



Leading INNOVATIVE *and* RELIABLE STEEL COMPANY



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



can change

*Fighting
spirit*



innovate • strength



teamwork



integrity



*aim for
excellence*



service-mind

Annual Report 2020

Sahaviriya Steel Industries Public Company Limited

Contents

1	2	4	8	10
Vision, Mission and Values	Financial Highlights	Message from the Chairman of the Board of Directors	Business's Strategy and Overview	Significant Changes and Development in 2020
12	14	15	19	20
SSI Group Structure	Relationship with Major Shareholder's Group of Business	Business Description	Revenue Structure	Steel Industry and Market Overview
21	23	25	29	32
Report of the Audit Committee for 2020	Report of the Risk Management Committee for 2020	Risk Factors	General Information and Other Key Information	Major Shareholders
33	34	48	62	63
Dividend Policy	The Board of Directors	The Management	Shareholding of Directors and Management	Report of the Nomination and Remuneration Committee for 2020
66	70	72	74	103
Remuneration of Directors and Management	Organisation Chart	Good Corporate Governance Committee's Report for 2020	Good Corporate Governance	Sustainable Development
110	112	115	130	131
Internal Control and Risk Management	Related Party Transactions	Key Financial Information	Report on the Responsibility of the Board of Directors for 2020 Financial Report	Management Discussion and Analysis
140	146	158		
Independent Auditor's Report	Financial Statements	Notes to the Financial Statements		

Vision

Leading Innovative and Reliable Steel Company

Mission

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

Values

Fighting spirit

Never give up

can change

Be the leader of change

service-mind

Deliver more than expected

iFacts

integrity

We do what we say

aim for excellence

Anything is possible

teamwork

One for all, all for one

02

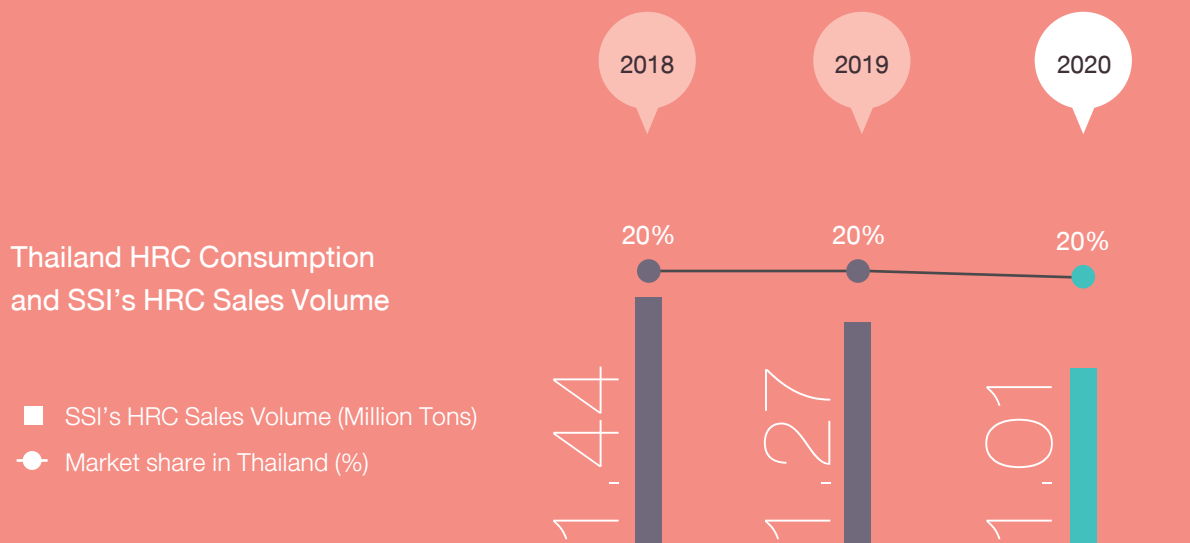
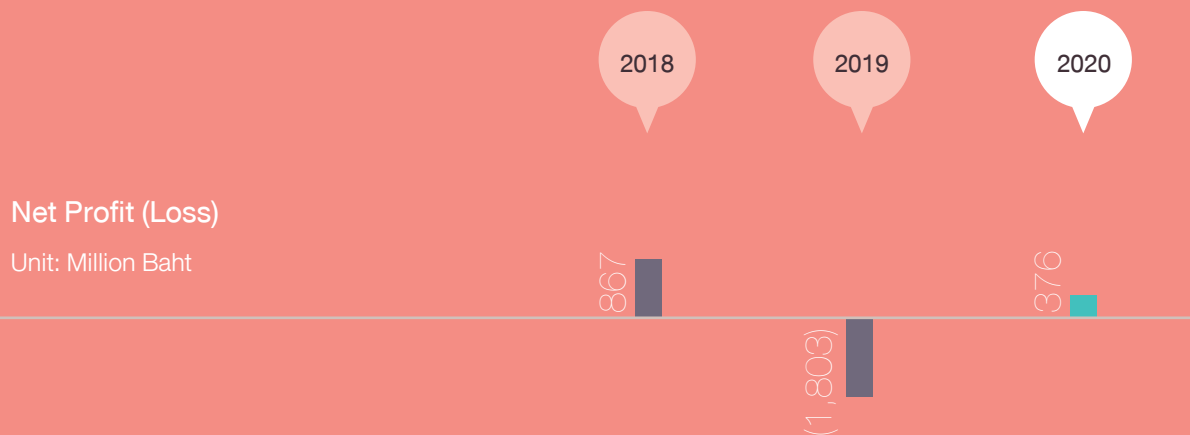
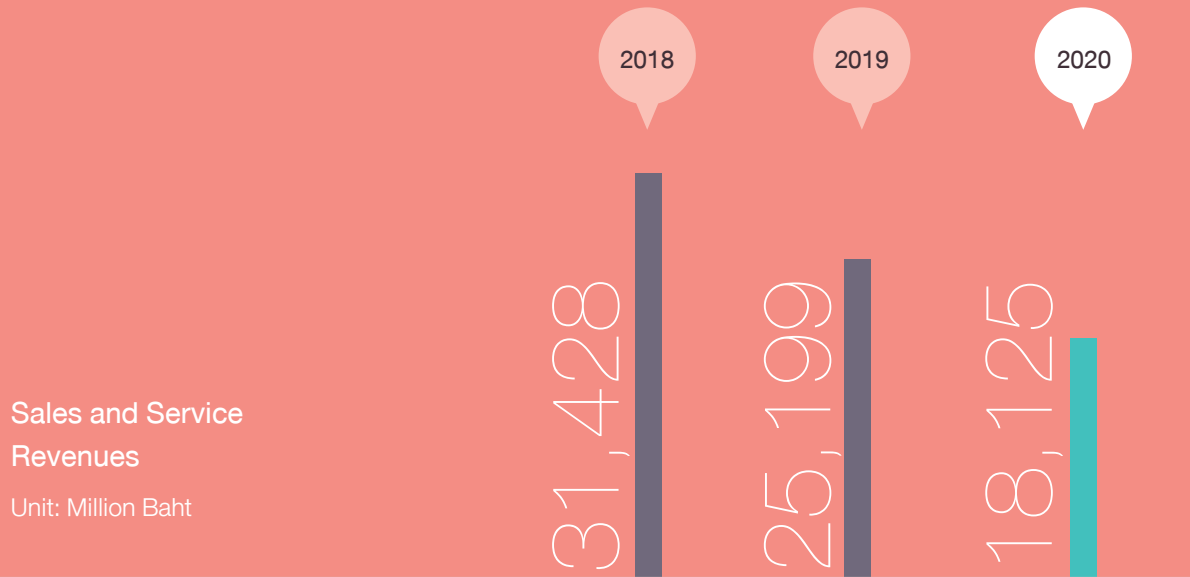
Financial Highlights

Financial Highlights		2020 (New TFRS) *	2019 (New TFRS) *	2018 (Restated)
Sales and Service Revenues	Million Baht	18,125	25,199	31,428
Total Revenue	Million Baht	18,261	25,487	31,585
Cost of Sales and Services	Million Baht	17,415	25,570	29,290
Gross Profit (Loss)	Million Baht	710	(371)	2,139
Profit (Loss) Attributable to Owners of the Company	Million Baht	376	(1,803)	867
Total Assets	Million Baht	19,680	21,888	25,909
Total Liabilities	Million Baht	34,201	63,146	65,267
Total Equity	Million Baht	(14,521)	(41,258)	(39,358)
Equity Attributable to Owners of the Company	Million Baht	(15,042)	(41,803)	(39,921)
Net Profit (Loss) Margin	%	2.08	(7.15)	2.81
Return on Equity	%	N.A.	N.A.	N.A.
Return on Asset	%	10.04	(7.40)	3.55
Interest Bearing Debt to Equity Ratio	Times	N.A.	N.A.	N.A.
Earning (Loss) per Share	Baht	0.03	(0.16)	0.10
Book Value per Share	Baht	(1.35)	(3.76)	(3.59)

Notes:

* The Company has applied the new Thai Financial Reporting Standards (TFRS), effective for financial statements for the accounting period beginning 1 January 2020. The TFRSs that affect the financial statements are as follows:

1. TFRS 7 Financial Instruments: Disclosure related to the new reclassification of accounting items which has impact on Income Statement for year 2020 and 2019 but has no impact on Balance Sheet.
2. TFRS 9 Financial Instruments related to the measurement of value of financial instruments which has impact on both Balance Sheet and Income Statement for year 2020 but has no impact on those for year 2019 because the Company has chosen to adjust the beginning retained earnings.



03

Message from the Chairman of the Board of Directors




Mr. Somchai Sakulsurarat
Chairman of the Board of Directors

Dear shareholders,

In 2020, the decline in investment and economic activities all around the world, including Thailand, due to the epidemic of COVID-19 has caused a contraction of economic and impacts to businesses. With this concern, the Board of Directors as the business rehabilitation plan administrator of Sahaviriya Steel Industries Public Company Limited (SSI) has carefully and concisely overseen the Company's operation and business continuity management to ensure the ongoing of production and delivery of products and services throughout the supply chain and to ensure safety for employees and all stakeholders. I, hereby, would like to report to all shareholders on the operating results as follows:

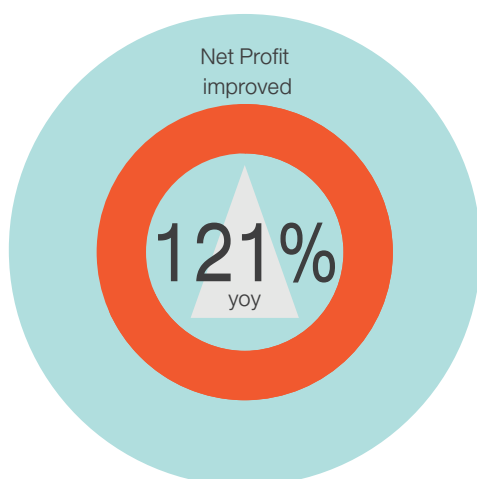
1. Business Performance

The Company and its subsidiaries recorded sales and service revenues Baht 18,125 million, decreased by 28% yoy. HRC Sales Volume was 1,012k tons, dropped 20% yoy, due to lower market demand. The Company and its subsidiaries recorded total cost of sales and services Baht 17,415 million, including the reversal of the provision for loss on decline in value of inventories Baht 472 million. Cost of sales and services decreased by 32% yoy following the decrease in sales and the adoption of



In 2020
The Company
and its subsidiaries
recorded sales
and service revenues
Baht **18,125**
million

The Company and its subsidiaries recorded Net Profit was Baht 376 million, improved 121% yoy from net loss Baht 1,803 million in 2019.



the new financial reporting standard in 2020 which a new classification of accounting items has been applied by adjusting some items in the distribution cost in SG&A to the cost of sales. Accordingly, in 2019, an amount of Baht 467 million was adjusted from the distribution cost to the cost of sales to be in line with the reclassification of accounting transactions in 2020. The Company and its subsidiaries recorded SG&A Baht 706 million, decreased 58% yoy from Baht 1,699 million in year 2019 due to additional allowance for doubtful accounts on the overdue debts of related parties Baht 889 recorded in 2019 but did not appear in year 2020.

The Company and its subsidiaries recorded Gross Profit Baht 710 million, increased from Baht loss 371 million in year 2019, or up 292% yoy. EBITDA increased 319% from minus Baht 1,254 million in the previous year to Baht 2,751 million in 2020. Net Profit was Baht 376 million, improved 121% yoy from net loss Baht 1,803 million in 2019 due to (a) the increase in gross profit, (b) the decrease in SG&A and (c) the implementation of the TFRS 9, showing profit from measurement of fair value on finance liabilities Baht 2,191 million in year 2020 which was not recorded in 2019.

2. Progress of the Implementation on the Business Rehabilitation Plan

As at 31 December 2020, the Company and its subsidiaries had total liabilities Baht 34,201 million, down 46% from Baht 63,146 million as at 31 December 2019 as a result of the implementation of the new financial reporting standards related to TFRS 9 in year 2020. In 2020, the Company has short-term debt under the Plan which is due within 1 year Baht 225 million and long-term debt under the Plan Baht 29,527 million.

Since the COVID-19 outbreak in Thailand starting from January and became worse in March, the Company inevitably suffered a revenue impact. In order to maintain its normal operation and business value in this difficult situation, on 2 April

2020, the Board of Directors as the Plan Administrator, has made a notice of temporary suspension of principal debt repayment but remains to make interest payments in accordance with the Plan. In addition, the Company submitted a request for Plan Amendment which the creditors' meeting approved the Amended Plan with a 92.46% vote on 18 June 2020. The Central Bankruptcy Court later issued an order to approve the Amended Plan on 18 September 2020.

According to the ground for delisting from being listed securities due to negative shareholders' equity as a result of investing in a subsidiary in the United Kingdom, such subsidiary is currently under liquidation and land expropriation processes which require several years to complete. As a result, the Company was unable to solve the ground of negative equity in time as specified by The Stock Exchange of Thailand (SET). Subsequently, SET delisted the Company's ordinary shares from being listed securities, effective from 11 July 2020 onwards. However, the Company remains operated business as usual under the business rehabilitation plan and commits to solve the problem in order to return its financial status to strength as before.

In terms of good corporate governance and sustainable development, the Board of Directors has overseen the implementation of the Anti-Corruption Policy in accordance with its guidelines and monitor fraud risk assessment as well as communicate the anti-corruption related policies, regulations and practices to all stakeholders such as guideline about receiving or giving gifts for employees to understand and practice correctly. Other communications about anti-corruption include the guidelines for suppliers, establishment of the anti-corruption topic in the orientation for new employees and the anti-corruption course for existing employees. The Company also organised activities to emphasise and instill all employees to take part in fighting against corruption along with a survey of employees' opinions on the Company's anti-corruption activities for further improvement on the anti-corruption prevention system of the Company.

The Company has driven its sustainable development tasks in response to the "Sustainable Development" agenda of the United Nations and its Sustainable Development Goals (SDGs) that builds positive values and impacts. Throughout the year, the Company had implemented 30 social and community development projects with total benefitted 18,434 stakeholders.

The Company has proudly received several awards including the Silver Medal Award of Zero Accident Campaign 2020, the National Outstanding Establishment (Gold certificate) in Occupational Safety, Health and Environment for the Year 2020, the 2020 Moral Business Forum Awards, Certificate of Carbon Footprint of Products: CFP, and Personal Data Protection Trailblazer Award.

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

On behalf of the Board of Directors as the Plan Administrator, I would like to thank the shareholders, investors, customers, suppliers, business partners, financial institutions, government agencies, communities, as well as the Company's management and employees for their valuable support of the Company as usual. The Board of Directors remains committed to strongly enhance SSI operations to achieving the results as planned.



Mr. Somchai Sakulsurarat

Chairman of the Board of Directors

04

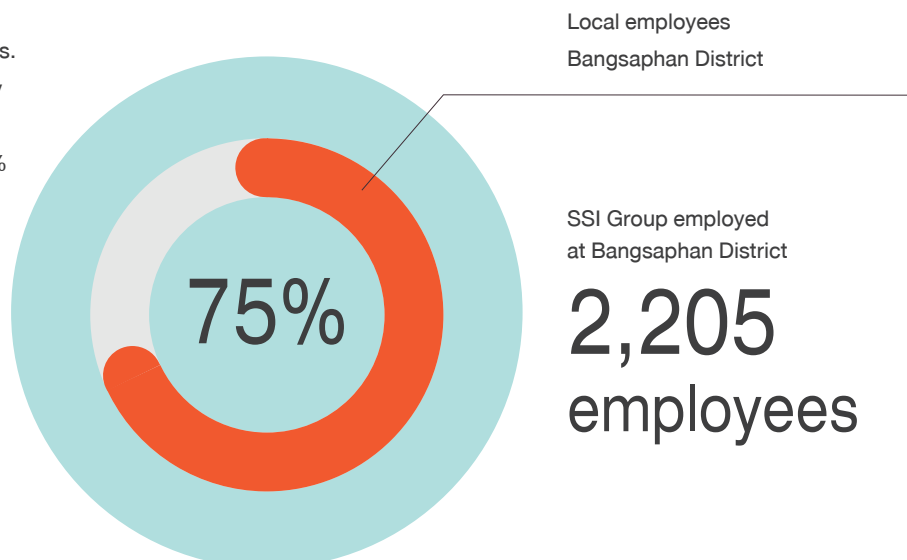
Business's Strategy and Overview

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 leading flat steel producer in Southeast Asia. The SSI Bangsaphan Steelworks is a mid-stream steel manufacturer plant, with a capacity of 4 million tons per year for HRC and 1 million tons per year for HRC pickled and oiled to serve the growing demand of the region in various sectors such as automobile, energy, electrical appliances, packaging, transportation, and construction.

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

All plants of SSI Group in Thailand are located on the western coast of the Gulf of Thailand in Bangsaphan District, Prachuap Khiri Khan Province, 400 kilometers from Bangkok, which is considered the best strategic place to operate the fully-integrated steel business in Thailand. For the further integration, SSI has also invested in Prachuap Port Company Limited (“PPC”) to operate the private deepest commercial sea port in Thailand, which allows import and export of raw materials and finished products on a large scale. SSI extends its engineering capabilities by investing 99.99% in West Coast Engineering Company Limited (“WCE”), which provides the engineering services including the industrial maintenance management, design and production of machinery and spare parts, steel structure and fabrication. WCE also provides the Integrated EPC (Engineering Procurement and Construction) services including engineering design, procurement of machinery and equipment, construction of turn-key projects for industrial and process plants.

As of 31 December 2020,
SSI Group employed 2,886 employees.
As SSI Group has continued its policy
to recruit locally, the ratio of local
employee at the end of 2020 was 75%
of the total 2,205 employees
at Bangsaphan Steelworks
of SSI Group.





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

Steel Business

HR Business

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

Downstream Business

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

Marine Business

SSI has jointly invested in PPC, which operates 4 berths with its capability to accommodate two vessels up to 100,000 dead-weight tons ("DWT") at the same time. In 2012, PPC has 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, petrochemicals, transportation, and machine and technology.

05

Significant Changes and Development in 2020

24 February 2020

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

5 June 2020

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

10 June 2020

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



22 May 2020

Department of Foreign Trade (DFT) announced the collection of collateral for the payment of anti-dumping duty on hot-rolled flat steel in coils and not in coils originated from Japan, the Republic of South Africa, Russian Federation, the Republic of Kazakhstan, the Republic of India, the Republic of Korea, the Republic of China, the Bolivarian Republic of Venezuela, the Argentine Republic, Ukraine, the People's Democratic Republic of Algeria, the Republic of Indonesia, the Slovak Republic, and Romania at the previous rate during the investigation for a period not over 1 year.

11 July 2020

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

Year 2020 The liquidators had sold collateral assets amounting to GBP 15 million (before deducting expenses) and this fund was sent to the creditors class 4 in full. According to the rehabilitation plan, the fund will be used to reduce the installment amount of principal in the final period backwards respectively. As at 31 December 2020, the Company has not yet be confirmed by the creditors to reduce the principal debt balance since the process of liquidity is not finalised. (Note 27 to the Financial Statements)

28 August 2020

The Company received a plaque of Support to Dual Vocational Education Honorary Award held by Bangsaphan Industrial and Community Education College



18 November 2020

Department of Foreign Trade (DFT) announced the Anti-dumping investigation on hot-rolled flat steel in coils and not in coils originated from the Socialist Republic of Vietnam and the Arab Republic of Egypt.

21 December 2020

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



14 August 2020

The Company was granted the 2020 Moral Business Forum Awards held by Moral Promotion Center (Public Organization)



16 September 2020

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



18 September 2020

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

21 September 2020

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



22 December 2020

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

SSI Group Structure

Hot Rolled Business

Downstream Business

35.19%



Sahaviriya Steel Industries
Public Company Limited

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

Core business



Thai Cold Rolled Steel Sheet
Public Company Limited

- Manufacturer of cold-rolled steel sheet

Increase revenues
and enhance sustainable growth



Marine Business

Engineering Business

3.7%



Thai Coated Steel Sheet
Company Limited

- Manufacturer of electro-galvanised steel sheet

Increase revenues
and enhance sustainable growth



51%



Prachuap Port Company Limited

- Provider of the private commercial sea port

Reduce costs
and increase revenues



99.99%



West Coast Engineering
Company Limited

- Provider of engineering services

Reduce costs
and increase revenues



07

Relationship with Major Shareholder's Group of Business

As the Company is obliged to conduct business rehabilitation in accordance with the Company's Business Rehabilitation Plan with respect to capital restructuring. Clause 7.3 (3) of the Plan provides that the Company is required to register the increase in its paid-up registered capital by Baht 10,000,000,000 by issuing an additional 10,000,000,000 newly-issued ordinary shares to accommodate the conversion of debt into equity in favor of the second group of creditors, and/or the third group of creditors, and/or the fourth group of creditor and the Company had completed the registration on 28 March 2018. The conversion of debt into equity in favor of the group of creditors mentioned earlier resulted in a change of major shareholding structure of the Company, as shown in section "Major Shareholders". The Company's main business is not directly related to the business of the current major shareholders who are also creditors of the Company. Nevertheless, the major shareholders are commercial banks which might provide regular financial products offered by banks such as working capital, long term loan, FX hedging, etc.

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

08

Business Description



SSI has been one of a few mills which could produce commercial hot-rolled steel sheet in coil achieved production at

0.80 mm.
in thickness.

Hot-rolled pickled and oiled steel or “CleanStrip” is between

750 - 1,550 mm in width.

Product Description

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

Hot-rolled steel sheet in coil includes:

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

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

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

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

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 favorable.

Target Customers

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

Types of Customer

SSI clients are divided into 9 groups as follows:

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

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

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

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

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

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

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

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

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

Sales Policy

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

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

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

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

Premium Value Products sales

In 2020, the Company has defined new product definitions as follows:

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

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

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

In 2020, the Company delivered total of 1,016,083 tons including SSI Principal Products 33%, Innovated Value Products 30%, and Customized Prime Products 37%.

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.

Production Process

The production of hot rolled coil of the company are designed by Innse Innocenti Engineering and Ansaldo Industria from Italy. The process begins with heating high-quality steel slab, thickness 160 - 250 mm, until it reaches a temperature of 1,250 - 1,300°C. One furnace can heat up to 250 tons per hour (the Company has 3 furnaces so it can heat up to 750 tons per hour). After that, the heated steel slab goes through descaling box to clean surface. The slab with a clean surface condition is subject to a vertical edger to control its desired width, and a roughing mill to reduce its thickness. These machines work simultaneously, passing back and forth over the slab from five to seven times until the desired thickness and width are obtained before entering a coil box to provide a nearly constant temperature and to reduce storage space in the factory. The coil's head and tail ends are sheared prior entering the finishing mill to reduce thickness to meet customer specifications from 0.9 - 20.0 mm. Then, the steel strip is delivered across a cooling bed to reduce the temperature, coiled in a down-coiler, bound with a strapping band, weighed, and inspect quality. As a result, hot-rolled steel sheet in coil with an internal diameter of 760 mm and an outer diameter of 1,050 - 2,100 mm is ready to be used in numerous industries including the steel pipe, construction, gas cylinders, container, automobile, and auto parts, electric appliances industries or used in the form of raw materials such as in the cold rolled steel industry.

