00	0.00
SSI Group	2.00	1.55	0.31

* LTIFR (Loss Time Injury Frequency Rate): frequency rate of injuries to the strike = (number of injuries to the striker (income) / total operating hours (h)) x 1,000,000.

* As of 31 December 2016

Moreover, the Company has provided training courses of safety and occupational health, safety management on transportation, fire protection training and emergency responses for employees. In 2016, there was no fire incident or severe accident, affecting production process, property and employees' lives.

Internal Control and Risk Management



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 and mission. 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 as stated in the Audit Committee Charter (No. 4) dated 16 February 2016 which was recently revised on 20 December 2016.

The Audit Committee has reported that the Company has suitable and efficient internal control and internal audit systems. This was demonstrated by results from an assessment of the adequacy of the internal control system for the year 2016 using the self-evaluation forms 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 issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). From the results of the assessments for the year 2015, the Company completely complies with those criteria in the self-evaluation form; hence the Audit Committee concluded that the Company has appropriate internal controls in place to prepare reliable financial reports.

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. In December 2014, the Board of Directors approved the establishment of the Group Internal Audit under the new organisational structure of the Company as a group function which the Audit Committee has preliminarily approved. The Group Internal Audit still report directly to the Audit Committee since their appointment in 1999. Over the past year, the Audit Committee has also approved the Internal Audit master plan and the annual audit plan which correspond to the risk-based approach as well as acknowledged the internal audit reports regarding internal control. Moreover, the Head of Internal Audit can immediately contact 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."

Head of Internal Audit Profile

(1) Head of Internal Audit

The Head of Internal Audit in 2016 was Miss Pattamawan Boontang, who was appointed as the Chief of Group Internal Audit office by the resolution of The Board of Director meeting No. 1/2016 held on 5 January 2016.

(2) The Audit Committee's opinion on the Head of Internal Audit

The Audit Committee concluded that the Chief of Group Internal Audit office has sufficient knowledge and competence needed to perform duties.

(3) Guidelines on the appointment, transfer and dismissal of the Head of Internal Audit

The scope of duties and responsibilities of the Audit Committee covers the approval of the appointment, transfer and dismissal of the Head of Internal Audit.

Related Party Transactions

Related Party Transactions

Name of Entities	Nature of Relationships	Related Transactions in 2016 (Million Baht)	Outstanding Balance (Million Baht)
Thai Coated Steel Sheet Co., Ltd.	Direct subsidiary, 3.7% shareholding and common director	Revenue from deep-sea port and marine shipping services 0.53 Revenue from maintenance services 0.50 Other income 3.05	Trade accounts receivable 0.04 Accrued income 3.82
Thai Cold Rolled Steel Sheet Pcl.	Jointly controlling shareholder, 35.19% shareholding	Revenue from of sale hot rolled coils 722.57 Revenue from deep-sea port and marine shipping services 24.65 Revenue from maintenance services 44.75 Tolling services 34.00 Other income 10.03	Trade accounts receivable 18.71 Accrued income 1.40 Other payables 0.30
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 6.95 Revenue from maintenance services 0.09 Other income 0.64	Trade accounts receivable 0.50 Accrued income 5.66 Other receivables -
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 2,166.39 Revenue from maintenance services - Cut sheet expenses 7.36	Trade accounts receivable 1,297.59 Other receivables - Accrued income 0.22 Trade accounts payable 1.15 Other payables -
Sahaviriya Plate Mill Pcl.	Common directors and direct and indirect shareholding by the Company's director(s)	Sale of slabs 10.18 Revenue from deep-sea port and marine shipping services 1.61 Revenue from maintenance services 0.38	Trade accounts receivable - Other receivables -
Prapawit Building Property Co., Ltd.	Common directors and direct and indirect shareholding by the Company's director(s)	Office Rental 19.33 Revenue from maintenance services 0.08	Other receivables 0.14 Trade accounts payable 0.03 Other payables 0.78

Name of Entities	Nature of Relationships	Related Transactions in 2016 (Million Baht)		Outstanding Balance (Million Baht)	
Western Housing Co., Ltd.	Common directors and direct and indirect shareholding by the Company's director(s)	None	-	Trade accounts payable	0.21
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	2,259.07	Trade accounts receivable	386.35
Line Transport Co., Ltd.	Direct and indirect shareholding by the Company's director(s)	Revenue from deep-sea port and marine shipping services	7.27	Trade accounts receivable	1.18
		Revenue from maintenance services	0.66	Other receivables	0.10
		Other income	1.33	Trade accounts payable	-
		Local transportation expenses	12.25	Other payables	-
Bangpakong Lighter Co., Ltd.	Direct and indirect shareholding by the Company's director(s)	Revenue from deep-sea port and marine shipping services	1.04	Trade accounts receivable	0.22
		Other income	0.26	Other receivables	0.04
		Water transportation expenses	-	Trade accounts payable	2.91
		Financial costs	-	Other payables	2.76
Bangpakong Port Co., Ltd.	Direct and indirect shareholding by the Company's director(s)	Tolling services	-	None	-
		Local transportation expenses	-		
		Loss from sale of slabs	-		
Prachuap Pattana Development Co., Ltd.	Common directors and direct and indirect shareholding by the Company's director(s)	None	-	None	-
Sahaviriya Iron and Steel Co., Ltd.	Common directors and direct and indirect shareholding by the Company's director(s)	None	-	None	-
Sahaviriya Inter Steel Holdings Co., Ltd.	Common directors and direct and indirect shareholding by the Company's director(s)	None	-	None	-
C.A.R. Services Co., Ltd.	Indirect shareholding by the Company's director(s)	None	-	None	-

Name of Entities	Nature of Relationships	Related Transactions in 2016 (Million Baht)		Outstanding Balance (Million Baht)	
Prachuap Steel Co., Ltd.	Common directors and indirect shareholding by the Company's director(s)	None	-	None	-
Redcar Bulk Terminal Limited	Jointly controlling shareholder, 50.00% shareholding	None	-	None	-
Vanomet AG	Common shareholder and common director in a subsidiary	Purchases of slabs Finance costs	- 0.06	Advance Payment for slabs Trade accounts payable	267.19 -
Sahaviriya Shipping UK Limited	Common shareholder and director and indirect shareholding by the Company's director(s)	None	-	None	-
Thai Steel Sales Co., Ltd.		Revenue from sale of hot rolled coils	185.82	Other payables	11.32

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.

Key Financial Information

Summary of Auditor's Report

The auditor who audited the Company's consolidated and separate financial statements and its subsidiaries' financial statements for the 2016 was:

- Ms. Orawan Chunhakitpaisan Certified Public Accountant Registration No. 6105 KPMG Phoomchai Audit Ltd.
2014, the independent auditor's opinion was unqualified with emphasis of matters
2015, the independent auditor's opinion was disclaimer with emphasis of matters
2016, the independent auditor's opinion was disclaimer with emphasis of matters

The summary of the disclaimer basis and the attention drawn by the auditor for the 2016 Company's consolidated and separate financial statements, including additional explanation are as follows:

Basis for Disclaimer of Opinion

1) Material uncertainty concerning going concern basis of accounting and success of rehabilitation plan

As described in Notes 2 and 20 to the financial statements, the Group and the Company incurred a net loss of Baht 2,834 million and Baht 3,029 million, respectively, for the year ended 31 December 2016 and had a cumulative deficit of Baht 71,474 million and Baht 71,431 million, respectively, as at 31 December 2016.

As disclosed in Note 2 to the financial statements, pursuant to the discontinuation of Sahaviriya Steel Industries UK's ("SSI UK") operations, the major lenders demanded immediate payment of the outstanding balances of loan as at 30 September 2015 of USD 788 million, GBP 1 million, and Baht 1.6 million (collectively equivalent to Baht 28,432 million) which was secured by SSI UK's property, plant and equipment and a guarantee from the Company. The major lenders also called that guarantee at the same time. In addition, on 1 October 2015, the major lenders demanded immediate payment of the outstanding balance of another of the Company's loan as at 30 September 2015 of Baht 9,840 million. In view of this situation, on 1 October 2015, the Company decided to submit a petition for business rehabilitation to the Central Bankruptcy Court ("the Court").

On 10 March 2016, the Court ruled that the Company must be rehabilitated and directed the Company to prepare the rehabilitation plan. On 15 September 2016, the creditors' meeting passed a special resolution to accept the Business Rehabilitation Plan ("the Plan") and appointed 3 creditors to be a Committee of Creditors. On 15 December 2016, the Court issued an order to approve the Plan which determined the Company as the Plan Administrator.

As outlined in the Plan, the Company needs to generate sufficient cash flows to meet both its working capital requirement and its operating obligations by issuing new capital, conversion of outstanding debt to equity, seeking new financing as well as restructuring its debts owed to creditors. Note 20 to the accompanying financial statements described the Company's progress with these activities. However, to consider that the Plan is successful, the following events must occur 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 and either 2) the Company has secured new funding from an investor to repay debt such that the shareholders' equity of the Company becomes positive or 3) debt to equity conversion as stipulated in the Plan has been executed such that the shareholders' equity of the Company becomes positive. However, since the Plan has just commenced in late 2016, it is too early to conclude the success of the Plan as of the date of this report. These circumstances indicate the existence of a material uncertainty which casts significant doubt about the Group's and the Company's ability to successfully meet all obligations according to the Plan as well as ability to continue as going concern.

Management has the opinion that despite the above circumstances, the Group and the Company should be able to generate sufficient cash flows from future operations to cover operating costs and to meet financing commitments. This opinion is based on the discontinuation of SSI UK's operation, which had been incurring losses, the commencement and implementation of the Plan, and the support of the major lenders. The consolidated and separate financial statements have been prepared by management on the going concern basis on the assumption that the business rehabilitation will be successful and such further capital and credit facilities will be secured to the extent that the Group's and the Company's operations require. The validity of this assumption is dependent on 1) the success of the Plan, which has recently commenced, including 1.1) the measures taken to improve profitability and cash flows, 1.2) the success of capital restructuring, and 1.3) the ability to repay debts on schedule over the periods; and 2) the availability of financing from other sources to meet funding requirements.

I consider that, whilst adequate disclosures have been made in this regard, these circumstances indicate the existence of a material uncertainty which casts significant doubt about the Group's and the Company's ability to continue as going concern. If the Group and the Company were unable to continue as going concerns, the realisable value of assets may be significantly less than their carrying value. No adjustments to the classification or carrying value of assets and liabilities have been made in the consolidated and separate financial statements should the Group and the Company be unable to generate sufficient cash flows nor raise additional finance from other sources.

Addition explanation

Throughout year 2016 which was the period of entering the Business Rehabilitation and preparing the Business Rehabilitation Plan (the "Plan"), the Company, in cooperation of Legal Advisor, Cash Monitoring Agent, and Financial Advisor of the Company, has contributed its endeavor to accomplish the objective to complete within the target time frame the Business Rehabilitation Plan Preparation Process which includes preparation of the Business Rehabilitation Plan and proposal of the Plan in the creditor's meeting for an approval and eventually receiving an approval from the Central Bankruptcy Court. This success occurs from the effort and cooperation of all parties with the common belief that the Company's Business Rehabilitation will allow the Company the ability to repay debt to the creditors and eventually benefiting all stakeholders.

Though, the Company's Business Rehabilitation Plan had just commenced in late 2016 and is still far from conclusion whether the Plan will be implemented successfully, the Company has confidence that the Company will be able to operate its ongoing business with sufficient working capital. In addition, there are other factors that have supported the Company to achieve the success of the Plan which include:

1) The Company continues to receive support from the creditors. The Company, as a Plan Administrator, has convened the Creditor Committee's meeting which is scheduled every month or as necessary. This close coordination can help smooth and quick implementation of the Plan.

2) The Company may obtain financing, working capital, and forward contract facilities from creditors.

3) The Company has ability to repay the debt continually, as it had repaid the outstanding principal for the 1st and 2nd installments in January and February, respectively, total of Baht 254.6 million, and is projecting sufficient cash flow to repay the debt according to the Plan.

4) The Company has completely appointed Escrow Account Agent, Security Agent and Cash Monitoring Agent as defined in the Plan. The Agents are representatives of the creditors and stakeholders in monitoring of such matters for transparency and accountability.

5) The Company strongly believes that it will have better operating result in the future as the business gains more confidence from stakeholders and becomes more stable after the important milestone of the Plan approval by the Court.

All the above will support the Company to operate its normal business continually and implement the Plan till the success of the Plan which will finally benefit to the creditors and stakeholders.

2) Material uncertainty concerning the balance of long-term loans from financial institution, trade payable, other payable to related party, other current liabilities and other noncurrent liabilities

As described in Notes 2 and 20 to the financial statements, during 2016, there are 46 creditors who submitted an application for debt settlement. The Company has disputed with certain creditors due to incorrect balance, duplicated balance or ungrounded debt. As of the date of this report, there are 6 creditors where the final judgment of the debt claim has not been received from the Official Receiver. Total debt claim including principal and interest of these 6 creditors is Baht 4,160 million. In addition, as of the date of this report, there are 2 creditors with total debt claim amount of Baht 512 million where the final judgment of the debt claim have been received from the Official Receiver but the creditors have appealed against the final judgment of the Official Receiver and the appeal is still in the court process. The Group and the Company recorded the said debt of these 8 creditors of Baht 1,019 million in the consolidated and separate financial statements as at 31 December 2016. There is a discrepancy in debt balance of Baht 3,653 million as a result of the pending final judgment of the Official Receiver or appeal.

Due to the material uncertainty which is dependent on the final judgment from the Official Receiver or the outcome of the appeal, I was unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded long-term loans from financial institution, trade payable, other payable to related party, other current liabilities and other noncurrent liabilities as at 31 December 2016.

Addition explanation

As at 31 December 2016, there are 6 debt claims, representing 6% of the total debt claim, that have not received Final Judgment. 4 out of the 6 claims had been investigated and waiting for Final Judgment while the other 2 claims representing 4.5% of the total debt claim, have not been recorded as liability because the Company considers that the obligation will be confirmed only by the occurrence or non-occurrence of one or more future events. They are currently in investigation process of the Official Receiver.

There are 2 more claims, representing 0.8% of the total debt claim, which the Final Judgment has been received but the creditors have appealed to the Court against the Final Judgment of the Official Receiver. The appeals are currently in the Court process. One of the 2 Creditors has appealed to reclassify the Creditor Class which has no impact to the amount of the debt claim. The appeal of another creditor concerning the outstanding amount of debt. The Company agrees with the Final Judgment of the Official Receiver and has recorded liability equal to the amount of the Final Judgment. This case is in the Court process.

3) Limitation of audit scope on comparative information

Sahaviriya Steel Industries UK Limited ("SSI UK") is wholly-owned by the Company. As disclosed in Note 2, since the establishment of SSI UK and until 2 October 2015, when SSI UK entered the liquidation process, the consolidated financial statements of the Group included the financial statements of SSI UK. A petition for winding up SSI UK was lodged and the application was granted on 2 October 2015 and SSI UK's financial statements for Group consolidation purposes as at that date were prepared on a break-up basis. Consequent to the appointment of a liquidator for SSI UK, the Company no longer controls the business or operations of SSI UK and, therefore, the financial statements of SSI UK have not been included in the consolidated financial statements of the Group from 2 October 2015. The results of the coke manufacturing and steel making business of SSI UK for the period from 1 January 2015 to 2 October 2015 have been recorded separately as discontinued operations in the consolidated statement of income of the Group for the year ended 31 December 2015.

As disclosed in Note 2, the commencement of liquidation of SSI UK has resulted in its assets being frozen; access to its manufacturing facilities, in which most of its accounting records and related supporting documents are located, blocked; and key personnel in financial reporting being dismissed. Consequently, management has prepared the financial statements of SSI UK for the purpose of presentation and disclosure of discontinued operations in the consolidated

statement of income of the Group for the year ended 31 December 2015 based on SSI UK's management accounts and related reports made up to 31 August 2015 and estimates for the remaining period to 2 October 2015, using all relevant information available to the Group to date.

Such limitation of scope by the above circumstances has the possible effect on the comparability of the current year's consolidated financial performance and the corresponding figures.

Addition explanation

1) The comparative information that used to compare the Company's financial information of year ended 2015 with those of year ended 2016 is the same information used in Financial Statement for year ended 31 December 2015 which was prepared and presented in accordance with the financial reporting standards.

2) Details of the financial statements of SSI UK has no change from explanation in the Company's letter re: "the Clarification of the Disclaimer of Opinion on Auditor's Report on the Company's Financial Statements for the year ended 31 December 2015" No.SorLorKor.015/2559, dated 16 February 2016.

3) The Company has recognised the following items

3.1) Liability: recorded liability under guarantee agreement which was included in the Business Rehabilitation Plan of the Company and

3.2) Asset: recorded impairment in carry value of the investment in SSIUK as at 31 December 2015 on a conservative basis that is to be zero recovery after the completion of SSI UK liquidation.

Emphasis of matter

I draw attention on Note 3 (b) to the financial statements which described the effect from change in accounting policy on the corresponding figures presented as at 31 December 2015 and for the year then ended have been restated.

I draw attention to Notes 4 and 7 to the financial statements. For the year ended 31 December 2016, the Group and the Company sold goods to related companies and joint venture in the normal course of business totaling Baht 5,334 million and Baht 5,334 million, respectively, which represented 28% of the Group's and the Company's total sales. As at 31 December 2016, the Group's and the Company's outstanding trade accounts receivable net of allowance for doubtful accounts from those related parties amounted to Baht 1,481 million and Baht 1,471 million, respectively. Moreover, for the year ended 31 December 2016, the Group and the Company purchased goods from related companies in the normal course of business totaling Baht 1,080 million and Baht 1,337 million, respectively, which represented 7% of the Group's total purchases and which represented 9% of the Company's total purchases.

Addition explanation

The Company predominantly wholesales to both domestic and overseas customers. Domestic customers are both the Company's related parties and non-related parties consisting of end-users and traders and coil centers. The Company has no policy to directly do business with retailers or hold shares in the business of its traders and coil centers because of the associated credit risk.

One of the common strategies for the business is to separate manufacturer from distributor. As such, there are related companies which have been established as distributors of HRC and other steel products before the Company's establishment as a manufacturer.

In addition, 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 transfer pricing policies in the notes to the financial statements.

Summary of Financial Statement

Statement of Financial Position

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Joint Venture

As at 31 December

	2016		2015 (Restated)		2014 ¹⁾ (Restated)	
	(Baht)	%	(Baht)	%	(Baht)	%
Assets						
Current assets						
Cash and cash equivalents	425,055,579	1.8	156,508,506	0.7	351,400,815	0.5
Trade accounts receivable	1,504,398,854	6.2	4,590,821,162	19.7	5,311,902,438	7.4
Other accounts receivable from related parties	267,707,207	1.1	532,521,538	2.3	1,310,416,921	1.8
Inventories	6,509,746,594	26.9	2,948,556,284	12.6	13,063,972,295	18.2
Other current assets	987,973,667	4.1	197,564,544	0.8	2,406,515,640	3.4
Total current assets	9,694,881,901	40.0	8,425,972,034	36.1	22,444,208,109	31.3
Non-current assets						
Restricted deposit at financial institution	4,683,334	0.0	12,720,143	0.1	21,288,350	0.0
Investments in joint venture	2,706,332,473	11.2	2,529,084,209	10.8	3,318,687,930	4.6
Property, plant and equipment	11,634,087,178	48.0	12,163,780,946	52.1	45,578,267,235	63.6
Intangible assets	142,487,575	0.6	158,975,157	0.7	245,303,285	0.3
Deferred tax assets	25,666,845	0.1	48,070,060	0.2	35,650,676	0.0
Other non-current assets	19,735,808	0.1	12,107,442	0.1	12,414,658	0.0
Total non-current assets	14,532,993,213	60.0	14,924,737,957	63.9	49,211,612,134	66.7
Total assets	24,227,875,114	100.0	23,350,709,991	100.0	71,655,820,243	100.0

¹⁾ 2014 information included Sahaviriya Steel Industries UK Limited.

Statement of Financial Position

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Joint Venture

As at 31 December

	2016		2015 (Restated)		2014 ¹⁾ (Restated)	
	(Baht)	%	(Baht)	%	(Baht)	%
Liabilities and equity						
Current liabilities						
Bank overdrafts and short-term loans						
from financial institutions						
and from related parties	335,635,980	1.4	12,796,099,840	54.8	22,638,350,536	31.6
Trade accounts payable	2,244,304,200	9.3	2,804,253,376	12.0	10,802,757,605	15.1
Other accounts payable from						
related parties	36,169,356	0.1	21,836,192	0.1	889,582,036	1.2
Current portion of long-term loans						
from financial institutions	1,013,618,655	4.2	7,033,461,665	30.1	7,639,329,476	10.7
Long-term borrowings classified						
as current liabilities	-	-	6,629,284,761	28.4	22,034,033,707	30.7
Subordinated convertible debentures	-	-	-	-	236,070	0.0
Current portion of finance lease						
liabilities	48,705,245	0.2	68,763,059	0.3	54,692,504	0.1
Current portion of hire purchase						
liabilities	1,000,281	0.0	3,629,691	0.0	6,601,542	0.0
Provision made for loss on guarantee						
given and others	455,667,455	1.9	30,533,752,034	130.8	-	-
Provision for onerous contracts	19,152,118	0.1	-	-	575,188,520	0.8
Current portion of other payable						
under rehabilitation plan	73,450,343	0.3	-	-	-	-
Current portion of accrued interest						
under rehabilitation plan	4,403,967	0.0	-	-	-	-
Income tax payable	4,501,994	0.0	-	-	1,355,209	0.0
Other current liabilities	506,801,307	2.1	3,695,264,102	15.8	5,034,991,788	7.0
Total current liabilities	4,743,410,901	19.6	63,586,344,720	272.3	69,677,118,993	97.2

¹⁾ 2014 information included Sahaviriya Steel Industries UK Limited.

Statement of Financial Position

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Joint Venture

As at 31 December

	2016		2015 (Restated)		2014 ¹⁾ (Restated)	
	(Baht)	%	(Baht)	%	(Baht)	%
Non-current liabilities						
Long-term loans from financial institutions	24,599,428,069	101.5	-	-	-	-
Other payable under rehabilitation plan	1,910,854,059	7.9	-	-	-	-
Provision made for loss on guarantee given and others	28,489,627,803	117.6	-	-	-	-
Accrued interest under rehabilitation plan	7,617,098,251	31.4	-	-	-	-
Finance lease liabilities	37,111,357	0.2	72,005,250	0.3	98,226,864	0.1
Hire purchase liabilities	-	-	1,003,263	0.0	3,338,283	0.0
Employee benefit obligations	178,571,581	0.7	211,276,457	0.9	195,308,532	0.3
Environmental liabilities and others	-	-	-	-	600,563,651	0.8
Deferred tax liabilities	90,429,591	0.4	1,161,437,602	0.5	119,607,396	0.2
Other non-current liabilities	823,876	0.0	917,315	0.0	1,217,528	0.0
Total non-current liabilities	62,923,944,587	259.7	404,724,169	1.7	1,018,262,254	1.4
Total liabilities	67,667,355,488	279.3	63,991,068,889	274.0	70,695,381,247	98.7

¹⁾ 2014 information included Sahaviriya Steel Industries UK Limited.