In addition, the Company has 3 Skin-pass Machines and 2 Shearing Lines Machines to adequately support further customer's requirement such as requirements for a fine surface finish or for small coils.

For the production of hot-rolled coil pickled and oiled, the process begins with unwrapping the high quality hot rolled steel sheet in coil to "Strip". After that, the Stitcher welds the steel strip of one coil to the coil following it and the strip's edge is sheared in a concave pattern. Steel strip with a thickness of 1.20 - 6.50 mm must be smoothed out with a tension leveler before pickling. The smooth steel strip is covered with a film of oxides to remove rust with hydrochloric acid before washed in rinsing tanks and dried in blasts of hot air. Having been rinsed, trimmed, and inspected, the steel strip is then oiled to guard against corrosion. The steel strip is finally cut, wound into a coil, before delivery to the customer.

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. Recently there are many slab suppliers located around the globe such as Asia (China, Korea, and Japan), Europe (CIS country), South America and Australia. In 2020, the Company purchased slabs from 9 slab manufacturers in 6 countries including Japan, Russia, Ukraine, Taiwan, Saudi Arabia, and Australia. The Company purchases slab on monthly basis through the third party distributors and directly purchases without obligation from any specific slab suppliers. However, the Company will make agreement with the suppliers in advance to notify the demand for raw materials annually or quarterly. The advance notice agreement enables the Company to reduce the risk of raw material shortage and to ensure an adequate supply for company's production and customer requirement.

09

Revenue Structure

Product / Business Unit	Operated by	Share- holding by SSI (%)	2020		2019		2018 (Restated)	
			Revenue ²⁾ (Million Baht)	%	Revenue ²⁾ (Million Baht)	%	Revenue ²⁾ (Million Baht)	%
HRC Business	Sahaviriya Steel Industries Plc.	-	17,682 ¹⁾	95.11	24,663 ¹⁾	94.93	30,864 ¹⁾	96.04
Engineering Business	West Coast Engineering Co., Ltd.	99.99	609	3.28	699	2.69	699	2.18
Marine Business	Prachuap Port Co., Ltd.	51.00	154	0.83	261	1.00	280	0.87
Other Revenues	Sahaviriya Steel Industries Plc.		138	0.74	340	1.31	288	0.89
	Prachuap Port Co., Ltd.		3	0.02	4	0.01	3	0.01
	West Coast Engineering Co., Ltd.		5	0.03	14	0.06	3	0.01
			18,591	100.00	25,981	100.00	32,137	100.00

Notes:

¹⁾ Including sales to Thai Cold Rolled Steel Sheet Plc. amounting to Baht 725 million, Baht 590 million, and Baht 2,126 million in 2020, 2019, and 2018 respectively.

²⁾ From Consolidated Financial Statements

10

Steel Industry and Market Overview

World Steel Industry in 2020

World Steel Association (“WSA”) reported an estimated figure of Crude Steel Production in 2020 at 1,823 million tons, decreased 0.82% from 2019. China maintained its position as the production leader, accounting for 57.88% of total crude steel production with 1,055 million tons of crude steel, an increase of 6.15% from 2019.

In term of steel prices in 2020, Hot Rolled Coil prices (FOB China) had shrunk from the range of 410 - 500 USD/MT in Q1/2020 to the range of 397 - 433 USD/MT in Q2/2020. However, it had increased to the range of 440 - 520 USD/MT and 502 - 690 USD/MT in Q3/2020 and Q4/2020 respectively. Likewise, slab prices (CFR Southeast Asia) had decreased from 421 USD/MT in Q1/2020 to the 359 USD/MT in Q2/2020. In contrast, it had continuously increased to 422 USD/MT and 495 USD/MT in Q3/2020 and Q4/2020 respectively. Another point is that, Iron ore price (CFR China) had shown an upward trend in 3-consecutive-quarter from 90 USD/MT in Q1/2020 to 94, 117, and 132 USD/MT in Q2/2020, Q3/2020, and Q4/2020, respectively.

Thailand Steel Industry in 2020

Thailand steel industry in 2020 reported Total Apparent Steel Supply of 16.5 million tons, decreased 11.6% from 2019 (Source: Iron and steel Institute of Thailand, ISIT). Considering steel consumption by products, the most risen steel consumption was long steel product, decreased by 9.9% YoY while flat steel consumption was reported decreased by 12.6% YoY.

In 2020, domestic steel production was approximately 7.2 million tons, decreased by 7.9% YoY.

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 6 hot-rolled steel manufacturers in Thailand as follows:

Hot-rolled Steel Manufacturers in Thailand

Sahaviriya Steel Industries Plc.
Hot-rolled Steel Coil
Production began February 1994
Maximum Capacity

4,000,000 Tons/year

G Steel Plc.
Hot-rolled Steel Coil
Production began end of 1999
Maximum Capacity

1,800,000 Tons/year

G J Steel Plc.
Hot-rolled Steel Coil
Production began 4th Quarter 1997
Maximum Capacity

1,500,000 Tons/year

Primes Steel Ltd.
Hot-rolled Steel Coil
Production began 1996
Maximum Capacity

840,000 Tons/year

Sahaviriya Plate Mill Plc.
Hot-rolled Steel Plate
Production began 1996
Maximum Capacity

1,000,000 Tons/year

LPN Plate Mill Plc.
Hot-rolled Steel Plate
Production began 1996
Maximum Capacity

500,000 Tons/year

In 2020, SSI had 19% market share in hot-rolled steel market, a slightly down from year 2019. Imports had 54% market share, decreasing from 60% in a year earlier. The other 5 domestic manufacturers had 27% in total. The overall hot-rolled steel coil market declined approximately 20% due to the COVID-19 pandemic resulting in the decrease in production and demand.

11

Report of the Audit Committee for 2020

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

- | | |
|-------------------------------|----------|
| 1. Mr. Somchai Sakulsurarat | Chairman |
| 2. Mr. Permpoon Krairiksh | Member |
| 3. Mr. Yarnsak Manomaiphiboon | Member |

In 2020, the Committee held 5 meetings, each of which was met by presence of all members, including the meetings with the management and/or the external auditors to consider and discuss the relevant important matters and meeting with the external auditors on one occasion in the absence of the management, and reported its performance to the Board of Directors twice a year.

The Committee performed its duties as follows:

1. Review of financial statements

1.1 Reviewed the Company's 2020 interim financial statement together with its interim consolidated financial statements rendered by the Finance and Accounting Division.

1.2 Reviewed the first half and the annual financial statements for the year 2020 as well as its consolidated financial statements with the external auditors and the management. Completeness and accountability of financial statements; any possible risk factors; related accounting standards; changes in accounting standards; internal control system concerning finance and accountancy are taken into consideration. These financial statements have been audited and were given an unqualified opinions by the auditors.

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

2. Approved Group Internal Audit Office's three year master plan and the annual audit plan as well as acknowledged the internal audit reports regarding internal control.

3. Reviewed the adequacy of internal control system of the Company against self-evaluation forms issued by the SEC and by the external auditors. Acknowledged the report of the internal control system of the Company's subsidiaries.

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, and quarterly monitored progress in litigations involving the Company.

5. Acknowledged the progress report of the action plan to prepare for compliance with Thailand's Personal Data Protection Act (PDPA) before it becomes fully effective.

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

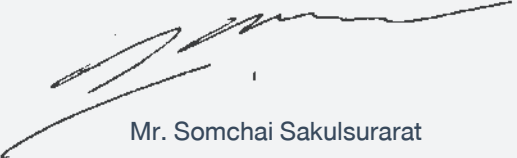
7. Reviewed the efficiency and effectiveness of Risk Management System and its guidelines provided by the Risk Management Committee.

8. Considered, selected, and proposed the appointment of Mrs. Suvimol Chrityakierne, License No. 2982 or Miss Somjintana Pholhirunrat, License No. 5599 or Mr. Nopparoeek Pissanuwong, License No. 7746 of DIA International Auditing Company Limited as the auditor(s) of the Company for the fiscal year 2021 for another term, together with their fees.

9. Ensured that the transactions between the Company and its related companies complied with the Securities and Exchange laws and laws concerning the Company's businesses and followed up on accounts receivable report of related companies.
10. Acknowledged reports on interest of Directors and Executives from the Company Secretary to ensure compliance with the Company's policies and procedures on conflicts of interests, as requested by the SEC.
11. Reviewed the Company's Audit Committee charter (5th edition).
12. Carried out the Audit Committee's self-assessment for 2020 and submitted it to the Board of Directors.
13. Reviewed the information disclosed to the SET and the SEC in the 2020 Company annual report (Form 56-2) and the annual information disclosure form ended 31 December 2020 (Form 56-1).
14. Reported the Audit Committee's activities for the year 2020 to the Board of Directors.
15. Reviewed the qualifications of the Company's Chief Financial Officer (CFO) and Head of Accounting Department in accordance with the SET and the SEC's new rules on qualifications requirement for CFO and Chief Accountant.
16. Considered whether any changes would be required in the Company's Audit Committee Charter and any actions to be taken after the Company was delisted from The Stock Exchange of Thailand.

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 2020 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
24 February 2021

12

Report of the Risk Management Committee for 2020

1. The Risk Management Committee (the “Committee”) was established by the Board of Directors (the “Board”) on 3 December 2007 for the purpose of assisting the Board in oversight of the Company’s risk management. The Committee shall comprise of at least three Board members appointed by the Board, and the Vice President in charge of finance and accounting shall act as the secretary to the Committee. During 2020, members of the Committee who have served a term of three years from 4 December 2019 to 3 December 2022 are now listed as follows:

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

2. “The Committee” is responsible for overseeing the Company’s management of key risks. To perform its duties, the Committee regularly reviewed risk management reports in order to monitor the effectiveness of the management of the Company’s key risk exposures and provided additional suggestion for risk mitigations. The Committee also advised the Board on risk management policy and strategy as well as expressing its thought on the problems and obstacles encountered in the development of the Company’s risk management system to assist the Board in oversight of the Company’s enterprise risk management. During the year 2019, the Committee had performed its duties as follows:

2.1 Reviewed and provided recommendation to management in the quarterly Risk Management Committee meeting, concerning risk factors, risk management plans and the appropriate magnitude of the risk to ensure the systematic implementation of risk management process in order to be prepared for any contingency that might occur and have impacts on the Company. The Risk Management Committee meetings were held total 4 times, in February, May, July and October 2020.

2.2 Considered risks related to the implementation on the Business Rehabilitation Plan, and the Company’s measurement in order to achieve the success of the Plan set a forth, in the quarterly Risk Management Committee meeting.

2.3 Reviewed the significant risks of the Company’s subsidiaries including West Coast Engineering Company Limited (“WCE”) and Prachuap Port Company Limited (“PPC”) as well as the progress of the liquidation process of Sahaviriya Steel Industries UK Limited (“SSI UK”), which the impacts of those risks might have effect to the Company’s performance, in the quarterly Risk Management Committee meeting. In addition, the Committee acknowledged half-year risk management report of Thai Cold Rolled Steel Public Company Limited which is the Company’s joint venture.

2.4 Considered Fraud Risk assessment for year 2020, in the Risk Management Committee meeting No. 1/2020 dated 4 February 2020, as the Company is a participant in the Thailand’s Private Sector Collective Action Coalition Against Corruption Project (CAC) to express its intention opposing to corruption.

2.5 Reviewed the Company's Risk Management System and guideline report, in the Risk Management Committee meeting No. 1/2020 dated 4 February 2020, and proposed to the Audit Committee in order to consider and provide its comment for the adequacy of the Company's risk management system.

2.6 Reviewed the Company's Risk Factors report and report of the Risk Management Committee for disclosure in the Annual Information Disclosure Form (Form 56-1) as at 31 December 2019 and Annual Report 2019 of the Company, in the Risk Management Committee meeting No. 1/2020 dated 4 February 2020.

2.7 Reviewed the strategies and annual business plan of Group Risk Management Office which included Vision, Mission, Unit Objectives, GRM 2020, and Result, in the Risk Management Committee meeting No. 1/2020 dated 4 February 2020.

2.8 Considered the Risk Management Committee's self-assessment for 2020 based on the "Self-Assessment Forms of Sub-Committees" and "self-Assessment Forms of the Sub-committees by individual" of The Stock Exchange of Thailand, in the Risk Management Committee Meeting No. 4/2020 on 30 October 2020.



Mr. Permpoon Krairiksh
Chairman of the Risk Management Committee
22 February 2021

13

Risk Factors

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

The Company as the Plan Administrator remains to operate its main business as usual under the Business Rehabilitation, coupled with the awareness of risks and risk factors that might affect its business. Risk Management Committee (RMC), established to help the Board of Directors who’s serving as a Plan Administrator, has its duties to oversee risk management tasks by monitoring and evaluating key risks and Audit Committee (AC) has duty to review the adequacy of risk management system. Throughout 2020, 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 2020 can be summarised as follows:

1. Market Risk

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

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

In year 2020, the COVID-19 pandemic that has impacts to the global economy since the beginning of the year caused the suspension of production lines or the decrease in production volume especially in domestic downstream industries that use steel as raw material and the decrease in demand for hot rolled steel products in Thailand. In addition, galvanized steel coil (GI) imported from abroad to substitute the usage of local hot-rolled steel coil also brought to the decrease in quantity and price of hot-rolled coil during the first half of the year. However, demand for hot rolled steel coil was higher in the second half of the year as the COVID-19 situation seemed to be better controlled resulting in the higher in hot rolled coil and raw materials prices.

In response to the fluctuation of prices, steel demand, and metal spread of the Company as mentioned above as well as the uncertainty due to the COVID-19 pandemic, the Company has implemented measures to mitigate the risks as the followings:

- 1) Establish a “Gold Partnership” Program to reduce the risk in a sluggish market and using proper sales policy for each customer in order to maintain spread between selling prices and raw material prices as planned
- 2) Closely monitor domestic and overseas markets in order to analyse and consider product sales to be in line with the order and import of slabs from foreign countries as well as seeking new sources of raw material to obtain high quality, low cost, adequate quantity with short delivery time,
- 3) Closely monitor on dumping situation of imported products in order to take proper and timely actions,
- 4) Establish production plan in accordance with sales plan to minimise lead time and
- 5) Sign MOU with suppliers to reduce the risk of raw material shortages.

2. Production Risk

Production Process and Technology Risk

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

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

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

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

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

In 2020, the Company had practiced emergency plan in all area for 1 time for flood emergency and totally 19 times for fire case to ensure readiness of personnel to control the incident in the future.

Risk from Impacts of Production on Environment, Society and Community

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

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

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

3. Financial Risk

Liquidity Risk

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

Throughout year 2020, the COVID-19 pandemic has affected production, transportation and demand for goods. The Company's sales volume and revenue missed its target and the Company was in high liquidity risk. To reduce the risk in this unusual situation and able to conduct business normally, the Company as the Plan Administrator has suspended principal debt repayment in accordance to the Plan since March 2020 and submitted a request to amend the rehabilitation plan. The Central Bankruptcy Court, consequently, issued an order approving the Amended Plan on 18 September 2020. Notwithstanding, the Company continues to monitor its working capital on a regular basis through cash inflows and outflows in order to forecast future liquidity and to allow sufficient preparation time for a liquidity solution. It also manages and prioritises on sales and product innovation for premium value, conducts cost reduction in production and reduces other expenses. Moreover, monthly meetings are held regularly with the creditor committee to monitor the implementation of the Plan while cash monitoring agent monitors the Company's cash flow to ensure proper cash management of the Company. Accordingly, the Company had sufficient cash inflow to support the cash outflow throughout year 2020.

Exchange Rate Risk

As all of the main raw materials for production (Slab) are imported from overseas, the Company has outstanding foreign currency expenses while its revenues are from domestic sales dominated in Thai Baht. Moreover, the Company has some debt obligation under the Plan in foreign currency. Therefore, the Company has exposed to foreign exchange rate risk as a result of

fluctuation in foreign currency exchange and may have impact to its business performance. To mitigate the risk, management has managed the exchange rate risk under the approved policy by the Board of Directors using matching method. The method has conducted by matching the income received from one trading partner to expenses, with the same currency, owed to another trading partner. The rest of the unmatched expenses are covered by forward contracts without any speculation.

After entering the rehabilitation, the Company has received insufficient approval for forward contract limit to cover its foreign currency risk exposures from normal business operations and the US dollar debt under the rehabilitation plan, though it was later approved for forward contract limit with the advance margin condition. However, the Company is requesting for approval of additional credit lines for forward contract and opens a Foreign Currency Deposit (FCD) account as well as utilises trading facility for raw material purchase with agreed suppliers to make payment in Thai Baht currency at the exchange rate specified in the contract to mitigate the risk from fluctuation of foreign exchange.

Trade Credit Risk

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

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

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

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

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

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

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. Later, The Stock Exchange of Thailand (“SET”) announced that SSI securities was subjected to possible delisting due to its financial statements for the year ended 31 December 2015, audited by an independent auditor, showed negative shareholders' equity and subsequently delisted SSI from a being listed securities effective from 11 July 2020 onward because the Company was unable to resolve the ground of delisting within period specified by the SET.

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

14

General Information and Other Key Information

Name	:	SAHAVIRIYA STEEL INDUSTRIES PUBLIC COMPANY LIMITED
Abbreviation	:	SSI
Company Registration No.	:	0107537000688
Website	:	http://www.ssi-steel.com
Type of Business	:	The Company manufactures and distributes hot-rolled coils with a maximum production capacity of 4 million tons per annum and hot-rolled coils pickled and oiled with maximum production capacity of 1 million tons per annum. The Company endeavors to supply premium-grade steel sheets to cater to the region's growing demand in automobile, energy, transportation, and construction sector. In the downstream industry, the Company has investments in Cold Rolled Coil Business under operation of Thai Cold Rolled Steel Sheet Public Company Limited (TCRSS) and Coated Steel Sheet Business under operation of Thai Coated Steel Sheet Company Limited (TCS). In addition, the Company also has investments in related businesses including Engineering Business under operation of West Coast Engineering Company Limited (WCE) and Marine 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, Mae Ramphueng, Bangsaphan, Prachuap Khiri Khan 77140 Tel. 0-3269-1403, 0-3269-1411, 0-3269-1413-14, 0-3269-1419-20 Fax 0-3269-1416, 0-3269-1421

Type and Number of Shares (As of 31 December 2020)

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

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 2020

Name and Head Office Location	Type of Business	Registered Capital (Baht)	Par Value (Baht)	Number of Paid-up Ordinary Shares (Shares)	Shareholding (%)
West Coast Engineering Company Limited 5 th Floor, K & Y Building, 16 Surasak Road, Silom, Bangrak, Bangkok 10500 Tel. 0-2234-9889 Fax 0-2233-6669	Engineering Business	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 0-2236-7057	Marine Business	400,000,000	10	40,000,000	51
Thai Cold Rolled Steel Sheet Public Company Limited 5 th Floor, Prapawit Building, 28/1 Surasak Road, Silom, Bangrak, Bangkok 10500 Tel. 0-2630-0300 Fax 0-2630-0320-2	Downstream Business	4,816,350,000	4.50	1,070,300,000	35.19

Name and Location of Other References

Share Registrar

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

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

The person taking the highest responsibility in finance and accounting : Mr. Narongrit Chotnuchittrakul
Chief Financial Officers (CFO) Chief Financial Officer
(Start Date 1 July 2020) Tel. 0-2238-3063-82
Fax 0-2236-8892
E-mail narongritc@ssi-steel.com

The person supervising accounting : Mr. Thanapatr Phongpipattana
Chief Accountant Senior Manager - Finance and Management Accounting
(Start Date 14 August 2018) Tel. 0-2238-3063-82
Fax 0-2236-8892
E-mail thanapatrp@ssi-steel.com

Corporate Secretary : Mr. Surasak Ngamsidhiphongsas
Assistant Vice President - Head of Corporate Secretariat Office
Tel. 0-2238-3063-82
Fax 0-2236-8892
E-mail surasakn@ssi-steel.com

15

Major Shareholders

List of Major Shareholders

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

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

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

Foreign Limit

The Company's foreign shareholding was limited at 49% of the paid-up capital. As of 30 December 2020, the Company's foreign shareholding was 2.65% of the paid-up capital.

16

Dividend Policy

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

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

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

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

On 16 April 2020, the Board of Directors' meeting No. 6/2020 of Sahaviriya Steel Industries Public Company Limited as the Plan Administration by the Central Bankruptcy Court's order on 15 December 2016, as the red case No. For.8/2016, had resolution that no dividend payment shall be made for the operating results of the year 2019, as the Company had retained deficit as at 31 December 2019. Therefore, the Company was unable to allocate dividend payment to shareholders.