Statement of Financial Position

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Joint Venture

As at 31 December

	2016		2015 (Restated)		2014 ¹⁾ (Restated)	
	(Baht)	%	(Baht)	%	(Baht)	%
Liabilities and equity						
Equity						
Share capital						
Authorized share capital	50,263,663,124		50,263,663,124		39,867,778,559	
Issued and paid-up share capital	32,166,262,124	132.8	32,166,262,124	137.8	32,166,258,124	44.9
Discount on ordinary shares issuance	(5,678,076,131)	(23.4)	(5,678,076,131)	(24.3)	(5,678,076,131)	(7.9)
Equity distribution from shareholders from repurchase of subordinated convertible debentures	366,207,178	1.5	366,207,178	1.6	366,219,977	0.5
Convertible rights	-	-	-	-	24,779	0.0
Revaluation surplus						
- The Group	-	-	-	-	-	-
- Joint Venture	-	-	-	-	-	-
Currency translation differences	-	-	-	-	555,555,387	0.8
Retained earnings (deficit)						
Appropriated – Legal reserve	530,226,819	2.2	530,226,819	2.3	530,226,819	0.7
Unappropriated (deficit)	(71,473,832,280)	(295.0)	(68,655,132,557)	(294.0)	(27,695,817,978)	(38.7)
Equity attributable to owners of the Company	(44,089,212,290)	(182.0)	(41,270,512,567)	(176.7)	244,390,977	0.3
Non-controlling interests	649,731,916	2.7	630,153,669	2.7	716,048,019	1.0
Capital deficiency/total equity	(43,439,480,374)	(179.3)	(40,640,358,898)	(174.0)	960,438,996	1.3
Total liabilities and equity	24,227,875,114	100.0	23,350,709,991	100.0	71,655,820,243	100.0

¹⁾ 2014 information included Sahaviriya Steel Industries UK Limited.

Statement of Income

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Joint Venture

For the year ended 31 December

	2016		2015 (Restated)		2014 ¹⁾	
	(Baht)	%	(Baht)	%	(Baht)	%
Income						
Revenue from sale of goods	19,109,985,667	94.1	19,255,060,580	93.9	32,316,180,884	96.9
Revenue from rendering of services	714,173,740	3.5	917,943,960	4.5	776,216,087	2.3
Gain on sales of investment in joint venture	-	-	-	-	-	-
Net foreign exchange gain	447,598,236	2.2	260,027,046	1.3	177,563,510	0.5
Other income	33,216,887	0.2	62,427,611	0.3	73,971,785	0.2
Total income	20,304,974,530	100.0	20,495,459,197	100.0	33,343,932,266	100.0
Expenses						
Cost of sale of goods	14,776,298,610	72.8	18,735,991,216	91.4	30,143,950,504	90.4
Cost of rendering of services	419,125,217	2.1	653,214,153	3.2	691,957,405	2.1
Selling expenses	378,604,730	1.9	344,813,924	1.7	310,828,007	0.9
Administrative expenses	3,314,930,434	16.3	1,168,987,281	5.7	726,071,976	2.2
Management benefit expenses	74,278,600	0.4	74,710,653	0.4	75,539,582	0.2
Interest as a result of discontinued operation	1,690,605,583	8.3	-	-	-	-
Provision for loss under onerous contracts (reversal)	19,152,118	0.1	(83,048,422)	(0.4)	83,048,422	0.2
Finance costs	2,633,202,252	13.0	2,517,562,861	12.3	1,711,317,198	5.1
Total expenses	23,306,197,544	114.8	23,412,231,666	114.2	33,742,713,094	101.2

¹⁾ 2014 information included Sahaviriya Steel Industries UK Limited.

Statement of Income

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Joint Venture

For the year ended 31 December

	2016		2015 (Restated)		2014 ¹⁾	
	(Baht)	%	(Baht)	%	(Baht)	%
Share of profit (loss) of equity-accounted investees						
Joint Venture	167,809,290	(0.8)	(70,274,830)	(0.3)	(97,658,135)	(0.3)
Loss before income tax expense from continuing operations	(2,833,413,724)	(14.0)	(2,987,047,299)	(14.6)	(496,438,963)	(1.5)
Income tax benefits	(1,068,483)	0.0	7,855,195	0.0	25,445,720	0.1
Loss From continuing operations	(2,834,482,207)	(14.0)	(2,979,192,104)	(14.5)	(470,993,243)	(1.4)
Discontinued operation						
Loss from discontinued operation	-	-	(38,036,616,825)	(185.6)	(4,395,839,117)	(13.2)
Loss for the year	(2,834,482,207)	(14.0)	(41,015,808,929)	(200.1)	(4,866,832,360)	(14.6)
Loss attributable to:						
Owners of the Company	(2,869,108,143)	(14.0)	(40,959,314,579)	(199.8)	(4,903,027,293)	(14.7)
Non-controlling interests	34,625,936	0.2	(56,494,350)	(0.3)	36,194,933	0.1
Loss for the year	(2,834,482,207)	14.0	(41,015,808,929)	(200.1)	(4,866,832,360)	(14.6)
Loss per share						
Loss per share	(0.09)		(1.27)		(0.15)	
Diluted loss per share	(0.09)		(1.27)		(0.15)	
Loss per share – continuing operations						
Basic loss per share	(0.09)		(0.09)		(0.01)	
Diluted loss per share	(0.09)		(0.09)		(0.01)	

¹⁾ 2014 information included Sahaviriya Steel Industries UK Limited.

Statement of Comprehensive Income

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Joint Venture

For the year ended 31 December

	2016		2015 (Restated)		2014 ¹⁾	
	(Baht)	%	(Baht)	%	(Baht)	%
Loss for the year	(2,834,482,207)	(14.0)	(41,015,808,929)	(200.1)	(4,866,832,360)	(14.6)
Other comprehensive income						
Items that will never be reclassified to profit or loss						
Impairment loss on property, plant and equipment previously revalued	-	-	-	-	-	-
Depreciation on revaluation surplus	-	-	-	-	(237,111,638)	(0.7)
Income tax on other comprehensive income	-	-	-	-	47,887,951	0.1
	-	-	-	-	(189,223,687)	(0.6)
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation differences for foreign operations	-	-	(2,600,611,457)	(12.7)	(37,582,224)	(0.1)
Reclassification of foreign currency differences following liquidation of subsidiary	-	-	2,045,056,070	10.0	-	-
Defined benefit plan actuarial gains (losses)						
Employee						
- The Group	46,787,246	0.2	-	-	(13,387,790)	0.0
- Joint venture	9,438,975	0.0	-	-	1,248,172	0.0
Income tax on other comprehensive income	(6,165,491)	(0.0)	-	-	-	-
Other comprehensive income for the year net of income tax	50,060,731	0.2	(555,555,387)	(2.7)	(238,945,529)	(0.7)
Total comprehensive income for the year	(2,784,421,476)	(13.7)	(41,571,364,316)	(202.8)	(5,105,777,889)	(15.3)

¹⁾ 2014 information included Sahaviriya Steel Industries UK Limited.

Statement of Comprehensive Income

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Joint Venture

For the year ended 31 December

	2016		2015 (Restated)		2014 ¹⁾	
	(Baht)	%	(Baht)	%	(Baht)	%
Total comprehensive income						
attributable to:						
Owners of the Company	(2,818,699,723)	(13.9)	(41,514,869,966)	(202.6)	(5,133,292,650)	(15.4)
Non-controlling interests	34,278,247	0.2	(56,494,350)	(0.3)	27,514,761	0.1
Total comprehensive income for the year	(2,784,421,476)	(13.7)	(41,571,364,316)	(202.8)	(5,105,777,889)	(15.3)

¹⁾ 2014 information included Sahaviriya Steel Industries UK Limited.

Statement of Cash Flows

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Joint Venture

For the year ended 31 December

	2016	2015 (Restated)	2014 ¹⁾
	(Baht)	(Baht)	(Baht)
Cash flows from operating activities			
Loss for the year	(2,834,482,207)	(41,015,808,929)	(4,866,832,360)
<i>Adjustments for</i>			
Depreciation and amortisation	694,309,453	559,307,088	2,514,243,736
Finance costs	2,633,202,252	2,517,562,861	3,240,188,976
Unrealised gain on exchange rate	(224,695,796)	(141,662,752)	(359,079,411)
Bad debts and doubtful debts expenses (reversal)	2,677,309,056	34,938,353	42,109,600
Provision for (reversal of) loss decline in value of inventories	(336,749,218)	(239,138,758)	464,307,264
Employee benefit obligations	24,074,656	26,131,059	24,453,337
Provision for loss under onerous contracts (reversal)	19,152,118	(83,048,421)	237,679,931
Loss (gain) on disposal of property, plant and equipment	(1,194,130)	3,292,889	(17,526,085)
Loss on revaluation of property, plant and equipment	-	-	-
Loss on impairment of property, plant and equipment	19,000,000	13,421,974	-
Loss recognized on the loss on liquidation of subsidiary	-	38,036,616,825	-
Reversal of short-term provision	-	-	(7,790,000)
Share of profit of Joint venture (net of income tax)	(167,809,290)	70,274,830	(301,942,389)
Interest as a result of discontinued operation	1,690,605,583	-	-
Others	-	-	9,273,933
Income tax benefits	1,068,483	(7,855,195)	(25,445,720)
	4,193,790,960	(225,968,176)	953,640,812

¹⁾ 2014 information included Sahaviriya Steel Industries UK Limited.

Statement of Cash Flows

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Joint Venture

For the year ended 31 December

	2016	2015 (Restated)	2014 ¹⁾
	(Baht)	(Baht)	(Baht)
Changes in operating assets and liabilities			
Trade accounts receivable	313,953,547	27,553,133	(565,499,709)
Other accounts receivable from related parties	(49,668,160)	(1,338,310,060)	913,676,880
Inventories	(3,224,441,092)	6,602,480,927	3,293,578,074
Other current assets	(776,386,067)	105,485,400	1,148,068,513
Other non-current assets	(6,825,856)	19,741,111	1,441,901
Trade accounts payable	314,269,689	(5,463,541,420)	(913,251,624)
Other accounts payable to related parties	15,226,092	(6,990,886)	(1,294,367,981)
Other current liabilities	(70,096,385)	468,791,698	(931,476,012)
Employee benefit obligations paid	(9,992,286)	(10,163,134)	(4,180,349)
Other non-current liabilities	(93,439)	(300,215)	(300,215)
Income tax paid	(26,910,748)	(39,424,638)	(6,563,899)
Net cash provided by operating activities	672,826,255	139,353,740	2,594,766,391
Cash flows from investing activities			
Proceeds from sale of investment in Joint venture	-	-	-
Deposits at financial institution pledged as collateral	8,036,809	-	(21,288,350)
Purchases of property, plant and equipment	(158,675,781)	(44,222,194)	(740,129,104)
Purchases of intangible assets	(1,201,055)	(15,995,747)	(22,024,372)
Sales of property, plant and equipment	1,143,171	640,654	154,679,373
Machines and equipment acquired by means of finance lease	-	-	38,840,888
Dividend received	-	-	723,887,536
Currency translation differences	-	-	(97,402,121)
Net cash used in discontinued operation	-	(164,964,557)	-
Net cash provided by (used in) investing activities	(150,696,856)	(224,541,844)	36,563,850

¹⁾ 2014 information included Sahaviriya Steel Industries UK Limited.

Statement of Cash Flows

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Joint Venture

For the year ended 31 December

	2016	2015 (Restated)	2014 ¹⁾
	(Baht)	(Baht)	(Baht)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	-	-	-
Transaction costs from issuance of ordinary shares	-	-	-
Finance cost paid	(22,231,661)	(556,952,839)	(2,900,139,035)
Increase in short-term loans from financial institutions	(158,066,285)	(6,556,814)	352,247,343
Proceeds from short-term loans from related parties	-	929,000,000	547,367,939
Repayment of short-term loans from related parties	-	(377,792,064)	(123,000,000)
Proceeds from long-term loans	-	-	-
Repayment of long-term loans	-	(8,870,090)	(235,523,400)
Hire purchase and finance lease payments	(58,584,380)	(118,014,755)	(60,008,601)
Machines and equipment acquired by means of finance lease	-	59,156,845	-
Repurchase of subordinated convertible debenture	-	(274,488)	-
Dividends paid	(14,700,000)	(29,400,000)	(44,100,000)
Net cash used in financing activities	(253,582,326)	(109,704,205)	(2,463,155,754)
Net increase (decrease) in cash and cash equivalents	(268,547,073)	(194,892,309)	168,174,487
Effect of exchange rate changes on balance held in foreign currency	-	-	20,128,142
Cash and cash equivalents at 1 January	156,508,506	351,400,815	163,098,186
Cash and cash equivalents at 31 December	425,055,579	156,508,506	351,400,815

¹⁾ 2014 information included Sahaviriya Steel Industries UK Limited.

Financial Ratio

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Joint Venture

	2016	2015 (Restated)	2014 ¹⁾ (Restated)
Liquidity Ratio			
Current ratio (Times)	2.04	0.13	0.32
Current ratio exclude long-term borrowings classified (Times)	2.26	0.32	0.47
Quick ratio (Times)	0.41	0.07	0.08
Quick ratio exclude long-term borrowings classified (Times)	0.41	0.08	0.12
Cash ratio (Times)	0.02	0.00	0.05
Accounts receivable turnover (Times)	6.50	4.07	6.18
Average collection period (Days)	55	88	58
Inventories turnover (Times)	3.12	2.34	2.12
Average days sales (Days)	115	154	170
Accounts payable turnover ratio (Times)	6.02	2.85	2.63
Accounts payable period (Days)	60	126	137
Cash Cycle (Days)	111	116	91
Profitability Ratio			
Gross profit ratio	23.35%	3.89%	6.82%
Operating profit ratio	4.25%	(3.58%)	3.21%
Other profit ratio	2.37%	1.57%	0.75%
Operating cash flow margin ratio (Times)	0.80	(0.19)	2.45
Net profit ratio	(14.47%)	(203.04%)	(14.82%)
Return on equity ratio	N.A.	N.A.	(97.69%)
Efficiency Ratio			
Return on assets ratio	(12.06%)	(86.22%)	(6.27%)
Return on fixed assets ratio	(24.11%)	(141.87%)	(10.01%)
Total assets turnover (Times)	0.85	0.43	0.43

¹⁾ 2014 information included Sahaviriya Steel Industries UK Limited.

Financial Ratio

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Joint Venture

	2016	2015 (Restated)	2014 ¹⁾ (Restated)
Financial Policy Ratio			
Debt to equity ratio (Times)	N.A.	N.A.	73.6
Interest bearing debt to equity (Times)	N.A.	N.A.	9.61
Interest coverage ratio (Times)	32.47	1.32	1.90
Debt service coverage ratio (Cash Basis) (Times)	3.85	1.41	2.49
Dividend payout ratio	-	-	-

Per Share Data and Growth Rate

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Joint Venture

	2016	2015 (Restated)	2014 ¹⁾ (Restated)
Per Share Data			
Book value per share (Baht)	(1.37)	(1.28)	0.01
Earnings (Loss) per share (Baht)	(0.09)	(1.27)	(0.15)
Dividend per share	-	-	-
Growth Rate			
Total assets	3.76%	(67.41%)	(15.43%)
Total liabilities	5.74%	(9.48%)	(4.62%)
Revenue from sales and revenue from rendering of services	(1.73%)	(39.04%)	(49.39%)
Operating expenses	151.55%	25.93%	47.15%
Net profit (loss)	93.00%	(735.39%)	30.48%

¹⁾ 2014 information included Sahaviriya Steel Industries UK Limited.

Report on the Responsibility of the Board of Directors for 2016 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, its subsidiaries and its joint venture for the year ended 31 December 2016 as well as the financial information disclosed in the Company's 2016 Annual Report. 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 and audited by the independent certified public accountant approved by the Securities and Exchange Commission. Regarding the disclaimer of opinion on audit's report proposed to shareholders of the Company for the year ended 31 December 2016, the Company has duly submitted a clarification letter to the Stock Exchange of Thailand and the Securities and Exchange Commission.

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. The true performance and financial position of the Company has thus been reflected on the Company's financial statements for the benefit of its shareholders, investors, other stakeholders and all relevant parties.

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. Wit Viriyaprapaikit

Chairman of the Board of Directors of
Sahaviriya Steel Industries Public Company Limited
(as the Plan Administrator)



Mr. Win Viriyaprapaikit

Group CEO and President

Management Discussion and Analysis

Table 1: Summary of Consolidated Financial Results

Unit: Million Baht	2016 Jan - Dec	2015 Jan - Dec (Restated)	% YoY
Sales and service revenues	19,824	20,173	-2%
Cost of sales and service	15,195	19,389	-22%
Gross profit (loss)	4,629	784	+491%
SG&A	3,768	1,589	+137%
Provision for loss under onerous contracts (reversal)	19	(83)	+123%
EBITDA	2,143	(37,897)	+106%
Interest expense	4,317	2,508	+72%
Depreciation and amortisation	694	562	+23%
Income tax (reversal)	1	(8)	+114%
Realised FX gain (loss)	672	118	+468%
Unrealised FX gain (loss)	(225)	142	-259%
Profit (Loss) from Discontinued Operation	-	(38,037)	+100%
Net profit (loss)	(2,869)	(40,959)	+93%
EPS (Baht)	(0.089)	(1.274)	+93%

- 2015 operating performance excludes the Discontinued Operation, except for Net Loss.
- EBITDA = Net (Loss) Profit + Interest + Tax + Depreciation and Amortisation

Table 2: Financial Results by Business Unit

Unit: Million Baht	2016 Jan - Dec	2015 Jan - Dec (Restated)	% YoY
Sales and Service Revenues			
Consolidated ¹⁾	19,824	20,173	-2%
HRC Business	19,454	19,612	-1%
Port Business	216	145	+49%
Engineering Business	113	367	-69%
EBITDA			
Consolidated	2,143	(37,897)	+106%
HRC Business	1,826	(64,333)	+103%
Port Business	180	(5)	+3,985%
Engineering Business	40	6	+522%
Elimination of Related Parties Transaction	97	26,434	
Net Profit (Loss)			
Consolidated ²⁾	(2,869)	(40,959)	+93%
HRC Business	(3,029)	(67,250)	+95%
Port Business	78	(127)	+162%
Engineering Business	(10)	(18)	+45%
Elimination of Related Parties Transaction	56	26,492	
Non-controlling Interest	35	(57)	

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)

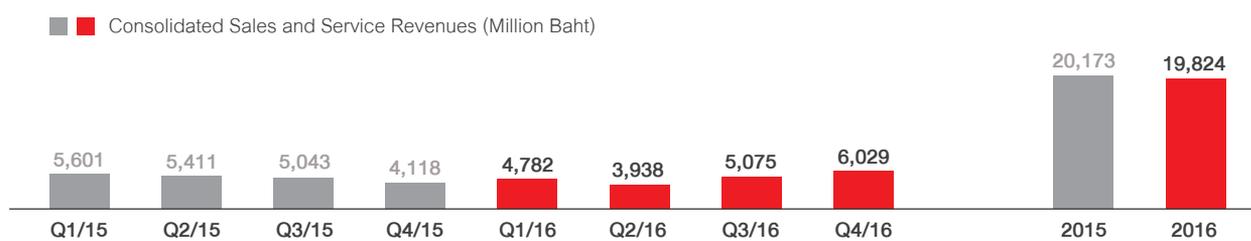
Unit: USD/ton	2016 Jan - Dec	2015 Jan - Dec	% YoY
Average Selling Price	463	491	-6%
Average Cost of Goods Sold	366	485	-24%
HRC Spread ¹⁾	143	59	+143%
HRC Rolling Margin ²⁾	31.0%	12.0%	
HRC EBITDA ³⁾	41.2	(0.1)	+100%
Sales Volume (k tons)	1,232	1,126	+9%
Production Volume (k tons)	1,269	1,057	+20%

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 includes net stock loss provision (reversal) USD (7.8)/ton in 2016, and USD (7.9)/ton in 2015, but excludes loss recognised on the liquidation of subsidiary USD 1,583.6/ton in 2015.

Figure 1: Sales and Service Revenues of the Company and its subsidiaries
(Excludes SSI UK in 2015)



Performance of the Company, its Subsidiaries and its Joint Venture

In 2016, the Company and its subsidiaries recorded sales and service revenues Baht 19,824 million, down 2% YoY following the selling price of HRC business and dropping in the world steel prices. Group Sales Volume was 1,232k tons and EBITDA was Baht 2,143 million, up 9% and 106% YoY. The 2016 operating performance improved YoY due to an increase in HRC Sales Volume and HRC Spread as well as no loss recognition from the operation of Upstream Business. However, the Company and its affiliated showed net loss Baht 2,869 million, down 93% YoY, which was loss from a record in accrued default interest under the Business Rehabilitation Plan. Negative EPS and negative profitability ratios are as shown in the table below.

Profitability Ratio	2016	2015
NP Margin (%)	(14.5)	(203.0)
ROA (%)	(12.06)	(86.2)
ROE (%)	N.A.	N.A.
EPS (Baht)	(0.09)	(1.27)

HRC Business (the Company)

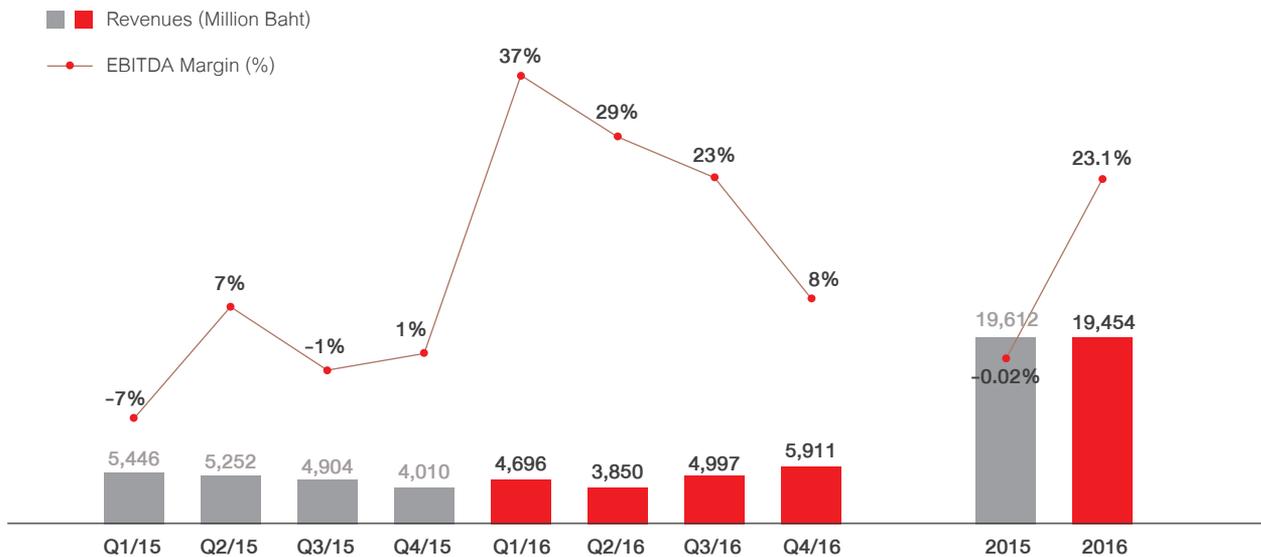
Revenues: In 2016, the Company recorded sales and service revenues Baht 19,454 million, down 1% YoY following the world steel price, with HRC Sales Volume of 1,232k tons, up 9% YoY, as the financial status of the Company becomes more stable after the Business Rehabilitation Plan was approved by the Court, as a result, the business is able to gain more confidence from stakeholders. HRC Average Selling Price was Baht 16,657 per ton or approx. USD 463 per ton, down 6% YoY following steel prices in the world market. Premium Value Products (PVPs) contributed to 39% of total HRC Sales Volume.

Expenses: In 2016, the Company recorded Cost of sales and service Baht 15,023 million; comprising total cost of sales Baht 15,360 million and the reversal of provision for loss on decline in value of inventories Baht 336 million. Cost of sales and service decreased 21% YoY following lower raw materials and production cost. SG&A was Baht 3,665 million; up 152% YoY resulted from a record in provision for doubtful debt Baht 2,677 million. Without the provision for doubtful debt, the SG&A would decrease by 32% YoY, as a result of a decrease in raw material management expense and no reclassification of fixed production cost as idle cost (due to low production level) in SG&A Expense as in the same period in 2015. There was the provision for loss under onerous contracts Baht 19 million. Interest Expense was Baht 4,298 million; up 73% YoY resulted from the accrued interest arisen from the debt obligation as bank loan guarantor of Upstream Business whereas in 2015 this interest was included in the loss from discontinued operation. There was no loss recognised on the liquidation of subsidiary in 2016, as shown in 2015.