17

The Board of Directors

1. Mr. Somchai Sakulsurarat

**Chairman of the Board of Directors,
Independent Director
and Chairman of the Audit Committee
Age 72 years**

Appointment Date:

- 26 February 2010

Family Relationship with Other Directors and Management:

- -None-

% of Shareholding:

- -None-

Education and Training:

- Master of Management,
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

(as of 31 December 2020):

- 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
- 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)
- Member of 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:

- -None-

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

- -None-

Meeting Attendance in Year 2020:

- | | |
|--|-------------|
| 1. The Board of Directors Meeting
as the Plan Administrator | 14/14 times |
| 2. The Independent Directors Meeting | 2/2 times |
| 3. 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

2. Mr. Tongchat Hongladaromp

**Director, Independent Director
and Risk Management Committee
Member**
Age 82 years

Appointment Date:

- 1 March 1994

Family Relationship with Other Directors and Management:

- -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 (FND 24/2005), Thai Institute of Directors Association

Work Experience in the Last 5 Years (as of 31 December 2020):

- | | |
|-------------|---|
| 2003 - 2020 | • President of the University Council, King Mongkut's University of Technology Thonburi |
| 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

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

- -None-

Meeting Attendance in Year 2020:

- | | |
|--|-------------|
| 1. The Board of Directors Meeting
as the Plan Administrator | 12/14 times |
| 2. The Independent Directors Meeting | 2/2 times |
| 3. The Risk Management Committee Meeting | 3/4 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

3. Mr. Siripol Yodmuangcharoen

**Director, Independent Director,
Good Corporate Governance
Committee Member
and Chairman of the Nomination
and Remuneration Committee
Age 72 years**

Appointment Date:

- 30 April 2010

Family Relationship with Other Directors and Management:

- -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

(as of 31 December 2020):

- | | |
|-------------|--|
| 2008 - 2017 | <ul style="list-style-type: none"> • Chairman of the Board of Executive Directors, The Gem and Jewelry Institute of Thailand (Public Organization) |
| 2011 - 2016 | <ul style="list-style-type: none"> • Public Sector Development Commission OPDC, Office of the Public Sector Development Commission |
| 2010 - 2016 | <ul style="list-style-type: none"> • Independent Director, Thai President Foods Public Company Limited |
| 2012 - 2013 | <ul style="list-style-type: none"> • Director, CAT Telecom Public Company Limited • Director, Thailand Institute of Scientific and Technological Research |
| 2011 - 2013 | <ul style="list-style-type: none"> • Director and Chairman of the Board of Executive Directors/ Chairman of the Audit Committee and Chairman of the Board of Directors, Thai Credit Guarantee Corporation (TCG) |

- | | |
|-------------|---|
| 2010 - 2011 | <ul style="list-style-type: none"> • Director and Chairman of the Risk Management Committee, Government Housing Bank |
| 2009 - 2010 | <ul style="list-style-type: none"> • Director, Siam City Bank Public Company Limited |
| 2007 - 2009 | <ul style="list-style-type: none"> • Permanent Secretary, Ministry of Commerce • Commission Member, Securities and Exchange Commission • Director, Office of Insurance Commission • Commission Members, The Office of the Agricultural Futures Trading Commission |
| 2003 - 2009 | <ul style="list-style-type: none"> • Chairman of the Executive Board, The Office of the Agricultural Futures Trading Commission |
| 2005 - 2008 | <ul style="list-style-type: none"> • Director, Government Savings Bank |
| 2001 - 2007 | <ul style="list-style-type: none"> • Director General Department of Internal Trade, Ministry of Commerce |

Current Position in Other Organisation:

In listed companies:

- 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, TCC Intertrade Company Limited

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

- -None-

Meeting Attendance in Year 2020:

- | | |
|---|-------------|
| 1. The Board of Directors Meeting as the Plan Administrator | 14/14 times |
| 2. The Independent Directors Meeting | 2/2 times |
| 3. The Good Corporate Governance Committee Meeting | 4/4 times |
| 4. The Nomination and Remuneration Committee Meeting | 2/2 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. Permpoon Krairiksh

**Director, Independent Director,
Audit Committee Member
and Chairman of the Risk Management
Committee
Age 69 years**

Appointment Date:

- 8 December 1999

Family Relationship with Other Directors and Management:

- -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

(as of 31 December 2020):

- 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:

- Chairman of the Board of Directors and Independent Director, Boutique Corporation Public Company Limited

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

- -None-

Meeting Attendance in Year 2020:

- | | |
|---|------------|
| 1. The Board of Directors Meeting as the Plan Administrator | 9/14 times |
| 2. The Independent Directors Meeting | 0/2 times |
| 3. The Audit Committee Meeting | 4/5 times |
| 4. The Risk Management Committee Meeting | 4/4 times |

Criminal Record During the Past 10 Years:

- Being sentenced in Criminal Offence
 - -None-
- Being sentenced for an Absolute Receivership
 - -None-
- 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:

- Act in bad faith or with gross negligence.
 - -None-
- 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-
- 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:

- Not being related to management, major shareholder of the Company or its subsidiaries
- Not being related to the Company, its subsidiaries, its associated companies, or a juristic entity that may have conflict of interest at present or the past 2 years
 - Not being director in roles of management, employees, or advisor who receives full time salary
 - Not providing professional service (i.e. auditor or legal counsel)
 - Not having significant business relationship with the Company in the manner that may interfere with the independent judgment

5. Mr. Yarnsak Manomaiphiboon

**Director, Independent Director,
Audit Committee Member
and Good Corporate Governance
Committee Member
Age 57 years**

Appointment Date:

- 27 February 2012

Family Relationship with Other Directors and Management:

- -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 Accreditation Program (DAP 23/2004), Thai Institute of Directors Association
- Director Certification Program (DCP 60/2005), Thai Institute of Directors Association
- Capital Market Academy Leadership Program (CMA 5), Capital Market Academy
- Public Director Certification Program (PDI 3), Public Director Institute

Work Experience in the Last 5 Years

(as of 31 December 2020):

- | | |
|-------------|---|
| 2014 - 2016 | <ul style="list-style-type: none"> Chairman of the Board of Directors, Thai Credit Guarantee Corporation (TCG) Director and Executive 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 Audit Committee Member, Chememan Public Company Limited
- Independent Director and Chairman of Audit Committee, Principle Capital Public Company Limited

In non-listed companies:

- Director, ASCO Business Promotion Company Limited
- Director, National Digital ID Company Limited
- Secretary General, Association of Thai Securities Companies

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

- None-

Meeting Attendance in Year 2020:

- | | |
|---|------------|
| 1. The Board of Directors Meeting as the Plan Administrator | 9/14 times |
| 2. The Independent Directors Meeting | 0/2 times |
| 3. The Audit Committee Meeting | 5/5 times |
| 4. The Good Corporate Governance Committee Meeting | 4/4 times |

Criminal Record During the Past 10 Years:

- Being sentenced in Criminal Offence
 - None-
- Being sentenced for an Absolute Receivership
 - None-
- 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:

- Act in bad faith or with gross negligence.
 - None-
- 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-
- 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:

- Not being related to management, major shareholder of the Company or its subsidiaries
- Not being related to the Company, its subsidiaries, its associated companies, or a juristic entity that may have conflict of interest at present or the past 2 years
 - Not being director in roles of management, employees, or advisor who receives full time salary
 - Not providing professional service (i.e. auditor or legal counsel)
 - Not having significant business relationship with the Company in the manner that may interfere with the independent judgment

6. Mr. Somchai Pipitvijitkorn

**Director,
Risk Management Committee Member
and Nomination and Remuneration
Committee Member
Age 81 years**

Appointment Date:

- 29 April 2003

Family Relationship with Other Directors and Management:

- -None-

% of Shareholding:

- -None-

Education and Training:

- M.B.A., Michigan State University, U.S.A.
- Bachelor's Degree (Second-Class 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

(as of 31 December 2020):

- | | |
|-------------|--|
| 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 organisations that may cause any conflict of interest to the Company:

- Director, Sahaviriya Plate Mill Public Company Limited

Meeting Attendance in Year 2020:

- | | |
|--|------------|
| 1. The Board of Directors Meeting
as the Plan Administrator | 7/14 times |
| 2. The Risk Management Committee Meeting | 3/4 times |
| 3. The Nomination and Remuneration
Committee Meeting | 2/2 times |

Criminal Record During the Past 10 Years:

- Being sentenced in Criminal Offence
 - -None-
- Being sentenced for an Absolute Receivership
 - -None-
- 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:

- Act in bad faith or with gross negligence.
 - -None-
- 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-
- 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. Kamol Juntima

**Director
and Chairman of the Good Corporate
Governance Committee Member
Age 82 years**

Appointment Date:

- 28 April 1998

Family Relationship with Other Directors and Management:

- -None-

% of Shareholding:

- 0.0003% (44,429 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

(as of 31 December 2020):

- 2002 - 2020 • Chairman of the Board of Directors,
IT CITY Public Company Limited
- 2016 - 2018 • Chairman of The Audit Quality Oversight
Subcommittee,
Federation of Accounting Professions
- 2008 - 2013 • Chairman of Ethics Committee,
Federation of Accounting Professions
- 2003 - 2013 • Directors
and Chairman of the Audit Committee,
Electronic Industry Public Company Limited
- 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:

- -None-

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 Corporation Limited

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

- -None-

Meeting Attendance in Year 2020:

- | | |
|---|-------------|
| 1. The Board of Directors Meeting as the Plan Administrator | 14/14 times |
| 2. The Good Corporate Governance Committee Meeting | 4/4 times |

Criminal Record During the Past 10 Years:

- Being sentenced in Criminal Offence
 - -None-
- Being sentenced for an Absolute Receivership
 - -None-
- 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:

- Act in bad faith or with gross negligence.
 - -None-
- 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-
- 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. Win Viriyaprapaikit

**Director,
Group Chief Executive Officer,
President,
Head of Upstream Business Unit,
Head of Hot Rolled Business Unit,
Head of HBU Business Stewardship
and Business Partners Office
Age 50 years**

Appointment Date:

- 30 June 1999

Family Relationship with Other Directors and Management:

- -None-

% 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

(as of 31 December 2020):

- | | |
|-------------|---|
| 2007 - 2020 | • Director, Sahaviriya Steel Corporation Limited |
| 1999 - 2020 | • Director,
Sahaviriya Inter Steel Holdings
Company Limited |
| 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 | <ul style="list-style-type: none"> Chairman of the Board of Directors and Chairman of the Management Committee, Thai Cold Rolled Steel Sheet Public Company Limited |
| 1996 - 2012 | <ul style="list-style-type: none"> Director, Thai Coated Steel Sheet Company Limited |
| 1999 - 2003 | <ul style="list-style-type: none"> 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

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

- Director, Sahaviriya Plate Mill Public Company Limited
- 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 2020:

- | | |
|--|-------------|
| <ul style="list-style-type: none"> The Board of Directors Meeting as the Plan Administrator | 14/14 times |
|--|-------------|

Criminal Record During the Past 10 Years:

- Being sentenced in Criminal Offence
 - None-
- Being sentenced for an Absolute Receivership
 - None-
- 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:

- Act in bad faith or with gross negligence.
 - None-
- 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-
- 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. Nava Chantanasurakon

Director, the Nomination and Remuneration Committee Member and Senior Vice President, Supervision
- Group Government Affairs Office Management
- Commercial Division
Age 55 years

Appointment Date:

- 18 June 2015

Family Relationship with Other Directors and Management:

- 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
- Top Executive Program in Commerce and Trade (TEPCoT 12),
Commerce Academy
- Advance Master of Management Program (AMM 5),
National Institute of Development Administration

Work Experience in the Last 5 Years

(as of 31 December 2020):

- | | |
|-------------|---|
| 2012 - 2018 | • Director and Executive Director,
Thai Coated Steel Sheet Company Limited |
| 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

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

- Director, Sahaviriya Plate Mill Public Company Limited
- Director, Thai Steel Sales Company Limited

Meeting Attendance in Year 2020:

- | | |
|--|-------------|
| 1. The Board of Directors Meeting
as the Plan Administrator | 12/14 times |
| 2. The Nomination and Remuneration
Committee Meeting | 2/2 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. Kittisak Mapanao

**Director,
Senior Vice President,
Chief Technology Officer,
Head of Engineering Business Unit,
Head of Steel Construction
Business Office,
Head of Dream Maker Business Office
Age 54 years**

Appointment Date:

- 15 February 2018

Family Relationship with Other Directors and Management:

- None-

% of Shareholding:

- 0.0005% (65,467 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

(as of 31 December 2020):

- | | |
|-------------|---|
| 2012 - 2018 | • Director and Executive Director,
Prachuap Port Company Limited |
| 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,
West Coast Engineering Company Limited

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

- None-

Meeting Attendance in Year 2020:

- | | |
|---|-------------|
| • The Board of Directors Meeting
as the Plan Administrator | 14/14 times |
|---|-------------|

Criminal Record During the Past 10 Years:

- Being sentenced in Criminal Offence
 - None-
- Being sentenced for an Absolute Receivership
 - None-
- 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:

- Act in bad faith or with gross negligence.
 - None-
- 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-
- 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. Narongrit Chotnuchittrakul

**Director,
Senior Vice President,
Supervision
– Group Information Technology Office
Chief Financial Officer,
Group Chief Financial Officer,
– Head of Group Risk Management
Office,
– Head of Downstream Business Unit
Age 51 years**

Appointment Date:

- 18 July 2019

Family Relationship with Other Directors and Management:

- -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

(as of 31 December 2020):

- | | |
|-------------|--|
| 2017 - 2020 | • Director, Management Committee Member and President, Thai Cold Rolled Steel Sheet Public Company Limited |
| 2011 - 2018 | • Director and Executive Director, West Coast Engineering Company Limited |
| 2013 - 2017 | • Vice President - Finance and Accounting Division, Sahaviriya Steel Industries Public Company Limited |
| 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, Prachuap Port Company Limited
- Director and Executive Director, West Coast Engineering Company Limited
- Chairman of the Board of Directors and Chairman of the Management Committee, Thai Cold Rolled Steel Sheet Public Company Limited
- Director, Thai Coated Steel Sheet Company Limited

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

- Director, Sahaviriya Plate Mill Public Company Limited
- Director, Thai Steel Sales Company Limited

Meeting Attendance in Year 2020:

- The Board of Directors Meeting as the Plan Administrator 13/14 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-

18

The Management

1. Mr. Win Viriyaprapaikit

**Group Chief Executive Officer,
President,
Head of Upstream Business Unit,
Head of Hot Rolled Business Unit,
Head of HBU Business Stewardship
and Business Partners Office
Age 50 years**

Appointment Date:

- 1 January 2004

Family Relationship with Other Directors and Management:

- -None-

% 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

(as of 31 December 2020):

- 2007 - 2020 • Director, Sahaviriya Steel Corporation Limited
- 1999 - 2020 • Director, Sahaviriya Inter Steel Holdings Company Limited
- 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

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

- Director, Sahaviriya Plate Mill Public Company Limited
- 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

**Senior Vice President,
Supervision
– Group Government Affairs Office
Management
– Commercial Division
Age 55 years**

Appointment Date:

- 1 April 2008

Family Relationship with Other Directors and Management:

- -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
- Top Executive Program in Commerce and Trade (TEPCoT 12) Commerce Academy
- Advance Master of Management Program (AMM 5), National Institute of Development Administration

Work Experience in the Last 5 Years

(as of 31 December 2020):

- 2012 - 2018 • Director and Executive Director, Thai Coated Steel Sheet Company Limited
- 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

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

- Director, Sahaviriya Plate Mill Public Company Limited
- Director, Thai Steel Sales 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-

3. Mr. Kittisak Mapanao

**Senior Vice President,
Chief Technology Officer,
Head of Engineering Business Unit,
Head of Steel Construction
Business Office,
Head of Dream Maker Business Office
Age 54 years**

Appointment Date:

- 1 May 2008

Family Relationship with Other Directors and Management:

- -None-

% of Shareholding:

- 0.0005% (65,467 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
(as of 31 December 2020):**

- 2012 - 2018 • Director and Executive Director,
Prachuap Port Company Limited
- 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,
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

**Senior Vice President,
Supervision
– Group Information Technology Office
Chief Financial Officer,
Group Chief Financial Officer,
Head of Group Risk Management
Office,
Head of Downstream Business Unit,
and Secretary to the Risk Management
Committee**

(Appointed as Secretary on 1 July 2020)

Age 51 years

Appointment Date:

- 1 January 2010

Family Relationship with Other Directors and Management:

- -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

(as of 31 December 2020):

- | | |
|-------------|--|
| 2017 - 2020 | • Director,
Management Committee Member
and President,
Thai Cold Rolled Steel Sheet
Public Company Limited |
| 2011 - 2018 | • Director and Executive Director,
West Coast Engineering Company Limited |
| 2013 - 2017 | • Vice President - Finance
and Accounting Division,
Sahaviriya Steel Industries
Public Company Limited |
| 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, Prachuap Port Company Limited
- Director and Executive Director, West Coast Engineering Company Limited
- Chairman of the Board of Directors and Chairman of the Management Committee, Thai Cold Rolled Steel Sheet Public Company Limited
- Director, Thai Coated Steel Sheet Company Limited

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

- Director, Sahaviriya Plate Mill Public Company Limited
- Director, Thai Steel Sales 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-

5. Mr. Somsak Sivapaiboon

**Senior Vice President,
Head of Marine Business Unit,
Head of Partnership Management
Center,
Head of Marine Business Development
Office,
Head of Ship Building & Recycling
Business Office,
Head of Offshore Business Office,
Head of MBU Business Stewardship
and Business Partners Office
Age 58 years**

Appointment Date:

- 1 March 2013

Family Relationship with Other Directors and Management:

- -None-

% of Shareholding:

- - (2 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
- Top Executive Program in Commerce and Trade (TEPCoT 12), Commerce Academy

Work Experience in the Last 5 Years

(as of 31 December 2020):

2017 - 2020	• Director, Thai Steel Sales Company Limited
2015 - 2020	• Director and Management Committee Member, Thai Cold Rolled Steel Sheet Public Company Limited
	• Director and Executive Director, Thai Coated Steel Sheet Company Limited
2013 - 2019	• Director and Executive Director, West Coast Engineering Company Limited
2015 - 2017	• Chairman of the Board of Directors and Chairman of the Management Committee, Thai Cold Rolled Steel Sheet Public Company Limited
2013 - 2015	• Director, Sahaviriya Steel Industries UK Limited
2010 - 2014	• Chairman of the Board of Directors, Pornpiyacharn Transport Company 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:

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

6. Mr. Jira Chotinuchit

**Senior Vice President,
Supervision**

- Group Legal Office
- Group Sustainable Development and Communication Office
- Group Infrastructure and Local Affairs Office,
- Head of Energy Business Unit,
- Head of Group Procurement Office,
- Head of Group Compliance and Corporate Governance Office
- and Secretary to the Good Corporate Governance Committee
- Age 53 years

Appointment Date:

- 1 September 2018

Family Relationship with Other Directors and Management:

- -None-

% of Shareholding:

- -None-

Education and Training:

- Master of Comparative and International Law, University of IOWA, U.S.A.
- Bachelor of Law, Chulalongkorn University

Work Experience in the Last 5 Years

(as of 31 December 2020):

- | | |
|-------------|---|
| 2012 - 2018 | • Chief Executive Officer,
Lockton Wattana Insurance Company Limited |
| 2007 - 2012 | • 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 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-

7. Mr. Thinnakorn Phadungwong

**Vice President,
Head of Steel Solution Center
Age 53 years**

Appointment Date:

- 1 May 2013

Family Relationship with Other Directors and Management:

- -None-

% of Shareholding:

- -None-

Education and Training:

- The Doctor of Engineering (Mechanical Engineering),
The Sirindhorn International Thai-German
Graduate School of Engineering (TGGS),
King Mongkut's University of Technology North Bangkok
- Master's Degree of Metallurgical Engineering,
Chulalongkorn University
- Bachelor's Degree of Industrial Engineering,
Kasetsart University

Work Experience in the Last 5 Years

(as of 31 December 2020):

- 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:

- Director, Sahaviriya Plate Mill Public 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-

8. Mr. Manin Inprom

**Vice President
Management
- Manufacturing Division
Age 50 years**

Appointment Date:

- 19 May 2016

Family Relationship with Other Directors and Management:

- -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

(as of 31 December 2020):

- 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:

- 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-

9. Mr. Peter Rowson

Vice President
Business Unit
- Upstream Business Unit
Age 57 years

Appointment Date:

- 1 November 2014

Family Relationship with Other Directors and Management:

- -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, U.K.

Work Experience in the Last 5 Years

(as of 31 December 2020):

- 2013 - 2015 • Finance Director, Sahaviriya Steel Industries UK Limited
- 2009 - 2011 • Finance Director, V2O Management Company Limited
- 2004 - 2008 • CFO, 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. Veerawit Tulalamba

Vice President,
Downstream Business Unit
Age 50 years

Appointment Date:

- 1 June 2017

Family Relationship with Other Directors and Management:

- -None-

% of Shareholding:

- -None-

Education and Training:

- Master of Business Administration, National Institute of Development Administration (NIDA)
- B.A. Economics, Thammasat University

Work Experience in the Last 5 Years

(as of 31 December 2020):

- 2017 - 2020 • Vice President and Chief Financial Officer, Sahaviriya Steel Industries Public Company Limited
- 2018 - 2020 • Director and Executive Director, West Coast Engineering Company Limited
- Director and Executive Director, Prachuap Port Company Limited
- Director, Sahaviriya Plate Mill Public Company Limited
- 2014 - 2017 • Assistant Vice President - Group Finance and Accounting Office, Sahaviriya Steel Industries Public Company Limited
- 2004 - 2014 • Deputy Managing Director and Company Secretary, Bangsaphan Barmill Public 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, 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-

11. Mr. Yongyuth Malithong

**Vice President,
Head of Group Human Resources
Office and Secretary to the Nomination
and Remuneration Committee
Age 50 years**

Appointment Date:

- 1 January 2016

Family Relationship with Other Directors and Management:

- -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

(as of 31 December 2020):

- 2014 - 2020 • 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:

- Director and President,
Sahaviriya Plate Mill Public 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-

12. Mr. Narase Krudpun

**Vice President,
Head of SSI Building Technology
Operating Unit
Age 56 years**

Appointment Date:

- 1 April 2020

Family Relationship with Other Directors and Management:

- -None-

% of Shareholding:

- 0.0006% (76,170 shares)

Education and Training:

- Master of Public Administration,
National Institute of Development Administration (NIDA)
- Bachelor of Engineering,
King Mongkut's University of Technology North Bangkok

Work Experience in the Last 5 Years

(as of 31 December 2020):

- 2014 - 2020 • Assistant Vice President - Innovation
Sub-Division,
Sahaviriya Steel Industries
Public Company Limited
- 1996 - 2014 • Senior Department Manager,
Quality Control and Production Planning,
Thai Cold Rolled Steel Sheet
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-

13. Mr. Surasak Ngamsidhiphonga

Company Secretary
Age 62 years

Appointment Date:

- 21 January 1994

Family Relationship with Other Directors and Management:

- -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

(as of 31 December 2020):

- | | |
|-------------|---|
| 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-

14. Miss Pattamawan Boontang

Secretary to the Audit Committee
Age 45 years

Appointment Date:

- 6 January 2016

Family Relationship with Other Directors and Management:

- -None-

% of Shareholding:

- -None-

Education and Training:

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

Work Experience in the Last 5 Years

(as of 31 December 2020):

- | | |
|-------------|--|
| 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-

19

Shareholding of Directors and Management

No.	Directors and Management Name	31 December 2019 (Par value of Baht 1 per share)	31 December 2020 (Par value of Baht 1 per share)	Increase (Decrease) in No. of Shares during 2020 (Par value of Baht 1 per share)
1.	Mr. Somchai Sakulsurarat	-	-	-
2.	Mr. Tongchat Hongladaromp	-	-	-
3.	Mr. Siripol Yodmuangcharoen	-	-	-
4.	Mr. Permpoon Krairiksh	-	-	-
5.	Mr. Yarnsak Manomaiphiboon	-	-	-
6.	Mr. Somchai Pipitvijitkorn	-	-	-
7.	Mr. Kamol Juntima	44,429 shares	44,429 shares	-
8.	Mr. Win Viriyaprapaikit	-	-	-
9.	Mr. Nava Chantanasurakon	-	-	-
10.	Mr. Kittisak Mapanao	65,467 shares	65,467 shares	-
11.	Mr. Narongrit Chotnuchittrakul	-	-	-
12.	Mr. Somsak Sivapaiboon	34,602 shares	2 shares	(34,600 shares)
13.	Mr. Jira Chotinuchit	-	-	-
14.	Mr. Thinnakorn Phadungwong	-	-	-
15.	Mr. Manin Inprom	-	-	-
16.	Mr. Peter Rowson	-	-	-
17.	Mr. Veerawit Tulalamba	-	-	-
18.	Mr. Yongyuth Malithong	-	-	-
19.	Mr. Narase Krudpun*	-	76,170	-

Remark:

* Mr. Narase Krudpun was appointed as Vice President, Head of SSI Building Technology Operating Unit on 1 April 2020.

20

Report of the Nomination and Remuneration Committee for 2020

The Nomination and Remuneration Committee (the “Committee”) hereby reports the assignments performed by the Nomination and Remuneration Committee as follows:

The meeting of the Board of Directors of Sahaviriya Steel Industries Public Company Limited No. 5/2011 held on 11 August 2011 resolved to approve the combination of the Nomination Committee and the Remuneration Committee to become the Nomination and Remuneration Committee. The Committee comprises at least 3 directors of the Company as members which at least 1 member has to be an independent director with Head of Group Human Resources Office as the Secretary to the Committee. The term of office is from 1 September 2020 to 31 August 2023.

The Committee has the duty to select qualified candidates for the nomination of the directors or the President of the Company which is to be further proposed to the Board of Directors’ meeting or the shareholders’ meeting as the case may be. Moreover, the Committee has the duty to consider the guidelines for determining the remuneration of the Board of Directors, committees appointed by the Board of Directors, the President as well as the compensation structure of senior executives of the Company based on fair and reasonable criteria or procedure and remuneration structure.

Existing members of the Nomination and Remuneration Committee are as follows:

- | | |
|--------------------------------|--|
| 1. Mr. Siripol Yodmuangchareon | Chairman of the Nomination and Remuneration Committee |
| 2. Mr. Somchai Pipitvijitkorn | Nomination and Remuneration Committee Member |
| 3. Mr. Nava Chantanasurakon | Nomination and Remuneration Committee Member |
| 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 1 meetings in 2020 to consider the following matters:

1.1 The meeting of the Nomination and Remuneration Committee was held on 16 December 2020 to consider an adjustment of the President's salary.

The Committee considered a special adjustment (Bonus) for year 2020 of the President. The Committee considered that from the pandemic of COVID-19 in 2020 affected to the world economy and the Company's rehabilitation plan causing the low income in this year. However, the President been lead the business to have a good result in the last 2 quarters while the pandemic is still going on all around the world. In order to encourage and support, the Committee unanimously resolved to approve a special allowance (Bonus) to the President at a rate of 0.5 times of 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 Administrator of rehabilitation, for further approval.

2. The Nomination and Remuneration Committee held 1 meeting in 2021 to consider the following matters:

The meeting of the Nomination and Remuneration Committee was held on 15 February 2021 considered the issue as follows:

- 2.1 Recruiting qualified candidates to replace directors retired by rotation.

The Committee has considered that the Company is unable to hold the Annual General Meeting of Shareholders and recruited qualified candidates to replace the directors retired by rotation. Therefore, the recruitment has been suspended. If a meeting of shareholders be held, the Committee will consider recruitment for qualified candidates to replace the directors retired in period 2016. Currently, there are 11 directors including:

1. Mr. Somchai Sakulsurarat
2. Mr. Tongchat Hongladaromp
3. Mr. Kamol Juntima
4. Mr. Somchai Pipitvijitkorn
5. Mr. Siripol Yodmuangchareon
6. Mr. Permpoon Krairiksh
7. Mr. Yanasak Manomaiphiboon
8. Mr. Win Viriyaprapaikit
9. Mr. Nava Chantanasurakon
10. Mr. Kittisak Mapanao
11. Mr. Narongrit Chotnuchittrakul

The consideration to recruit qualified candidates to replace directors retired by rotation could not get a resolution because the Company has entered the rehabilitation process and the Central Bankruptcy Court ordered the rehabilitation on 10 March 2016 before approving the rehabilitation plan which determined the Company as the Plan Administrator on 15 December 2016. As a result, the Company has to operate in accordance with the Bankruptcy Act B.E. 2483 (1940) regarding rehabilitation, the consideration for candidates to replace the directors retired by rotation, thus, has been suspended.

Pursuant to Bankruptcy Act B.E. 2483 (1940), "all legal rights of the debtor's shareholders shall be suspended except the right to receive dividend" and the said rights shall be vested in the interim executives, the Receiver, the Plan Preparer, or the Plan Administrator (in accordance with the procedures of the Business Rehabilitation process). Details are as follows:

Section 90/21.

"Subject to Section 90/42 and Section 90/64, in the case of the Court ordering a business rehabilitation but not yet appointing a Plan Preparer, **all legal rights of the debtor's shareholders shall be suspended except the right to receive dividend** and the said rights shall be vested in the interim executives or the Receiver, as the case may be, until a Plan Preparer is appointed."

Section 90/24.

"If an order on appointment of a Plan Preparer is issued by the Court, it shall notify the Plan Preparer, the Receiver, the debtor's executives and the interim executive of the said order without delay. The power and duties of the Plan Preparer shall commence as of the day on which the Court gives such order and the power and duties of the Receiver, the debtor's executives or the interim executive shall cease."

Section 90/25.

"Subject to section 90/42 and section 90/64, upon an appointment of the Plan Preparer is made by the Court, the power and duties in managing the business and asset of the debtor and all rights of the debtor's shareholders, except the right to receive dividend, shall be vested in the Plan Preparer, and the provisions of Section 90/12 (9) shall apply to the plan preparer, mutatis mutandis."

Section 90/42.

"Section 1117, Section 1119, Section 1145, Section 1220 through Section 1228, Section 1238 through Section 1243 of the Civil and Commercial Code; and Section 31, Section 33, Section 50, Section 51, Section 52, Section 54, Section 84, Section 102, Section 107, Section 116, Section 119, Section 136, Section 137, Section 139, Section 140, Section 141, Section 146 through Section 148 of the Public Limited Companies Act, B.E. 2535 (1992) and Section 39 of the Securities and Exchange Act, B.E. 2535 (1992) shall not apply to the Plan under this Section."

Section 90/59.

"Subject to Section 90/42 and Section 90/64, once the Court has issued an order approving the Plan, the Court shall so notify the Plan Administrator and the Plan Preparer as soon as possible. Once the Plan Administrator learns of the Court's order, the right and duties of the Plan Preparer shall immediately pass to the Plan Administrator."

2.2 Stipulation of the directors' remuneration

Financial Remuneration

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

2.2.1 The meeting allowances paid to directors and committees appointed by the Board of Directors and approved by the shareholders' meeting can be summarised as follows:

(1) Remuneration

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

(2) Additional Remuneration

Any director of the Company appointed as a member of any committees by the Board of Directors is entitled to receive additional remuneration being such a committee member according to more duties and time dedicated.

2.2.2 The Chairman and the Deputy Chairman of the Board of Directors are entitled to monthly remuneration for full-time duties of Baht 300,000 per month and Baht 200,000 per month, respectively. 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.

2.2.3 The Chairman of Audit Committee is entitled to receive extra remuneration of Baht 10,000 per month from the duty to advise the particular audit in detail apart from the regular audit as an audit committee member.

2.2.4 The director who is also an employee of the Company is only entitled to receive the remuneration as an employee; no director's remuneration is to be paid.

2.2.5 The premium for health insurance, accident insurance and life insurance of not over Baht 20,000 per person is to be paid to each director. For any director the insurance company refuses to cover, in whole or in part, and/or refuses to cover some specific diseases by any reason in case of health insurance, the Company will be directly responsible for covering all such directors refused by the insurance company in the coverage amount equal to the insurance coverage and/or the benefits which the life, health and accident insurance company covers the directors in accordance with the premium rate approved by the shareholders' meeting.

2.2.6 The director's remuneration in the form of annual payment or bonus

(1) Director's annual payment is to be paid when dividend is distributed to the shareholders. In any year the Company does not pay dividend to the shareholders, directors will not receive the annual payment in that year.

(2) The rate of annual payment, as approved by the meeting of shareholders, is in range of 0.25% to 0.50% of dividend paid to the shareholders. The annual payment for the Chairman and the Deputy Chairman of the Board of Directors are 10% and 5% higher than the rate paid to directors, respectively.

(3) In case any director is in the position for less than 1 year, the annual payment will be proportionately paid according to the period of the position taken.

The 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 2.2.1 to 2.2.6 and resolved to refrain the annual payment to the directors until reconsidering from shareholder's meeting.



Mr. Siripol Yodmuangchareon

Chairman of the Nomination and Remuneration Committee

15 February 2020

21

Remuneration of Directors and Management

1. Total Monetary Remuneration

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

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

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

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

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

- 1.3 The Chairman of the Audit Committee shall receive extra remuneration for the provision of suggestion regarding the details of special audit other than normal audit serviced as an audit committee in an amount of Baht 10,000 per month.
- 1.4 Directors who are also an employee of the Company shall be entitled to compensation as an employee only, and shall not receive any other remuneration as a director.
- 1.5 Health, accident, and life insurance premiums shall not exceed Baht 20,000 per person. For any directors whom insurance companies decline to offer any or all insurance coverage and/or exclude coverage of certain types of illness in the case of health insurance for whatever reason, the Company shall be directly responsible for disbursement to such directors for amount up to the claim or sum insured available from the health, accident and life insurance policies had the director been insured for the same insurance premium approved by shareholders.
- 1.6 The directors' remuneration or annual bonuses:
 - (1) The directors' bonuses shall be paid only if there is a dividend payment to the shareholders. If the Company has no dividend payment in any year, the directors shall not receive the directors' bonuses on such year.
 - (2) The directors' bonuses rates should account for 0.25% to 0.50% of the dividend payment to the shareholders. The Chairman of the Board of Directors and the Deputy Chairman of the Board of Directors should receive the directors' bonuses at 10% and 5% higher than those of the directors respectively.
 - (3) The directors whose working period is less than one year shall receive the directors' bonuses in proportion to their actual working period.

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

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

On 16 April 2020, the Board of Directors' meeting No. 6/2020 of Sahaviriya Steel Industries Public Company Limited the Plan Administration by the Central Bankruptcy Court's order on 15 December 2016, as the red case No. For.8/2016, acknowledged the remunerations paid for the year of 2019 to each director and each committee appointed by the Board of Directors. The meeting also acknowledged the directors' annual bonuses for the year of 2019 to be omitted in accordance with criteria as approved by the shareholders' meeting.

Summary of 2020 Monetary Remuneration for the Directors of the Company and the Members of the Committees Appointed by the Board of Directors

Name and Position	Meeting Allowance from the Company (Baht)					Meeting Allowance from Subsidiaries (Baht)	Total Remuneration (Baht)
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Good Corporate Governance Committee	Risk Management Committee		
1. Mr. Somchai Sakulsurarat ^{1) 2)}	-	-	-	-	-	510,000*	510,000
2. Mr. Tongchat Hongladaromp	300,000	-	-	-	30,000	150,000*	480,000
3. Mr. Siripol Yodmuangcharoen ³⁾	300,000	-	25,000	40,000	-	-	365,000
4. Mr. Permpoon Krairiksh ⁴⁾	300,000	60,000	-	-	50,000	-	410,000
5. Mr. Yarnsak Manomaiphiboon	300,000	75,000	-	40,000	-	-	415,000
6. Mr. Somchai Pipitvijitkorn	300,000	-	20,000	-	30,000	-	350,000
7. Mr. Kamol Juntima ⁵⁾	300,000	-	-	50,000	-	2,190,000*	2,540,000
8. Mr. Win Viriyaprapaikit ⁶⁾	-	-	-	-	-	-	-
9. Mr. Nava Chantanasurakon ⁷⁾	-	-	-	-	-	-	-
10. Mr. Kittisak Mapanao ⁸⁾	-	-	-	-	-	-	-
11. Mr. Narongrit Chotnuchittrakul ⁹⁾	-	-	-	-	-	-	-
Total	1,800,000	135,000	45,000	130,000	110,000	2,850,000*	5,070,000

Remarks:

¹⁾ Chairman of the Board of Directors, who were already entitled remuneration for their full-time performance, shall not receive the meeting allowance.

²⁾ Chairman of the Audit Committee

³⁾ Chairman of the Nomination and Remuneration Committee

⁴⁾ Chairman of the Risk Management Committee

⁵⁾ Chairman of the Good Corporate Governance Committee

⁶⁾ Mr. Win Viriyaprapaikit, Director, Group Chief Executive Officer, President, Head of Upstream Business Unit, Head of Hot Rolled Business Unit, Head of HBU Business Stewardship and Business Partners Office, considered as an employee of the Company, shall not receive the meeting allowance or a director's remuneration.

⁷⁾ Mr. Nava Chantanasurakon, Director and Senior Vice President, Supervision Group Government Affairs Office Management Commercial Division, considered as an employee of the Company, shall not receive the meeting allowance or a director's remuneration.

⁸⁾ Mr. Kittisak Mapanao, Director, Senior Vice President, Chief Technology Officer, Head of Engineering Business Unit, Head of Steel Construction Business Office, Head of Dream Maker Business Office, considered as an employee of the Company, shall not receive the meeting allowance or a director's remuneration.

⁹⁾ Mr. Narongrit Chotnuchittrakul, Director, Senior Vice President, Supervision Group Information Technology Office, Chief Financial Officer, Group Chief Financial Officer, Head of Group Risk Management Office, Head of Downstream Business Unit, considered as an employee of the Company, shall not receive the meeting allowance or a director's remuneration.

* The directors' meeting allowance from subsidiaries includes the allowance of the Company's independence directors who held directorship in subsidiaries during 2020.

Remunerations for Full-time Performance of Chairman of the Board of Directors and Deputy Chairman of the Board of Directors in 2020

Name and Position of Director		Remuneration for Full-time Performance (Baht)
Mr. Somchai Sakulsurat	Chairman of the Board of Directors	3,600,000

Remuneration of Independent Directors of the Company Who Hold Directorship in the Company's Subsidiary in 2020

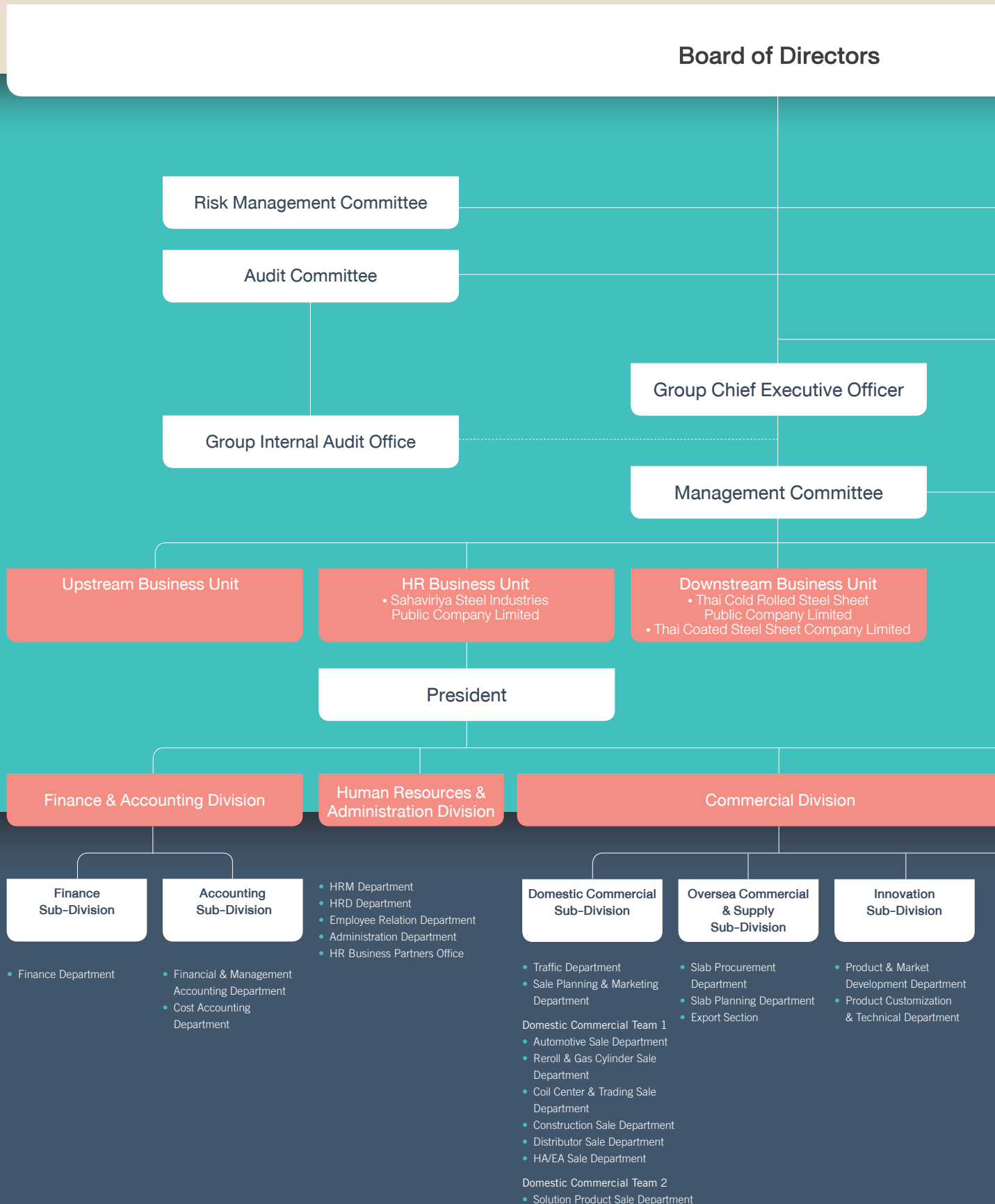
No.	Name of the Company's Independent Directors Who Hold Directorship in the Company's Subsidiary	Position in the Subsidiary	Meeting Allowance in 2020 (Baht)
West Coast Engineering Company Limited			
1.	Mr. Somchai Sakulsurat	Director	150,000
2.	Mr. Tongchat Hongladaromp	Director	150,000
Prachuap Port Company Limited			
1.	Mr. Somchai Sakulsurat	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 11 people plus the President, totaled Baht 75,645,629.46 for the year.

2. Other Remunerations

Contributions to the provident fund for executives in a position of Vice President and higher, for 11 people plus the President, totaled Baht 5,321,583.26 for the year.

Organisation Chart



**Nomination & Remuneration
Committee**

**Good Corporate Governance
Committee**

Office of the Chairman
• Corporate Secretariat Office

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

Marine Business Unit
• Prachuap Port Company Limited

Engineering Business Unit
• West Coast Engineering Company Limited

Energy Business Unit

Manufacturing Division

- Safety, Environment and Plant Integrity Management Office
- Warehouse Section
- Budget Control Section

**Commercial Strategy
and Synergy
Sub-Division**

- Strategic and Synergic Planning Department
- Project Development Department
- Commercial Effectiveness Improvement Office

**Operation
Sub-Division**

- Hot Strip Mill Production Department
- Hot Finishing Line and Picking & Oiling Production Department
- Production Planning Department
- Slab and Coil Yard Department
- Operation Improvement Office

**Maintenance
Sub-Division**

- Electrical Maintenance Department
- Mechanical Maintenance Department
- Utility and Fluid Maintenance Department
- Maintenance Planning Section
- Spare Part Control Section
- Maintenance System Section

**Product Engineering
and Quality Assurance
Sub-Division**

- R&D and Product Engineering Department
- Product Quality Assurance Department
- Quality Management System Section

**Process Automation
Control Office**

23

Good Corporate Governance Committee's Report for 2020

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

The duties and responsibilities of the Committee are:

- 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 2020, the Committee held four meetings to carry out its allotted duties and submitted a summary of reports to the Company's Board of Directors as follows:

1. Revision of the determination of a significant amount of commercial or business transactions between the Company, its subsidiaries and their customers, suppliers, debtors and creditors. This was then used to establish the criteria of reporting the interests of the Company's directors and executive officers in 2020.

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

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

3. Intensive supervision of the corporate social and environmental responsibility activities conducted by the Group Sustainable Development and Communication Office and the Safety, Environment and Plant Integrity Management Office.

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

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

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

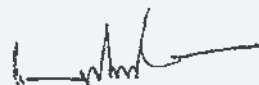
5. Others

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

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

5.3 Reported the Good Corporate Governance Committee's activities for the year 2020 to the Board of Directors.

The Board of Directors and the Good Corporate Governance Committee are committed on raising the Company's level of good corporate governance and corporate social responsibility to international standards. We aim to achieve sustainable development and to increase its value and protect the interests of all stakeholders with transparency, fairness, integrity, and dedication. The Committee also has significant responsibilities for environmental protection, preservation, as well as social responsibility and community development.



Mr. Kamol Juntima

Chairman of the Good Corporate Governance Committee

24

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 organisation, 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 emphasises 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 Shareholders

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 emphasises 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.

Principles 9 - 17:
• Responsibilities of
Board of Directors

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

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

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

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

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

Since the Company submitted a petition to the Central Bankruptcy Court (the "Court") for Business Rehabilitation on 1 October 2015 and the Court issued an order for the Rehabilitation on 10 March 2016, the statutory rights of shareholders have been suspended except the right to receive dividends. The Company, therefore, has not required to hold the Annual General Meeting of shareholders since 2016. Consequently, several assessment projects in relation to the Corporate Governance were not evaluated, including the Corporate Governance Report of Thai Listed Companies 2019 (CGR) rating held by the Thai Institute of Directors (IOD) in cooperation with the Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET), and the Quality of the Annual General Meeting rating evaluated by the Office of the Securities and Exchange Commission, in cooperation with Thai Investors Association and Thai Listed Companies Association.

Compliance with the Company's Corporate Governance

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

The Company's activities in 2020 to ensure compliance with the Good Corporate Governance Policy, with reference to the Organization for Governance Economic Co-operation and Development (OECD) principles of Corporate Governance, can be summarised as follows:

1. Rights of Shareholders

2. Equitable Treatment of Shareholders

Pursuant to the first two categories of the good corporate governance principle related to shareholders, since the Company filed a petition to the Central Bankruptcy Court for the business rehabilitation on 1 October 2015 and the court issued the rehabilitation order on 10 March 2016 and appointed the

Company as the Plan Preparer, the Company is, consequently, under the rehabilitation process in accordance with the Bankruptcy Act. Therefore, all statutory rights of the shareholders has been suspended with the exception of the right to receive dividends.

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

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, opportunity, 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 2020, 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 2020.

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. face to face meeting with a customer by management team, customer visit by sales team, monthly meeting, training, providing advice and assisting customers with issues related to its products.

- The Company has a complaints handling process. If the customer is not satisfied with the product, the customer can send feedback 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 2020, the Company launched the new value-added products including Extra Strength Steel solution which helps customers to create and expand the market for construction and freight vehicles, product design that meet customer's requirements in order to suit different needs for production of each customer, 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.

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 maximisation.

- The Slab Suppliers Audit Working sub-committee has conducted activities to find potential suppliers in respect of quality and quantity to ensure consistency procurement of sufficient raw materials for production within the specified period. The sub-committee has continuously strengthened relationships with manufacturers, such as visiting manufacturers and sellers. Foreign raw material producers were invited to negotiate, consult, exchange information and share experiences with the Company. Due to the COVID-19 epidemic, the factory visits, during year 2020, were held in from of meeting through Microsoft Teams. In addition, there were review of the Technical Protocol and Specification in the development of a variety of quality classes of raw materials to meet the needs of the market, and cooperation with the manufacturers to find solution for raw material quality problems.



- The Group Procurement Office has performed the following tasks:

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

2. Sourcing new suppliers and service providers on an ongoing basis in order to have suppliers, service providers and producers with high potential and ability to produce or sell high quality products that meet the Company requirements at an appropriate price and on time delivery. Every entrepreneur is treated equally. In 2020, the number of vendors have increased by 203.

3. Organising annual seminars and meetings with suppliers and service providers. In 2020, a meeting was held in February to clarify the Company's procurement policy and group procurement guidelines, other related issues on the procurement policy, the safety, occupational health and environment policy as well as the Anti-corruption policy and no-gift policy.

4. In 2020, the Company has procured Baht 1,710 million of goods from general suppliers, including energy products of Baht 602 million, roll of Baht 11 million, spares of Baht 138 million, consumables of Baht 88 Billion, fixed asset and capital expenditures 167 million, services of Baht 644 million and others of Baht 60 million. The Company also procured products from local communities in Bangsaphan area with a volume of Baht 256 million. In 2021, the Company expects its volume of procurement to rise by up to Baht 2,000 million from general suppliers and Baht 260 million from local communities.

5. In 2020, Visiting the production process and management system of 6 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.

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

- The Company has policy to treat all creditors fairly and equally. The Company strictly abided by all terms of any loan agreement with its creditors and financial institutions in a responsible and transparent manner including the purpose of lending, repayment, collateral treatment. It will not conceal any information or hide any facts that might possibly result in the 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, Fitness, food court at Bangsaphan. The Company supported for activities of employee's saving cooperatives and establishment of cremation welfare group.

- The Company values the importance of employee welfare and benefits as well as the quality of life of employees and their families. This can be seen from the National Outstanding Industrial Establishment Award in Labour Welfare/Relations Category in 18 consecutive years type (2003 - 2020).

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

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

2. Benefits such as

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

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

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

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

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

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

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

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

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

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

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

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

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

5. Human resource development, since 2002, to give employees development opportunities by providing training, seminar, academic conference, study visit and etc. This will enable employees to enhance their knowledge, understanding and skill which result in effective performance. In 2020, the Company had an average training hours of 28.57 hours/person/year and a report of which was submitted to the Board of Directors on a monthly basis.

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

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

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 Group 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 personel, caring for a good quality of employee's life, having safe and hygienic the working conditions and dedicating to social and environmental responsibilities. The safety, health and environmental management system was considered to be crucial to business operations. The Company has committed to and given support to the management system in order to develop and continually improve the management system as the safety, health and environmental requirements.

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

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

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

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

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

4. The Company reported the result of projects implemented in 2020 that the work-related accidents rate was decreased last year. The rate of work-related injury that results in days away from work in 2020 was 0 cases per one million hours worked compare to that of 2019 which was 0 cases per one million hours worked.