HRC Spread: In 2016, the Company recorded HRC Spread of 143 per ton, up from USD 59 per ton in the same period of 2015, or up 143% YoY. HRC Rolling Margin of 31.0%, improved from 12% in 2015.

Profits: In 2016, the Company recorded gross profit Baht 4,431 million, EBITDA Baht 1,826 million (excluding the reversal of provision for loss on decline in value of inventories Baht 336 million, the reversal of provision for loss under onerous contracts Baht 19 million, and provision for doubtful debt Baht 2,677 million, Core EBITDA was Baht 4,186 million), and net loss Baht 3,029 million from a record in accrued default interest of Baht 4,298 million under the Business Rehabilitation Plan. Operating performance improved YoY (where gross profit was Baht 568 million, EBITDA was negative Baht 64,333 million, and net loss was Baht 67,250 million) due to loss recognised on the liquidation of subsidiary, plus an increase in HRC Sales Volume and HRC Spread. HRC EBITDA per ton was USD 41.2 per ton (including the reversal of provision for loss on decline in value of inventories USD 8.3 per ton, and the provision of loss under onerous contracts USD 0.5 per ton, but excluding the recognised loss on the liquidation of subsidiary USD 1,583.6 per ton); up from negative EBITDA USD 0.1 per ton in the same period of 2015.

Figure 2: Revenues and EBITDA Margin of HRC Business

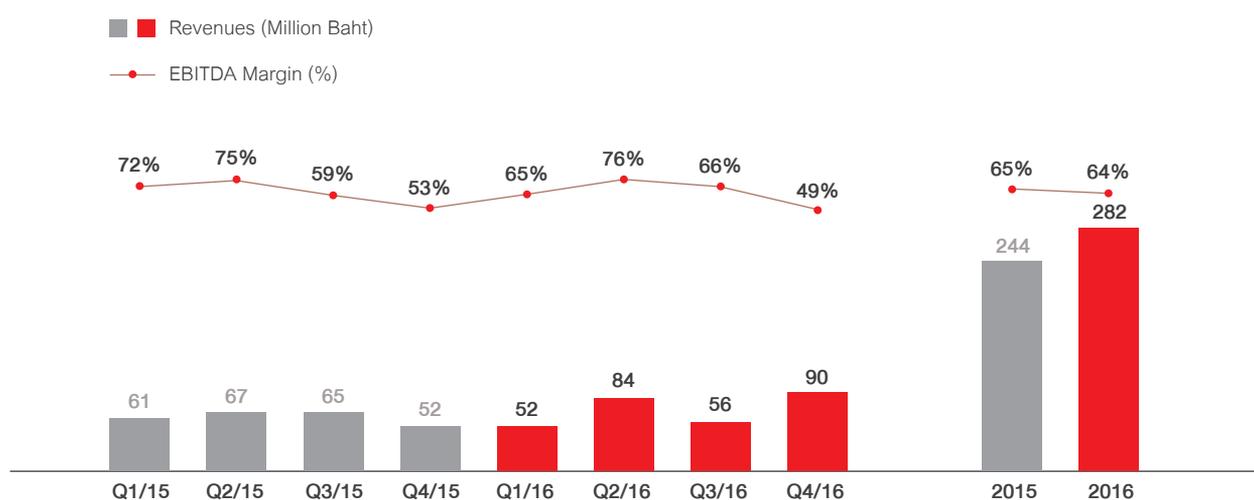


Port Business (PPC)

Revenues: In 2016, PPC recorded total service revenues Baht 282 million, up 16% YoY following higher throughput volume from 2,088,918 tons to 2,777,963 tons or up 33% YoY.

Profits: In 2016, PPC recorded gross profit Baht 156 million, EBITDA Baht 180 million, and net profit Baht 78 million, or increase by 49%, 3,985%, and 162% YoY respectively as a result of 33% increase in throughput volume and 16% increase in revenues.

Figure 4: Revenues and EBITDA Margin of Port Business

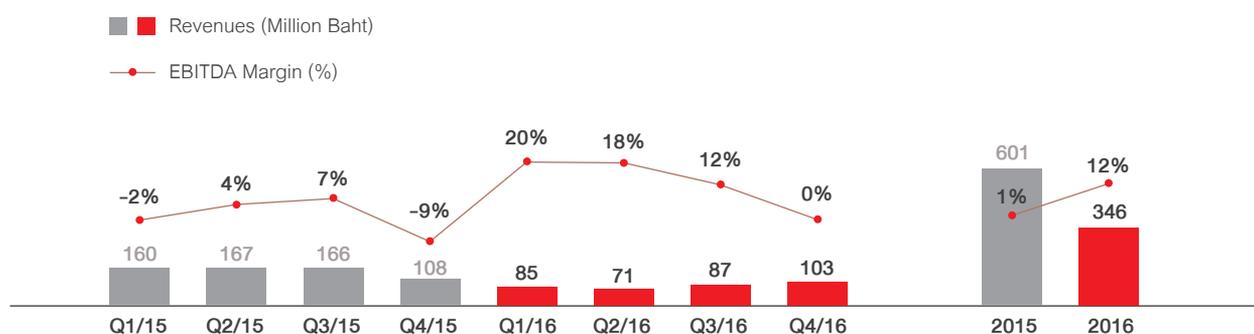


Engineering Business (WCE)

Revenues: In 2016, WCE recorded total sales and service revenues Baht 346 million, down 43% YoY as WCE was aware of accepting projects as well as emphasized on short-term small and medium ones. Therefore, there was no new large project for the year. In addition, small entrepreneurs were lack of confidence that the infrastructure investment of the government would be benefit down to them. In terms of economic, world economic and political conditions have an effect on export and, consequently, caused delay in investment by entrepreneur.

Profits: In 2016, WCE recorded gross profit Baht 58 million, positive EBITDA Baht 40 million, and net loss Baht 9 million; improved 17%, 522% and 45% YoY respectively as a result of rigorously cost control and reduction measures.

Figure 5: Revenues and EBITDA Margin of Engineering Business



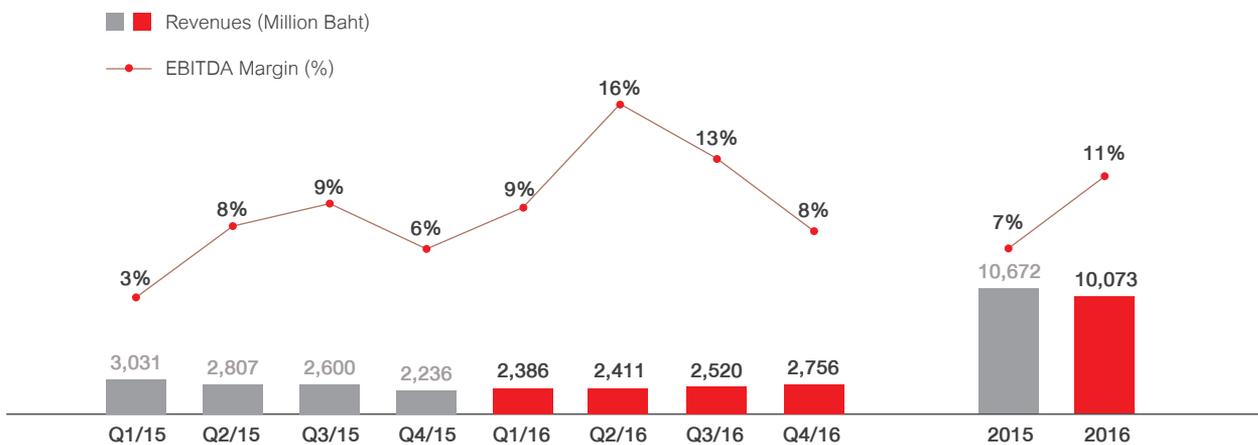


CRC Business (TCRSS)

Revenues: In 2016, TCRSS recorded total sales Baht 10,073 million, down 6% YoY with Sales Volume 521k tons, up 9%, and Average Selling Price dropped by 13% YoY following the world steel prices.

Profits: In 2016, TCRSS recorded gross profit Baht 900 million, EBITDA Baht 1,148 million and net profit Baht 463 million; up by 104%, 60%, and 272% YoY respectively.

Figure 6: Revenues and EBITDA Margin of CRC Business



Consolidated Financial Status

Assets

As at 31 December 2016, the Company and its subsidiaries had total assets Baht 24,228 million, up 4% or Baht 877 million from 31 December 2015 mainly due to an increase in inventories. The details of total assets are as follows:

Assets	31 Dec 2016		31 Dec 2015		31 Dec 2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Cash and cash equivalents	425	2	157	1	351	0
Trade accounts receivable	1,504	6	4,591	20	5,312	7
Inventories	6,510	27	2,949	13	13,064	18
Property, plant and equipment	11,634	48	12,164	52	45,578	64
Investments in joint venture	2,706	11	2,529	11	3,319	5
Other assets	1,448	6	962	4	4,032	6
Total assets	24,228	100	23,351	100	71,656	100

Trade accounts receivable: As at 31 December 2016, trade and notes receivable netted Baht 1,504 million, down 67.24% from the end of 2015; mainly as a result of the provision for doubtful debt. In January and February 2017, Baht 521 million has been collected from two related companies for trade receivables overdue 6 - 12 months. As at 31 December 2016, management has considered and assessed the current status of those two related companies and set up the allowance for doubtful accounts of Baht 2,737 million.

Inventories: As at 31 December 2016, inventory netted Baht 6,510 million, up 121% from to the end of 2015, as a result of an increase in cost and volume of raw materials and inventories of HRC Business.

Property, plant and equipment: As at 31 December 2016, Property, plant and equipment netted Baht 11,634 million, down 4% from the end of 2015.

Liabilities and Sources of Fund

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

Liabilities and Equity	31 Dec 2016		31 Dec 2015		31 Dec 2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Current portion of interest-bearing debts	1,199	5	26,531	114	52,373	73
Provision made for loss on guarantee given and others	456	2	30,534	131	-	-
Trade accounts payable	2,244	9	2,804	12	10,803	15
Non-current portion of interest-bearing debt	55,150	228	73	0	102	0
Subordinated convertible debentures	-	-	-	-	-	-
Environmental liabilities and others	-	-	-	-	601	1
Deferred tax liabilities	90	0	120	0	120	0
Other liabilities	8,528	35	3,929	17	6,697	10
Equity attributable to owners of the Company	(44,089)	(182)	(41,271)	(177)	244	0
Non-controlling interests	650	3	630	3	716	1
Total equity	(43,439)	(179)	(40,640)	(174)	960	1
Total liabilities and equity	24,228	100	23,351	100	71,656	100

As at 31 December 2016, the Company and its subsidiaries had total liabilities Baht 67,667 million, up 6% from 31 December 2015, mainly as a result of the record in accrued default interest of HRC Business.

The Company and its subsidiaries had total interest-bearing debts Baht 56,805 million, whilst net debt was Baht 56,380 million. These debts consisted of short-term borrowings and current portion of long-term interest-bearing debts Baht 1,655 million and long-term interest-bearing debts Baht 55,150 million.

As a result of the approval of the Rehabilitation Plan on 15 December 2016, all loans from financial institutions, provision made for loss on guarantee and other account payables under rehabilitation plan have been included in the Plan. All loans from financial institutions, provision made for loss on guarantee and other account payables under rehabilitation plan as at 31 December 2016 have been reclassified to current or noncurrent liabilities according to the terms and condition and debt repayment schedule set forth in the Plan.

As at 31 December 2016, equity attributable to owners of the Company decreased to negative Baht 43,439 million as a result of the operating loss of the Group.

Liquidity

1. Cash flow

As at 31 December 2016, the Company and its subsidiaries' ending cash was Baht 425 million, an increase from net cash and cash equivalents of Baht 157 million at the end of 2015. Details of cash flow are as follows:

- **Net cash received from operating activities** of Baht 673 million consisting of (1) cash inflows from operation Baht 4,194 million, and (2) cash outflows from net change in working capital of Baht 3,521 million mainly resulted from an increase in inventories.
- **Net cash used from investing activities** of Baht 151 million was mainly from (1) cash outflows from purchase of property, plant and equipment of Baht 159 million (2) cash inflows from other activities of Baht 8 million.
- **Net cash used in financing activities** was Baht 254 million; mainly consisting of (1) cash paid for finance costs Baht 22 million (2) net repayment on short-term and long-term loans Baht 158 million (3) cash paid for other financing activities Baht 73 million.

2. Current Ratio

As of 31 December 2016, the Company and its subsidiaries' liquidity was improved compared to the end of 2015 with an increase in current ratio, shorter average collection period and average days sales as detailed below:

Liquidity Ratio	2016	2015 (Restated)	2014 (Restated)
Current Ratio (x)	2.04	0.13	0.32
Interest-bearing Debt to Equity Ratio (x)	N.A.	N.A.	54.64
Average Collection Period (Days)	60	126	137
Average Days Sales (Days)	115	154	170

Current Ratio

As of 31 December 2016, current ratio was 2.04x, an increase from 0.13x at the end of 2015 mainly from the reclassification of loans from financial institutions, and other account payables under rehabilitation plan from current to non-current liabilities and the increase in value of inventories of HRC business as mentioned earlier.

In this regards, the Company disclosed significant details about the discontinued operation of the subsidiary, the petition for Business Rehabilitation which has impact to the operation and financial position, as well as, its future position in Note 2 (e) to Financial Statements under heading Going Concern. In Addition, the essence of the Business Rehabilitation Plan approved by Court on 15 December 2016 is shown in Note 20 to Financial Statements.

Expenditures for Research and Technology Development and Innovation in Accordance with the Guidelines of the National Science and Technology Development Agency

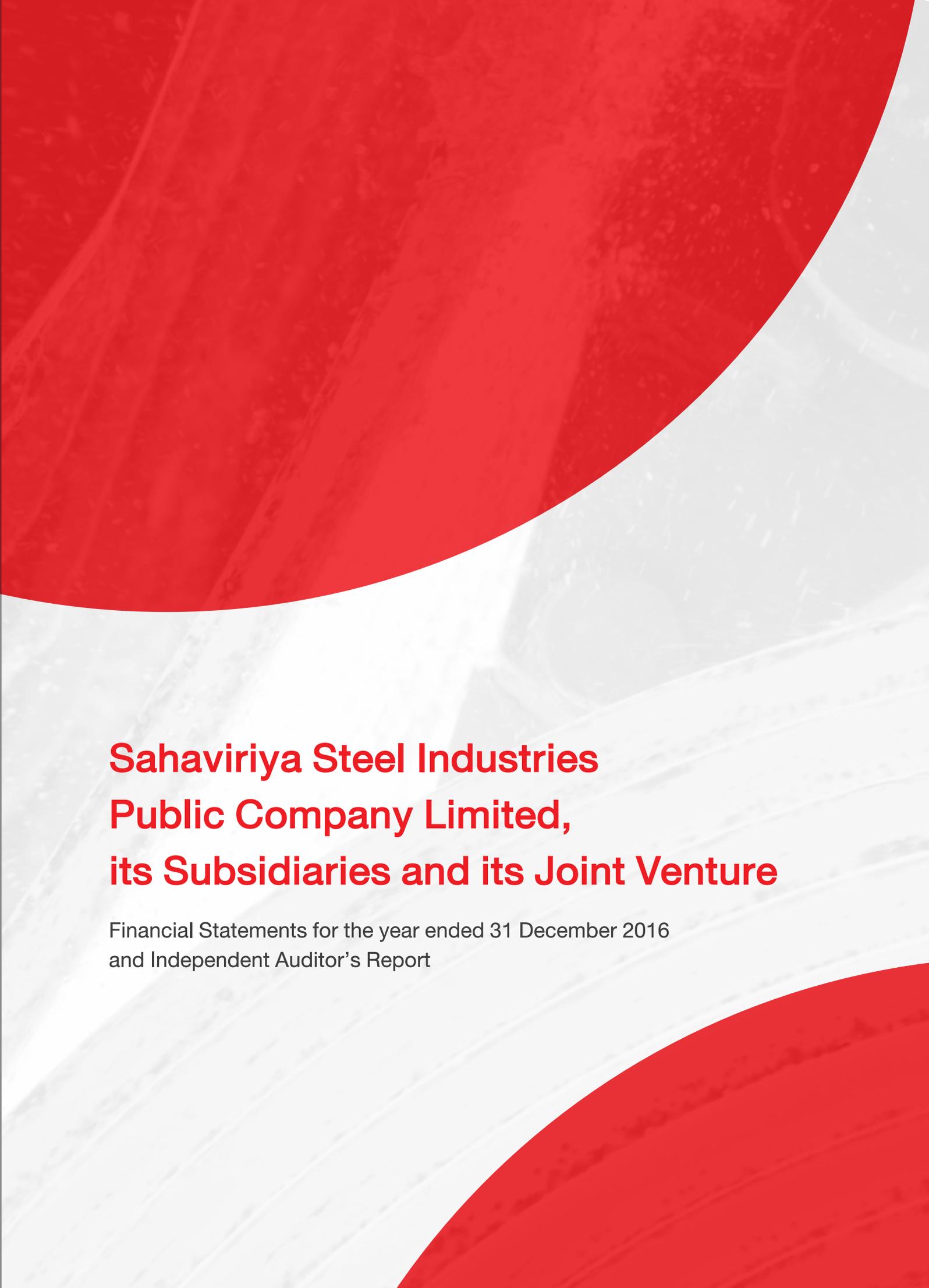
In 2016, the Company has expenditures for research and technology development and innovation to improve the quality of hot rolled steel products and to develop the capability of hot rolled steel applications total of Baht 11,401,187.96.

Stock Price

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. For SSI securities, The Stock Exchange of Thailand has posted SP, NP, and NC signs on SSI securities to suspend trading of SSI from 27 April 2016 until its financial status and operations are solved in accordance with SET. The stock's lowest trading price of the Company during the year 2016 was Baht 0.03 per share, and the highest trading price was Baht 0.05 per share. Average daily trading volume was 18.72 million shares, and average daily trading value was Baht 0.74 million with average trading price Baht of 0.04 per share. The closing price on the last trading day in 2016 of The Stock Exchange of Thailand on 26 April 2016 was Baht 0.05 per share.

Progress on the Business Rehabilitation

10 March 2016	The Central Bankruptcy Court issued an order for the Company's Business Rehabilitation and appointed the Company as a Plan Preparer which is published in the Royal Gazette on 26 April 2016. The Plan Preparer is responsible for preparing the Business Rehabilitation Plan (the "Plan") and submitting it to the Official Receiver within 3 months from the date of the advertisement.
14 July 2016	The Board of Directors' meeting, as the Plan Preparer, has resolution approving the Company to submit the Plan to the Official Receiver.
15 September 2016	The Official Receiver held a creditors' meeting and the meeting passed a special resolution to accept the Plan and the revised Plan as well as appointed 3 creditors including Siam Commercial Bank Public Company Limited, Krungthai Bank Public Company Limited and TISCO Bank Public Company Limited to be a committee of creditors.
15 December 2016	The Court issued an order to approve the Plan which determined Sahaviriya Steel Industries Public Company Limited as the Plan Administrator (the "Plan Administrator").
22 February 2017	The Court granted permission to amend the Memorandum of Association to decrease the unissued ordinary share, as stipulated in the Plan.
28 February 2017	The Board of Directors' meeting, No. 3/2017, of Sahaviriya Steel Industries Public Company Limited, as the Plan Administrator, passed the resolution approving criteria and procedures of the Capital Decrease by means of share reduction in accordance with the Plan as well as approving the date to record the names of the shareholders subject to the Capital Decrease by means of share reduction (Record Date) to be on 16 March 2017, and the date to list the names of the shareholders in compliance with Section 225 of the Securities and Exchange Act B.E. 2535 (1992) (including any amendment thereto) (Closing Date) to be on 17 March 2017.
1 March 2017	The Company registered the Capital Decrease for the registered but unissued ordinary shares of 18,097,401,000 shares with the registrar of Public Limited Company, Department of Business Development, Ministry of Commerce. As a result, the registered and paid-up capital of the Company is Baht 32,166,262,124, divided into 32,166,262,124 ordinary shares with the par value of Baht 1 per share. Thereafter, the Company will proceed the Capital Decrease by means of share reduction as stipulated in the Plan.



**Sahaviriya Steel Industries
Public Company Limited,
its Subsidiaries and its Joint Venture**

Financial Statements for the year ended 31 December 2016
and Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Sahaviriya Steel Industries Public Company Limited

Disclaimer of Audit Opinion

I was engaged to audit the accompanying consolidated and separate financial statements of Sahaviriya Steel Industries Public Company Limited, its subsidiaries, and its joint-venture (the "Group"), and of Sahaviriya Steel Industries Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2016, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

I do not express an opinion on the accompanying consolidated and separate financial statements of the Group and the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated and separate financial statements.

Basis for Disclaimer of Opinion

Material uncertainty concerning going concern basis of accounting and success of rehabilitation plan

As described in Notes 2 and 20 to the financial statements, the Group and the Company incurred a net loss of Baht 2,834 million and Baht 3,029 million, respectively, for the year ended 31 December 2016 and had a cumulative deficit of Baht 71,474 million and Baht 71,431 million, respectively, as at 31 December 2016.

As disclosed in Note 2 to the financial statements, pursuant to the discontinuation of Sahaviriya Steel Industries UK's ("SSI UK") operations, the major lenders demanded immediate payment of the outstanding balances of loan as at 30 September 2015 of USD 788 million, GBP 1 million, and Baht 1.6 million (collectively equivalent to Baht 28,432 million) which was secured by SSI UK's property, plant and equipment and a guarantee from the Company. The major lenders also called that guarantee at the same time. In addition, on 1 October 2015, the major lenders demanded immediate payment of the outstanding balance of another of the Company's loan as at 30 September 2015 of Baht 9,840 million. In view of this situation, on 1 October 2015, the Company decided to submit a petition for business rehabilitation to the Central Bankruptcy Court ("the Court").

On 10 March 2016, the Court ruled that the Company must be rehabilitated and directed the Company to prepare the rehabilitation plan. On 15 September 2016, the creditors' meeting passed a special resolution to accept the Business Rehabilitation Plan ("the Plan") and appointed 3 creditors to be a Committee of Creditors. On 15 December 2016, the Court issued an order to approve the Plan which determined the Company as the Plan Administrator.

As outlined in the Plan, the Company needs to generate sufficient cash flows to meet both its working capital requirement and its operating obligations by issuing new capital, conversion of outstanding debt to equity, seeking new financing as well as restructuring its debts owed to creditors. Note 20 to the accompanying financial statements described the Company's progress with these activities. However, to consider that the Plan is successful, the following events must occur 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 and either 2) the Company has secured new funding from an investor to repay debt such that the shareholders' equity of the Company becomes positive or 3) debt to equity conversion as stipulated in the Plan has been executed such that the shareholders' equity of the Company becomes positive. However, since the Plan has just commenced in late 2016, it is too early to conclude the success of the Plan as of the date of this report. These circumstances indicate the existence of a material uncertainty which casts significant doubt about the Group's and the Company's ability to successfully meet all obligations according to the Plan as well as ability to continue as going concern.

Management has the opinion that despite the above circumstances, the Group and the Company should be able to generate sufficient cash flows from future operations to cover operating costs and to meet financing commitments. This opinion is based on the discontinuation of SSI UK's operation, which had been incurring losses, the commencement and implementation of the Plan, and the support of the major lenders. The consolidated and separate financial statements have been prepared by management on the going concern basis on the assumption that the business rehabilitation will be successful and such further capital and credit facilities will be secured to the extent that the Group's and the Company's operations require. The validity of this assumption is dependent on 1) the success of the Plan, which has recently commenced, including 1.1) the measures taken to improve profitability and cash flows, 1.2) the success of capital restructuring, and 1.3) the ability to repay debts on schedule over the periods; and 2) the availability of financing from other sources to meet funding requirements.