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

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

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

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

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

- Zero Accident Campaign 2020

- The Group Procurement 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. The Company also supported other energy-saving projects such as the Air Blower type project from Root Air Blower to Centrifugal Air Blower is used for sand washing process, filtration, water treatment system and improvement project of the kiln cooling system No. 1, as well as other electricity saving projects such as a 500W LED replacement project to replace the 1,000 W Spotlight HID.

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:

1. Directors & Officers Liability Insurance
2. Marine Cargo Open Policy
3. Public Liability Insurance
4. All Risks of Property Damage, Machinery Breakdown, Boiler Explosion and Business Interruption Insurance (for major plants)
5. Property All Risks Insurance (for office buildings)

In addition to the primary insurance coverage mentioned above, the Company has extended its insurance coverage to other SSI subsidiaries that have been operated 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, the Company separated the compliance monitoring work from the Group Legal Office by setting up the Group Compliance and Corporate Governance Office. This department is responsible for independent oversight of the Company's internal operations.

For major litigations and disputes against the Company as disclosed in the notes to 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@ssi-steel.com, or
- By post to : The Good Corporate Governance

Committee at the postal address of P.O. Box 534, Delivery Post Office Bangrak, Bangkok 10500.

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

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 2019, the Company was recertified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) in the 1st renewal. Details can be found in the anti-corruption section.

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 2020, the information disclosure of the Company as following:

1. 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 of the year 2020, after reviewed by the licensed auditor, as well as the Management Discussion and Analysis (MD&A) of the Company and subsidiaries.
2. Reported the progress of elimination of grounds for delisting and the progress of the implementation of the rehabilitation plan for the 4th quarter of the year 2020 to The Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

3. Distributed the Annual Report (Form 56-2) to the Board of Directors, as the Plan Administrator and informed such information to The Stock Exchange of Thailand, the Office of the Securities and Exchange Commission and the Ministry of Commerce within the period required by law.

4. Submitted Form 56-1 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.

The Stock Exchange of Thailand has announced the delisting of the Company's ordinary shares from being listed securities. Which is effective from 11 July 2020 onwards, the Company has not disclosed the information through The Stock Exchange of Thailand from the date of revocation.

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 Group Corporate Finance Office to responsible for investor relation tasks and Group Sustainable Development and Communication Office to take direct responsibility for the information disclosure to the public through mass media. Both offices have disclosed and distributed material information through The Stock Exchange of Thailand and 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 and social activities, both in Thai and English.

4.2.1 Investor Relations

In 2020, 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 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 2020, the Group Sustainable Development and Communication 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 22 January 2021,

consisted of 11 members, including 5 Independent directors, 6 non-executive directors and 4 executive directors. The number of independent directors is sufficient as defined by the Good Corporate Governance Policy and the Principles of for Listed Companies 2012.

The names of the Board of Directors are as follows:

1. Mr. Somchai Sakulsurarat
Chairman of the Board of Directors
and Independent Director
2. Mr. Tongchat Hongladaromp
Director and Independent Director
3. Mr. Siripol Yodmuangcharoen
Director and Independent Director
4. Mr. Permpoon Krairiksh
Director and Independent Director
5. Mr. Yarnsak Manomaiphiboon
Director and Independent Director
6. Mr. Somchai Pipitvijitkorn
Director
7. Mr. Kamol Juntima
Director
8. Mr. Win Viriyaprapaikit
Director
9. Mr. Nava Chantanasurakon
Director
10. Mr. Kittisak Mapanao
Director
11. Mr. Narongrit Chotnuchittrakul
Director

Directors who are authorised to sign on behalf of the Company are Mr. Kamol Juntima, Mr. Somchai Pipitvijitkorn, Mr. Win Viriyaprapaikit, Mr. Nava Chantanasurakon or Mr. Kittisak Mapanao. 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. Somchai Sakulsurarat 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.

Roles and Responsibilities of the Chairman of the Board

1. Chair the Board of Directors' meeting and shareholders' meeting, ensure efficient meeting in compliance with the Company's Articles of Association, and encourage directors and shareholders to be involved and express their opinions independently in the meeting.
2. Determine meeting agenda in collaboration with the Group Chief Executive Officer and President.
3. Encourage and support directors to contribute their utmost abilities, in accordance with duties and responsibilities under good corporate governance and business code of conduct, as well as discharge their duties with responsibilities to shareholders and any stakeholders concerned.



4. Supervise and monitor tasks of the Board and the Committees to ensure that the Company's objectives are achieved as set forth.

5. Support the operation of the management without any involvement in the Company's routine administration.

6. Roles and responsibilities of the Chairman of the Board of Directors other than mentioned above are enforced pursuant to the provisions of relevant laws.

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, Chairman of the Audit Committee and the Chairman of the Good Corporate Governance Committee, as specified by law;
7. Ensuring that the corporate information disclosures distributed to regulatory agencies are in accordance with the law and regulations;
8. Assisting in Board activities;

9. Arranging performance assessments of the Board of Directors and reporting the results to the Board;
10. Communicating with shareholders on their legitimate rights and on the Company's information;
11. Performing any other tasks in relation to compliance with the law and other regulatory requirements.

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.

The Board of Directors has reviewed the vision, mission and business strategies plan annually, as well as monitor and ensure that the strategy is implemented and setting in Board meeting agenda. In 2020 the Board of Directors meeting No. 14/2020 on 17 December 2020 had considered and approved the Company's vision, mission and business strategies plan as proposed.

Authority and Duties of the Board of Directors

1. The Board of Directors are authorised and obligated to ensure that the Company as a debtor and a Plan Administrator operates with fiduciary duty, care and integrity; and complies with the objectives as well as all rules, conditions and procedures set forth in the rehabilitation plan and the Court's order.
2. By resolution or written authorisation, the Board of Directors is entitled to delegate its responsibilities to any person or individual, who may or may not be director, who will act on the Company's behalf and sign their names so as to legally bind the Company according to conditions given to any person so delegated by the Board of Directors. The Board of Directors may delegate various aspects of its authority to one or more people.
3. The Board of Directors must meet, no less, than once every three months.

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

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

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

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

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 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 2020, there were 14 meetings of the Board of Director, as the Plan Administrator (once a month except in February held 3 meetings per month).

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 2020, the meetings of sub-committees can be summarised as follows:

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

The Company also held specific meetings of independent directors consisting of 5 members. In 2020, there were 2 meetings held in February and August 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 2020 (Number of Meetings Attended / Number of Meetings Held)

Name	Board of Directors (As the Plan Administrator)	Audit Committee	Nomination and Remuneration Committee	Good Corporate Governance Committee	Risk Management Committee	Independent Directors
1. Mr. Somchai Sakulsurarat Chairman of the Board of Directors and Independent Director	13/14	5/5				2/2
2. Mr. Tongchat Hongladaromp Independent Director	12/14				3/4	2/2
3. Mr. Siripol Yodmuangcharoen Independent Director	14/14		2/2	4/4		2/2
4. Mr. Somchai Pipitvijitkorn Director	7/14		2/2		3/4	
5. Mr. Kamol Juntima Director	14/14			4/4		
6. Mr. Permpoon Krairiksh Independent Director	9/14	5/5			4/4	0/2
7. Mr. Yarnsak Manomaiphiboon Independent Director	9/14	5/5		4/4		0/2
8. Mr. Win Viriyaprapaikit Director	14/14					
9. Mr. Nava Chantanasurakon Director	12/14		2/2			
10. Mr. Kittisak Mapanao Director	14/14					
11. Mr. Narongrit Chotnuchittrakul Director	13/14					

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 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 2020, The sub-committee including Nomination and Remuneration Committee, Good Corporate Governance Committee and Risk Management Committee conducted self-assessment using the self assessment of committee on individual basis and as a whole form issued by The Stock Exchange of Thailand. The Audit Committee has an annual assessment which has been conducted since 2000. In earlier periods, it was done using the Audit Committee Self-Assessment Guide based on guidelines provided by the Thai Institute of Directors (IOD) and the American Institute of Certified Public Accountants (AICPA). Later in 2011, the "Form of Self-assessment of Audit Committee Performance" has been applied based on guidelines given in the "Audit Committee Manual" of the Office of the Securities and Exchange Commission in cooperation with The Stock Exchange of Thailand, the Thai Institute of Directors and Pricewaterhouse Coopers Company Limited published to listed companies on 28 December 2010. Its results will be annually reported to the Board of Directors. From 2015, the Audit Committee conducted self-assessment using both form issued by the Office of the Securities and Exchange Commission and The Stock Exchange of Thailand.

The Board of Director acknowledged the self-assessment report for 2020 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 2020 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 visit at other listed company in order to increase their knowledge and potential. Such knowledge are brought to enhance the Company's operations. Training and seminars are provided both inside and outside the Company. In addition, a rotation program for senior executives in the SSI Group has also been conducted to share and gain experience within the Group.

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

5.6.1 Development Program for Directors

1. Orientation for new directors

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

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

In 2020, the following directors and executives underwent training and seminars;

Directors/Executives	Position	Courses/Seminar	Organisation
Mr. Win Viriyaprapaikit	Director	1. The Development of Community-Based Power Plants for Thai Local Sustainability	Power Energy Network
		2. 2020 SEAISI e-Conference	SEAISI
Mr. Nava Chantanasurakon	Director	1. Competency Development Roadmap	Thai Skill Plus Co., Ltd.
		2. Class 5 th Advanced Master of Management Program, AMM	NIDA
		3. 2020 SEAISI e-Conference	SEAISI
Mr. Kittisak Mapanao	Director	1. Construction Contract Management in Practice	Omega Worldclass Innovation Institute

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.

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

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

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

9.1 Report on conflicts of interest.

9.2 Fraud, Irregularity or Material defects in the internal control system.

9.3 Infringement of the Securities and Exchange Commission laws, and laws relating to the Company's business as well as rules, regulations, notifications and orders issued by such laws.

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

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

2. The Nomination and Remuneration Committee

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

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

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

1. Duties and Responsibilities - Nomination

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

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

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

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

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

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

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

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

2. Duties and Responsibilities - Remuneration

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

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

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

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

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

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

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

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

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

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

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

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

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

3. Good Corporate Governance Committee

As of 31 December 2020, the Good Corporate Governance Committee consisted of 3 members, whose term of office is 3 years (from 4 December 2019 to 3 December 2022), as follows:

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

Scope of Duties and Responsibilities of the Good Corporate Governance Committee

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. Risk Management Committee

As of 31 December 2020, the Risk Management Committee consisted of 3 members whose term of office is three years (from 4 December 2019 to 3 December 2022), as follows:

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

Scope of Duties and Responsibilities of the Risk Management Committee

1. Review and propose the Company's risk management policy and acceptable risk appetite to the Board of Directors for approval.

2. Oversee the development and implementation of the Company's enterprise risk management framework.

3. Review risk management reports submitted by management in order to monitor the Company's major risk exposures and take appropriate action to ensure that such risks have been effectively monitored and controlled by management on an ongoing basis.

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

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

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

Management Committee

As of 31 December 2020, the Management Committee consisted of 11 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. Jira Chotinuchit
Management Committee Member
5. Mr. Narongrit Chotnuchittrakul
Management Committee Member
6. Mr. Somsak Sivapaiboon
Management Committee Member
7. Mr. Manin Inprom
Management Committee Member
8. Mr. Yongyuth Malithong
Management Committee Member
9. Mr. Veerawit Tulalamba
Management Committee Member
10. Mr. Peter Rowson
Management Committee Member
11. Mr. Theerawut Lompongpiat
Management Committee Member

Scope of Duties and Responsibilities of the Management Committee

1. Study, analyse and propose the Company's policies, strategies, long-term plans, annual plans, budgets, investment plan, capital budgets, expansion plans and plans for new operations or joint ventures; to the Board of Directors for approval.
2. Responsible for implementing the policies and plans approved by the Board of Directors, as well as monitoring and evaluating the results of those operations to submit to the Board of Directors for its consideration.
3. Comply with the scope of authority determined under the Authorization Chart approved by the Board of Directors.
4. Perform any other duties as assigned by the Board of Directors.

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.

Remark:

- 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.

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 Manament Policy No. 4/2008 dated 27 May 2008 regarding Disciplinary Action and Disciplinary Punishment.

Auditor's Remuneration in 2020

1. Audit Fee

The Company and its subsidiaries including Prachuap Port Company Limited and West Coast Engineering Company Limited accrued an audit fee for the past fiscal year of Baht 3,580,000 to D I A International Audit Co., Ltd. which is 0.85% higher than the year 2019. The other expenses (Out-of-pocket Expense) which consist of transportation costs for work at Baht 500 per day per company and other expenses related to operations will be actually charged.

For its joint venture, Thai Cold Rolled Steel Sheet Public Company Limited (TCRSS), accrued an audit fee for 2020 of Baht 1,300,000 to EY Office Limited and other expenses (Out-of-pocket Expense) related to operations will be actually charged.

2. Non-audit Fee

The Company's subsidiaries in Thailand (Prachuap Port Company Limited) also accrued Baht 50,000 for the auditing of a project that received investment privilege and for which an exemption from annual income tax may be requested, to D I A International Audit Co., Ltd. which is the same rate as the fiscal year 2019 and 2018.

25

Sustainable Development

Overview

The Company has set its own policy and of its subsidiaries on conducting business with responsibility to society, environment, and stakeholders in accordance with the Corporate Social Responsibilities guidelines of The Stock Exchange of Thailand, as appeared in the Company's Corporate Social Responsibilities Report published in printed version and via the Company's website: <http://www.ssi-steel.com>.

The Company undertook the corporate social responsibility activities by adhering to its Vision: "Leading Innovative and Reliable Steel Company", Mission: "Innovate premium value steel product, service and market for customers and consumers; create sustainable shared value and trust for stakeholders", and integrating with its policies and practices, such as corporate governance policy, code of conduct and business practices for suitability with the operations and communications with all groups of stakeholders. The Company established strategies and guidelines for operation and communication under concept "innovate • strength".

Scope of the Report

The Company's social responsibility report has been prepared by applying with the Global Reporting Initiative (GRI) G4, which is an international initiative.

Business Operations and Its Impact on the Social Responsibility

The Company operated its business by trying to avoid conflicts or disputes with the stakeholders, i.e., customers, business partners, competitors, employees, society, and communities that the Company involved with. The Company has mechanism to oversee and supervise all divisions of the Company to operate by compliance with the laws relevant to the Company's businesses (Legal Compliance) by preparing a list of legal and regulatory restrictions to be observed by the Company and such list has been updated on regular basis. In addition, each division was obligated to review its legal compliance and reported to the Group Legal Office, who was responsible for collecting and presenting the finding to the Audit Committee on a quarterly basis.

Activities for Social and Environmental Benefits (After Process)

The Company has continuously focused on social and community development in accordance with to the sustainable development guidelines to strengthen the stakeholders, based on three fundamental principles: Creativity, Stakeholder Engagement and Operation Efficiency. In 2020, the Company carried out 30 social and community development projects, which divided into two parts; (1) Social capital development to strengthen the underprivileged and (2) Community development in four aspects; education quality, environmental quality, occupation and income, and good quality of life as well as support religious and local culture activities. Examples of the 2020 projects were as follows:

- The Company and its 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) arranged “Konlhek Virtual Run 2020”. Fund (without deducting expenses) raised from this event totaled Baht 3 million was donated to 20 foundations that support the underprivileged. There were 102 customers, business partners and organisations, including 850 employees and public participated in this event.
- The Company has arranged various educational development projects for the youth, which included Sahaviriya Funds for Bang Saphan Educational Development Project, Power Your Dream, Power Your Brain Project, Local Curriculum Development Project, Technician Development for Steel Industries Project, and Annual Scholarship Project which is the project to grant annual scholarship to students in Bangsaphan District from primary to bachelor education. In 2020, the Company granted 253 scholarships, worth Baht 677,500 to students in 20 schools. SSI staff also provided 121 “Tun Nee Phue Nong” scholarship funds, worth Baht 167,000.

- For local economy aspect, the Company organised the Community Bank Project, the participatory development of quality of life on sustainable basis scheme, jointly with 18 villages in 4 sub-districts located surrounding the plant site, by supporting and enhancing the communities to establish 18 community banks. As at 31 December 2020, there were total funds amounting to Baht 41,510,101 and 3,665 project members could enjoy the benefits. In addition, 9 community leader councils have been established to manage their communities on participatory basis.

- The Company puts strong emphasis on environmental and natural resources responsibilities. Apart from controlling its production process to ensure that the emission from the production process would not affect the quality of life and health of the employees and the local residents, the Company also cooperated with the relevant organisations to arrange activities and campaigns to improve quality of environment continually. In 2020, the Community Waste Management Knowledge Center has been established areas of Moo 7, Baan Tunglankhwai, Mae Rumphueng Sub-district, Bangsaphan District, Prachuap Khiri Khan Province to encourage for local participation on waste reduction, separation and recycle for maximum benefit.

In addition, during the coronavirus (COVID-19) pandemic which impacted people in all areas, the Company synergised with the public sectors and civic sectors on arrangement of “Save Bangsaphan Project” which support preventive measures in order to ensure the safety of employees, people in Bangsaphan Communities, medical staffs, and agencies who responsible for preventing the outbreak or to minimise impact from the outbreak of COVID-19. Such supports are informs of knowledge and equipment such as COVID-Clear Gate at the Bangsaphan District Office, Too Pun Suk (sharing pantries), face masks, N95 face masks, PPE, UV Sterilizer, fabric face masks, infrared temperature sensors, as well as budget to construct 2 negative pressure units in emergency room and in dental room in Bangsaphan Hospital, etc.

Anti-Corruption

The Board of Director constantly 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. On 22 January 2016, the Company was first certified by Thailand's Private Sector Collective Action Coalition Against Corruption Project (CAC) and became a member of CAC. Later on 21 May 2019, the Company was recertified and the certificate has been valid for another 3 years. In 2020, the Company carried out the following activities:

The Company established supervision and control practices to prevent and monitor fraud and corruption risks, which were summarised 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 Company's Guidelines on Anti-corruption has been revised to align with the notification of the National Anti-Corruption Commission (NACC) Re: Guidelines on Appropriate Internal Control Measures for Juristic Persons to Prevent Bribery of State Officials, Foreign Public Officials and Agents of Public International Organizations" under section 123/5 of the Organic Act on Counter Corruption B.E. 2542. The anti-corruption guidelines provide guidance on offering or receiving gifts or entertainment or hospitality activities, granting contributions or donations to charities or commonwealth, and political contributions, reporting of suspected fraud or corruption. This policy and guidelines were developed in addition to the existing "SSI WAY" that has already developed the Company's commitment to ethics shown in business philosophy, integrity shown in business ethics and employee ethics, and values as well as the ethical conduct for employees on conflicts of interest shown 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. They were communicated via an internal e-mail and newspaper. All employees were able to access to this policy and guidelines which were place on the Company Intranet and also available on the Company's website: www.ssi-steel.com. In addition, the Company has published the guidance on offering or receiving gifts through GCG News (Internal e-mail) so that employees can know and act upon them correctly. The Company also sent the letter requesting their business partner for cooperation to refrain from offering gifts to the Company's employees. Moreover, The Company's "No Gift Policy" were pinned at all notice board for employees at all levels to acknowledge and implement in order to create a good standard in operation and perform their duties without expecting other benefits. At the annual supplier seminar which is held once a year, the Company's Anti-corruption policy will be communicated to all suppliers who attended the seminar, which in 2020 the annual supplier seminar was held in March.

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. In 2020, trainings on the Anti-corruption Policy in the mandatory orientation program for new starters were held in March and October 2020 in addition to the refreshing training program to reaffirm understanding of employees at both Bangkok office and Bangsapan office.

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 2020, the Company organised an activity that raised awareness among its employees called "Anti-corruption Egg Quiz by 4G" game with the collaboration between the Group Compliance and Corporate Governance Office, Group Legal Office, Group Procurement Office and Group Internal Audit Office. The objectives of this quiz game were to evaluate employees' understanding and to survey employees' attitudes on Anti-corruption program. The survey results were used to identify gap, improve, and fix the Company's anti-corruption prevention program.

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 and the Audit Committee for acknowledgement. This is 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 policy, 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. In 2020, there was no whistleblower tips received through whistleblowing channel.

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 on the compliance with Business ethics and Employee ethics

The Company continually surveyed its employees about their perceptions and compliance with the Company's Code of Conducts 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 conducts but also the anti-corruption policy was also surveyed. The objectives of the survey are to improve the effectiveness of internal communications to ensure that employees understand the Company's Code of Conduct and Anti-corruption policy and to monitor and assess the employees' compliance.

Innovation, Research and Development

In 2020, the Company aims to develop its strength within the organisation to build its potential in steel industry. Hence, the "School of Engineering (SoE) - Intermediate Course" project was launched to provide sophisticated engineering knowledge and information technology which can be connected to employee's various works and enhance business competencies. The courses provided in the project included:

1. Metallurgy for rolling flat steel
2. Quantum Geometry Information System
3. Biogas

Experts from various fields were invited to share experience and knowledge with staffs.

In addition, the Company also encouraged its engineers to search for new knowledge for development of process and product quality in the "SSI Super Engineer" Project. It emphasised engineers to enhance their skill in innovation thinking, technology to increase efficiency of machine, process and product. For example, Installation of Scale Cleaner Machine at SKM3 Backup Roll, Improvement of Oil Lubrication Gear Box COB & FIM L3, Improvement of Atomizing Air Flow Rate System At Furnace 1&2 and Improvement of Scale Peel Off for heavy HRC gauge.

In order to emphasise the learning skill of the operating staff, the Company has continuously organised "SSI QCC CONTEST" annually to enhance their systematic thinking and analysis skill with the right process to solve the problem and self-improve the quality of their jobs by focusing on teamwork. In 2020, there were 12 QCC teams, and 12 improvement activities, which examples of the outstanding projects are the "Reduce of Hot Rolling Wave & HFL Fold Loss" project and the "Reduce of Equipment Damage in Acid System of PO Line and Greasing Control" project.

Furthermore, the Company has arranged “SSI Steel Construction Virtual Forum 2020” Seminar to disseminate knowledge and innovation in structural steel products and to establish networks among contractors, engineers and academics. The Company also determined to build coordination on research and development with the academics, institutes, and universities (i.e. National Metal and Materials Technology Center, Synchrotron Light Research Institute (Public Organization), Metallurgy and Materials Science Research Institute of Chulalongkorn University, and King Mongkut’s University of Technology North Bangkok). Sample of the works performed included adhesion characteristic of oxide scale on hot rolled coil, and etc. with objective to develop products and innovation that serve and support steel industries and continuous industries which led to sustainable domestic primary industries.

“Structural Steel Improvement (SSI) for Young Engineers Program 2020” has been arranged continuously for 3 years. In 2020, SSI has granted 8 structural steel research scholarships, worth Baht 25,000 each, to 5 universities, including Walailak University (2 scholarships), King Mongkut’s University of Technology Thonburi (3 scholarships), Kasetsart University (1 scholarship), Bangkok University (1 scholarship), and Chiang Mai University (1 scholarship).

Safety, Occupational Health and Work Environment

The Company determines to create awareness on safety, occupational health, work environment and sustainable development to protect personnel within the organisation as well as the contractors working in the plant sites continually, by focusing on prevention all employees from occupational injuries and illness so that they can work safely and physically healthy. The management on safety and occupation health is based in ISO 45001 Occupational Health and Safety Management Standard which has been developed and improved continually so that the employees will be healthy, both physically and mentally, free from occupational diseases and confidence in the organisation’s safety, occupational health and work environment management system.

The Company has operated its safety management, occupational health and work environment, aiming to build safety awareness for employees and their colleagues with no accident at work through various programs, such as Zero Accident Campaign, Safety Culture and Behavior-based Safety (BBS), Safety Patrol and Employees’ Health Precaution from Exposure to Occupational Risks. The safety, occupational health and work environment committee has closely monitored and provided guidelines to improve safety in all areas with full support from all departments. The Company determines to develop measures to minimise the Lost Time Injury Frequency Rate to nearly zero or zero and no occupational sickness continually.