I consider that, whilst adequate disclosures have been made in this regard, these circumstances indicate the existence of a material uncertainty which casts significant doubt about the Group's and the Company's ability to continue as going concern. If the Group and the Company were unable to continue as going concerns, the realisable value of assets may be significantly less than their carrying value. No adjustments to the classification or carrying value of assets and liabilities have been made in the consolidated and separate financial statements should the Group and the Company unable to generate sufficient cash flows nor raise additional finance from other sources.

Material uncertainty concerning the balance of long-term loans from financial institution, trade payable, other payable to related party, other current liabilities and other noncurrent liabilities

As described in Notes 2 and 20 to the financial statements, during 2016, there are 46 creditors who submitted an application for debt settlement. The Company has disputed with certain creditors due to incorrect balance, duplicated balance or ungrounded debt. As of the date of this report, there are 6 creditors where the final judgment of the debt claim has not been received from the Official Receiver. Total debt claim including principal and interest of these 6 creditors is Baht 4,160 million. In addition, as of the date of this report, there are 2 creditors with total debt claim amount of Baht 512 million where the final judgment of the debt claim have been received from the Official.

Receiver but the creditors have appealed against the final judgment of the Official Receiver and the appeal is still in the court process. The Group and the Company recorded the said debt of these 8 creditors of Baht 1,019 million in the consolidated and separate financial statements as at 31 December 2016. There is a discrepancy in debt balance of Baht 3,653 million as a result of the pending final judgment of the Official Receiver or appeal.

Due to the material uncertainty which is dependent on the final judgment from the Official Receiver or the outcome of the appeal, I was unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded long-term loans from financial institution, trade payable, other payable to related party, other current liabilities and other noncurrent liabilities as at 31 December 2016.

Limitation of audit scope on comparative information

Sahaviriya Steel Industries UK Limited (“SSI UK”) is wholly-owned by the Company. As disclosed in Note 2, since the establishment of SSI UK and until 2 October 2015, when SSI UK entered the liquidation process, the consolidated financial statements of the Group included the financial statements of SSI UK. A petition for winding up SSI UK was lodged and the application was granted on 2 October 2015 and SSI UK’s financial statements for Group consolidation purposes as at that date were prepared on a break-up basis. Consequent to the appointment of a liquidator for SSI UK, the Company no longer controls the business or operations of SSI UK and, therefore, the financial statements of SSI UK have not been included in the consolidated financial statements of the Group from 2 October 2015. The results of the coke manufacturing and steel making business of SSI UK for the period from 1 January 2015 to 2 October 2015 have been recorded separately as discontinued operations in the consolidated statement of income of the Group for the year ended 31 December 2015.

As disclosed in Note 2, the commencement of liquidation of SSI UK has resulted in its assets being frozen; access to its manufacturing facilities, in which most of its accounting records and related supporting documents are located, blocked; and key personnel in financial reporting being dismissed. Consequently, management has prepared the financial statements of SSI UK for the purpose of presentation and disclosure of discontinued operations in the consolidated statement of income of the Group for the year ended 31 December 2015 based on SSI UK’s management accounts and related reports made up to 31 August 2015 and estimates for the remaining period to 2 October 2015, using all relevant information available to the Group to date.

Such limitation of scope by the above circumstances has the possible effect on the comparability of the current year’s consolidated financial performance and the corresponding figures.

Emphasis of Matter

I draw attention on Note 3 (b) to the financial statements which described the effect from change in accounting policy on the corresponding figures presented as at 31 December 2015 and for the year then ended have been restated.

I draw attention to Notes 4 and 7 to the financial statements. For the year ended 31 December 2016, the Group and the Company sold goods to related companies and joint venture in the normal course of business totaling Baht 5,334 million and Baht 5,334 million, respectively, which represented 28% of the Group’s and the Company’s total sales. As at 31 December 2016, the Group’s and the Company’s outstanding trade accounts receivable net of allowance for doubtful accounts from those related parties amounted to Baht 1,481 million and Baht 1,471 million, respectively. Moreover, for the year ended 31 December 2016, the Group and the Company purchased goods from related companies in the normal course of business totaling Baht 1,080 million and Baht 1,337 million, respectively, which represented 7% of the Group’s total purchases and which represented 9% of the Company’s total purchases.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My responsibility is to conduct an audit of the Group and the Company's financial statements in accordance with Thai Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated and separate financial statements.

I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements.



(Orawan Chunhakitpaisan)

Certified Public Accountant

Registration No. 6105

KPMG Phoomchai Audit Ltd.

Bangkok

28 February 2017

Statement of Financial Position

Sahaviriya Steel Industries Public Company Limited,
its Subsidiaries and its Joint Venture

Unit: Baht

Assets	Note	Consolidated financial statements			Separate financial statements		
		31 December 2016	31 December 2015 (Restated)	1 January 2015 (Restated)	31 December 2016	31 December 2015 (Restated)	1 January 2015 (Restated)
<i>Current assets</i>							
Cash and cash equivalents	6	425,055,579	156,508,506	351,400,815	356,536,202	44,536,982	10,677,858
Trade accounts receivable	5, 7	1,504,398,854	4,590,821,162	5,311,902,438	1,475,555,532	4,545,033,945	4,570,560,879
Other accounts receivable from related parties	5	267,707,207	532,521,538	1,310,416,921	281,248,152	540,806,870	437,1762,878
Inventories	8	6,509,746,594	2,948,556,284	13,063,972,295	6,496,264,617	2,939,402,458	9,572,698,502
Other current assets	5	987,973,667	197,564,544	2,406,515,640	944,096,520	139,701,737	299,983,082
Assets held for disposal following liquidation of subsidiary	2 (e)	-	-	-	-	-	-
Total current assets		9,694,881,901	8,425,972,034	22,444,208,109	9,553,701,023	8,209,481,992	18,825,683,199
<i>Non-current assets</i>							
Restricted deposit at financial institution	15	4,683,334	12,720,143	21,288,350	-	-	-
Long-term receivable from a related party		-	-	-	-	-	630,756,064
Investments in subsidiaries	9	-	-	-	278,999,930	278,999,930	27,760,791,887
Investments in joint venture	11	2,706,332,473	2,529,084,209	3,318,687,930	3,159,668,346	3,159,668,346	3,159,668,346
Other long-term investment	12	-	-	-	-	-	-
Property, plant and equipment	13	11,634,087,178	12,163,780,946	45,578,267,235	10,153,951,005	10,599,051,479	10,947,828,109
Intangible assets		142,487,575	158,975,157	245,303,285	133,042,950	149,296,495	165,148,608
Deferred tax assets	14	25,666,845	48,070,060	35,650,676	-	-	-
Other non-current assets		19,735,808	12,107,442	12,414,658	17,810,487	7,813,721	7,654,988
Total non-current assets		14,532,993,213	14,924,737,957	49,211,612,134	13,743,472,718	14,194,829,971	42,671,848,002
Total assets		24,227,875,114	23,350,709,991	71,655,820,243	23,297,173,741	22,404,311,963	61,497,531,201

The accompanying notes are an integral part of these financial statements.

Statement of Financial Position (continued)

Sahaviriya Steel Industries Public Company Limited,
its Subsidiaries and its Joint Venture

Unit: Baht

Liabilities and equity	Note	Consolidated financial statements			Separate financial statements		
		31 December 2016	31 December 2015 (Restated)	1 January 2015 (Restated)	31 December 2016	31 December 2015 (Restated)	1 January 2015 (Restated)
<i>Current liabilities</i>							
Bank overdrafts and short-term loans							
from financial institutions							
and related parties	5, 15	335,635,980	12,796,099,840	22,638,350,536	231,265,164	12,533,671,330	11,948,235,312
Trade accounts payable	5, 16	2,244,304,200	2,804,253,376	10,802,757,605	2,204,976,301	2,795,400,158	8,235,075,742
Other accounts payable from related parties	5	36,169,356	21,836,192	889,582,036	45,066,594	36,684,568	34,900,801
Current portion of long-term loans from							
financial institutions	15	1,013,618,655	7,033,461,665	7,639,329,476	1,013,618,655	7,033,461,665	5,736,331,755
Long-term borrowings classified							
as current liabilities	15	-	6,629,284,761	22,034,033,707	-	6,629,284,761	7,916,544,081
Subordinated convertible debentures	19	-	-	236,070	-	-	236,070
Current portion of finance lease liabilities	15	48,705,245	68,763,059	54,692,504	-	-	-
Current portion of hire purchase liabilities	15	1,000,281	3,629,691	6,601,542	840,129	2,911,616	4,732,326
Provision made for loss on guarantee given							
and others	2 (e), 15	455,667,455	30,533,752,034	-	455,667,455	30,533,752,034	-
Provision for onerous contracts	33	19,152,118	-	575,188,520	19,152,118	-	83,048,422
Current portion of other payable							
under rehabilitation plan	15	73,450,343	-	-	73,450,343	-	-
Current portion of accrued interest							
under rehabilitation plan	20	4,403,967	-	-	4,403,967	-	-
Income tax payable		4,501,994	-	1,355,209	-	-	-
Other current liabilities	17	506,801,307	3,695,264,102	5,034,991,788	466,211,632	3,632,872,971	1,093,658,055
Total current liabilities		4,743,410,901	63,586,344,720	69,677,118,993	4,514,652,358	63,198,039,103	35,052,762,564

The accompanying notes are an integral part of these financial statements.

Statement of Financial Position (continued)

Sahaviriya Steel Industries Public Company Limited,
its Subsidiaries and its Joint Venture

Unit: Baht

Liabilities and equity	Note	Consolidated financial statements			Separate financial statements		
		31 December 2016	31 December 2015 (Restated)	1 January 2015 (Restated)	31 December 2016	31 December 2015 (Restated)	1 January 2015 (Restated)
<i>Non-current liabilities</i>							
Long-term loans from financial institutions	15	24,599,428,069	-	-	24,599,428,069	-	-
Other payable under rehabilitation plan	15	1,910,854,059	-	-	1,910,854,059	-	-
Provision made for loss on guarantee given and others	15	28,489,627,803	-	-	28,489,627,803	-	-
Accrued interest under rehabilitation plan	20	7,617,098,251	-	-	7,617,098,251	-	-
Finance lease liabilities	15	37,111,357	72,005,250	98,226,864	-	-	-
Hire purchase liabilities	15	-	1,003,263	3,338,283	-	843,111	2,460,056
Employee benefit obligations	18	178,571,581	211,276,457	195,308,532	147,464,628	160,394,876	146,784,463
Environmental liabilities and others		-	-	600,563,651	-	-	-
Deferred tax liabilities	14	90,429,591	119,521,884	119,607,396	63,139,293	88,235,195	88,384,004
Other non-current liabilities		823,876	917,315	1,217,528	823,877	823,876	823,876
Total non-current liabilities		62,923,944,587	404,724,169	1,018,262,254	62,828,435,980	250,297,058	238,452,399
Total liabilities		67,667,355,488	63,991,068,889	70,695,381,247	67,343,088,338	63,448,336,161	35,291,214,963
<i>Equity</i>							
Share capital	21						
Authorised share capital		50,263,663,124	50,263,663,124	39,867,778,559	50,263,663,124	50,263,663,124	39,867,778,559
Issued and paid-up share capital		32,166,262,124	32,166,262,124	32,166,258,124	32,166,262,124	32,166,262,124	32,166,258,124
Discount on ordinary shares issuance		(5,678,076,131)	(5,678,076,131)	(5,678,076,131)	(5,678,076,131)	(5,678,076,131)	(5,678,076,131)
Equity distribution from shareholders from repurchase of subordinated convertible debentures	19	366,207,178	366,207,178	366,219,977	366,207,178	366,207,178	366,219,977
Convertible rights	19	-	-	24,779	-	-	24,779
Currency translation differences		-	-	555,555,387	-	-	-
Retained earnings (deficit)							
Appropriated							
Legal reserve	22	530,226,819	530,226,819	530,226,819	530,226,819	530,226,819	530,226,819
Unappropriated (deficit)		(71,473,832,280)	(68,655,132,557)	(27,695,817,978)	(71,430,534,587)	(68,428,644,188)	(1,178,337,330)
Equity attributable to owners of the Company		(44,089,212,290)	(41,270,512,567)	244,390,977	(44,045,914,597)	(41,044,024,198)	26,206,316,238
Non-controlling interests	10	649,731,916	630,153,669	716,048,019	-	-	-
Capital deficiency/total equity		(43,439,480,374)	(40,640,358,898)	960,438,996	(44,045,914,597)	(41,044,024,198)	26,206,316,238
Total liabilities and equity		24,227,875,114	23,350,709,991	71,655,820,243	23,297,173,741	22,404,311,963	61,497,531,201

The accompanying notes are an integral part of these financial statements.

Statement of Income

Sahaviriya Steel Industries Public Company Limited,
its Subsidiaries and its Joint Venture

Unit: Baht

Note	Consolidated financial statements		Separate financial statements		
	For the year ended 31 December		For the year ended 31 December		
	2016	2015 (Restated)	2016	2015 (Restated)	
Continuing operations					
<i>Income</i>					
Revenue from sale of goods	5, 30	19,109,985,667	19,255,060,580	19,102,407,550	19,254,300,305
Revenue from rendering of services	5, 30	714,173,740	917,943,960	352,039,068	357,277,419
Net foreign exchange gain		447,598,236	260,027,046	447,445,411	259,329,706
Dividend income	5, 9	-	-	15,300,000	30,600,000
Other income	5	33,216,887	62,427,611	38,290,423	72,760,694
Total income		20,304,974,530	20,495,459,197	19,955,482,452	19,974,268,124
<i>Expenses</i>					
Cost of sale of goods	5, 8	14,776,298,610	18,735,991,216	14,837,519,543	18,804,233,390
Cost of rendering of services	5	419,125,217	653,214,153	185,540,695	236,863,987
Selling expenses	5, 24	378,604,730	344,813,924	372,999,191	335,797,108
Administrative expenses	25	3,314,930,434	1,168,987,281	3,231,181,415	1,061,186,010
Loss recognised on the liquidation of subsidiary	2 (e)	-	-	-	64,328,526,170
Interest as a result of discontinued operation	20	1,690,605,583	-	1,690,605,583	-
Management benefit expenses	5	74,278,600	74,710,653	61,067,179	55,003,451
Provision for loss under onerous contracts (reversal)	33	19,152,118	(83,048,422)	19,152,116	(83,048,422)
Finance costs	5, 28	2,633,202,252	2,517,562,861	2,614,082,566	2,486,162,092
Total expenses		23,306,197,544	23,412,231,666	23,012,148,288	87,224,723,789

The accompanying notes are an integral part of these financial statements.

Statement of Income (continued)

Sahaviriya Steel Industries Public Company Limited,
its Subsidiaries and its Joint Venture

Unit: Baht

Note	Consolidated financial statements		Separate financial statements		
	For the year ended 31 December		For the year ended 31 December		
	2016	2015 (Restated)	2016	2015 (Restated)	
<i>Share of profit (loss) of equity-accounted investees</i>					
Joint venture	11	167,809,290	(70,274,830)	-	-
Loss before income tax expense					
from continuing operations		(2,833,413,724)	(2,987,047,299)	(3,056,665,836)	(67,250,455,665)
Income tax (expense) benefits	29	(1,068,483)	7,855,195	27,839,851	148,807
Loss from continuing operations		(2,834,482,207)	(2,979,192,104)	(3,028,825,985)	(67,250,306,858)
Discontinued operation					
Loss from discontinued operation	2 (e)	-	(38,036,616,825)	-	-
Loss for the year		(2,834,482,207)	(41,015,808,929)	(3,028,825,985)	(67,250,306,858)
Loss attributable to:					
Owners of the Company		(2,869,108,143)	(40,959,314,579)	(3,028,825,985)	(67,250,306,858)
Non-controlling interests	10	34,625,936	(56,494,350)	-	-
Loss for the year		(2,834,482,207)	(41,015,808,929)	(3,028,825,985)	(67,250,306,858)
Loss per share					
Basic loss per share	31	(0.09)	(1.27)	(0.09)	(2.09)
Loss per share - continuing operations					
Basic loss per share	31	(0.09)	(0.09)	(0.09)	(2.09)

The accompanying notes are an integral part of these financial statements.

Statement of Comprehensive Income

Sahaviriya Steel Industries Public Company Limited,
its Subsidiaries and its Joint Venture

Unit: Baht

Note	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2016	2015 (Restated)	2016	2015 (Restated)
Loss for the year	(2,834,482,207)	(41,015,808,929)	(3,028,825,985)	(67,250,306,858)
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences for foreign operations	-	(2,600,611,457)	-	-
Reclassification of foreign currency differences following liquidation of subsidiary	2 (e)	2,045,056,070	-	-
Defined benefit plan actuarial gains (losses)				
- The Group	46,787,247	-	29,679,535	-
- Joint venture	9,438,975	-	-	-
Income tax on other comprehensive income	(6,165,491)	-	(2,743,949)	-
Other comprehensive income for the year net of income tax	50,060,731	(555,555,387)	26,935,586	-
Total comprehensive income for the year	(2,784,421,476)	(41,571,364,316)	(3,001,890,399)	(67,250,306,858)
Total comprehensive income attributable to:				
Owners of the Company	(2,818,699,723)	(41,514,869,966)	(3,001,890,399)	(67,250,306,858)
Non-controlling interests	10	34,278,247	(56,494,350)	-
Total comprehensive income for the year	(2,784,421,476)	(41,571,364,316)	(3,001,890,399)	(67,250,306,858)

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Equity (continued)

Sahaviriya Steel Industries Public Company Limited,
its Subsidiaries and its Joint Venture

Unit: Baht

Note	Separate financial statements							Total equity
	Issued and paid-up share capital	Discount on ordinary shares issuance	Equity distribution from shareholders from repurchase of subordinated convertible debentures	Convertible rights	Retained earnings (deficit)		Other components of equity	
					Legal reserve	Unappropriated (deficit)		
Year ended 31 December 2015								
	32,166,258,124	(5,678,076,131)	366,219,977	24,779	530,226,819	(1,178,337,330)	4,214,781,729	30,421,097,967
3	-	-	-	-	-	-	(4,214,781,729)	(4,214,781,729)
	32,166,258,124	(5,678,076,131)	366,219,977	24,779	530,226,819	(1,178,337,330)	-	26,206,316,238
Transactions with owners, recorded directly in equity								
21	4,000	-	-	-	-	-	-	4,000
19	-	-	(12,799)	(24,779)	-	-	-	(37,578)
	4,000	-	(12,799)	(24,779)	-	-	-	(33,578)
Comprehensive income for the year								
	-	-	-	-	-	(67,250,306,858)	-	(67,250,306,858)
	-	-	-	-	-	(67,250,306,858)	-	(67,250,306,858)
	32,166,262,124	(5,678,076,131)	366,207,178	-	530,226,819	(68,428,644,188)	-	(41,044,024,198)

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Equity (continued)

Sahaviriya Steel Industries Public Company Limited,
its Subsidiaries and its Joint Venture

Unit: Baht

	Separate financial statements							Total equity	
	Issued and paid-up share capital	Discount on ordinary shares issuance	Equity distribution from shareholders from repurchase of subordinated convertible debentures	Convertible rights	Retained earnings (deficit)		Other components of equity		Total other components of equity
					Legal reserve	Unappropriated (deficit)			
Year ended 31 December 2016									
Balance at 1 January 2016 - as reported	32,166,258,124	(5,678,076,131)	366,207,178	-	530,226,819	(68,299,429,949)	4,011,432,368	4,011,432,368	(36,903,377,591)
Impact of restatement	-	-	-	-	-	(129,214,239)	(4,011,432,368)	(4,011,432,368)	(4,140,646,607)
Balance at 1 January 2016 - as restated	32,166,258,124	(5,678,076,131)	366,207,178	-	530,226,819	(68,428,644,188)	-	-	(41,044,024,198)
Comprehensive income for the year									
Loss	-	-	-	-	-	(3,028,825,985)	-	-	(3,028,825,985)
Other comprehensive income	-	-	-	-	-	26,935,586	-	-	26,935,586
Total comprehensive income for the year	-	-	-	-	-	(3,001,890,399)	-	-	(3,001,890,399)
Balance at 31 December 2016	32,166,262,124	(5,678,076,131)	366,207,178	-	530,226,819	(71,430,534,587)	-	-	(44,045,914,597)

Note

3

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

Sahaviriya Steel Industries Public Company Limited,
its Subsidiaries and its Joint Venture

Unit: Baht

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2016	2015 (Restated)	2016	2015 (Restated)
Cash flows from operating activities					
Loss for the year		(2,834,482,207)	(41,015,808,929)	(3,028,825,985)	(67,250,306,858)
<i>Adjustments for</i>					
Depreciation and amortisation		694,309,453	559,307,088	585,252,922	440,525,467
Finance costs		2,633,202,252	2,517,562,861	2,614,082,566	2,486,162,095
Unrealised gain on exchange rate		(224,695,796)	(141,662,752)	(224,844,107)	(142,879,480)
Bad debts and doubtful debts expenses	5, 7	2,677,309,056	34,938,353	2,677,309,056	34,938,353
Provision for (reversal of) loss decline in value of inventories		(336,749,218)	(239,138,758)	(336,749,218)	(239,138,758)
Employee benefit obligations		24,074,656	26,131,059	19,688,687	18,814,447
Provision for loss under onerous contracts (reversal)		19,152,118	(83,048,421)	19,152,118	(83,048,421)
Loss (gain) on disposal of property, plant and equipment		(1,194,130)	3,292,889	(844,499)	1,957,805
Loss on impairment of property, plant and equipment		19,000,000	13,421,974	-	13,421,974
Loss recognised on the loss on liquidation of subsidiary	2 (e)	-	38,036,616,825	-	64,328,526,170
Interest as a result of discontinued operation		1,690,605,583	-	1,690,605,583	-
Share of profit of Joint venture (net of income tax)		(167,809,290)	70,274,830	-	-
Dividend income		-	-	(15,300,000)	(30,600,000)
Income tax benefit		1,068,483	(7,855,195)	(27,839,851)	(148,807)
		4,193,790,960	(225,968,176)	3,971,687,272	(421,776,013)

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows (continued)

Sahaviriya Steel Industries Public Company Limited,
its Subsidiaries and its Joint Venture

Unit: Baht

Note	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2016	2015 (Restated)	2016	2015 (Restated)
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	313,953,547	27,553,133	261,715,984	1,678,428
Other accounts receivable				
from related parties	(49,668,160)	(1,338,310,060)	(19,422,744)	(1,199,329,383)
Inventories	(3,224,441,092)	6,602,480,927	(3,220,112,941)	6,547,532,670
Other current assets	(776,386,067)	105,485,400	(795,305,983)	101,253,776
Long-term receivable from related party	-	-	-	36,400,512
Other non-current assets	(6,825,856)	19,741,111	(9,996,767)	(158,733)
Trade accounts payable	314,269,689	(5,463,541,420)	282,748,023	(5,545,838,943)
Other accounts payable to related parties	15,226,092	(6,990,886)	8,382,026	1,783,767
Other current liabilities	(70,096,385)	468,791,698	(37,753,363)	505,122,133
Employee benefit obligations paid	(9,992,286)	(10,163,134)	(2,939,400)	(5,204,034)
Other non-current liabilities	(93,439)	(300,215)	-	-
Income tax paid	(26,910,748)	(39,424,638)	(12,555,431)	(20,187,389)
Net cash provided by operating activities	672,826,255	139,353,740	426,446,676	1,276,791
<i>Cash flows from investing activities</i>				
Deposit at financial institution pledged as collateral	8,036,809	-	-	-
Purchases of property, plant and equipment	(158,675,781)	(44,222,194)	(120,716,277)	(42,957,963)
Purchases of intangible assets	(1,201,055)	(15,995,747)	(1,201,055)	(8,793,567)
Sales of property, plant and equipment	1,143,171	640,654	887,851	-
Dividend received	-	-	15,300,000	30,600,000
Net cash used in discontinued operation	-	(164,964,557)	-	-
Net cash used in investing activities	(150,696,856)	(224,541,844)	(105,729,481)	(21,151,530)

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows (continued)

Sahaviriya Steel Industries Public Company Limited,
its Subsidiaries and its Joint Venture

Unit: Baht

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2016	2015 (Restated)	2016	2015 (Restated)
Cash flows from financing activities					
Proceeds from issuance of ordinary shares		-	-	-	(4,648)
Finance cost paid		(22,231,661)	(556,952,839)	(5,803,377)	(525,115,274)
Increase in short-term loans					
from financial institutions		(158,066,285)	(6,556,814)	-	(18,103,982)
Proceeds from short-term loans					
from related parties	5	-	929,000,000	-	917,000,000
Repayment of short-term loans					
from related parties	5	-	(377,792,064)	-	(313,460,000)
Repayment of long-term loans		-	(8,870,090)	-	(2,870,090)
Hire purchase and finance lease payments		(58,584,380)	(118,014,755)	(2,914,598)	(3,437,655)
Machines and equipment acquired					
by means of finance lease		-	59,156,845	-	-
Repurchase of subordinated convertible					
debenture		-	(274,488)	-	(274,488)
Dividends paid		(14,700,000)	(29,400,000)	-	-
Net cash used in financing activities		(253,582,326)	(109,704,205)	(8,717,975)	53,733,863
Net increase (decrease) in cash					
and cash equivalents		268,547,073	(194,892,309)	311,999,220	33,859,124
Cash and cash equivalents at 1 January		156,508,506	351,400,815	44,536,982	10,677,858
Cash and cash equivalents at 31 December	6	425,055,579	156,508,506	356,536,202	44,536,982
Significant non-cash transactions					
Assets acquired under hire purchase					
and finance lease agreements		-	59,156,845	-	-
Other payable for purchases of property, plant					
and equipment		1,535,627	-	1,357,526	-

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

Sahaviriya Steel Industries Public Company Limited,
its Subsidiaries and its Joint Venture

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Notes to the Financial Statements

Sahaviriya Steel Industries Public Company Limited,
its Subsidiaries and its Joint Venture

For the year ended 31 December 2016

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 28 February 2017.