In 2020, LTIFR per one million working hours of the Company was 0, for the second consecutive year. In overall, LTIFR of the SSI Group is 0.14 which decreased from last year which was at 0.77. It was the best overall statistics of SSI Group during the past 10 years as a result of the SSI Group’s management support in the occupational accident reduction campaigns and cultivated the employees’ awareness on safety solemnly and continually to achieve such overall statistics of SSI Group. In 2021, SSI Group will arrange safety plans and measures to solve problems and reduce occupational accident continually, such as arrangement of Job Safety Analysis (JSA) trainings to all employees (100%), establishing reward and punishment measures according to the safety-driven plan as well as implementation of KPI to make the employees place more importance on safe working, and etc.



Lost Time Injury
Frequency Rate (LTIFR)

Company	2018	2019	2020
SSI	0.31	0.00	0.00
TCRSS	0.00	0.00	0.00
WCE	1.86	2.58	0.48
PPC	0.00	0.00	0.00
SSI Group	0.56	0.77	0.14

Note:

LTIFR (Lost Time Injury Frequency Rate) = (the number of lost time injuries occurring in a workplace x 1,000,000) / total operating hours

* Information as of 31 December 2020

The Company also arranged training matrix in the annual training plan pursuant to the safety standards and risks related to operations and the relevant laws. In this regard, nature of activities/works and working conditions of the employees will be assessed by their divisions. Results were then submitted to the safety function to review risk factors to use as guidelines on allocate group of employees who are necessary to attend the relevant training courses and necessity of the specified refresher courses. In 2020, the Company arranged 44 occupational health and working environment training courses and standards of all activities have also been reviewed to ensure that they are up to date, can control risks and the operator can actually perform as per specified.

26

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, mission, and goals. The Board of Directors has assigned the Audit Committee to ensure the appropriateness and effectiveness of the Company's internal control and internal audit system as stated in the Audit Committee Charter (No. 5) dated 14 February 2019 which has been amended and restated by the resolution of the Board of Director meeting No. 2/2019 held on 13 February 2019. The scope of authority, duties and responsibilities of the Audit Committee were amended in order to accord with the anti-corruption policy and guidelines. In 2020, the Audit Committee Charter was revised on 10 November 2020 and remained unchanged.

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 2020 using the self-evaluation forms which issued on 19 February 2014 by the Securities and Exchange Commission regarding internal control over financial reporting in accordance with the criteria in the new Internal Control-Integrated Framework which issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). From the results of the assessments for the year 2019, the Company completely complied with those criteria in the self-evaluation form; hence the Audit Committee concluded that the Company has the sufficient internal controls system for preparing accurate and 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. And later, the Board of Director meeting No. 9/2017 held on 15 August 2017 passed a resolution approving the Code of conduct for SSI's Internal Auditor to provide guidance to internal auditors serving others. The Code of conduct is in accordance with the Code of Ethics and the International Standards for Professional Practice of Internal Auditing.

In December 2014, the Board of Directors approved the establishment of the Group Internal Audit Office under the new organisational structure of the Company as a group function. On 11 February 2020, the Audit Committee approved the ratification of the Group Internal Audit Office's revised organisation structure. The Group Internal Audit Office still report directly to the Audit Committee since their appointment in 1999. Over the past year, the Audit Committee has also approved the Group 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 Group Internal Audit Office 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 Group Internal Audit Office

The Head of Group Internal Audit Office in 2020 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 Group Internal Audit Office

The Audit Committee concluded that the Head of Group Internal Audit Office has sufficient knowledge and competence needed to perform duties in 2020.

3. Guidelines on the appointment, transfer and dismissal of the Head of Group Internal Audit Office

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

27

Related Party Transactions

Related Party Transactions

Name of Entities	Nature of Relationships	Related Transactions in 2020 (Million Baht)		Outstanding Balance (Million Baht)	
Thai Coated Steel Sheet Co., Ltd.	Direct subsidiary, 3.7% shareholding and common director	Other income	2.76	Accrued income	4.21
		Revenue from maintenance services	-	Trade accounts receivable	-
Thai Cold Rolled Steel Sheet Pcl.	Jointly controlling shareholder, 35.19% shareholding	Revenue from of sale hot rolled coils	725.33	Trade accounts receivable	12.11
		Revenue from deep-sea port and marine shipping services	14.82	Accrued income	2.48
		Revenue from maintenance services	59.05	Other receivable	186
		Total services	-	Other payables	91.58
		Other income	13.45		
Bangsaphan Barmill Plc.	Is a juristic person with common directors and Directors directly hold shares and/or indirectly more than 10%	Revenue from deep-sea port and marine shipping services	-	Trade accounts receivable	1,767
		Revenue from maintenance services	-	Other receivables	-
		Other income	0.64		
B.S. Metal Co., Ltd.	Is a juristic person with common directors and Directors directly hold shares and/or indirectly more than 10%	Revenue from sales of hot rolled coils/scrap	715.34	Trade accounts receivable	1,767.32
		Revenue from maintenance services	-	Other receivables	2.86
		Cut sheet expenses	-	Trade accounts payable	0.18
Sahaviriya Plate Mill Plc.	Is a juristic person with common directors and Directors directly hold shares and/or indirectly more than 10%			Other payables	1.04
		Sale of slabs	68.22	Trade accounts receivable	-
		Revenue from deep-sea port and marine shipping services	1.35	Other receivables	2.25
		Revenue from maintenance services	1.81	Trade accounts payable	37.26
Prapawit Building Property Co., Ltd.	Is a juristic person with common directors and Directors directly hold shares and/or indirectly more than 10%	Other income	4.09		
		Office Rental	32.41	Other receivables	-
		Revenue from maintenance services	0.33	Trade accounts payable	-
				Other payables	0.29

Name of Entities	Nature of Relationships	Related Transactions in 2020 (Million Baht)		Outstanding Balance (Million Baht)	
Western Housing Co., Ltd.	Is a juristic person with common directors and Directors directly hold shares and/or indirectly more than 10%	None	-	Trade accounts payable	-
Sahaviriya Management Service Co., Ltd.	Is a juristic person with common directors and Directors directly hold shares and/or indirectly more than 10%	None	-	None	-
Sahaviriya Panich Corporation Co., Ltd.	Is a juristic person with common directors and Directors directly hold shares and/or indirectly more than 10%	Revenue from sale of hot rolled coils	649.96	Trade accounts receivable	1,730.66
Line Transport Co., Ltd.	Being a juristic person with the Company's directors holding shares and/or indirect more than 10%	Revenue from deep-sea port and marine shipping services	-	Trade accounts receivable	-
		Revenue from maintenance services	-	Other receivables	1.09
		Other income	-	Trade accounts payable	-
		Local transportation expenses	-	Other payables	-
Bangpakong Lighter Co., Ltd.	Being a juristic person with the Company's directors holding shares and/or indirect more than 10%	Revenue from deep-sea port and marine shipping services	-	Trade accounts receivable	-
		Other income	-	Other receivables	-
		Water transportation expenses	-	Trade accounts payable	-
		Financial costs	-	Other payables	-
Bangpakong Port Co., Ltd.	Being a juristic person with the Company's directors holding shares and/or indirect more than 10%	Tolling services	-	None	-
		Other income	-		
		Local transportation expenses	-		
		Loss from sale of slabs	-		
Prachuap Pattana Development Co., Ltd.	Is a juristic person with common directors and Directors directly hold shares and/or indirectly more than 10%	None	-	None	-
Sahaviriya Iron and Steel Co., Ltd.	Is a juristic person with common directors and Directors directly hold shares and/or indirectly more than 10%	None	-	None	-
Sahaviriya Inter Steel Holdings Co., Ltd.	Is a juristic person with common directors and Directors directly hold shares and/or indirectly more than 10%	None	-	None	-
C.A.R. Services Co., Ltd.	Indirect shareholding by the Company's director(s)	None	-	None	-
Prachuap Steel Co., Ltd.	Common directors and indirect shareholding by the Company's director(s)	None	-	None	-

Name of Entities	Nature of Relationships	Related Transactions in 2020 (Million Baht)		Outstanding Balance (Million Baht)	
Redcar Bulk Terminal Limited	Jointly controlling shareholder, 50.00% indirect shareholding	None	-	None	-
Vanomet AG	Common shareholder and common director in a subsidiary	Purchases of slabs	-	Advance	
		Finance costs	-	Payment	
				for goods	195.92
Sahaviriya Shipping UK Limited	Common shareholder and director and indirect shareholding by the Company's director(s)	None	-	None	-
Thai Steel Sales Co., Ltd.	There are common directors and directors. The Company holds shares directly and indirectly.	Revenue from sale of hot rolled coils	125.42	Other payables	0.54
		Others Revenue	97.28		
SVL Corporation Co., Ltd.	There are common shareholders and directors and Directors directly hold shares and Detour			Trade accounts payable	45.48
				Other payables	0.42
Krung Thai Plc.	Shareholder Business Rehabilitation Plan Payable			Cash at bank	631.21
Siam Commercial Bank Plc.	Shareholder Business Rehabilitation Plan Payable			Cash at bank	3
				Other non-current financial assets	43

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.

28

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 2020 was:

Mrs. Suvimol Chrityakierne Certified Public Accountant Registration No. 2982

D I A International Audit Company Limited

2016, the independent auditor's opinion was disclaimer with emphasis of matters

2017, the independent auditor's opinion was disclaimer with emphasis of matters

2018, the independent auditor's opinion was disclaimer with emphasis of matters

2019, the independent auditor's opinion was qualified with emphasis of matters

2020, the independent auditor's opinion was unqualified with emphasis of matters

The summary of the basis for qualified opinion and the emphasis of matter drawn by the auditor for the 2020 Company's consolidated and separate financial statements are as follows:

Basis for Qualified Audit Opinion

Material uncertainty on going concern

As at 31 December 2020, parts of financial position of the Group and the Company are as follows:

As stated in notes 2 to financial statements, year 2020 the Group and the Company have operating net profit in the amount of Baht 377.4 million and Baht 432.6 million respectively, and the consolidated and separate statements of financial position also represented operating deficit as at 31 December 2020 amount of Baht 16,654.9 million and Baht 17,090.9 million respectively, and negative shareholders' equity of Baht 14,521.0 million and Baht 15,477.9 million respectively.

As discussed in notes 27 of the financial statements, the Rehabilitation Plan No. 2 (Revised Version), which was approved by the Central Bankruptcy Court on 18 September 2020, with the following significant, the Company needs to generate sufficient cash flows to meet both its working capital requirement and for settlement the debts from operation by issuing new share capital, conversion of debt to equity, as well as seeking new source of funding. However, to consider that the successful of the Plan should have the following events; (1) the Company has made repayments for the outstanding principal to all creditors including the creditors received debt settlement from the conversion of debt to equity No. 1 and No. 2 in the amount not less than 25% of the outstanding principal to be paid under the Plan and either (2) the Company has obtained new funding from an investor to settle debt which resulting to the shareholders' equity of the Company becomes positive, or (3) conversion of debt to equity as stipulated in the Plan resulting to the shareholders' equity of the Company becomes positive. The realisable value of assets may materially less than carrying value, if the Group and the Company are unable to continue their operations as a going concern.

However these consolidated and separate financial statements do not include the reclassification and any adjustments of asset and liabilities which might be necessary should the Group and the Company be unable to operate as rehabilitation plan from the aforementioned circumstances suggested the material uncertainty that may substantial doubt about the Company's ability to operate as a going concern. Accordingly, my opinion does not change from this matter.

Others

I have previously expressed a qualified opinion on the 2019 financial statements of Sahaviriya Steel Industries Public Company Limited in the report dated 28 February 2020 regarding liabilities under the rehabilitation plan, which I did not receive a confirmation letter of 4 principal in the amount of Baht 1,506.4 million and interest payable of Baht 284.5 million. The part where the letter of response was received, but there were 5 differences, the principal amount was higher than the account amounted to Baht 4,515.2 million and USD 117.2 million and accrued interest of Baht 1,697.5 million and USD 13.2 million and 2 cases, the amount are lower than the accounting as accrued interest of USD 93.7 million. Subsequent in 2020, the Company was able to reconcile missed and differentiated item with the account balance. Most of the difference are suspension. The calculation method varies between creditors and the Company. I have applied the other auditing procedures for satisfying with the liabilities under the rehabilitation plan. Accordingly, my opinion for 2019, which expressed a qualified as to the inability to obtain sufficient an appropriate evidences, has changed and for 2020, I have applied the other auditing procedures as similar to the year 2019.

Emphasis of Matter

1. The adoption of new financial reporting standards

I draw your attention to notes 6 to financial statements, the Group has adopted the financial reporting standards relating to the set of Financial Instruments and TFRS 16 Leases which are effective for the financial statements for the fiscal period beginning on or after 1 January 2020 that the Group selected to make adjustment to the recent beginning retained earnings by using the recognition of cumulative effects from adoption such TFRS.

2. Liabilities from guarantee borrowings settlement (Creditors class 4 under rehabilitation plan)

As stated in notes 3 (g) to financial statements with reference to Sahaviriya Steel Industries UK's ("SSI UK") is discontinued its operation and the liquidator have been appointed and entered into control. As a result, the major lender of SSI UK demanded immediate payment of the outstanding balances of borrowings which was secured by SSI UK's property, plant and equipment and a guarantee by the Company. The lender required responsibility for the liabilities in acting as guarantor of the Company in which such liabilities were classified as creditors class 4 under business rehabilitation plan of the Company ("Creditors class 4"). As stated in notes 27 to financial statements, the creditors class 4 will receive the liabilities settlement from the liquidation procedures of SSI UK, the right of the creditors class 4 to be received liabilities settlement by the Company under the rehabilitation plan. In 2020 the liquidator has sold the amount of GBP 15 million of collateral assets (before deducting expenses) and this fund was sent to creditors class 4 in full. According to the rehabilitation plan, the fund will be used to reduce the installment amount of principal in the final period backwards respectively.

Therefore, the Plan Administrator has sent a letter to the class 4 of creditors for informing the reduced principal debt balance and showing the receipt of the payment. As at 31 December 2020, the Company has not yet replied, the reduction in accounts has not been made since the process of liquidity is not finalised. Contingent liabilities from guarantee as stated in notes 34 (b) to financial statements from contractual damages from environmental insurance amounting to USD 31 million, therefore, has not changed.

3. Collection from related companies receivable

As stated in notes 27 to financial statement, the Company has two related company receivables, the outstanding balance of such receivables as at 31 December 2020 and 2019 total amount of Baht 3,497.9 million and 3,579.9 million respectively. The Company has fully set up allowance for credit loss in 2019. Such amount is higher than the amount required to complied in rehabilitation plan, which required the Company to collect from two related companies not less than the amount of Baht 300 million per annum and all outstanding debt balance as at the end of 2019 must not exceeding Baht 2,640.0 million, not complying may cause the default. However, the incident is not the cause of default because Board of creditor not yet notice for such defaulting.

Subsequent in 2020, as stated in notes 27 to financial statements, the Company has revised the business rehabilitation plan which required the Company to determine the way to settle the outstanding liabilities of those two receivables and alleviated the trouble to submit for the approval by the Board of creditors.

4. The effects from Coronavirus disease 2019 (COVID-19)

I draw your attention to notes 1.2 to financial statements, since the impacts of Coronavirus disease 2019 (COVID-19) pandemic situation had affected to the Group's business activities in respect to sales which had material impacts on the current and future financial statements of the Group and as stated in notes 4.2 to financial statements, the Company has prepared the financial information for the year ended 31 December 2020 by selecting to apply the Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation" which announced by the Federation of Accounting Professions.

5. Delisting the Company's ordinary shares as listed securities

I draw your attention to notes 1.1 to financial statements, the Company was delisted securities from the listed securities in The Stock Exchange of Thailand which is effective on 11 July 2020.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Assets

Impairment of property, plant and equipment

As described in notes 18 to the financial statements, the Group and the Company's property, plant and equipment which are stated at cost less accumulated depreciation and impairment losses are significant amount. The management exercise judgment in determining the impairment loss due to the recoverable amount of the property, plant and equipment is determined on value in use by estimate future cash flows that the entity expects to derive from the assets which related to the projection of future operating performance, future plan and determination of an appropriate discount rate and key assumptions. Therefore, I have identified that considering the impairment loss of property, plant and equipment is the significant matter that requires special attention in the audit.

My audit procedure on such matter

I have tested the impairment of property, plant and equipment by consider and assess the reasonable and supportable assumptions and approaches in preparation of the estimate of future cash inflows or outflows which the Group and the Company expected to derive from the continuing use of the property, plant and equipment. Including assess the Group and the Company's reasonable discount rate which used for calculation of the recoverable amount of the property, plant and equipment and considered the adequacy of the information disclosure related to impairment of property, plant and equipment.

Summary of Financial Statements

Statements of Financial Position

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

	2020		2019		2018	
	Baht	%	Baht	%	Baht	%
Assets						
Current assets						
Cash and cash equivalents	665,739,959	3.4	359,994,931	1.6	755,830,615	2.9
Trade accounts receivable	134,803,702	0.7	67,559,000	0.3	1,153,093,859	4.5
Other current receivables from related parties	163,943,165	0.8	172,792,089	0.8	307,527,604	1.2
Current contract assets	16,593,096	0.1	12,588,259	0.1	-	0.0
Short-term loans from related parties	11,055,963	0.1	-	0.0	-	0.0
Current portion of long-term loans	14,875,294	0.1	-	0.0	-	0.0
Inventories	4,316,393,324	21.9	7,463,700,630	34.1	9,672,926,352	37.3
Other current assets	242,585,812	1.2	217,414,058	1.0	242,627,788	0.9
Total current assets	5,565,990,315	28.3	8,294,048,967	37.9	12,132,006,218	46.8
Non-current assets						
Other non-current financial assets	44,135,840	0.2	7,595,649	0.0	98,330,568	0.4
Investments in joint venture	2,564,156,667	13.0	2,628,781,546	12.0	2,598,112,470	10.0
Long-term loans	471,446,343	2.4	-	0.0	-	0.0
Property, plant and equipment	10,922,902,304	55.5	10,926,465,042	49.9	11,048,410,953	42.6
Right-of-use assets	71,521,507	0.4	-	0.0	-	0.0
Other intangible assets	12,970,146	0.1	12,867,820	0.1	13,294,302	0.1
Deferred tax assets	9,770,968	0.0	3,635,401	0.0	8,351,425	0.0
Other non-current assets	16,932,530	0.1	14,360,040	0.1	10,363,823	0.0
Total non-current assets	14,113,836,305	71.7	13,593,705,498	62.1	13,776,863,541	53.2
Total assets	19,679,826,620	100.0	21,887,754,465	100.0	25,908,869,759	100.0

Statements of Financial Position (Continued)

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

	2020		2019		2018	
	Baht	%	Baht	%	Baht	%
Liabilities and shareholders' equity						
Current liabilities						
Short-term borrowings from financial institutions	40,000,000	0.2	60,682,672	0.3	30,000,000	0.1
Trade accounts payable	2,837,508,891	14.4	5,148,662,542	23.5	5,795,983,020	22.4
Other current payables to related parties	11,084,669	0.1	6,468,953	0.0	143,339,764	0.6
Other current payables	219,693,792	1.1	280,685,806	1.3	-	0.0
Current contract liabilities	823,914,277	4.2	244,835,765	1.1	-	0.0
Current portion of liabilities under rehabilitation plan	225,082,399	1.1	1,766,345,097	8.1	1,618,299,139	6.2
Current portion of lease liabilities	31,444,814	0.2	2,332,033	0.0	17,401,694	0.1
Provisions under guarantee	12,290,774	0.1	-	0.0	1,072,952	0.0
Corporate income tax payable	-	0.0	3,502,669	0.0	4,306,925	0.0
Other non-current financial liabilities	731,876	0.0	-	0.0	-	0.0
Other non-current financial liabilities	-	0.0	-	0.0	345,596,519	1.3
Total current liabilities	4,201,751,492	21.4	7,513,515,537	34.3	7,956,000,013	30.7
Non-current liabilities						
Liabilities under rehabilitation plan	29,527,288,478	150.0	55,226,829,497	252.3	57,061,854,691	220.2
Lease liabilities	41,439,486	0.2	1,803,188	0.0	4,130,859	0.0
Non-current provisions for employee benefits	391,164,406	2.0	360,918,519	1.6	200,357,792	0.8
Deferred tax liabilities	38,379,800	0.2	42,065,298	0.2	43,349,647	0.2
Other non-current liabilities	823,876	0.0	823,876	0.0	823,876	0.0
Total non-current liabilities	29,999,096,046	152.4	55,632,440,378	254.2	57,310,516,865	221.2
Total liabilities	34,200,847,538	173.8	63,145,955,915	288.5	65,266,516,878	251.9

Statements of Financial Position (Continued)

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

	2020		2019		2018	
	Baht	%	Baht	%	Baht	%
Liabilities and shareholders' equity						
<i>Shareholders' equity</i>						
Share capital						
Authorized share capital	11,113,018,280		11,113,018,280		11,113,018,280	
Issued and paid-up share capital	11,113,018,280	50.8	11,113,018,280	50.8	11,113,018,280	42.9
Share discount on ordinary shares	(9,500,000,000)	(43.4)	(9,500,000,000)	(43.4)	(9,500,000,000)	(36.7)
Retained earnings	-	0.0	-	0.0	-	0.0
Appropriated - Legal reserve	-	0.0	-	0.0	-	0.0
Deficit	(16,654,971,212)	(198.4)	(43,415,571,375)	(198.4)	(41,533,583,599)	(160.3)
Equity attributable to owners of the Company	(15,041,952,932)	(191.0)	(41,802,553,095)	(191.0)	(39,920,565,319)	(154.1)
Non-controlling interests	520,932,014	2.5	544,351,645	2.5	562,918,200	2.2
Total shareholders' equity	(14,521,020,918)	(73.8)	(41,258,201,450)	(188.5)	(39,357,647,119)	(151.9)
Total liabilities and shareholders' equity	19,679,826,620	100.0	21,887,754,465	100.0	25,908,869,759	100.0

Statements of Income

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

	2020		2019		2018	
	Baht	%	Baht	%	Baht	%
Income						
Revenue from sales	17,456,188,002	96.0	24,554,308,764	96.3	30,863,945,082	97.7
Revenue from rendering of services	668,722,288	3.7	645,090,223	2.5	564,207,595	1.8
Net gain on exchange rate	-	0.0	212,484,840	0.8	114,572,094	0.4
Other income	64,413,369	0.4	78,935,366	0.3	42,482,140	0.1
Total income	18,189,323,659	100.0	25,490,819,193	100.0	31,585,206,911	100.0
Expenses						
Cost of sales	16,818,610,938	92.5	25,087,705,928	98.4	28,904,135,265	91.5
Cost of inoperative	60,185,292	0.3	-	0.0	-	0.0
Cost of rendering of services	596,263,071	3.3	482,436,680	1.9	385,433,659	1.2
Distribution costs	63,299,286	0.3	85,536,672	0.3	580,510,211	1.8
Administrative expenses	628,002,895	3.5	623,426,447	2.4	610,458,285	1.9
Management benefit expenses	95,289,282	0.5	99,778,329	0.4	94,908,034	0.3
Net loss on exchange rate	33,435,996	0.2	-	0.0	-	0.0
Doubtful accounts (Reverse)	(80,372,638)	(0.4)	889,782,638	3.5	-	0.0
Loss on onerous contracts (reversal)	12,290,775	0.1	(1,072,952)	(0.0)	381,821	0.0
Gains (losses) on measurements of financial liabilities at fair value	(2,191,073,036)	(12.0)	-	0.0	-	0.0
Finance costs	1,721,160,543	9.5	5,511,242	0.0	9,199,107	0.0
Total expenses	17,757,092,404	97.6	27,273,104,984	107.0	30,585,026,382	96.8

Statements of Income (Continued)