1. General information

Sahaviriya Steel Industries Public Company Limited (the "Company"), is incorporated in Thailand and has its registered office at 28/1 Prapawit Building, 2nd - 3rd Floor, Surasak Road, Khwang Silom, Khet Bangrak, Bangkok, Thailand and its plant located at 9, Moo 7, Tambon Mae Ramphueng, Amphoe Bang Saphan, Prachuap Khiri Khan, Thailand. The Company, its subsidiaries and its joint venture are hereinafter collectively referred to as "the Group".

The Company was listed on the Stock Exchange of Thailand in September 1994.

The Company's major shareholders during the financial year were Sahaviriya Group Corporation Limited (13.18% shareholding, incorporated in Thailand), Vanoment Holding AG (16.56% shareholding, incorporated in Switzerland) and Sahaviriya Inter Steel Holdings Co., Ltd. (4.86% shareholding, incorporated in Thailand).

The principal businesses of the Company are manufacturing and distributing of hot rolled coils. Details of the Company's subsidiaries and joint venture as at 31 December 2016 and 2015 are given in Notes 9 and 11.

2. Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions ("FAP"); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2016. The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in Note 36.

(b) Basic of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement bases
Available-for-sale financial assets	Fair value
Net defined benefit liability	Present value of the defined benefit obligation, as explained in Note 4 (p)

(c) Presentation currency

The financial statements are prepared and presented in Thai Baht which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 2 (e)	Going concerns;
Notes 9, 11, and 13	Impairment test: key assumptions underlying recoverable amounts;
Note 14	Recognition of deferred tax assets; availability of future taxable profit against which tax losses carried forward can be used;
Note 18	Measurement of defined benefit obligations: key actuarial assumptions; and
Note 34	Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude cash flow of resources.

Measurement of fair values

A number of the Company/ the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company/ 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 the Chief financial officer.

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 TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (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 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 categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised 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 Company/ the Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 13 - property, plant and equipment.
- Note 32 - financial instruments

(e) Current operations

Liquidation and Deconsolidation of SSI UK and Financial statements of SSI UK in 2015

Sahaviriya Steel Industries UK Limited (“SSI UK”) is an integrated iron and steel slab producer. As a result of the recent poor operating results and decrease in global steel price, the operating environment of SSI UK has become more difficult. On 18 September 2015, SSI UK suspended its production. On 2 October 2015, a liquidator was appointed and took control of SSI UK. As a result, the Company no longer controls the business or operations of SSI UK and, therefore, the assets and liabilities of SSI UK have been derecognized in the consolidated financial statements and replaced with the recognition of the investment in SSI UK, written down to its recoverable amount, which is nil during 2015.

The 2015 operating results of SSI UK recognised in the consolidated statement of income until the date that the Company lost control of SSI UK, have been reclassified and presented as discontinued operation together with the net balance resulting from the derecognition of the assets and liabilities of SSI UK.

The results of SSI UK for the period from 1 January 2015 to 2 October 2015, included as corresponding figures, are reclassified and presented as discontinued operations in the consolidated financial statements as at 31 December 2015.

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 2016 and 2015. Details are as follows:

	Ownership interest (%)	Cost method (in thousand Baht)	Impairment (in thousand Baht)	At cost - net (in thousand Baht)
Investments in Sahaviriya Steel Industries UK Limited	100	27,481,792	27,481,792	-

Going concern

For the year ended 31 December 2016, the Group incurred a net loss of Baht 2,834 million (2015: net loss of Baht 41,016 million, which included estimated losses from the liquidation of SSI UK of Baht 38,037 million) and as at 31 December 2016, the Group had cumulative deficit of Baht 71,474 million (31 December 2015: Baht 68,655 million) and its current assets exceeded its current liabilities by Baht 4,951 million (31 December 2015: its current liabilities exceed its current assets by liabilities Baht 55,160 million).

For the year ended 31 December 2016, the Company incurred a net loss of Baht 3,029 million (2015: net loss of Baht 67,250 million, which included estimated losses from the liquidation of SSI UK of Baht 64,329 million) and as at 31 December 2016, the Company had cumulative deficit of Baht 71,431 million (31 December 2015: Baht 68,429 million) and its current assets exceeded current liabilities by Baht 5,039 million (31 December 2015: its current liabilities exceed its current assets by liabilities Baht 54,989 million).

Pursuant to the discontinuation of SSI UK's operations, the three major lenders demanded immediate payment of the remaining balance of a loan as at 30 September 2015 of USD 788 million and GBP 1 million (equivalent to Baht 28,384 million and Baht 46 million) and Baht 1.6 million which was secured by SSI UK's property, plant and equipment and guaranteed by the Company. The three major lenders also demanded the Company to be responsible for this obligation as guarantor.

In addition, on 1 October 2015, all lenders demanded immediate payment of the Company's long-term loan of Baht 9,840 million and short-term loan of Baht 11,888 million totaling Baht 21,728 million. In view of this situation, on 1 October 2015, the Board of Directors of the Company approved for the Company to submit an application for Business Rehabilitation to the court.

As disclosed in Note 5, in July 2015, the Board of Directors of the Company approved to borrow an interest-free short-term loan facility of Baht 1,700 million from a director to improve the Group's liquidity. As at 31 December 2016, the Group had outstanding loan amount of Baht 233 million.

Despite the above circumstances, the Group and the Company should be able to generate sufficient cash flows from future operations to cover operating costs and to meet financing commitments. This is based on the discontinuation of SSI UK's operation, which had been incurring losses; the commencement and implementation of the business rehabilitation plan; and the support of the major lenders.

The consolidated and separate financial statements have been prepared by management on the going concern basis on the assumption that the business rehabilitation will be successful and such further capital and credit facilities will be secured to the extent that the Group's and the Company's operations require. The validity of this assumption is dependent on the success of the business rehabilitation plan (see Note 20) as well as the measures taken to improve profitability and cash flows, the success of capital restructuring, the ability to repay debts on schedule over the periods and the availability of financing from other sources to meet funding requirements.

No other adjustments to the classification or carrying value of assets and liabilities have been made in the consolidated and separate financial statements should the Group and the Company not be able to continue as going concerns. If the Group and the Company were unable to continue as going concerns, the realisable value of assets may be significantly less than their current carrying value and additional liabilities may be incurred.

Filing a Petition for Business Rehabilitation with the Central Bankruptcy Court

On 1 October 2015, the Board of Directors of the Company had the resolutions to approve the Company to file a petition for its business rehabilitation with the Central Bankruptcy Court (“the Court”). The Court specified the inquiry on the petition on 21 December 2015 and the second inquiry on 17 February 2016 accordingly.

On 10 March 2016, the Court ordered the Company to undergo the business rehabilitation and appointed the Company to be a plan preparer of which was announced in the Royal Gazette on 26 April 2016. In this regards, the plan preparer shall be responsible to prepare the rehabilitation plan (“Plan”) of the Company and submit to the Official Receiver within three months after such announcement.

During 2016, creditors are entitled to file the application for repayment of debts. 46 creditors had filed such applications. As of the date of this report, 6 creditors are being examined by the Official Receiver. The examination of the Official Receiver has not completed. As a result, the Company cannot estimate the contingent liabilities which may arise as of the reporting date.

On 14 July 2016, the meeting of the Company’s Board of Directors as plan preparer had approved to submit the Plan of the Company to the Official Receiver.

On 15 September 2016, the Official Receiver has appointed creditors’ meeting in order to consider the Plan. The creditors’ meeting passed a special resolution to accept the Business Rehabilitation Plan (“the Plan”) and passed a resolution to appoint 3 creditors including Siam Commercial Bank Public Company Limited, Krungthai Bank Public Company Limited and TISCO Bank Public Company Limited to be a committee of creditors.

As at 15 December 2016, the Court issued an order to approve the Company’s Plan which determined Sahaviriya Steel Industries Public Company Limited, as the Plan Administrator (the “Plan Administrator”). The details of the Plan are disclosed in Note 20.

3. Restatement of prior year financial statements

a) Change in accounting policy

Accounting for property, plant and equipment

Effective from 1 January 2016, the Group and the Company have changed the accounting policy for the valuation of property, plant, and equipment from revaluation model to cost model in accordance with TAS 16 (revised 2015) property, plant and equipment. The reason for the change is to make the Group’s/Company’s financial statement better comparable with its peers in the industry. The effects of such change are applied retrospectively. The impact of the change on the financial statements is as follows:

Unit: Thousand Baht

Statement of financial position	Consolidated financial statements	
	31 December 2015	1 January 2015
Decrease in property, plant and equipment	5,224,319	5,499,512
Decrease in investments in joint venture	92,686	99,906
Increase in deferred tax asset	2,948	3,373
Decrease in deferred tax liabilities	1,041,916	1,096,570
Decrease in revaluation surplus	4,195,588	4,415,540
Decrease in non-controlling interests	76,553	83,933

Unit: Thousand Baht

Statement of income for the year ended 31 December	2015
Decrease in cost of sale of goods	2,421
Decrease in cost of rendering of service	830
Decrease in share of profit of equity-accounted joint venture	7,220
Decrease in loss for the year	10,471
Decrease in Loss per share	
- Basic loss per share (Baht)	-

Unit: Thousand Baht

Statement of financial position	Separate financial statements	
	31 December 2015	1 January 2015
Decrease in property, plant and equipment	5,041,290	5,268,477
Decrease in deferred tax liabilities	1,002,858	1,053,696
Decrease in revaluation surplus	4,011,432	4,214,781

Unit: Thousand Baht

Statement of income for the year ended 31 December	2015
Decrease in cost of sale of goods	2,421
Decrease in loss for the year	2,421
Decrease in Loss per share	
- Basic loss per share (Baht)	-

b) Correction of error

The interest expense and accrued interest of Baht 129.2 million on short-term loans from financial institutions had been erroneously accounted in prior year. As a result, other current liabilities and loss for the year had been understated. The errors have been corrected by restating each of the affected financial statement line items of prior year. The followings summarized the impact on the Group's/the Company's financial statements.

	Unit: Thousand Baht
	Consolidated/ Separate financial statements
	31 December 2015
Statement of financial position	
Increase in other current liabilities	129,214
	Unit: Thousand Baht
Statement of income for the year ended 31 December	2015
Increase in finance costs	129,214
Increase in loss for the year	<u>129,214</u>
Increase in loss per share	
- Basic loss per share (Baht)	<u>0.004</u>

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) Basis of consolidation

The consolidated financial statements relate to the Company, 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 share-based payment awards exchanged (replacement awards) for awards held by the acquiree's employees (acquiree's awards) relate to past services, then a part of the market-based measure of the awards replaced is included in the consideration transferred. If they require future services, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post-combination compensation cost.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest (NCI) at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as 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 unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with joint venture are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates of the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at foreign exchange rates ruling at the dates of the transactions.

c) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate and commodity price risks arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

d) Hedging

Hedge of future foreign currency transactions

Gains and losses from forward exchange contracts and currency swaps used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs. Where the hedged item is a recognised asset or liability, it is translated at the contracted forward rates.

Foreign currency assets and liabilities hedged by forward exchange contracts are translated to Thai Baht at the contracted forward exchange rates.

Hedge of interest rates

Interest differentials under swap arrangements are accrued and recorded as adjustments to the interest expense relating to the hedged loans. For interest rate forward contracts, the amounts received or paid on cash settlements, representing the gain or loss, are deferred and recognised over the life of the underlying monetary asset or liability as an adjustment to interest income or expense. For purchased interest rate options, the premiums paid are included in the statement of financial position under other assets or other liabilities. The premiums are amortised to interest income or expense over the life of the agreements.

e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

f) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

g) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost of slab raw materials are calculated using the weighted average cost principle. Cost of ore materials are calculated using the first-in, first-out principles. Finished goods and rolls that are part of consumable goods are calculated using the specific method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

h) 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.

i) Investments

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.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

j) Finance lease

The Group entered into sale and lease back agreements for certain machinery and equipment, resulting in a finance lease. Excess of sales proceeds over the carrying amount is not immediately recognised as income. Instead it is deferred and amortised over the lease term.

The Group recognised finance leases as assets and liabilities in the statement of financial position at amounts equal at the inception of the lease to the fair value of the leased property. Lease payments are apportioned between the finance charge and the reduction of the outstanding liabilities. The finance charged is allocated to the periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

k) 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 labour, 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.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the 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 an asset, 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 property, plant and equipment 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	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

No depreciation is provided 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.

l) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software licenses	3 - 10 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

m) Impairment

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.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

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

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

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 amortisation, if no impairment loss had been recognised.

n) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

o) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

p) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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 periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

q) 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.

r) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest and other income

Interest and other income is recognised in profit or loss as it accrues.

Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission earned by the Group.

s) Finance costs

Finance costs are recognised to profit or loss using the effective interest method and comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

t) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

u) 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 period, 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 period 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.

v) Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

w) Earnings per share

The Group presents basic and diluted 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 period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

x) 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.

5. 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.

Relationships with subsidiaries and a joint venture are described in Notes 9 and 11. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Sahaviriya Group Corporation Limited	Thailand	Major shareholder, 13.18% shareholding and direct and indirect shareholding by the Company's director(s)
Vanomet Holding AG	Switzerland	Major shareholder, 16.56% shareholding and common director with a subsidiary
Sahaviriya Inter Steel Holdings Co., Ltd.	Thailand	Major shareholder, 4.86% Shareholding and common directors and direct and indirect shareholding by the Company's director(s)
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	The direct and indirect shareholding by the Company's director(s)
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)
Saha Special Steel Co., Ltd.	Thailand	Direct and indirect shareholding by the Company director(s)
Bangpakong Lighter 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
Bangpakong Port Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
ABC Trading Co., Ltd.	Thailand	Indirect shareholding by the Company director(s)
Sahaviriya Steel Corporation Co., Ltd. (formerly Sahaviriya Iron and Steel Co., Ltd.)	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Thai Steel Sales Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Prachuap Pattana Development Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Sahaviriya Logistics 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 directors and direct and indirect shareholding by the Company's director(s)

Name of entities	Country of incorporation/ nationality	Nature of relationships
Praram 3 Thasai Co., Ltd.	Thailand	Common directors and direct shareholding by the Company's director(s)
KP Capital Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Pichai Agriculture & Land Co., Ltd.	Thailand	Common directors and direct shareholding by the Company's director(s)
Saha Long Steel Holding Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Sahaviriya Credit Foncier Co., Ltd.	Thailand	Common directors and direct shareholding by the Company's director(s)
Sahaviriya Orchid Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Surasak Muang-Chol Property Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Bangsaphan Steel Trading Co., Ltd.	Thailand	Common directors and direct shareholding by the Company's director(s)
C B S Consultant Co., Ltd.	Thailand	Common directors and direct shareholding by the Company's director(s)
Bangpakong Steel Holdings 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)
Growth Water Woods 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	Common directors and direct and indirect shareholding by the Company's director(s)
Larn Pharam 3 Property 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 Steel Co., Ltd.	Thailand	Common directors and indirect shareholding by the Company's director(s)
Pomprachul Steel Co., Ltd.	Thailand	Common directors and indirect shareholding by the Company's director(s)
Bangplakod Steel Co., Ltd.	Thailand	Common directors and indirect shareholding by the Company's director(s)
Panich holdings Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
SSP Asset Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
SV Nittan Co., Ltd.	Thailand	Common directors and indirect shareholding by the Company's director(s)
Phrapradaeng Shape Steel Co., Ltd.	Thailand	Common directors and indirect shareholding by the Company's director(s)
Amarin Steel Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Kim Heng Seng Steel Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
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)
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 of the Company with subsidiary companies and joint venture	Transactions 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. Rental charges for staff accommodation are fixed on an annual basis and agreed with the lessor.
Receiving of port services	Port services rendered are charged based on Ministry of Transportation-determined rates, dependent on service volume and relevant market considerations.	

	Transactions of the Company with subsidiary companies and joint venture	Transactions with related companies
Selling 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. Office rental is charged based on rental agreements. Commission expense is charged based on agreements.
Interest and financial charges		Interest and financial charges are based on agreed rate, which approximates a market rate.

Significant transactions for the years ended 31 December with related parties are summarised as follows:

Unit: Thousand Baht

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Subsidiaries				
Purchases of goods and receiving of services	-	-	257,576	295,063
Dividend income	-	-	15,300	30,600
Other income	-	-	14,129	28,822
Finance costs	-	-	587	974
Joint venture				
Sales of goods	722,573	70,365	722,573	70,240
Rendering of services	103,408	162,819	34,005	79,935
Purchases of goods and receiving of services	-	625	-	625
Other income	10,030	10,099	10,030	10,094
Selling and administrative expenses	1,799	1,523	1,798	1,456
Other related parties				
Sales of goods	4,611,667	7,828,718	4,611,284	7,828,672
Rendering of services	342,257	253,586	319,682	234,829
Purchases of goods and receiving of services (including other related expenses)	1,079,787	1,533,318	1,079,405	1,524,859
Other income	15,626	6,513	14,045	3,686
Selling and administrative expenses	369,192	387,019	362,467	381,832
Finance costs	61	27,789	61	27,736

Unit: Thousand Baht

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Key management personnel				
Key management personnel compensation				
Short-term benefits	72,351	72,764	59,139	53,181
Statutory severance pay	1,914	1,931	1,914	1,809
Other long-term benefits	14	16	14	13
Total key management personnel compensation	74,279	74,711	61,067	55,003

Balances as at 31 December with related parties were as follows:

Unit: Thousand Baht

<i>Trade accounts receivable from related parties</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Joint venture				
Thai Cold Rolled Steel Sheet Public Company Limited	18,710	14,125	10,895	-
Other related parties				
B.S. Metal Co., Ltd.	2,236,547	2,292,481	2,236,476	2,292,360
Sahaviriya Panich Corporation Co., Ltd.	1,960,782	2,147,659	1,960,782	2,147,659
Sahaviriya Plate Mill Public Company Limited	-	107,726	-	107,726
Bangpakong Shape Steel Co., Ltd.	-	-	-	-
Others	2,077	2,437	-	-
Total	4,218,116	4,564,428	4,208,153	4,547,745
Less allowance for doubtful accounts	(2,736,667)	(23,848)	(2,736,667)	(23,848)
Net	1,481,449	4,540,580	1,471,486	4,523,897

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>Other receivables from related parties</i>				
Subsidiaries				
West Coast Engineering Co., Ltd.	-	-	13,541	8,778
Joint venture				
Thai Cold Rolled Steel Sheet Public Company Limited	42	-	42	-
Other related parties				
Vanomet AG (an advance payment for purchase of goods)	267,190	267,190	267,190	267,190
Sahaviriya Plate Mill Public Company Limited (net of allowance for doubtful account of Baht 48 million in 2015)	-	255,908	-	255,908
Line Transport Co., Ltd.	-	101	-	-
Prapawit Building Property	-	136	-	-
B.S. Metal Co., Ltd. (net of allowance for doubtful account of Baht 13 million in 2016)	-	8,757	-	8,757
Others	475	430	475	174
Total	267,707	532,522	281,248	540,807

Trade and other receivables as of 31 December 2016 included the gross value of a trade and other receivables from Sahaviriya Plate Mill Public Company Limited, a related company, totaling Baht 411.9 million which is repayable in 36 scheduled installments until December 2018. The Company has set up allowance for doubtful account of Baht 72.1 million as at 31 December 2016. On 1 February 2016, a director who is also a creditor according to Baht 637 million entered into the Assignment of Claim Memorandum to transfer the right of claim of Baht 413.7 million and Sahaviriya Plate Mill Public Company Limited has set off such claim against trade and other receivables with the Company. As a result of set off, the Company has to record the payable of Baht 4.3 million as at 31 December 2016.

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>Accrued income</i>				
Subsidiary				
West Coast Engineering Co., Ltd.	-	-	382	415
Joint venture				
Thai Cold Rolled Steel Sheet Public Company Limited	1,395	2,095	556	182
Other related parties				
Thai Coated Steel Sheet Co., Ltd.	3,824	3,534	3,824	3,534
Bangsaphan Barmill Public Company Limited	5,658	4,992	5,658	4,992
B.S. Metal Co., Ltd.	219	607	219	607
Others	949	268	-	-
Total	12,045	11,496	10,639	9,730

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>Trade accounts payable to related parties</i>				
Subsidiaries				
West Coast Engineering Co., Ltd.	-	-	3,400	-
Prachuap Port Co., Ltd.	-	-	7,588	38,738
Other related parties				
Vanomet AG	-	24,436	-	24,436
Line Transport Co., Ltd.	-	60,739	-	60,739
B.S. Metal Co., Ltd.	1,145	264	1,145	264
Bangpakong Lighter Co., Ltd.	208	2,910	-	2,910
Sahaviriya Logistics Co., Ltd.	34,828	-	34,810	-
Others	40	92	40	40
Total	36,221	88,441	46,983	127,127

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>Other payables to related parties</i>				
Subsidiaries				
Prachuap Port Co., Ltd.	-	-	7,451	14,961
West Coast Engineering Co., Ltd.	-	-	2,206	267
Joint venture				
Thai Cold Rolled Steel Sheet Public Company Limited	303	72	8	72
Other related parties				
Line Transport Co., Ltd.	-	11,560	-	11,560
Bangpakong Lighter Co., Ltd.	-	2,757	-	2,757
Bangpakong Port Co., Ltd.	-	241	-	241
Prapawit Building Property Co., Ltd.	310	781	270	410
Thai Steel Sales Co., Ltd.	11,319	5,698	11,319	5,698
Sahaviriya Logistics Co., Ltd.	18,877	-	18,885	-
Sahaviriya Plate Mill Public Company Limited	4,724	-	4,300	-
Others	636	727	628	719
Total	36,169	21,836	45,067	36,685

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>Short-term loans from related parties</i>				
Subsidiaries				
Prachuap Port Co., Ltd.	-	-	7,991	8,000
Other related parties				
The Company's director	223,274	637,000	223,274	637,000
Total	223,274	637,000	231,265	645,000

Movements during the period on short-term loans from related parties were as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Subsidiaries				
At 1 January	-	-	8,000	28,000
Decrease	-	-	(9)	(20,000)
At 31 December	-	-	7,991	8,000
Other related parties				
At 1 January	637,000	396,294	637,000	13,460
Increase	-	917,000	-	917,000
Decrease	(413,726)	(676,294)	(413,726)	(293,460)
At 31 December	223,274	637,000	223,274	637,000

In July 2015, the Board of Directors of the Company approved to borrow an interest-free short-term loan facility of Baht 1,700 million from a director to improve the Group's liquidity. As at 31 December 2016, the outstanding short-term loan amount is Baht 223 million.