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

	2020		2019		2018	
	Baht	%	Baht	%	Baht	%
Share of profit (loss) of equity-accounted investees						
Joint Venture	(64,624,878)	(0.4)	34,653,763	0.1	(87,174,079)	(0.3)
Profit (loss) before income tax expense from continuing operations	367,606,377	2.0	(1,747,632,028)	(6.9)	913,006,450	2.9
Income tax benefits	9,821,065	0.1	(29,343,852)	(0.1)	(13,320,291)	(0.0)
Profit (loss) from continuing operations	377,427,442	2.1	(1,776,975,880)	(7.0)	899,686,159	2.8
Discontinued operation						
Profit (loss) from discontinued operation	-	0.0	-	0.0	-	0.0
Profit (loss) for the year	377,427,442	2.1	(1,776,975,880)	(7.0)	899,686,159	2.8
Profit (loss) attributable to						
Owners of the Company	376,347,073	2.1	(1,802,877,833)	(7.1)	866,651,745	2.7
Non-controlling interests	1,080,369	0.0	25,901,953	0.1	33,034,414	0.1
Profit (loss) for the year	377,427,442	2.1	(1,776,975,880)	(7.0)	899,686,159	2.8

Statement of Comprehensive Income

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

	2020		2019		2018	
	Baht	%	Baht	%	Baht	%
Profit (loss) for the year	377,427,442	2.1	(1,776,975,880)	(7.0)	899,686,159	2.8
Other comprehensive income						
<i>Items that will never be reclassified to profit or loss</i>						
Impairment loss on property, plant and equipment previously revalued	-	0.0	-	0.0	-	0.0
Depreciation on revaluation surplus	-	0.0	-	0.0	-	0.0
Income tax on other comprehensive income	-	0.0	-	0.0	-	0.0
	-	0.0	-	0.0	-	0.0
<i>Items that may be reclassified subsequently to profit or loss</i>						
Foreign currency translation differences for foreign operations	-	0.0	-	0.0	-	0.0
Reclassification of foreign currency differences following liquidation of subsidiary	-	0.0	-	0.0	-	0.0
Defined benefit plan actuarial gains (losses)						
The Group	-	0.0	(79,622,016)	(0.3)	-	0.0
Joint venture	-	0.0	(5,312,917)	(0.0)	(1,763,029)	(0.0)
Income tax on other comprehensive income	-	0.0	5,456,482	0.0	-	0.0
Other comprehensive income for the year net of income	-	0.0	(79,478,451)	(0.3)	(1,763,029)	(0.0)
Total comprehensive income for the year	377,427,442	2.1	(1,856,454,331)	(7.3)	897,923,130	2.8
Total comprehensive income attributable to						
Owners of the Company	376,347,073	2.1	(1,881,987,776)	(7.4)	864,888,716	2.7
Non-controlling interests	1,080,369	0.0	25,533,445	0.1	33,034,414	0.1
Total comprehensive income for the year	377,427,442	2.1	(1,856,454,331)	(7.3)	897,923,130	2.8

Statements of Cash Flows

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

	2020	2019	2018
	Baht	Baht	Baht
Cash flows from operating activities			
Profit (loss) for the year	377,427,442	(1,776,975,880)	899,686,159
<i>Adjustments for</i>			
Depreciation and amortization	649,485,055	723,033,436	746,089,755
Bad debts and doubtful accounts	1,242,912	843,240,786	4,546,786
Loss on devaluation of inventories (reversal)	(538,517,729)	35,404,123	431,970,776
Unrealized loss (gain) on exchange rate	(23,369,224)	36,887,578	(15,600,985)
Loss (gain) on forward contracts	731,876	-	-
Withholding tax deducted at source (reversal)	(3,818,886)	-	973,309
Damaged building and equipment from flood	368,138	-	-
Write-off equipment	1,711,300	154,467	9,396,409
Employee benefit provisions	34,319,841	83,672,525	19,119,401
Loss on onerous contracts (reversal)	12,290,774	(1,072,952)	381,821
Loss (gain) on disposal of property, plant and equipment	(272,888)	(1,056,789)	(205,607)
Share of loss of joint venture (net of tax)	64,624,879	(34,653,762)	87,174,079
Profit (loss) from measurement of fair value	(2,191,073,036)	-	-
Finance costs	1,721,160,543	5,511,242	9,199,107
Finance income	(10,396,773)	(3,574,048)	-
Accrued income tax expense (reversal)	-	(1,584,000)	95,474,910
Tax expense (income)	(9,821,065)	29,343,852	13,320,291
	86,093,159	(61,669,422)	2,301,526,211

Statements of Cash Flows (Continued)

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

	2020	2019	2018
	Baht	Baht	Baht
Changes in operating assets and liabilities			
Trade accounts receivable	(68,754,544)	242,290,398	51,675,291
Other current receivables from related parties	8,848,924	134,570,290	(41,765,701)
Current contract assets	(4,004,837)	-	-
Inventories	3,685,825,035	2,173,821,599	(2,736,577,761)
Other current assets	14,203,771	5,002,426	674,482,191
Other non-current assets	(2,572,490)	(3,996,217)	(926,614)
Trade accounts payable	(2,282,252,397)	(629,509,265)	2,809,275,341
Other current payables to related parties	4,615,716	70,339,134	101,617,363
Other current payables	(69,864,065)	(20,013,168)	(162,798,632)
Current contract liabilities	579,078,512	-	-
Employee benefit obligations paid	(4,073,954)	(2,733,813)	(10,780,385)
Income tax paid	(25,738,695)	23,152,469	12,238,571
Income tax received	17,470,638	(36,554,179)	(36,904,802)
Net cash provided by operating activities	1,938,874,773	1,894,700,252	2,961,061,073
Cash flows from investing activities			
Finance income received	965,927	3,594,619	-
Increase (Decrease) in other non-current financial assets	(36,540,191)	90,734,919	(41,522,934)
Payments for short-term loans from related parties	(41,008,435)	-	-
Proceeds from short-term loans to related parties	29,733,985	-	-
Payments for long-term loans	(492,490,118)	-	-
Acquire of property, plant and equipment	(623,622,879)	(588,496,075)	(479,226,821)
Sales of property, plant and equipment	273,022	1,078,715	205,607
Acquire of intangible assets	(4,694,127)	(4,445,195)	(3,673,795)
Dividend received	-	-	22,600,871
Net cash used in investing activities	(1,167,382,816)	(497,533,017)	(501,617,072)

Statements of Cash Flows (Continued)

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

	2020	2019	2018
	Baht	Baht	Baht
<i>Cash flows from financing activities</i>			
Finance cost paid	(11,897,197)	(5,532,982)	(9,199,107)
Increase (Decrease) in short-term borrowings from financial institutions	(20,682,672)	30,682,672	(42,110,249)
Payments for liabilities under rehabilitation plan	(374,740,937)	(1,756,655,277)	(3,106,909,746)
Payments for lease liabilities	(33,926,123)	(17,397,332)	(15,964,747)
Dividend paid	(24,500,000)	(44,100,000)	(88,200,000)
Net cash used in financing activities	(465,746,929)	(1,793,002,919)	(3,262,383,849)
Net increase (decrease) in cash and cash equivalents	305,745,028	(395,835,684)	(802,939,848)
Cash and cash equivalents as at 1 January	359,994,931	755,830,615	1,558,770,463
Cash and cash equivalents as at 31 December	665,739,959	359,994,931	755,830,615

Financial Ratio

Sahaviriya Steel Industries Public Company Limited and Subsidiaries

	2020	2019	2018
LIQUIDITY RATIO			
Current ratio (Times)	1.32	1.10	1.52
Current ratio exclude long-term borrowings classified (Times)	1.32	1.10	1.52
Quick ratio (Times)	0.19	0.06	0.24
Quick ratio exclude long-term borrowings classified (Times)	0.19	0.06	0.24
Cash ratio (Times)	0.33	0.24	0.57
Accounts receivable turnover (Times)	179.13	41.29	23.23
Average collection period (Days)	2.04	8.84	15.71
Inventories turnover (Times)	12.90	10.45	12.80
Inventories turnover (Times) (Excluded Provision)	13.31	10.44	12.84
Average days sales (Days)	28.29	34.92	28.51
Average days sales (Days) (Excluded Provision)	27.42	34.97	28.43
Accounts payable turnover ratio (Times)	4.36	4.67	7.29
Accounts payable period (Days)	83.69	78.11	50.10
Cash cycle (Days)	(53)	(34)	(6)

Financial Ratio (Continued)

Sahaviriya Steel Industries Public Company Limited and Subsidiaries

	2020	2019	2018
PROFITABILITY RATIO			
Gross profit ratio	3.92%	(1.47%)	5.10%
Operating profit ratio	(0.49%)	(4.68%)	0.93%
Other profit ratio	0.17%	1.14%	2.28%
Operating cash flow margin ratio (Times)	(21.83)	(1.61)	12.53
Net profit ratio	2.08%	(7.15%)	2.81%
Return on equity ratio	N/A	N/A	N/A
EFFICIENCY RATIO			
Return on assets ratio	10.04%	(7.40%)	3.55%
Return on fixed assets ratio	19.11%	(16.09%)	7.84%
Total assets turnover (Times)	0.88	1.07	1.26
FINANCIAL POLICY RATIO			
Debt to equity ratio (Times)	N/A	N/A	N/A
Interest bearing debt to equity (Times)	N/A	N/A	N/A
Interest coverage ratio (Times)	1.21	(320.80)	96.66
Debt service coverage ratio (Cash Basis) (Times)	2.97	2.97	2.15
Dividend payout ratio	-	-	-

Per Share Data & Growth Rate

Sahaviriya Steel Industries Public Company Limited and Subsidiaries

	2020	2019	2018
Per Share Data			
Book value per share (Baht)	(1.35)	(3.76)	(3.59)
Earnings (Loss) per share (Baht)	0.03	(0.16)	0.08
Dividend per share	-	-	-
Growth Rate			
Total assets	(10.09%)	(15.52%)	6.94%
Total liabilities	(45.84%)	(3.25%)	(3.55%)
Revenue from sales and revenue from rendering of services	(28.07%)	(18.35%)	55.69%
Operating expenses	(1.09%)	(37.21%)	(66.03%)
Net profit (loss)	120.87%	(308.03%)	130.21%

29

Report on the Responsibility of the Board of Directors for 2020 Financial Report

The Board of Directors of Sahaviriya Steel Industries Public Company Limited has duties and direct responsibilities to ensure that the Company's activities comply with its policy of good corporate governance. The Board of Directors has responsibility for the preparation of the financial report of the Company, including financial statements of the Company and its subsidiaries for the year ended 31 December 2020 as well as the financial information disclosed in the Company's 2020 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.

The Board of Directors has established the risk management system, internal control system and internal audit function under supervision of the Risk Management Committee and the Audit Committee consisting of independent directors, who are responsible for overseeing the Company's control and audit functions to ensure the integrity and reliability of the Company's financial statements which has been reflexed the true performance and financial position of the Company.

The Board of Directors considers that the internal control system and the internal audit function to be appropriately robust, and that the financial statements of the Company are accurate according to accounting principle, reliable, and in compliance with relevant laws and regulations.



Mr. Somchai Sakulsurarat

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



Mr. Win Viriyaprapaikit

Group CEO and President

30

Management Discussion and Analysis

Table 1: Summary of Consolidated Financial Results

Unit: Million Baht	2020 Jan - Dec (New TFRS) ²⁾	2019 Jan - Dec (New TFRS) ²⁾	% YoY
Sales and service revenues	18,125	25,199	-28%
Cost of sales and service	17,415	25,570	-32%
Gross profit (loss)	710	(371)	+292%
SG&A	706	1,699	-58%
EBITDA ¹⁾	2,751	(1,254)	+319%
Interest expense ³⁾	1,711	6	+13,035%
Depreciation and amortisation	654	514	+19%
Income tax (reversal)	10	29	-67%
Realised FX gain (loss)	2	188	-99%
Unrealised FX gain (loss)	(36)	25	-245%
Net profit (loss)	376	(1,803)	+121%
EPS (Baht)	0.03	(0.16)	+121%

Notes:

¹⁾ EBITDA = Net Profit (Loss) + Interest + Tax + Depreciation and Amortisation

²⁾ The Company has applied the new Thai Financial Reporting Standards (TFRS), effective for financial statements for the accounting period beginning 1 January 2020. The TFRSs that affect the financial statements are as follows:

2.1 TFRS 7 Financial Instruments: Disclosure related to the new reclassification of accounting items which has impact on Income Statement for year 2020 and 2019 but has no impact on Balance Sheet.

2.2 TFRS 9 Financial Instruments related to the measurement of value of financial instruments which has impact on both Balance Sheet and Income Statement for year 2020 but has no impact on those for year 2019 because the Company has chosen to adjust the beginning retained earnings.

³⁾ TFRS 9 was applied in year 2020 while TAS 104 was applied in year 2019.

Table 2: Financial Results by Business Unit

Unit: Million Baht	2020 Jan - Dec	2019 Jan - Dec	% YoY
Sales and Service Revenues			
Consolidated¹⁾	18,125	25,199	-28%
HRC Business	17,682	24,663	-28%
Marine Business	118	197	-40%
Engineering Business	264	255	+3%
EBITDA			
Consolidated	2,751	(1,254)	+319%
HRC Business	2,686	(1,992)	+235%
Marine Business	85	160	-47%
Engineering Business	39	79	-51%
Elimination of Related Parties Transaction	(59)	499	-112%
Net Profit (Loss)			
Consolidated²⁾	376	(1,803)	+121%
HRC Business	433	(2,402)	+118%
Marine Business	(5)	57	-109%
Engineering Business	19	43	-56%
Elimination of Related Parties Transaction	(71)	473	-96%
Non-controlling Interest	1	26	

Notes:

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

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

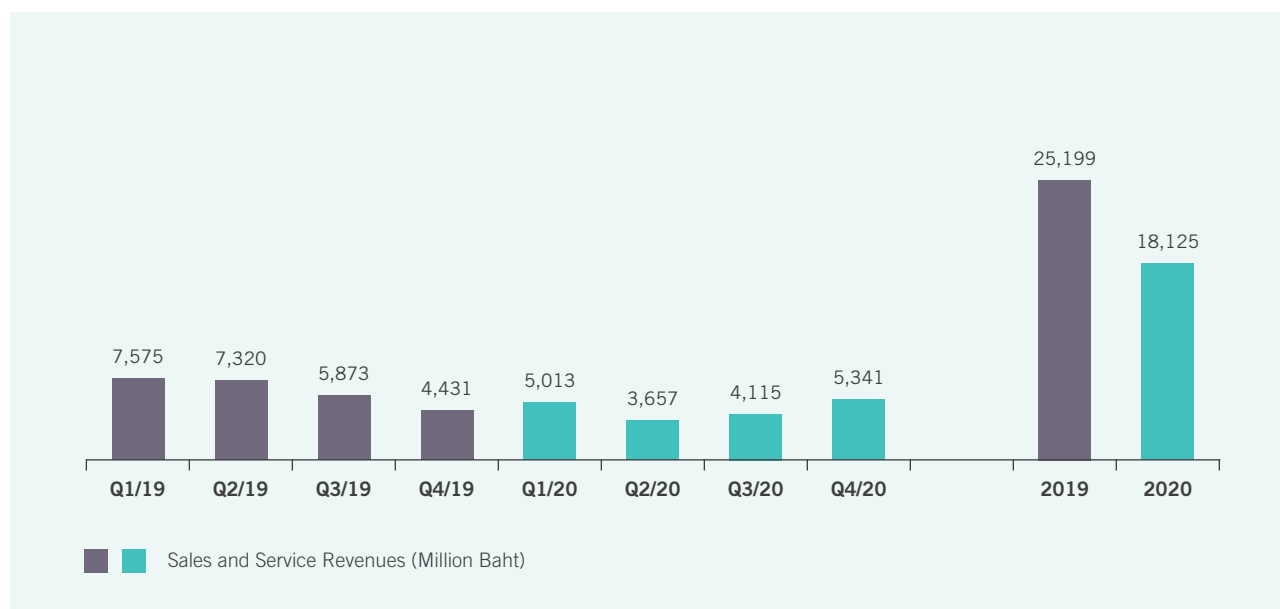
Table 3: Performance Highlight of HR Business (the Company)

Unit: USD/ton	2020 Jan - Dec	2019 Jan - Dec	% YoY
Average Selling Price	542	613	-14%
Average Cost of Goods Sold	528	617	-14%
HRC Spread ¹⁾	90	81	12%
HRC Rolling Margin ²⁾	16.7%	13.2%	
HRC EBITDA/ton ³⁾	82	(53)	255%
Sales Volume (k tons)	1,012	1,270	-20%
Production Volume (k tons)	956	1,248	-23%

Notes:

- ¹⁾ HRC Spread excludes the provision for loss on decline in value of inventories or the reversal thereof.
²⁾ HRC Rolling Margin = HRC Spread/Average Selling Price
³⁾ HRC EBITDA includes the provision (reversal) for loss on decline in value of inventories and the provision (reversal) for loss under onerous contracts.

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



Performance of the Company, its Subsidiaries and its Joint Venture

In 2020, the Company and its subsidiaries recorded sales and service revenues Baht 18,125 million, down 28% YoY. EBITDA was Baht 2,751 million, up 319% YoY from negative Baht 1,254 million. Net profit was Baht 376 million, improved 121% YoY from net loss Baht 1,803 million in 2019 as a result of (a) the increase in gross profit, (b) the decrease in SG&A and (c) the implementation of the TFRS 9, showing profit from measurement of fair value on finance liabilities Baht 2,191 million in year 2020 which did not appear in 2019.

Profitability Ratio	2020	2019 (Restated)
NP Margin (%)	2.08	(7.15)
ROA (%)	10.04	(7.4)
ROE (%)	N/A	N/A
EPS (Baht)	0.03	0.16

HR Business (the Company)

Revenues: In 2020, the Company recorded sales and service revenues Baht 17,682 million, down 28% YoY from Baht 24,663 million, with HRC Sales Volume of 1,012k tons, down 20% YoY. HRC Average Selling Price was Baht 16,956 per ton or approx. USD 542 per ton, down 14% YoY following the world steel price market. The Company's total sales included SSI Principal Products (SPP) 32%, Innovated Value Products (IVP) 30%, and Customized Prime Products (CPP) 37%.

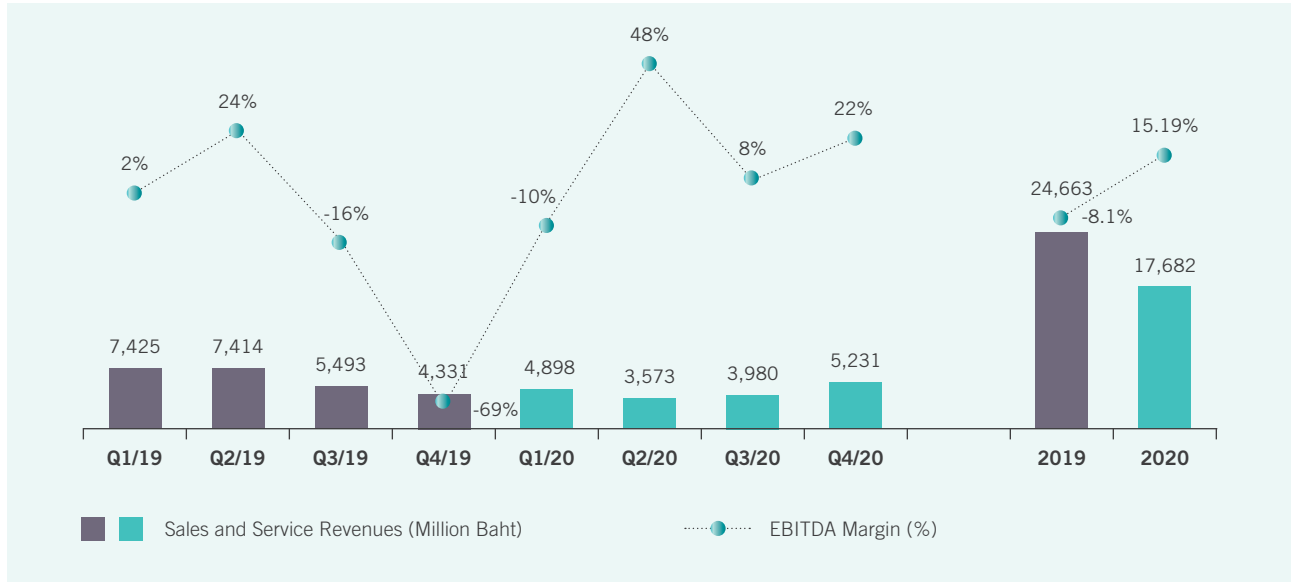
Expenses: In 2020, the Company recorded cost of sales and service Baht 17,099 million, comprising total cost of sales Baht 17,570 million and the reversal of provision for loss on decline in value of inventories Baht 472 million. Cost of sales and service decreased 32% YoY following the decrease in sale volume and the adoption of the new financial reporting standard (TFRS 7) in 2020 which a new classification of accounting items has been applied by adjusting some items in the distribution cost in SG&A to the cost of sales. Accordingly, an amount of Baht 467 million was adjusted in 2019 (New TFRS) from the distribution cost to the cost of sales to be in line with the reclassification of accounting transactions in 2020.

SG&A was Baht 696 million, down 67% YoY from Baht 2,105 million (New TFRS) due to an addition allowance for doubtful accounts on the overdue debts of related parties Baht 889 million and loss on impairment investments in a joint venture Baht 531 million which recorded in year 2019 but did not appear in 2020.

HRC Spread: In 2020, the Company recorded HRC spread of USD 90 per ton, increase from USD 81 per ton, or up 12% YoY. HRC Rolling Margin was 16.7%, up from 13.2% in 2019.

Profits: In 2020, the Company recorded gross profit Baht 583 million, EBITDA Baht 2,686 million and net profit Baht 433 million, improved 192%, 235%, and 118% YoY, respectively, from gross loss Baht 633 million, negative EBITDA Baht 1,992 million and net loss Baht 2,402 million due to (a) the increase in gross profit, (b) the decrease in SG&A and (c) the implementation of the TFRS 9, showing profit from measurement of fair value on finance liabilities Baht 2,191 million in year 2020 which did not appear in 2019.

Figure 2: Revenues and EBITDA Margin of HR Business

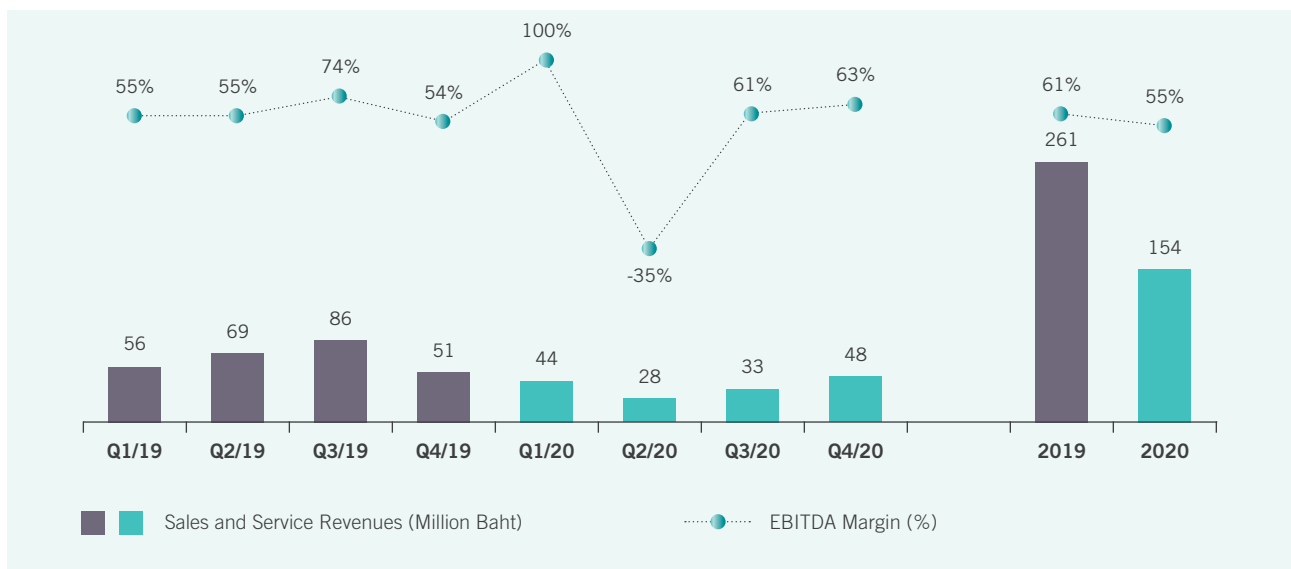


Marine Business (PPC)

Revenues: In 2020, PPC recorded total service revenues Baht 154 million, down 41% YoY following lower throughput volume at 1,620,993 tons, a decrease from 2,660,736 tons or down 39% YoY. The main revenue from SSI was Baht 36 million, down 44% YoY. The revenue excluded SSI was Baht 118 million, or down 40%. The revenues were decreased due to the overall throughput volume.