Significant agreements with related parties

Consortium agreement

On 20 January 2015 a subsidiary has entered into a consortium agreement with a local company in order to jointly-operate for projects from the State Railway of Thailand. As at 31 December 2016, the consortium has not commenced the commercial operations.

6. Cash and cash equivalents

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash on hand	686	698	600	600
Cash at banks	424,369	155,811	355,936	43,937
Total	425,055	156,509	356,536	44,537

The currency denomination of cash and cash equivalents as at 31 December was as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Thai Baht	425,032	156,509	356,513	44,537
United States Dollars	23	-	23	-
Total	425,055	156,509	356,536	44,537

7. Trade accounts receivable

Unit: Thousand Baht

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Related parties	5	4,218,116	4,564,428	4,208,153	4,547,745
Other parties		307,809	335,492	287,879	304,946
Total		4,525,925	4,899,920	4,496,032	4,852,691
Less allowance for doubtful accounts		(3,021,526)	(309,099)	(3,020,476)	(307,657)
Net		1,504,399	4,590,821	1,475,556	4,545,034
Bad and doubtful debts expenses for the year		2,736,667	24,583	2,736,667	23,848

Aging analyses for trade accounts receivable were as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Related parties				
Within credit terms	1,476,186	885,738	1,471,486	909,035
Overdue:				
Less than 3 months	941,810	2,051,620	936,667	2,031,843
3 - 6 months	966,847	1,317,029	966,793	1,296,826
6 - 12 months	833,273	202,315	833,207	202,315
Over 12 months	-	107,726	-	107,726
	4,218,116	4,564,428	4,208,153	4,547,745
Less allowance for doubtful accounts	(2,736,667)	(23,848)	(2,736,667)	(23,848)
	1,481,449	4,540,580	1,471,486	4,523,897
Other parties				
Within credit terms	19,823	42,233	4,070	20,180
Overdue:				
Less than 3 months	2,860	6,468	-	957
3 - 6 months	-	-	-	-
6 - 12 months	-	2,087	-	-
Over 12 months	285,126	284,704	283,809	283,809
	307,809	335,492	287,879	304,946
Less allowance for doubtful accounts	(284,859)	(285,251)	(283,809)	(283,809)
	22,950	50,241	4,070	21,137
Net	1,504,399	4,590,821	1,475,556	4,545,034

Subsequently in January and February 2017, Baht 521 million has been collected from two related companies for trade receivables overdue 4 - 12 months. As at 31 December 2016, management has considered and assessed the current status of those two related companies and set up the allowance for doubtful accounts of Baht 2,737 million.

The normal credit terms granted by the Group ranges from 5 to 90 days.

The currency denomination of trade accounts receivable as at 31 December was as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Thai Baht	4,524,876	4,896,788	4,496,032	4,852,691
United States Dollars	-	1,496	-	-
Pound Sterling	-	547	-	-
Euro	449	627	-	-
Australian Dollars	600	462	-	-
Total	4,525,925	4,899,920	4,496,032	4,852,691

8. Inventories

Unit: Thousand Baht

Note	Consolidated financial statements		Separate financial statements		
	2016	2015	2016	2015	
Finished goods	1,654,806	1,428,948	1,666,492	1,428,948	
Work in progress	26,192	4,496	-	-	
Raw materials	2,515,451	188,478	2,522,113	189,028	
Spare parts and factory supplies	778,512	1,318,939	772,777	1,014,476	
Inventories under collateral management agreement	16	29,175	479,689	29,175	778,848
Goods in transit	1,994,128	353,272	1,994,128	353,272	
		6,998,264	3,773,822	6,984,685	3,764,572
Less allowance for decline in value	(488,517)	(825,266)	(488,420)	(825,170)	
Net	6,509,747	2,948,556	6,496,265	2,939,402	
Carrying value of inventories subject to retention of title clauses or otherwise pledged to secure liabilities	3,902,128	1,995,942	3,894,381	1,992,092	

Unit: Thousand Baht

Note	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Inventories recognised as an expenses in 'cost of sales of goods':				
- Cost	15,113,048	18,847,537	15,174,268	18,688,537
- Reversal of allowance for declining in value	(336,749)	(239,139)	(336,749)	(239,139)
- Loss from discontinued operations 2 (e)	-	354,835	-	354,835
- Derecognition of allowance for decline in value following liquidation of subsidiary	-	(227,242)	-	-
Net	14,776,299	18,735,991	14,837,519	18,804,233

9. Investments in subsidiaries

Unit: Thousand Baht

Note	Separate financial statements	
	2016	2015
At 1 January	279,000	27,760,792
Less transfers to assets held for disposal following liquidation of subsidiary 2 (e)	-	(27,481,792)
At 31 December	279,000	279,000

Investments in subsidiaries as at 31 December 2016 and 2015, and dividend income from those investments for the years then ended were as follows:

		Separate financial statements											
		Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
Type of business		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		(in thousand Baht)											
Subsidiaries													
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	15,300	30,600
West Coast Engineering Co., Ltd.	Maintenance services	99.99	99.99	75,000	75,000	75,000	75,000	-	-	75,000	75,000	-	-
Total				279,000	279,000	279,000	279,000	-	-	279,000	279,000	15,300	30,600

All subsidiaries were incorporated in Thailand.

The management performed an impairment test on investments in subsidiaries by considering a recoverable amount using value-in-use approach determined by discounting expected future cash flows from the continuing operations of subsidiaries. As at 31 December 2016, the recoverable amount exceeds the carrying value of investments.

The key assumptions used to estimate the value-in-use were as follows:

	Unit: %	
	2016	2015
Discount Rate	9.86	9.52
Budgeted EBITDA growth rate (average four years)	17.00	24.00

10. Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	31 December 2016			
	Prachuap Port Co., Ltd.	Other individually immaterial subsidiaries	Intra-group eliminations	Total
Non-controlling interest percentage	49			
Current assets	96,939			
Non-current assets	1,366,584			
Current liabilities	(33,946)			
Non-current liabilities	(38,379)			
Net assets	1,391,198			
Carrying amount of non-controlling interest	681,687	8,887	(40,842)	649,732
Revenue	282,386			
Profit	78,337			
Other comprehensive income	(710)			
Total comprehensive income	77,627			
Profit allocated to non-controlling interest	38,385	(96)	(3,663)	34,626
Other comprehensive income allocated to non-controlling interest	(348)	143	(143)	(348)

Unit: Thousand Baht

	31 December 2016			Total
	Prachuap Port Co., Ltd.	Other individually immaterial subsidiaries	Intra-group eliminations	
Cash flows from operating activities	224,118			
Cash flows used in investing activities	(13,224)			
Cash flows used in financing activities (dividends to non-controlling interest: 14.7 million)	(239,028)			
Net decrease in cash and cash equivalents	(28,134)			

Unit: Thousand Baht

	31 December 2015			Total
	Prachuap Port Co., Ltd.	Other individually immaterial subsidiaries	Intra-group eliminations	
	(Restated)			
Non-controlling interest percentage	49			
Current assets	156,126			
Non-current assets	1,462,342			
Current liabilities	(215,513)			
Non-current liabilities	(59,384)			
Net assets	1,343,571			
Carrying amount of non-controlling interest	658,350	42,034	(70,230)	630,154
Revenue	244,011			
Profit	(126,115)			
Total comprehensive income	(126,115)			
Loss allocated to non-controlling interest	(61,796)	(175)	5,477	(56,494)
Cash flows from operating activities	197,802			
Cash flows used in investing activities	(139,955)			
Cash flows used in financing activities (dividends to non-controlling interest: 44.1 million)	(124,643)			
Net decrease in cash and cash equivalents	(66,796)			

11. Investments in joint venture

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015 (Restated)	2016	2015
Note				
At 1 January	2,529,084	3,318,688	3,159,668	3,159,668
Actuarial gains	9,439	-	-	-
Share of net profit of equity				
- accounted investee	167,809	23,649	-	-
Dividend income	-	(169,164)	-	-
Less loss on liquidation of subsidiary 2 (e)	-	(644,089)	-	-
At 31 December	2,706,332	2,529,084	3,159,668	3,159,668

Investments in joint venture as 31 December 2016 and 2015, and dividend income from those investments for the years then ended were as follows:

Consolidated financial statements															
Type of business	Ownership Interest		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		Dividend income		
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
	(%)		(in thousand Baht)												
<i>Joint venture</i>															
<i>Direct holding</i>															
Thai Cold Rolled Steel Sheet Public Company Limited)	35.19	35.19	4,816,350	4,816,350	3,817,962	3,817,962	2,706,332	2,529,084	-	-	2,706,332	2,529,084	-	-	
Total					3,817,962	3,817,962	2,706,332	2,529,084	-	-	2,706,332	2,529,084	-	-	

Thai Cold Rolled Steel Sheet Public Company Limited was incorporated in Thailand.

As at 31 December 2016 and 2015, 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 a trading facility for the latter extended to Sahaviriya Steel Industries UK Limited.

The Company set-up a provision for loss on common shares in a joint-venture, Thai Cold Rolled Steel Sheet Public Company Limited pledged as collateral to Marubeni-Itochu Steel Inc. of Baht 513 million and Baht 499 million of 2016 and 2015, respectively.

Separate financial statements													
Type of business	Ownership Interest		Paid-up capital		Cost method		Impairment		At equity - net		Dividend income		
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
	(%)		(in thousand Baht)										
<i>Joint venture entity</i>													
Thai Cold Rolled Steel Sheet Public Company Limited	35.19	35.19	4,816,350	4,816,350	3,817,962	3,817,962	658,294	658,294	3,159,668	3,159,668	-	-	
Total					3,817,962	3,817,962	658,294	658,294	3,159,668	3,159,668	-	-	

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

	Joint venture	
	2016	2015 (Restated)
Revenue	10,095,781	10,797,725
Profit from continuing operations	475,062	124,344
Other comprehensive income	26,823	-
Total comprehensive income	501,885	124,344
Attributable to NCI	325,272	80,587
Attributable to investee's shareholders	176,613	43,757
Current assets	2,942,233	2,587,110
Non-current assets	3,809,570	4,152,747
Current liabilities	(1,446,965)	(1,929,599)
Non-current liabilities	(57,354)	(64,659)
Net assets	5,247,484	4,745,599
Attributable to NCI	3,400,894	3,075,623
Attributable to investee's shareholders	1,846,590	1,669,976
Group's interest in net assets of investee at 1 January	2,529,084	2,617,348
Total comprehensive income attributable to the Group	177,248	(88,264)
Carrying amount of interest in investee at 31 December	2,706,332	2,529,084

Contingent liabilities and commitments relating to the joint venture:

Contingent liabilities directly incurred by the Group

Group's share of the joint venture's contingent liabilities

Capital commitments in relation to interest in joint venture

Group's share of the joint venture according to

- in capital expenditure
- in non-cancellable operating lease commitments
- in raw materials and chemical purchases
- in other contracts

	2016	2015
Group's share of the joint venture's contingent liabilities	Baht 20 million	Baht 20 million
Group's share of the joint venture according to		
- in capital expenditure	Baht 65 million, USD 0.21 million, JPY 43 million, GBP 0.11 million and Euro 0.07 million	Baht 40 million, USD 0.18 million, JPY 73 million and GBP 0.18 million
- in non-cancellable operating lease commitments	Baht 1 million	Baht 5 million
- in raw materials and chemical purchases	Baht 228 million, and USD 8.55 million	Baht 11 million, Yen 0.6 million and USD 2.18 million
- in other contracts	Baht 1 million and JPY 11 million	Baht 16 million and JPY 11 million

Management performed an impairment test on the investments in joint venture by considering a recoverable amount using value-in-use approach determined by discounting expected future cash flows from the continuing operations of a joint venture. As at 31 December 2016, the recoverable amount exceeds the carrying value of investments.

The key assumptions used to estimate the value-in-use were as follow:

	Unit: %	
	2016	2015
Discount rate	10.23	9.52
Budgeted EBITDA growth rate (average 5 years – forward)	11.00	11.00

12. Other long-term investment

Other long-term investment as at 31 December 2016 and 2015, and dividend income from this investment for the years then ended were as follows:

Consolidated financial statements/Separate financial statements												
Type of business	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	(in thousand Baht)											
<i>Cost method</i>												
Thai Coated Steel Sheet												
Co., Ltd.												
Manufacturing and distribution of Electro Galvanized Steel Sheet	3.70	3.70	2,206,990	2,206,990	294,000	294,000	294,000	294,000	-	-	-	-
Total					294,000	294,000	294,000	294,000	-	-	-	-

13. Property, plant and equipment

Unit: Thousand Baht

	Note	Consolidated financial statements						Total
		Land and land improvement	Factory and office buildings	Machinery, tool and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	
Cost								
At 1 January 2015 – as reported		2,983,142	3,029,146	65,435,673	206,608	104,792	274,175	72,033,536
Impact of changes in accounting policies and reclassification	3, 37	(8,806)	(422,086)	(10,471,225)	-	-	564,720	(10,337,397)
At 1 January 2015 – as restated		2,974,336	2,607,060	54,964,448	206,608	104,792	838,895	61,696,139
Additions		-	687	34,069	2,894	1,250	433,315	472,215
Transfers		-	-	134,317	92	-	(134,409)	-
Transfers to cost of inventory		-	-	-	-	-	(126,084)	(126,084)
Disposals		-	-	(103,757)	(8,664)	(1,396)	(2,115)	(115,932)
Effect of movements in exchange rates		139,169	57,446	3,736,977	-	-	33,578	3,967,170
Derecognition of property, plant and equipment following liquidation of subsidiary	2 (e)	(1,485,801)	(613,303)	(39,927,012)	-	-	(405,560)	(42,431,676)
At 31 December 2015 and 1 January 2016 – as restated		1,627,704	2,051,890	18,839,042	200,930	104,646	637,620	23,461,832

Unit: Thousand Baht

	Consolidated financial statements						Total
	Land and land improvement	Factory and office buildings	Machinery, tool and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	
Additions	-	187	8,403	5,366	100	146,073	160,129
Transfers	-	6,400	86,094	3,049	-	(95,543)	-
Transfers to cost of inventory	-	-	-	-	-	(187,349)	(187,349)
Disposals	-	-	(2,648)	(6,191)	(5,585)	-	(14,424)
At 31 December 2016	1,627,704	2,058,477	18,930,891	203,154	99,161	500,801	23,420,188

Note

At 31 December 2016

Unit: Thousand Baht

Note	Consolidated financial statements						Total
	Land and land improvement	Factory and office buildings	Machinery, tool and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	
Depreciation and impairment losses							
At 1 January 2015 – as reported	654,116	1,951,090	18,669,397	169,215	76,659	-	21,520,477
Impact of changes in accounting policies and reclassification	(1,548)	(335,585)	(5,065,472)	-	-	-	(5,402,605)
At 1 January 2015 – as restated	652,568	1,615,505	13,603,925	169,215	76,659	-	16,117,872
Depreciation charge for the year	2,557	66,757	1,803,707	14,842	9,973	-	1,897,836
Disposals	-	-	(83,579)	(8,621)	(1,120)	-	(93,320)
Impairment losses	-	13,422	-	-	-	-	13,422
Effect of movements in exchange rates	-	6,716	643,333	-	-	-	650,049
Derecognition of property, plant and equipment following liquidation of subsidiary	-	(75,155)	(7,212,653)	-	-	-	(7,287,808)
At 31 December 2015 and 1 January 2016 – as restated	655,125	1,627,245	8,754,733	175,436	85,512	-	11,298,051
Depreciation charge for the year	512	49,586	413,375	11,785	8,163	-	483,421
Disposals	-	-	(2,633)	(6,153)	(5,585)	-	(14,371)
Impairment losses	-	-	-	-	-	19,000	19,000
At 31 December 2016	655,637	1,676,831	9,165,475	181,068	88,090	19,000	11,786,101

Unit: Thousand Baht

Consolidated financial statements							
	Land and land improvement	Factory and office buildings	Machinery, tool and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	Total
Net book value							
At 1 January 2015							
Owned assets	2,321,768	986,931	41,063,852	37,393	11,003	838,895	45,259,842
Assets under finance leases and hire-purchases	-	4,624	296,671	-	17,130	-	318,425
	2,321,768	991,555	41,360,523	37,393	28,133	838,895	45,578,267
At 31 December 2015 and 1 January 2016							
Owned assets	972,579	424,645	9,825,556	25,494	6,497	637,620	11,892,391
Assets under finance leases and hire-purchases	-	-	258,753	-	12,637	-	271,390
	972,579	424,645	10,084,309	25,494	19,134	637,620	12,163,781
At 31 December 2016							
Owned assets	972,067	381,646	9,519,386	22,086	8,017	481,801	11,385,003
Assets under finance leases and hire-purchases	-	-	246,030	-	3,054	-	249,084
	972,067	381,646	9,765,416	22,086	11,071	481,801	11,634,087

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2016 amounted to Baht 2,514.1 million (2015: Baht 2,215 million).

Unit: Thousand Baht

	Note	Separate financial statements						Total
		Land and land improvement	Factory and office buildings	Machinery, tool and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	
Cost								
At 1 January 2015 – as reported		1,007,581	2,276,407	26,172,940	165,963	72,935	83,143	29,778,969
Impact of changes in accounting policies and reclassification	3, 37	(2,685)	(386,509)	(9,789,085)	-	-	564,720	(9,613,559)
At 1 January 2015 – as restated		1,004,896	1,889,898	16,383,855	165,963	72,935	647,863	20,165,410
Additions		-	687	15,577	2,255	1,250	110,025	129,794
Transfers		-	-	8,758	-	-	(8,758)	-
Transfers to cost of inventory		-	-	-	-	-	(126,084)	(126,084)
Disposals		-	-	(3,459)	(7,798)	-	-	(11,257)
At 31 December 2015 and								
1 January 2016 – as restated		1,004,896	1,890,585	16,404,731	160,420	74,185	623,046	20,157,863
Additions		-	187	3,527	4,932	14	110,638	119,298
Transfers		-	6,400	56,300	3,050	-	(65,750)	-
Transfers to cost of inventory		-	-	-	-	-	(187,349)	(187,349)
Disposals		-	-	(1,982)	(5,226)	(4,209)	-	(11,417)
At 31 December 2016		1,004,896	1,897,172	16,462,576	163,176	69,990	480,585	20,078,395

Unit: Thousand Baht

Note	Separate financial statements							Total
	Land and land improvement	Factory and office buildings	Machinery, tool and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation		
	339,516	1,791,544	11,802,118	138,451	55,754	-	-	14,127,383
3	(95)	(312,625)	(4,597,081)	-	-	-	-	(4,909,801)
	339,421	1,478,919	7,205,037	138,451	55,754	-	-	9,217,582
At 1 January 2015 – as restated	504	44,285	274,356	11,282	6,679	-	-	337,106
Depreciation charge for the year	-	-	(1,533)	(7,766)	-	-	-	(9,299)
Disposals	-	-	-	-	-	-	-	-
Impairment losses	-	13,423	-	-	-	-	-	13,423
At 31 December 2015 and	339,925	1,536,627	7,477,860	141,967	62,433	-	-	9,558,812
1 January 2016 – as restated	372	43,590	318,541	9,135	5,367	-	-	377,005
Depreciation charge for the year	-	-	(1,968)	(5,196)	(4,209)	-	-	(11,373)
Disposals	-	-	-	-	-	-	-	-
At 31 December 2016	340,297	1,580,217	7,794,433	145,906	63,591	-	-	9,924,444

Unit: Thousand Baht

	Separate financial statements						Total
	Land and land improvement	Factory and office buildings	Machinery, tool and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	
Net book value							
At 1 January 2015							
Owned assets	665,475	410,979	9,178,818	27,512	4,755	647,863	10,935,402
Assets under hire-purchase	-	-	-	-	12,426	-	12,426
	665,475	410,979	9,178,818	27,512	17,181	647,863	10,947,828
At 31 December 2015 and 1 January 2016							
Owned assets	664,971	353,958	8,926,871	18,453	2,435	623,046	10,589,734
Assets under hire-purchase	-	-	-	-	9,317	-	9,317
	664,971	353,958	8,926,871	18,453	11,752	623,046	10,599,051
At 31 December 2016							
Owned assets	664,599	316,955	8,668,143	17,270	3,345	480,585	10,150,897
Assets under hire-purchase	-	-	-	-	3,054	-	3,054
	664,599	316,955	8,668,143	17,270	6,399	480,585	10,153,951

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2016 amounted to Baht 1,972 million (2015: Baht 1,893 million).

As at 31 December 2016, the Group recorded an impairment loss on asset of Baht 19 million.

As at 31 December 2016, the Group/ the Company has mortgaged/ pledged assets amounting to approximately Baht 9,733 million (2015: Baht 11,375 million) and Baht 9,418 million (2015: Baht 9,784 million), respectively, as collateral against bank overdrafts, short-term loans and long-term loans from financial institutions, and letter of guarantee for electricity, port and goods warehouse, as described in Note 15.

14. Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

Unit: Thousand Baht

	Consolidated financial statements			
	Assets		Liabilities	
	2016	2015 (Restated)	2016	2015 (Restated)
Total	37,868	51,917	(102,631)	(123,369)
Set off of tax	(12,201)	(3,847)	12,201	3,847
Net deferred tax assets (liabilities)	25,667	48,070	(90,430)	(119,522)

Unit: Thousand Baht

	Separate financial statements			
	Assets		Liabilities	
	2016	2015 (Restated)	2016	2015 (Restated)
Deferred tax liabilities	-	-	(63,139)	(88,235)

Movements of deferred tax assets and liabilities during the year were as follows:

Unit: Thousand Baht

	Consolidated financial statements			At 31 December 2016
	At 1 January 2016 (Restated)	(Charged) / Credited to:		
		Profit or loss	Other comprehensive income	
<i>Deferred tax assets</i>				
Trade receivable	1,019	(809)	-	210
Inventories	19	-	-	19
Other current assets	4	18	-	22
Property, plant and equipment	12,982	618	-	13,600
Employee benefit obligations	10,135	(523)	177	9,789
Tax loss carry forward	27,758	(13,530)	-	14,228
Total	51,917	(14,226)	177	37,868
<i>Deferred tax liabilities</i>				
Other current assets	(202)	(110)	-	(312)
Property, plant and equipment	(108,873)	15,513	-	(93,360)
Employee benefit obligations	-	-	(6,342)	(6,342)
Long-term loans from financial institutions	(12,326)	12,326	-	-
Finance lease liabilities	(1,968)	(649)	-	(2,617)
Total	(123,369)	27,080	(6,342)	(102,631)

Unit: Thousand Baht

Consolidated financial statements					
Note	At 1 January 2015 (Restated)	(Charged) / Credited to:		Exchange differences	At 31 December 2015 (Restated)
		Profit or loss	Other comprehensive income		
Deferred tax assets					
	Trade receivable	981	38	-	1,019
	Inventories	19	-	-	19
	Other current assets	4	-	-	4
	Property, plant and equipment	7,473	5,509	-	12,982
	Employee benefit obligations	9,667	468	-	10,135
	Tax loss carry forward	22,460	5,298	-	27,758
	Capital allowance under UK law	2,004,542	(475,767)	-	1,698,610
	Total	2,045,146	(464,454)	-	1,750,527
	Derecognition of deferred tax asset following liquidation of subsidiary				(1,698,610)
					2 (e)
	Net				51,917
Deferred tax liabilities					
	Other current assets	(554)	352	-	(202)
	Property, plant and equipment	(2,111,017)	303,534	-	(1,807,483)
	Long-term loans from financial institutions	(14,874)	2,548	-	(12,326)
	Finance lease liabilities	(2,654)	686	-	(1,968)
	Total	(2,129,099)	307,120	-	(1,821,979)
	Derecognition of deferred tax liabilities following liquidation of subsidiary				1,698,610
					2 (e)
	Net				(123,369)

Unit: Thousand Baht

	Separate financial statements			At 31 December 2016
	At 1 January 2016 (Restated)	(Charged) / Credited to:		
		Profit or loss	Other comprehensive income	
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(75,909)	15,514	-	(60,395)
Long-term loans from financial institutions	(12,326)	12,326	-	-
Employee benefit obligations	-	-	(2,744)	(2,744)
Total	(88,235)	27,840	(2,744)	(63,139)

Unit: Thousand Baht

	Separate financial statements			At 31 December 2015 (Restated)
	At 1 January 2015 (Restated)	(Charged) / Credited to:		
		Profit or loss	Other comprehensive income	
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(73,510)	(2,399)	-	(75,909)
Long-term loans from financial institutions	(14,874)	2,548	-	(12,326)
Total	(88,384)	149	-	(88,235)

Deferred tax assets arising from temporary differences and unused tax losses that have not been recognised in the financial statements as at 31 December were as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>Deferred tax assets</i>				
- Deductible temporary differences	7,779,268	13,295,413	7,725,190	13,295,413
- Tax losses	1,692,146	1,648,496	1,692,146	1,648,496
Net	9,471,414	14,943,909	9,417,316	14,943,909

Tax losses of the companies in Thailand will expire in 2017 - 2022. Temporary differences do not expire under current tax legislation. The Group and the Company has not recognised deferred tax assets in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits therefrom or temporary differences will be reversed in the future.

Unit: Thousand Baht

Note	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Non-current				
Long-term loan from financial institution				
- Secured	8,488,449	-	8,488,449	-
- Unsecured	16,110,978	-	16,110,978	-
Finance lease liabilities	37,111	72,005	-	-
Liabilities under hire purchase agreements	-	1,003	-	843
Other payable under the Plan	1,568,104	-	1,568,104	-
Total interest bearing non-current liabilities	26,204,642	73,008	26,167,531	843
Provision made for loss on guarantee given by SSI TH				
- Loan SSI UK (including current portion of Baht 455,677 thousand as at 31 December 2016)	2 (e) 28,384,212	29,976,133	28,384,212	29,976,133
- Bank guarantee	2 (e) 47,827	57,983	47,827	57,983
- Loan Marubeni-Itochu Steel	513,257	-	513,257	-
Total Interest bearing	56,349,094	56,001,364	56,150,756	55,597,289

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities and liabilities under hire purchase agreements, as at 31 December were as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Within one year	1,605,118	56,001,364	1,492,756	55,597,289
After one year but within five year	6,576,687	-	6,576,687	-
After five years	48,080,472	-	48,080,472	-
Total	56,262,277	56,001,364	56,149,915	55,597,289

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015 (Restated)	2016	2015 (Restated)
Property, plant and equipment	9,733,747	11,374,690	9,417,714	9,784,372
Inventories	3,902,128	1,995,942	3,894,381	1,992,092
Total	13,635,875	13,370,632	13,312,095	11,776,464

Short-term loans of PPC, a subsidiary company, are secured by the mortgage of certain PPC owned land and construction and/or future construction thereon. The bank overdraft and short-term loans of WCE, a subsidiary company, are secured by mortgage of certain WCE owned land and construction thereon and the assignment of beneficiary rights under insurance policies to the lender.

Various long-term loans of the Company and its subsidiaries are secured by the mortgage/pledge of land with construction thereon and machinery, and the assignment of beneficiary rights under insurance policies to the lenders. For those banks providing both short-term and long-term loan facilities, the Company has additionally made a second pledge of raw materials and finished goods of the Company. These loan agreements contain certain covenants as stipulated in the agreement that, among other things, required the Company to maintain financial ratios, the minimum maintenance of the Company's shareholding in PPC and WCE, restrictions on dividend payment in each fiscal year, and a prohibition on the Company pledging their investments in shares of subsidiaries or creating any obligation thereon.

As at 31 December 2016, the Group had unutilised credit facilities totalling Baht 57 million and the Company was cancelled all credit facilities (2015: Baht 35 million for the Group and no credit facilities for the Company).

During September 2015, the major lenders demanded immediate payment of the remaining balance of a loan carried at USD 788 million and GBP 1 million respective (equivalent to Baht 28,384 million and Baht 46 million, respectively) and Baht 1.6 million of SSI UK. Subsequently, the major lenders also requested the Company to be responsible for this obligation as a guarantor.

During September 2015, the Company was unable to maintain financial covenant ratios and also unable to repay principal and interest due. On 1 October 2015, the major lenders demanded immediate payment of the remaining balance as at 30 September 2015 of Baht 9,840 million.

As a result of the approval of the Rehabilitation Plan on 15 December 2016, all loans from financial institutions, provision made for loss on guarantee and other account payables under rehabilitation plan have been included in the Plan. All loans from financial institutions, provision made for loss on guarantee and other account payables under rehabilitation plan as at 31 December 2016 have been reclassified to current or noncurrent liabilities according to the terms and condition and debt repayment schedule set forth in the Plan.

Movement of long-term loans from financial institutions for the year ended 31 December 2016 and 2015 were as follows:

Unit: Thousand Baht

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
At 1 January		13,662,746	29,673,363	13,662,746	13,652,876
Repayment		-	(8,870)	-	(2,870)
Amortisation of transaction charges		61,630	50,878	61,630	12,740
Effect of movements in exchange rates		-	1,661,491	-	-
Transfer to liabilities held for disposal following liquidation of subsidiary	2 (e)	-	(17,714,116)	-	-
Reclassified from short-term loan to long-term loan according to the plan	20	11,888,671	-	11,888,671	-
At 31 December		25,613,047	13,662,746	25,613,047	13,662,746

Finance lease and hire purchase liabilities

The Group had machinery, equipment and vehicles acquired under finance lease and hire purchase agreements as at 31 December were payable as follows:

Unit: Thousand Baht

	Consolidated financial statements					
	2016			2015		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	53,045	3,340	49,705	79,508	7,115	72,393
After one year but within five years	40,190	3,079	37,111	79,498	6,490	73,008
Total	93,235	6,419	86,816	159,006	13,605	145,401

Unit: Thousand Baht

	Separate financial statements					
	2016			2015		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	920	80	840	3,168	256	2,912
After one year but within five years	-	-	-	921	78	843
Total	920	80	840	4,089	334	3,755

The Group had entered into a sale and lease back agreement for machinery and equipment with a company. Lease term is for a period of 5 years. The Group has paid the deposit to the lessor in the amount of Baht 53.2 million. The net book value of machinery and equipment under sales and leaseback agreements as at 31 December 2016 is Baht 234.4 million (31 December 2015: Baht 243.0 million).

Restricted deposit of Baht 4.7 million (31 December 2015: 12.8 million) of a subsidiary has been used as a guarantee for a credit facility extended by a financial institution.

The currency denomination of interest-bearing liabilities as at 31 December was as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Thai Baht	27,918,645	25,967,248	27,720,307	25,563,173
United States Dollars	28,384,212	29,976,133	28,384,212	29,976,133
Pound Sterling	46,237	57,983	46,237	57,983
Total	56,349,094	56,001,364	56,150,756	55,597,289

16. Trade accounts payable

Unit: Thousand Baht

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Related parties	5	36,221	88,441	46,983	127,127
Other parties		2,208,083	2,715,812	2,157,993	2,668,273
Total		2,244,304	2,804,253	2,204,976	2,795,400

The currency denomination of trade accounts payable as at 31 December was as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Thai Baht	225,834	212,088	196,465	213,878
United States Dollars	1,905,141	2,587,002	1,895,211	2,576,387
Euro	113,001	4,844	113,001	4,844
Yen	328	319	299	291
Total	2,244,304	2,804,253	2,204,976	2,795,400

Inventory under collateral management agreement

The Company entered into the collateral management agreements with two companies which are incorporated in Singapore and 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 collateralised 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. That seller provide a selling price which includes interest, management cost and commodity benchmark price movements. As at 31 December 2016, repurchase financing costs of Baht 0.03 million was included in such inventory (31 December 2015: Baht 3.8 million).

17. Other current liabilities

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015 (Restated)	2016	2015 (Restated)
Accrued expenses	170,620	306,456	156,598	295,541
Other accounts payable	30,865	935,083	24,681	924,555
Advances received from sales of goods	271,370	166,943	262,696	164,050
Accrued interest expenses	-	2,038,515	-	2,038,334
Others	33,946	248,267	22,236	210,393
Total	506,801	3,695,264	466,211	3,632,873

The currency denomination of other current liabilities as at 31 December was as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Thai Baht	497,959	2,794,777	457,369	2,732,386
United States Dollars	-	889,096	-	889,096
Pound Sterling	3,121	3,785	3,121	3,785
Euro	5,721	7,606	5,721	7,606
Total	506,801	3,695,264	466,211	3,632,873

18. Employee benefit obligations

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Statement of financial position				
obligations for:				
Statutory severance pay	169,738	196,943	138,405	151,800
Other long-term employee benefits	8,834	14,333	9,060	8,595
Total	178,572	211,276	147,465	160,395
<i>Year ended 31 December</i>				
Statement of comprehensive income				
Recognised in profit or loss:				
Statutory severance pay	21,699	23,460	17,972	17,088
Other long-term employee benefits	2,376	2,671	1,717	1,726
Total	24,075	26,131	19,689	18,814
Recognised in other comprehensive income:				
Actuarial gains recognised in the year	(46,787)	-	(29,680)	-
Cumulative actuarial losses (gain) recognised	10,774	18,532	(13,720)	15,960

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 defined benefit obligations for the year ended 31 December 2016 and 2015 were shown in the table below:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Defined benefit obligations at 1 January	211,276	195,308	160,395	146,784
Recognised in profit or loss:				
Current service costs and interest	24,075	26,131	19,689	18,814
Recognised in other comprehensive income:				
Actuarial gains recognised in the year	(46,787)	-	(29,680)	-
Others				
Benefits paid by the plan	(9,992)	(10,163)	(2,939)	(5,203)
Defined benefit obligations at 31 December	178,572	211,276	147,465	160,395

Actuarial gains and losses recognised in other comprehensive income arising from:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Demographic assumptions	(52,553)	-	(50,958)	-
Financial assumptions	21,298	-	21,368	-
Experience adjustment	(15,532)	-	(90)	-
Total	(46,787)	-	(29,680)	-

At 31 December 2016, the weighted-average duration of the defined benefit obligation was 12 years (2015: 17 years).

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Unit: %

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Discount rate	3.03 - 3.20	4.3	3.03	4.3
Future salary growth	5.64 - 6.59	5.5 - 8.0	6.59	5.5 - 8.0

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

Defined benefit obligation	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
31 December 2016				
Discount rate (0.5% movement)	(6,962)	7,493	(5,380)	5,717
Future salary growth (0.5% movement)	6,508	(6,090)	4,771	(4,539)
Employee turnover rate (1% movement)	(12,645)	14,224	(10,929)	12,285

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

19. Subordinated convertible debentures and convertible rights

Movement during the year ended 31 December of the subordinated convertible debentures and convertible rights were as follows:

Unit: Thousand Baht

	Consolidated / Separated financial statements				
	At 1 January 2015	Amortisation charge for the year	Exercise of convertible debentures	Repurchase and cancellation	At 31 December 2015
Subordinated convertible debentures					
- Minority (No. 1/2012)	279	-	(4)	(275)	-
	<u>279</u>	<u>-</u>	<u>(4)</u>	<u>(275)</u>	<u>-</u>
Less Convertible rights of subordinated debentures	(25)	-	-	25	-
Less Deferred expenses for issued of subordinated debentures	(18)	4	-	14	-
Net	<u>236</u>	<u>4</u>	<u>(4)</u>	<u>(236)</u>	<u>-</u>
Convertible rights of subordinated debentures	25	-	-	(25)	-

On 31 May 2015, a holder of Convertible Debentures No. 1/2015 declared their intention to exercise their conversion right to convert the Convertible Debentures in an aggregate principal amount of 4,000 units or Baht 4,000 which was subsequently converted to the Company's ordinary shares in June 2015. The Company registered the increase of its paid-up capital with the Ministry of Commerce on 19 June 2015.

20. Business rehabilitation plan

Summarised the Business Rehabilitation Plan

The following summarised the Business Rehabilitation Plan ("the Plan") as approved by the Central Bankruptcy Court on 15 December 2016.

1. Classification of the creditor

The Business Rehabilitation Plan (the "Plan") has classified the creditors who filed applications for repayment of debts into 13 classes. The total debt claim in Baht denominator is Baht 33,849.9 million and in other currencies which include USD denominator of USD 990.9 million, GBP denominator of GBP 4.6 million and EUR denominator of EUR 0.1 million (computed in Baht denominator with 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. Thus, the total debt claim is in Thai Baht equivalent of Baht 69,220.2 million). Detail is as follows:

Class No.	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 Loan Rescheduling 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 creditors	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 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 per share. 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 ("Court's Plan Approval Date"), the Company has to decrease the registered but unissued ordinary shares of 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 comprising of 32,166.3 million ordinary shares at the par value of Baht 1 per share.

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 comprising of 1,109 million ordinary shares at the par value of Baht 1 per share.

2.3 Increase the share capital by the 1st Debt to Equity Conversion

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 comprising of 11,109 issued and paid up ordinary shares at the par value of Baht 1 per share. 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 1st Debt to Equity Conversion may be extended for not more than 90 days.

2.4 Increase of registered share capital for the 2nd Debt to Equity Conversion

After the completion of the 1st Debt to Equity Conversion, in case where the creditor may proceed the 2nd Debt to Equity Conversion, 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 per share to be the reserve shares for the 2nd Debt to Equity Conversion of each and every creditor whose debt will be repaid by the 2nd Debt to Equity Conversion in conformity with the conditions as stipulated in the Plan. The conversion price per 1 share will be the market price per share (the market as of the date the creditor indicate their intention for the 2nd Debt to Equity Conversion; if there is not a market price, the conversion price will be Baht 0.05 per share). 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 principles 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 per share 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 2nd Debt to Equity Conversion, the Creditor Class 1 will receive interest payment at the rate of MLR% per annum from the date after the 2nd Debt to Equity Conversion 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 2nd Debt to Equity Conversion to the creditor who may convert their debt into shares in the 2nd Debt to Equity Conversion, 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 principle 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.

3.2 *Creditor 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 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 10,149.1 million will be repaid in the 144th month from the new funding and/or refinancing and/or excess cash.

- 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 3,246.0 million will be repaid in the 144th month from the new funding and/or refinancing and/or excess cash.
- 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 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 22,796.9 million will be repaid in the 144th month from the new funding and/or refinancing and/or excess cash.
- 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 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 1,300.3 million will be repaid in the 144th month from the new funding and/or refinancing and/or excess cash. However, if the creditor in Class 5 have debt payable to the Company, the Plan Administrator must set off the repayment against such debt payable before repaying the instalment 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 follow:
- | | |
|---|-----------------|
| 1 st Month - 60 th Month | 1.00% per annum |
| 61 st Month - 84 th Month | 1.75% per annum |
| 85 th Month - 96 th Month | 2.00% per annum |
| 97 th Month - 108 th Month | 2.25% per annum |
| 109 th Month - 120 th Month | 2.50% per annum |
| 121 st Month - 144 th 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 1st Debt to Equity Conversion 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 2nd Debt to Equity Conversion as stipulated in the Plan.

- 3.2.8 In case the Company executes the 2nd Debt to Equity Conversion, if there are remaining outstanding principals, the interest computed and actually paid from the date after the 2nd Debt to Equity Conversion 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 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 2nd Debt to Equity Conversion 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 instalment repayment of the principals of the Creditor Class 4 in inverse order.

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.

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 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.

3.5 Creditor Class 8 (Trade creditor)

The debt of the Creditor Class 8 comprises of the outstanding principal of Baht 15.1 million. Each Creditor will be repaid from cash flow for debt repayment under the normal business terms and conditions.

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 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 set off the amount before proceeding to the debt to equity conversion for the Creditor Class 9.
- 3.6.4 The remaining outstanding principal after the set-off 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 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.

3.7 Creditor Class 10 (Creditor of contingent liabilities relating to guarantees)

- 3.7.1 The debt of the Creditor Class 10 comprises of 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 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 964.6 million will be repaid in the 144th month from the new funding and/or refinancing and/or excess cash.
- 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 accrued and 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 2nd Debt to Equity Conversion as stipulated in the Plan. However, if the Company has proceeded the 2nd Debt to Equity Conversion 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 2nd Debt to Equity Conversion, 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 2nd Debt to Equity Conversion as stipulated in the Plan.

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 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 227.4 million will be repaid in the 144th month from the new funding and/or refinancing and/or excess cash.

- 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 accrued and 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 2nd Debt to Equity Conversion as stipulated in the Plan. However, if the Company has proceeded the 2nd Debt to Equity Conversion to other creditor before the Creditor Class 10 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 2nd Debt to Equity Conversion, 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 2nd Debt to Equity Conversion as stipulated in the Plan.

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 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). However, the Company will repay the debt to any Creditor in Class 12 only after the Creditor has already obtained the final judgement 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 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.

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 yet been due. Nonetheless, the Creditor will receive the payments for fees and other expenses in relation to the original contracts and agreements.

4. The success of the Plan

When the events as stipulated in paragraph 4.1 and 4.2 or the events as stipulated in paragraph 4.1 and 4.3 have occurred, and the consent from the Committee of the creditor has been sought, it is deemed that the business rehabilitation is successful.

- 4.1 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
- 4.2 The Company has secured new funding from an investor(s) to repay debt such that the shareholders' equity of the Company becomes positive; or
- 4.3 Debt to equity conversion as stipulated in the Plan has been executed such that the shareholders' equity of the Company becomes positive.

Progress of implementation of the Plan

Capital restructuring

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 to decrease the unissued ordinary shares. As the date of this report, the process of such capital reduction has not been completed.

Application of debt repayment of creditors

At the date of this report, there are pending applications for repayment of debts, filed by 6 creditor, to be examined by the Official Receiver. The total claim of Baht 4,160 million consisted of outstanding principal and interest of the debt claims in Thai Baht equivalent of Baht 4,051.8 million and Baht 108.2 million, respectively. In particular, the Company has not recorded liabilities for the debt claims from 2 out of 6 creditor (Creditor Class 10 and 12), whereby the principal and interest in Thai Baht equivalent of the debt claim from these 2 creditor are Baht 3,092.8 million and Baht 21.0 Baht, respectively.

On 3 November 2016, a Creditor in Class 3 filed the Bankruptcy Court a petition for reclassification to be a secured creditor. The petition is currently under the Court's consideration. At the date of this report, there is a pending application for repayment of debt of Creditor Class 3, to be examined by the Official Receiver. The outstanding principal and interest of the debt claim were Baht 727.0 million and Baht 86.8 million which the creditor later filed to adjust the amount to be Baht 643.1 million and Baht 87.2 million, respectively.

At the date of this report, there is a pending application for repayment of debt of Creditor Class 7 to be examined by the Official Receiver. The debt claim, with total outstanding principal of Baht 223.3 million, was transferred under the Assignment of Claim Memorandum from a director of the Company who is also a loan creditor. The Creditor, who is also a debtor of the Company, requests to exercise its right to set off the debt owed to the Company.

At the date of this report, there are pending applications for repayment of debt of 2 creditors in Creditor Class 8 to be examined by the Official Receiver. The outstanding principal and interest of the debt claim in Thai Baht equivalent are Baht 8.8 million and Baht 0.4 million, respectively.

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. Details of the agreement had been considered in the Audit Committee's meeting on 24 January 2017. The Company signed the agreement, which is considered a related transaction, on 27 January 2017.

At the date of this report, there is a pending application for repayment of debt of one creditor in Creditor Class 10 to be examined by the Official Receiver. The outstanding principal and interest of the debt claim in Thai Baht equivalent are Baht 1,185.1 million. The Company has not recorded this liability because management considers that the obligation will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events and it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

On 28 September 2016, the Creditor Class 11 filed the Court a petition to amend the Official Receiver's order. The petition is currently under consideration.

At the date of this report, there is a pending application for repayment of debt of Creditor Class 12. The outstanding principal and interest are Baht 1,907.7 million and Baht 21.0 million, respectively. The Company has not recorded these liabilities because management considers that the obligation will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events and it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

On 31 January 2017 and 28 February 2017, the Company had made the 1st and 2nd principal and interest repayments totaling Baht 127.3 million and Baht 127.3 million, respectively to Creditor Classes 1, 2, 3, 4, 5, 6 and 12.

21. Share capital

Par value per share (in Baht)	2016		2015		
	Number	Baht	Number	Baht	
	(Thousand Shares / Thousand Baht)				
<i>Authorised</i>					
At 1 January					
- Ordinary shares	1	50,263,663	39,867,779	50,263,663	39,867,779
- Reduction of shares	1	-	(5,604,116)	-	(5,604,116)
- Increase of new shares	1	-	16,000,000	-	16,000,000
At 31 December					
- Ordinary shares	1	50,263,663	50,263,663	50,263,663	50,263,663
<i>Issued and paid-up</i>					
At 1 January					
- Ordinary shares	1	32,166,262	32,166,258	32,166,262	32,166,258
- Issue of new shares	1	-	4	-	4
At 31 December					
- Ordinary shares	1	32,166,262	32,166,262	32,166,262	32,166,262

Increase of new shares

At the Extraordinary General Meeting of Shareholders held on 20 April 2015, the shareholders passed the following resolutions:

In March 2015, the Company registered its decrease in registered share capital with the Ministry of Commerce. The Company's registered share capital decreased by cancelling 5,604,115,435 unissued registered shares with a par value of Baht 1 per share. The capital reduction decreased the Company's registered share capital from Baht 39,867.78 million to Baht 34,263.66 million.

In June 2015, the Company has registered its increase in paid-up share capital with the Ministry of Commerce. The Company's registered share capital increased by Baht 16,000 million from Baht 34,263.66 million to Baht 50,263.66 million by the creation of an additional 16,000,000,000 ordinary shares with a par value of Baht 1 per share to be offered to existing shareholders through private placement.

22. Reserves

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("Legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

23. Segment reporting

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.

Business 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

Unit: Thousand Baht

	Manufacture of hot rolled coils		Maintenance services		Deep-sea port services		Elimination		Total segment	
	2016	2015 (Restated)	2016	2015 (Restated)	2016	2015 (Restated)	2016	2015 (Restated)	2016	2015 (Restated)
External revenue	19,454,447	19,611,578	153,974	416,453	215,738	144,974	-	-	19,824,159	20,173,005
Inter-segment revenue	-	-	191,687	185,013	66,648	99,037	(258,335)	(284,050)	-	-
Segment profit (loss) before income tax	(2,888,857)	(2,998,078)	6,808	(28,534)	88,441	(122,742)	(39,806)	162,307	(2,833,414)	(2,987,047)
Reportable segment assets as at 31 December	22,843,838	21,773,728	307,478	342,986	1,463,523	1,618,468	(386,964)	(384,472)	24,227,875	23,350,710
Reportable segment liabilities as at 31 December	67,343,088	63,448,336	295,320	338,782	72,325	274,897	(43,398)	(70,946)	67,667,335	63,991,069

Geographical segments

- Segment 1 - is managed and operates manufacturing facilities and sales offices in Thailand
 Segment 2 and 3 - operate principally in Thailand. There are 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

Unit: Thousand Baht

	Revenues	
	2016	2015
Thailand	19,786,704	20,100,903
Japan	30,587	31,854
United Kingdom	109	20,500
Europe	1,734	3,097
Other	5,025	16,651
Total	19,824,159	20,173,005

Major customer

Revenues from 2 customers of the Group's segment 1 represent approximately Baht 6,368 million (2015: Baht 7,623 million).

24. Selling expenses

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Distribution expenses	335,829	308,046	335,829	308,046
Employee benefit expenses	38,523	30,351	33,894	22,817
Others	4,253	6,417	3,276	4,934
Total	378,605	344,814	372,999	335,797

25. Administrative expenses

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Bad debt and doubtful expenses	2,677,013	35,960	2,677,309	34,938
Employee benefit expenses	292,530	278,565	286,794	242,530
Professional fee	105,199	38,474	104,719	34,901
Travelling expenses	16,734	24,925	16,166	22,891
Depreciation and amortisation expenses	28,698	72,485	25,076	33,599
Rental and utility expenses	24,492	34,586	18,190	27,141
Loss on written-off assets	43	1,958	43	1,958
Loss on impairment of asset	19,000	-	-	-
Taxes and other fees	11,785	16,070	8,578	11,391
Advertisement and public relation expenses	4,026	6,095	3,629	5,402
Insurance premium expenses	1,848	12,307	1,541	11,409
Subcontracting expenses	-	5,470	-	-
Training expenses	1,969	1,270	1,724	787
Supplies	21,091	4,332	21,054	3,904
Loss from sale raw materials	-	59,238	-	59,740
Penalties	16,297	457,912	16,297	457,912
Idle cost	11,750	108,952	-	65,616
Others	82,455	10,388	50,061	47,067
Total	3,314,930	1,168,987	3,231,181	1,061,186

26. Employee benefit expenses

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>Management</i>				
Wages and salaries	67,974	68,832	55,017	50,357
Defined benefit plans	4,377	3,932	4,122	2,824
Post employment benefit plan	1,914	1,931	1,914	1,809
Long-term employee benefits	14	16	14	13
	74,279	74,711	61,067	55,003
<i>Other employees</i>				
Wages and salaries	726,463	662,824	570,713	474,646
Defined benefit plans	32,999	35,952	24,752	25,945
Post employment benefit plan	23,391	21,529	16,057	15,279
Long-term employee benefits	1,834	2,655	1,704	1,713
	784,687	722,960	613,226	517,583
Total	858,996	797,671	674,293	572,586

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership of the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 5% to 10% of their basic salaries and by the Group at rates ranging from 5% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

27. Expenses by nature

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Changes in inventories of finished goods and work in progress	(259,240)	1,639,638	(237,544)	1,689,494
Raw materials and consumables used	13,933,384	15,141,971	14,083,206	15,077,614
Employee benefit expenses	722,914	722,960	613,226	517,583
Sub-contractor and wage	-	235,566	-	-
Fuel oil and electrical expenses	591,598	395,289	585,168	575,638
Depreciation and amortisation expenses	490,260	464,484	394,502	345,682
Maintenance expenses	188,245	159,790	184,869	153,244
Transportation expenses	335,829	311,324	335,829	308,046
Reversal of loss on decline in value of inventories	(336,749)	(239,139)	(336,749)	(239,139)
Professional fee	160,473	38,474	151,435	34,901
Minimum lease payments recognised as an operating lease expenses	23,794	34,535	23,794	34,535
Bad debt and doubtful expenses	2,677,309	43,960	2,677,309	34,938
Advertising and public relation expenses	4,329	8,709	3,933	8,017
Loss recognised on the liquidation of subsidiary	-	-	-	64,328,526
Loss from sale raw materials	-	59,970	-	59,740
Penalties	16,297	431,031	16,297	431,031
Others	340,516	1,454,445	131,966	1,406,757
Total cost of sales of goods and cost of rendering of services, selling expenses and administrative expenses	18,888,959	20,903,007	18,627,241	84,766,607

28. Finance costs

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015 (Restated)	2016	2015 (Restated)
Interest expenses	2,625,917	2,505,730	2,607,127	2,474,654
Bank charges	7,285	9,234	6,956	8,909
Loss on interest rate swap agreements	-	2,599	-	2,599
Total	2,633,202	2,517,563	2,614,083	2,486,162

29. Income tax expense

Income tax recognised in profit or loss

Unit: Thousand Baht

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Current tax expense					
Current year		13,924	5,854	-	-
Deferred tax expense					
Movements in temporary differences	14	(12,856)	(13,709)	(27,840)	(149)
Total		1,068	(7,855)	(27,840)	(149)

Income tax recognised in other comprehensive income

Unit: Thousand Baht

	Consolidated financial statements					
	2016			2015		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Foreign currency translation differences for foreign operations	-	-	-	(555,555)	-	(555,555)
Impairment loss on property, plant and equipment previously revalued	-	-	-	(92,130)	18,426	(73,704)
Depreciation on revaluation surplus	-	-	-	(179,170)	36,011	(143,159)
Defined benefit plan actuarial losses	56,226	(6,165)	50,061	-	-	-
Total	56,226	(6,165)	50,061	(826,855)	54,437	(772,418)

Unit: Thousand Baht

	Separate financial statements					
	2016			2015		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Impairment loss on property, plant and equipment previously revalued	-	-	-	(92,130)	18,426	(73,704)
Depreciation on revaluation surplus	-	-	-	(159,637)	32,412	(127,225)
Defined benefit plan actuarial losses	29,680	(2,744)	26,936	-	-	-
Total	29,680	(2,744)	26,936	(251,767)	50,838	(200,929)

Reconciliation of effective tax rate

	Consolidated financial statements			
	2016		2015 (Restated)	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Loss before income tax expense		(2,833,413)		(2,987,047)
Income tax using the Thai corporation tax rate	20	(566,683)	20	(597,409)
Income not subject to tax		(45,171)		(25,176)
Expenses not deductible for tax purposes		14,096		73,555
Current year losses for which no deferred tax asset was recognised		106,057		627,104
Unrecognise deferred tax assets and deferred tax liabilities during the year		480,665		(85,929)
Under tax provided in prior year		12,104		-
Total	-	1,068	-	(7,855)

	Separate financial statements			
	2016		2015 (Restated)	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Loss before income tax expense		(3,056,665)		(67,250,307)
Income tax using the Thai corporation tax rate	20	(611,333)	20	(13,450,061)
Income not subject to tax		(3,060)		(6,173)
Expenses not deductible for tax purposes		4,616		47,226
Recognition of previously unrecognised tax losses		106,057		593,567
Unrecognised deferred tax assets and deferred tax liabilities during the year		475,880		12,815,292
Total	1	(27,840)	-	(149)

Income tax reduction

Revenue Code amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the cooperate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

30. 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% 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% 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; and
- (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% 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 as at 31 December:

Unit: Thousand Baht

	Consolidated financial statements					
	2016			2015		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
Export sales and services	-	37,455	37,455	-	72,102	72,102
Local sales and services	1,227	20,043,812	20,045,039	18,432	20,366,520	20,384,952
Eliminations	-	(258,335)	(258,335)	(18,237)	(265,812)	(284,049)
Total Revenue	1,227	19,822,932	19,824,159	195	20,172,810	20,173,005

Unit: Thousand Baht

	Separate financial statements					
	2016			2015		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
Export sales	-	30,587	30,587	-	31,854	31,854
Local sales and services	-	19,423,860	19,423,860	-	19,579,724	19,579,724
Total Revenue	-	19,454,447	19,454,447	-	19,611,578	19,611,578

31. Basic loss per share

Basic loss per share

The calculations of basic loss per share for the years ended 31 December 2016 and 2015 were based on the loss for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

Unit: Thousand Baht / Thousand Shares)

	Consolidated financial statements			Separate financial statements		
	2016	2015 (Restated)		2016	2015 (Restated)	
		Continuing operations	Discontinued operation			Total
Loss for the year attributable to ordinary shareholders of the Company	(2,869,108)	(2,922,698)	(38,036,617)	(40,959,315)	(3,028,826)	(67,250,307)
Number of ordinary shares outstanding at 1 January	32,166,262	32,166,258	32,166,258	32,166,258	32,166,262	32,166,258
Effect of conversion of convertible debentures on 31 May 2015	-	4	4	4	-	4
Weighted average number of ordinary shares outstanding (basic)	32,166,262	32,166,262	32,166,262	32,166,262	32,166,262	32,166,262
Loss per share (basic) (in Baht)	(0.09)	(0.09)	(1.18)	(1.27)	(0.09)	(2.09)

32. 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 15). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates and uses derivative financial instruments, principally interest rate swaps, to manage exposure to fluctuations in interest rates on borrowings.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Consolidated financial statements				Total
	Effective interest rate	Within 1 year	After 1 year but within 5 years	After 5 years	
2016	(% per annum)	(in thousand Baht)			
Current					
Other payable under the Plan					
- Unsecured	1.00 - 7.50	23,470	-	-	23,470
Short-term loans from financial institutions					
- Secured	MOR	112,362	-	-	112,362
Long-term loans from financial institutions					
- Secured	MLR	771,677	-	-	771,677
- Unsecured	1.00 - 28.00	241,942	-	-	241,942
Finance lease liabilities	6.50 - 7.56	48,705	-	-	48,705
Hire purchase liabilities	0.39 - 6.69	1,000	-	-	1,000
Provision made for loss on guarantee given by SSI TH	LIBOR+4.50	455,667	-	-	455,667
Non-current					
Other payable under the Plan					
- Unsecured	1.00 - 7.50	-	114,722	1,453,382	1,568,104
Long-term loans from financial institutions					
- Secured	MLR	-	3,086,709	5,401,740	8,488,449
- Unsecured	1.00 - 28.00	-	1,183,358	14,927,620	16,110,978
Finance lease liabilities	6.50 - 7.56	-	37,111	-	37,111
Provision made for loss on guarantee given by SSI TH	LIBOR+4.50	-	2,191,899	26,297,730	28,489,629
Total		1,654,823	6,613,799	48,080,472	56,349,094

Consolidated financial statements				
Effective interest rate	Within 1 year	After 1 year but within 5 years	After 5 years	Total
(% per annum)	(in thousand Baht)			
2015				
Current				
Short-term loans from financial institutions				
- Secured	3.35 - 18.00, MOR	12,159,100	-	-
				12,159,100
Long-term loans from financial institutions				
- current portion	6.75 - 23.00	7,033,462	-	-
				7,033,462
Long-term borrowings classified as current liabilities	6.75 - 23.00	6,629,285	-	-
				6,629,285
Finance lease liabilities				
- current portion	6.50 - 7.56	68,763	-	-
				68,763
Hire purchase liabilities				
- current portion	0.39 - 6.69	3,630	-	-
				3,630
Provision made for loss on guarantee given by SSI TH	7.50 - 18.00	30,034,116	-	-
				30,034,116
Non-current				
Finance lease liabilities	6.50 - 7.56	-	72,005	-
				72,005
Hire purchase liabilities	0.39 - 6.69	-	1,003	-
				1,003
Total		55,928,356	73,008	-
				56,001,364

	Separate financial statements				Total
	Effective interest rate	Within 1 year	After 1 year but within 5 years	After 5 years	
2016	(% per annum)	(in thousand Baht)			
Current					
Other payable under the Plan					
- Unsecured	1.00 - 7.50	23,470	-	-	23,470
Long-term loans from financial institutions					
- Secured	MLR	771,677	-	-	771,677
- Unsecured	1.00 - 28.00	241,942	-	-	241,942
Hire purchase liabilities	4.76 - 6.69	840	-	-	840
Provision made for loss on guarantee given by SSI TH	LIBOR+4.50	455,667	-	-	455,667
Non-current					
Other payable under the Plan					
- Unsecured	1.00 - 7.50	-	114,722	1,453,382	1,568,104
Long-term loans from financial institutions					
- Secured	MLR	-	3,086,709	5,401,740	8,488,449
- Unsecured	1.00 - 2.80	-	1,183,358	14,927,620	16,110,978
Provision made for loss on guarantee given by SSI TH	LIBOR+4.50	-	2,191,899	26,297,730	28,489,629
Total		1,493,596	6,576,688	48,080,472	56,150,756

	Separate financial statements				Total
	Effective interest rate	Within 1 year	After 1 year but within 5 years	After 5 years	
2015	(% per annum)	(In thousand Baht)			
Current					
Short-term loans from financial institutions	3.35 - 18.00	11,888,671	-	-	11,888,671
Short-term loans from related parties					
- Unsecured	8.50	8,000	-	-	8,000
Long-term loans from financial institutions					
- Current portion	6.75 - 23.00	7,033,462	-	-	7,033,462
Long-term borrowings classified as current liabilities					
- Secured	6.75 - 23.00	6,629,285	-	-	6,629,285
Hire purchase liabilities					
- Current portion	4.76 - 6.69	2,912	-	-	2,912
Provision made for loss on guarantee given by SSI TH	7.50 - 18.00	30,034,116	-	-	30,034,116
Non-current					
Hire purchase liabilities	4.76 - 6.69	-	843	-	843
Total		55,596,446	843	-	55,597,289

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 period.

At 31 December, the Group and Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>United States Dollars</i>				
Cash and cash equivalents	23	-	23	-
Trade accounts receivable	-	1,496	-	-
Interest-bearing liabilities	(28,384,212)	(29,976,133)	(28,384,212)	(29,976,133)
Trade accounts payable	(1,905,141)	(2,587,002)	(1,895,211)	(2,576,387)
Provision made for loss on guarantee given and others	-	(30,534,752)	-	(30,534,752)
Other current liabilities	-	(889,096)	-	(889,096)
Gross balance sheet exposure	(30,289,330)	(63,985,487)	(30,279,400)	(63,976,368)
Forward contracts	(5,632)	(1,506)	-	-
Net exposure	(30,283,698)	(63,983,981)	(30,279,400)	(63,976,368)
<i>Pound Sterling</i>				
Trade accounts receivable	-	547	-	-
Interest-bearing liabilities	(46,237)	(57,983)	(46,237)	(57,983)
Other current liabilities	(3,121)	(3,785)	(3,121)	(3,785)
Gross balance sheet exposure	(49,358)	(61,221)	(49,358)	(61,768)
Forward contracts	-	-	-	-
Net exposure	(49,358)	(61,221)	(49,358)	(61,768)

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>Euro</i>				
Trade accounts receivable	449	627	-	-
Trade accounts payable	(113,001)	(4,844)	(113,001)	(4,844)
Other current liabilities	(5,721)	(7,606)	(5,721)	(7,606)
Gross balance sheet exposure	(118,273)	(11,823)	(118,722)	(12,450)
Forward contracts	-	-	-	-
Net exposure	(118,273)	(11,823)	(118,722)	(12,450)
<i>Japanese YEN</i>				
Trade accounts payable	(328)	(319)	(299)	(291)
Gross balance sheet exposure	(328)	(319)	(299)	(291)
Forward contracts	-	-	-	-
Net exposure	(328)	(319)	(299)	(291)
<i>Australian Dollars</i>				
Trade accounts receivable	600	462	-	-
Gross balance sheet exposure	600	462	-	-
Forward purchase contracts	-	(468)	-	-
Net exposure	600	(6)	-	-

Credit risk

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.

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.

As at 31 December, the fair value of financial assets and liabilities, together with the carrying values shown in the statement of financial position at 31 December were as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	Fair value	Carrying value	Fair value	Carrying value
2016				
Current				
Forward exchange contracts - liabilities	5,551	5,632	-	-
Total	5,551	5,632	-	-
2015				
Current				
Forward exchange contracts - liabilities	1,952	1,974	-	-
Total	1,952	1,974	-	-

33. Commitments with non-related parties

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>Capital commitments</i>				
<i>Contracted but not provided for</i>				
Machinery and equipment	7	47	7	44
Total	7	47	7	44

As at 31 December 2016, the Group had capital commitment of Baht 4.5 million and EUR 0.06 million (2015: Baht 42.7 million, EUR 0.06 million and GBP 0.03 million) in relation to the acquisition and installation of machinery and equipment.

As at 31 December 2016, the Company had capital commitment of Baht 4.5 million and EUR 0.06 million (2015: Baht 39.9 million, EUR 0.06 million and GBP 0.03 million) in relation to the acquisition and installation of machinery and equipment.

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>Non-cancellable operating lease commitments</i>				
Within one year	8	16	5	14
After one year but within five years	1	5	1	3
Total	9	21	6	17
<i>Other commitments</i>				
Raw materials purchases	1,493	560	1,493	559
Bank guarantees	150	176	106	106
Other agreements	97	645	90	635
Total	1,740	1,381	1,689	1,300

As at 31 December 2016, 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 (2015: Baht 11 million);
- contractual performance amounting to Baht 298 million and GBP 0.02 million (2015: Baht 54.8 million, GBP 0.03 million and AUD 0.03 million); and
- Electricity usage Baht 106.7 million (2015: Baht 106.7 million).

As at 31 December 2016, the Group had other commitments in relation to purchase spare parts and equipment supplies, and to obtain maintenance services amounting to Baht 84 million, USD 0.3 million, EUR 0.1 million and JPY 0.1 million (2015: Baht 122.7 million, USD 2.8 million, EUR 1.8 million, GBP 6.5 million and JPY 3.4 million).

As at 31 December 2016, the Company had other commitments in relation to purchase spare parts and equipment supplies, and to obtain maintenance services amounting to Baht 77 million, USD 0.3 million and EUR 0.1 million (2015: Baht 112.9 million, USD 2.8 million, GBP 6.5 million, EUR 1.8 million and JPY 3.4 million).

34. Contingent liabilities and contingent assets

Contingent liabilities

As at 31 December, the Group was liable to banks in respect to the following guarantees:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Electricity supply	106,652	106,652	104,452	104,452
Performance guarantees	30,976	56,494	-	-
Others	12,315	13,160	1,110	1,110
Total	149,943	176,306	105,562	105,562

Dispute

a) *Land in Bangsaphan*

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 Utilisation (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. 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, and is currently deliberating. However, in preparing the financial statements, the Company and the subsidiary recorded full allowance since 2007 and 2008, respectively.

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 recharting of 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. Presently, the court is in a process of submitting the deposition of the defendant to the Company and the subsidiary. In addition, the court ordered to combine this case with the case that the Company and the subsidiary filed a lawsuit against the Prachuabkirikhan Provincial Land Office, Bangsaphan Branch, discussed above.

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. These are currently being considered by the CAC.

On 6 August 2013, CAC ordered to stay the execution ordering the Company and its subsidiary to vacate from the Forest and to undertake no activities on that land.

The management of the Company and the subsidiary believe that, regardless of the result, the dispute will not affect the business operations of the Company and the subsidiary.

b) *Goods in-transit*

On 15 August 2016 the Company has filed a petition requesting the Central Intellectual Property and International Trade Court to issue a warrant of arrest against a vessel called M.V. PANORMITIS. AV. on the grounds that the Company is entitled to file a claim following a failure to perform an obligation to deliver 38,016.95 metric tons steel slabs breach of an agreement on carriage of goods by sea regardless the facts that the petitioner is a consignee and a holder of bills of lading covering the afore-mentioned slabs which were carried by M.V. PANORMITIS. AV. The Company expected M.V. PANORMITIS. AV to deliver the goods to Prachuap Port, Bangsaphan, Thailand, which is the port of destination.

On 15 August 2016 the Court has issued the warrant against M.V. PANORMITIS. AV, upon the condition that the Company shall deposit with the Court Baht 10 million as guarantee for loss or damage which may arise from issuing such order. The Court may release the vessel should any interested party deposit with the Court Baht 20 million as guarantee for repaying the debt to the Company. On 19 August 2016, an executing officer together with representatives of the Company has served the warrant to the master of the vessel. The vessel has been arrested and anchored in the area behind Sri Chang Island, Amphoe Sri Chang, Chonburi Province since then.

On 19 September 2016 the Company has filed a lawsuit against South Cape Navigation S.A. and Unibulk Shipping Enterprises S.A., which are the owner and manager of M.V. PANORMITIS. AV, and on 13 October 2016 the Company has filed a lawsuit against Mr. Sorin Iosif Oproiu, the master officers, and the crews, for their failure to deliver the steel slabs to the Company as obliged by the bills of lading and breach of the carriage of goods by sea agreement.

On 15 October 2016 the Company submitted a petition requesting the Court to issue a temporary injunction order before judgment and the Court has scheduled the appointment for inquiring the Company's petition on the 11th day of April B.E. 2017 at 9.00 am - 4.00 pm.

Contingent assets

On 6 June 2011, the Company filed a lawsuit against the Department of Land and Department of Provincial Administration ("the Departments") related to a civil case pursued by the Departments against Company to revoke land use certificates (Nor. Sor. 3 Kor). The Company's case is currently waiting for acceptance by the CAC.

35. Events after the reporting period

- a) Subsequent to the reporting date, the Company/the Group's operations in Amphoe Bangsaphan, Prachup Khiri Khan had been affected by the unusually severe flooding in the south of Thailand. The production plant was inundated by flood water during 9 - 13 January 2017 causing the production to cease temporarily. Operations were resumed on 23 January 2017 and management and insurance company's representative are currently investigating and assessing the effects of the flooding. At the date of approval of these financial statements, it is too early to make an informed assessment of the financial impact of the flooding on the Company/the Group's assets and operations. Management expects to complete the assessment of the flood damage by the second quarter of 2017.
- b) At the board of director's meeting held on 28 February 2017, the board of director approved criteria and procedures for Company's the Capital reduction of 32.2 million shares with a par value of Baht 1 per share by decreasing the Company's registered share capital with the ratio of approximately 28.9 existing shares before the capital decrease to 1 share in accordance with the Plan. Once the number of shares is confirmed, the Company will propose to the board of director's meeting to pass a resolution which must be approved by the Central Bankruptcy Court. The process is expected to complete in the second quarter of 2017.

36. Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Company/the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2017, are set out below. The Company/the Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs

TFRS	Topic
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TFRS 2 (revised 2016)	Share-based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 15 (revised 2016)	Operating Leases – Incentives
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2016)	Disclosure – Service Concession Arrangements
TSIC 31 (revised 2016)	Revenue – Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets – Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment

TFRS	Topic
TFRIC 14 (revised 2016)	TAS 19 (revised 2016) Employee Benefits – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
FAP Announcement no. 5/2559	Accounting guidance for derecognition of financial assets and financial liabilities
FAP Announcement no. 91/2559	Accounting guidance for insurance business to designate financial instruments as financial instruments measured at fair value through profit or loss

Management expects to adopt and apply these new revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the Group's and Company's financial statements of these new and revised TFRS and expects that there will be no material impact on financial statements in the period of initial application.

The Group and the Company has made a preliminary assessment of the potential initial impact on the Group's financial statements of this announcement and expects that there will be no material impact on the financial statements in the period of initial application.

37. Reclassification of accounts

Certain accounts in 2015 financial statement have been reclassified to conform to the presentation in the 2016 financial statements as follow:

Unit: Thousand Baht

Consolidated financial statements		
2015		
Before reclass	Reclass	After reclass

Statement of financial position as at 1 January 2015

Inventory	13,628,692	(564,720)	13,063,972
Property Plant and Equipment	45,013,547	564,720	45,578,267
Total		-	

Unit: Thousand Baht

Separate financial statements		
2015		
Before reclass	Reclass	After reclass
Inventory	(564,720)	9,572,698
Property Plant and Equipment	564,720	10,947,829
Total	-	

Statement of financial position as at 1 January 2015

Inventory	10,137,418	(564,720)	9,572,698
Property Plant and Equipment	10,383,109	564,720	10,947,829
Total		-	

Unit: Thousand Baht

Consolidated financial statements		
2015		
Before reclass	Reclass	After reclass
Inventory	(534,787)	2,948,556
Property Plant and Equipment	534,787	12,163,781
Total	-	

Statement of financial position as at 31 December 2015

Inventory	3,483,343	(534,787)	2,948,556
Property Plant and Equipment	11,628,994	534,787	12,163,781
Total		-	

Unit: Thousand Baht

Separate financial statements		
2015		
Before reclass	Reclass	After reclass
Inventory	(534,787)	2,939,403
Property Plant and Equipment	534,787	10,599,052
Total	-	

Statement of financial position as at 31 December 2015

Inventory	3,474,190	(534,787)	2,939,403
Property Plant and Equipment	10,064,265	534,787	10,599,052
Total		-	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.



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