Profits: In 2020, PPC recorded gross profit Baht 23 million, EBITDA Baht 85 million, and net loss Baht 5 million, or decreased by 81%, 47%, and 109% YoY, respectively.

Figure 3: Revenues and EBITDA Margin of Marine Business

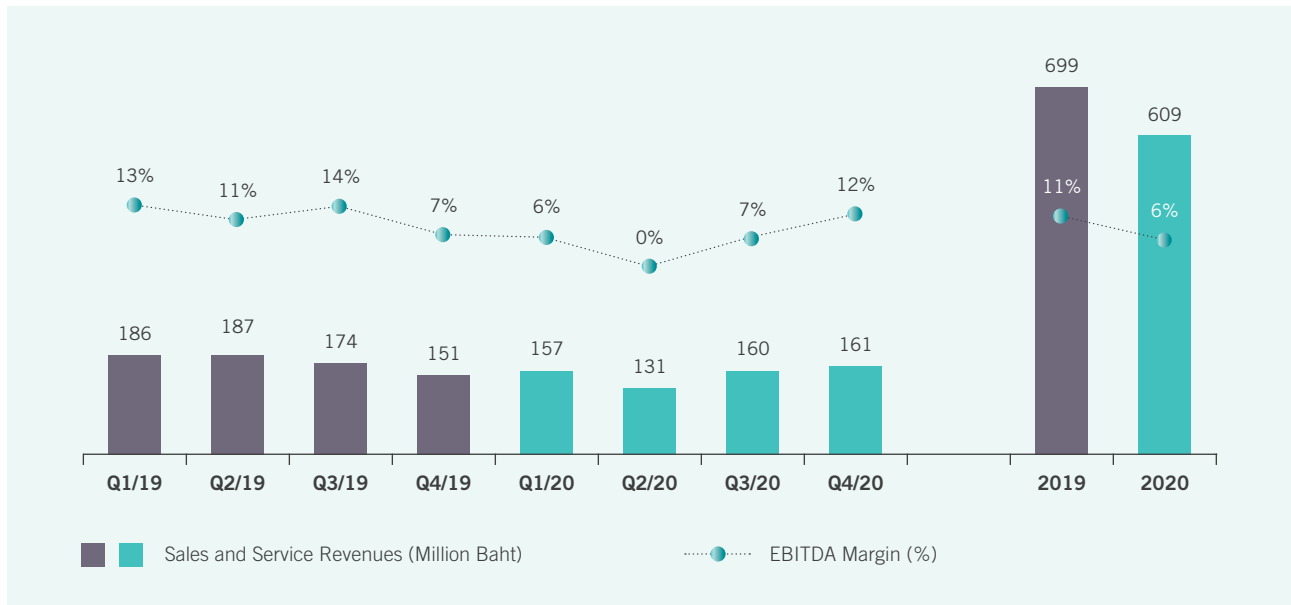


Engineering Business (WCE)

Revenues: In 2020, WCE recorded revenues Baht 616 million including sales and service revenues Baht 609 million and other income Baht 7 million. The revenues dropped from the previous year due to the COVID-19 pandemic which, obviously, had direct impact on revenue and profit as well as the delivery of some projects which were postponed to year 2021.

Profits: In 2020, WCE recorded gross profit Baht 83 million, EBITDA Baht 38 million and net profit Baht 19 million, dropped 37%, 51%, and 56% YoY, respectively due to the higher trade competition causing the lower ability in making profit and the pandemic that had impact on operating result.

Figure 4: Revenues and EBITDA Margin of Engineering Business

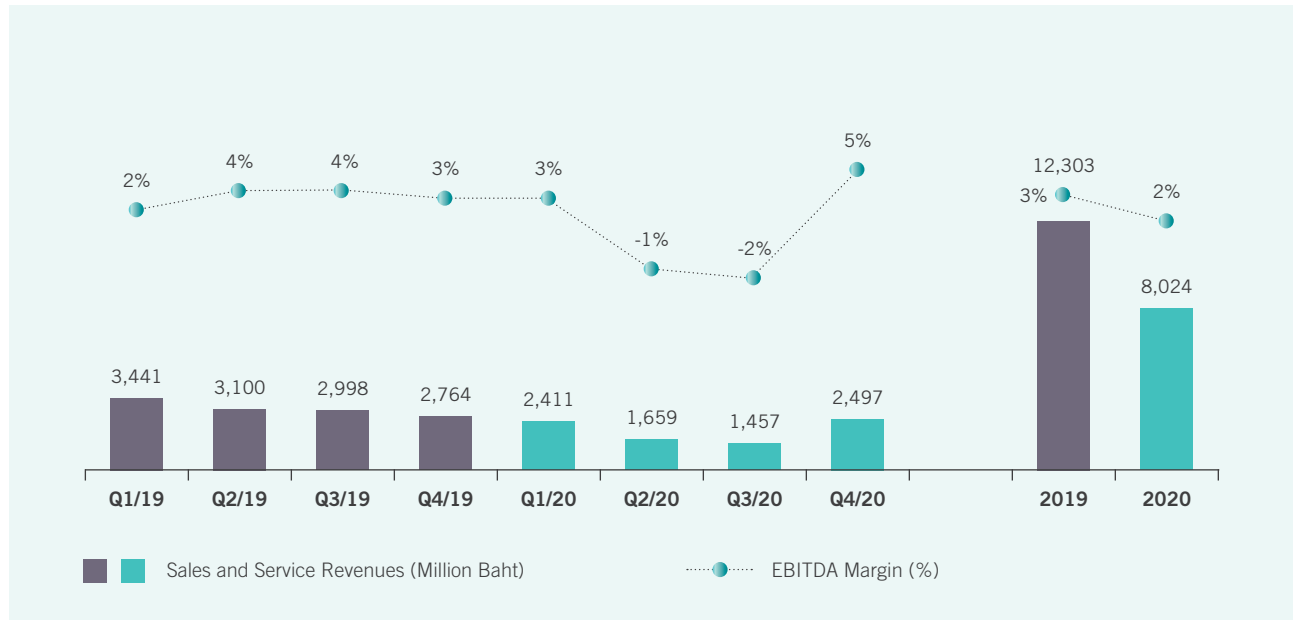


Downstream Business (TCRSS)

Revenues: In 2020, TCRSS recorded total sales Baht 8,024 million, down 35% YoY with Sales Volume 377k tons, down 28%, and Average Selling Price decrease by 9% YoY.

Profits: In 2020, TCRSS recorded gross profit Baht 113 million, EBITDA Baht 155 million and net loss Baht 182 million, up down 77%, 62%, and 2,530% YoY respectively, as a result of the COVID-19 situation which has worldwide impact causing the contraction of domestic economy.

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



Consolidated Financial Status

Assets

As at 31 December 2020, the Company and its subsidiaries had total assets Baht 19,680 million, a decrease from Baht 21,888 million as at 31 December 2019. Details are as follows:

Assets	31 Dec 2020		31 Dec 2019		31 Dec 2018 (Restated)	
	Million Baht	%	Million Baht	%	Million Baht	%
Cash and cash equivalents	666	3	360	2	756	3
Trade accounts receivable	135	1	68	0	1,153	4
Inventories	4,316	22	7,464	34	9,673	37
Property, plant and equipment	10,923	56	10,926	50	11,048	43
Investments in joint venture	2,564	13	2,629	12	2,598	10
Other assets	1,076	5	441	2	680	3
Total assets	19,680	100	21,888	100	25,909	100

Trade accounts receivable as at 31 December 2020 was netted Baht 135 million, rose 100% from Baht 68 million as at the end of 2019. **Inventories** as at 31 December 2020 was netted Baht 4,316 million, down 42% from the end of 2019, as a result of a decrease value of inventories. **Property, plant and equipment** as at 31 December 2020 was netted Baht 10,923 million, slightly down from the end of 2019.

Liabilities and Sources of Fund

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

Liabilities and Equity	31 Dec 2020		31 Dec 2019		31 Dec 2018 (Restated)	
	Million Baht	%	Million Baht	%	Million Baht	%
Current liabilities under rehabilitation plan	225	1	1,766	8	1,618	6
Trade accounts payable	2,838	14	5,149	24	5,796	22
Non-current liabilities under rehabilitation plan	29,527	150	55,227	252	57,062	220
Other liabilities	1,611	8	1,004	5	790	3
Total Liabilities	34,201		63,146		65,267	
Equity attributable to owners of the Company	(15,042)	(76)	(41,803)	(191)	(39,921)	(154)
Non-controlling interests	521	3	544	2	563	2
Total equity	(14,521)		(41,258)		(39,358)	
Total liabilities and equity	19,680	100	21,888	100	25,909	100

As at 31 December 2020, the Company and its subsidiaries had total liabilities Baht 34,201 million, decreased from Baht 63,146 million as at 31 December 2019, as a result of the implementation of the new financial reporting standards related to TFRS 9 in year 2020. In 2020, the Company has short-term debt under the Plan which is due within 1 year Baht 255 million and long-term debt under the Plan Baht 29,527 million.

All long-term borrowings from financial institutions, provisions from being guarantor and other payables under rehabilitation plan are part of rehabilitation plan. The reclassification of such borrowings, provisions, and accrued interest under rehabilitation plan are conformed to the debts settlement as stipulated in the Plan approved on 15 December 2016 (Plan No. 1) which was later amended and approved by the Court on 18 September 2020 (Plan No. 2). The Company has revealed the essence of the Business Rehabilitation Plan No. 1 and Plan No. 2 in note 27 to the Financial Statements.

As at 31 December 2020, equity attributable to owners of the Company was negative Baht 15,042 million improved from negative Baht 41,803 million as at 31 December 2019, due to the implementation of the new financial reporting standard related to TFRS 9 in year 2020.

Liquidity

1. Cash flow

As at 31 December 2020, the Company and its subsidiaries' ending cash was Baht 666 million, an increase from Baht 360 million as at the end of 2019. Details of cash flow are as follows:

- **Net cash received from operating activities** Baht 1,939 million consisting of (1) cash received from operation Baht 377 million, and (2) cash received from net change in operating assets and liabilities Baht 1,562 million.
- **Net cash used in investing activities** Baht 1,168 million consisting of (1) an increase in restricted deposit at financial institution Baht 37 million (2) long term lending Baht 504 million (3) purchase of property, plant and equipment of Baht 624 million and (4) cash paid for other activities Baht 3 million.
- **Net cash used in financing activities** Baht 466 million consisting of (1) cash paid for finance costs Baht 12 million (2) a decrease of short-term borrowings from financial institutions Baht 21 million (3) net repayment on debts under business rehabilitation plan Baht 375 million and (4) cash paid for other financing activities Baht 25 million.

2. Current Ratio

As of 31 December 2020, the Company and its subsidiaries improved its liquidity compared to the end of 2019 with an increase in current ratio, shorter average collection period and average day sales. Detailed as follows:

Liquidity Ratio	2020	2019	2018
Current Ratio (x)	1.32	1.10	1.52
Interest-bearing Debt to Equity Ratio (x)	N/A	N/A	N/A
Average Collection Period (Days)	11	35	48
Average Days Sales (Days)	28	35	29

Current Ratio

As of 31 December 2020, current ratio was 1.32x, an increase from 1.10x at the end of 2019 due to the decrease in short-term debt under the Plan from the suspension of debt repayment and the decrease in trade accounts payable as a result of the decline in sales volume of the HR Business.

Trade Credit Policy

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

Delisting of the ordinary shares of Sahaviriya Steel Industries Public Company Limited from being listed securities

As the Company submitted a petition for Business Rehabilitation to the Court on 1 October 2015, and subsequently, the Court issued an order for the Company's Business Rehabilitation on 10 March 2016, The Stock Exchange of Thailand (SET) had posted SP, NP, and NC signs on SSI securities to suspend trading of SSI from 27 April 2016 until its financial status and operations were solved. SET also announced the ground for possible delisted from being listed on the stock exchange due to the financial statements for the year 2015 showed negative shareholders' equity.

Later in year 2020, The Stock Exchange of Thailand had opened the trading of the Company's securities during 1 - 10 July 2020 before delisting the ordinary shares of Sahaviriya Steel Industries Public Company Limited from being listed on the Stock Exchange effective from 11 July 2020 onwards.

31

Independent Auditor's Report

To The Shareholders of Sahaviriya Steel Industries Public Company Limited

Opinion

I have audited the accompanying consolidated and separate financial statements of SAHAVIRIYA STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES ("the Group") and of SAHAVIRIYA STEEL INDUSTRIES PUBLIC COMPANY LIMITED ("the Company") which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of SAHAVIRIYA STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of SAHAVIRIYA STEEL INDUSTRIES PUBLIC COMPANY LIMITED as at 31 December 2020 and the consolidated and separate financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Audit Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty on going concern

As at 31 December 2020, parts of financial position of the Group and the Company are as follows:

As stated in notes 2 to financial statements, year 2020 the Group and the Company have operating net profit in the amount of Baht 377.4 million and Baht 432.6 million respectively, and the consolidated and separate statements of financial position also represented operating deficit as at 31 December 2020 amount of Baht 16,654.9 million and Baht 17,090.9 million respectively, and negative shareholders' equity of Baht 14,521.0 million and Baht 15,477.9 million respectively.

As discussed in notes 27 of the financial statements, the Rehabilitation Plan No. 2 (Revised Version), which was approved by the Central Bankruptcy Court on 18 September 2020, with the following significant, the Company needs to generate sufficient cash flows to meet both its working capital requirement and for settlement the debts from operation by issuing new share capital, conversion of debt to equity, as well as seeking new source of funding. However, to consider that the successful of the Plan should have the following events; (1) the Company has made repayments for the outstanding principal to all creditors including the creditors received debt settlement from the conversion of debt to equity No. 1 and No. 2 in the amount not less than 25% of the outstanding principal to be paid under the Plan and either (2) the Company has obtained new funding from an investor to settle debt which resulting to the shareholders' equity of the Company becomes positive, or (3) conversion of debt to equity as stipulated in the Plan resulting to the shareholders' equity of the Company becomes positive. The realisable value of assets may materially less than carrying value, if the Group and the Company are unable to continue their operations as a going concern.

However these consolidated and separate financial statements do not include the reclassification and any adjustments of asset and liabilities which might be necessary should the Group and the Company be unable to operate as rehabilitation plan from the aforementioned circumstances suggested the material uncertainty that may substantial doubt about the Company's ability to operate as a going concern. Accordingly, my opinion does not change from this matter.

Others

I have previously expressed a qualified opinion on the 2019 financial statements of Sahaviriya Steel Industries Public Company Limited in the report dated 28 February 2020 regarding liabilities under the rehabilitation plan, which I did not receive a confirmation letter of 4 principal in the amount of Baht 1,506.4 million and interest payable of Baht 284.5 million. The part where the letter of response was received, but there were 5 differences, the principal amount was higher than the account amounted to Baht 4,515.2 million and USD 117.2 million and accrued interest of Baht 1,697.5 million and USD 13.2 million and 2 cases, the amount are lower than the accounting as accrued interest of USD 93.7 million. Subsequent in 2020, the Company was able to reconcile missed and differentiated item with the account balance. Most of the difference are suspension. The calculation method varies between creditors and the Company. I have applied the other auditing procedures for satisfying with the liabilities under the rehabilitation plan. Accordingly, my opinion for 2019, which expressed a qualified as to the inability to obtain sufficient an appropriate evidences, has changed and for 2020, I have applied the other auditing procedures as similar to the year 2019.

Emphasis of Matter

1. The adoption of new financial reporting standards

I draw your attention to notes 6 to financial statements, the Group has adopted the financial reporting standards relating to the set of Financial Instruments and TFRS 16 Leases which are effective for the financial statements for the fiscal period beginning on or after 1 January 2020 that the Group selected to make adjustment to the recent beginning retained earnings by using the recognition of cumulative effects from adoption such TFRS.

2. Liabilities from guarantee borrowings settlement (Creditors class 4 under rehabilitation plan)

As stated in notes 3 (g) to financial statements with reference to Sahaviriya Steel Industries UK's ("SSI UK") is discontinued its operation and the liquidator have been appointed and entered into control. As a result, the major lender of SSI UK demanded immediate payment of the outstanding balances of borrowings which was secured by SSI UK's property, plant and equipment and a guarantee by the Company. The lender required responsibility for the liabilities in acting as guarantor of the Company in which such liabilities were classified as creditors class 4 under business rehabilitation plan of the Company ("Creditors class 4"). As stated in notes 27 to financial statements, the creditors class 4 will receive the liabilities settlement from the liquidation procedures of SSI UK, the right of the creditors class 4 to be received liabilities settlement by the Company under the rehabilitation plan. In 2020 the liquidator has sold the amount of GBP 15 million of collateral assets (before deducting expenses) and this fund was sent to creditors class 4 in full. According to the rehabilitation plan, the fund will be used to reduce the installment amount of principal in the final period backwards respectively.

Therefore, the Plan Administrator has sent a letter to the class 4 of creditors for informing the reduced principal debt balance and showing the receipt of the payment. As at 31 December 2020, the Company has not yet replied, the reduction in accounts has not been made since the process of liquidity is not finalised. Contingent liabilities from guarantee as stated in notes 34 (b) to financial statements from contractual damages from environmental insurance amounting to USD 31 million, therefore, has not changed.

3. Collection from related companies receivable

As stated in notes 27 to financial statement, the Company has two related company receivables, the outstanding balance of such receivables as at 31 December 2020 and 2019 total amount of Baht 3,497.9 million and 3,579.9 million respectively. The Company has fully set up allowance for credit loss in 2019. Such amount is higher than the amount required to complied in rehabilitation plan, which required the Company to collect from two related companies not less than the amount of Baht 300 million per annum and all outstanding debt balance as at the end of 2019 must not exceeding Baht 2,640.0 million, not complying may cause the default. However, the incident is not the cause of default because Board of creditor not yet notice for such defaulting.

Subsequent in 2020, as stated in notes 27 to financial statements, the Company has revised the business rehabilitation plan which required the Company to determine the way to settle the outstanding liabilities of those two receivables and alleviated the trouble to submit for the approval by the Board of creditors.

4. The effects from Coronavirus disease 2019 (COVID-19)

I draw your attention to notes 1.2 to financial statements, since the impacts of Coronavirus disease 2019 (COVID-19) pandemic situation had affected to the Group's business activities in respect to sales which had material impacts on the current and future financial statements of the Group and as stated in notes 4.2 to financial statements, the Company has prepared the financial information for the year ended 31 December 2020 by selecting to apply the Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation" which announced by the Federation of Accounting Professions.

5. Delisting the Company's ordinary shares as listed securities

I draw your attention to notes 1.1 to financial statements, the Company was delisted securities from the listed securities in The Stock Exchange of Thailand which is effective on 11 July 2020.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Assets

Impairment of property, plant and equipment

As described in notes 18 to the financial statements, the Group and the Company's property, plant and equipment which are stated at cost less accumulated depreciation and impairment losses are significant amount. The management exercise judgment in determining the impairment loss due to the recoverable amount of the property, plant and equipment is determined on value in use by estimate future cash flows that the entity expects to derive from the assets which related to the projection of future operating performance, future plan and determination of an appropriate discount rate and key assumptions. Therefore, I have identified that considering the impairment loss of property, plant and equipment is the significant matter that requires special attention in the audit.

My audit procedure on such matter

I have tested the impairment of property, plant and equipment by consider and assess the reasonable and supportable assumptions and approaches in preparation of the estimate of future cash inflows or outflows which the Group and the Company expected to derive from the continuing use of the property, plant and equipment. Including assess the Group and the Company's reasonable discount rate which used for calculation of the recoverable amount of the property, plant and equipment and considered the adequacy of the information disclosure related to impairment of property, plant and equipment.

Other Information

Management is responsible for the other information. The other information comprise the information included in the annual report of the Group, (but does not include the financial statements and my auditor's report thereon), which is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and the management of the Group.

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

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

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

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

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

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

D I A International Audit Company Limited



Mrs. Suvimol Chrityakierne

C.P.A. (Thailand) Registration No. 2982

1 March 2021

Statements of Financial Position

Sahaviya Steel Industries Public Company Limited and Subsidiaries
As at 31 December 2020

Unit: Baht

		Consolidated financial statements		Separate financial statements	
Assets	Note	2020	2019	2020	2019
Current assets					
Cash and cash equivalents	8	665,739,959	359,994,931	635,691,476	242,829,870
Trade accounts receivable	9	134,803,702	67,559,000	36,401,026	3,229,048
Other current receivables from related parties	7	163,943,165	172,792,089	172,069,608	203,174,781
Current contract assets	10	16,593,096	12,588,259	-	-
Short-term loans from related parties	7	11,055,963	-	11,055,963	-
Current portion of long-term loans	17	14,875,294	-	14,875,294	-
Inventories	11	4,316,393,324	7,463,700,630	4,260,405,551	7,440,368,806
Other current assets	12	242,585,812	217,414,058	192,424,811	174,673,268
Assets held for disposal from liquidation of subsidiary	3 (g)	-	-	-	-
Total current assets		5,565,990,315	8,294,048,967	5,322,923,729	8,064,275,773
Non-current assets					
Other non-current financial assets	13	44,135,840	7,595,649	43,322,326	3,633,986
Investments in subsidiaries	14, 15	-	-	278,999,930	278,999,930
Investments in joint venture	16	2,564,156,667	2,628,781,546	2,628,781,546	2,628,781,546
Long-term loans	17	471,446,343	-	471,446,343	-
Property, plant and equipment	18	10,922,902,304	10,926,465,042	9,769,170,144	9,711,399,205
Right-of-use assets	19	71,521,507	-	49,535,354	-
Other intangible assets	20	12,970,146	12,867,820	8,293,802	8,546,550
Deferred tax assets	21	9,770,968	3,635,401	-	-
Other non-current assets		16,932,530	14,360,040	15,326,254	13,142,299
Total non-current assets		14,113,836,305	13,593,705,498	13,264,875,699	12,644,503,516
Total assets		19,679,826,620	21,887,754,465	18,587,799,428	20,708,779,289

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

Statements of Financial Position (Continued)

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
As at 31 December 2020

Unit: Baht

		Consolidated financial statements		Separate financial statements	
Liabilities and shareholders' equity	Note	2020	2019	2020	2019
Current liabilities					
Short-term borrowings from financial institutions	22	40,000,000	60,682,672	-	-
Trade accounts payable	23	2,837,508,891	5,148,662,542	2,801,884,831	5,188,948,531
Other current payables to related parties	7	11,084,669	6,468,953	22,070,285	23,336,160
Other current payables	24	219,693,792	280,685,806	180,494,197	235,175,691
Current contract liabilities	10	823,914,277	244,835,765	812,234,197	232,359,478
Current portion of liabilities under rehabilitation plan	27	225,082,399	1,766,345,097	233,073,258	1,774,335,955
Current portion of lease liabilities	19	31,444,814	2,332,033	25,159,706	649,383
Short-term borrowings from related parties	7	-	-	74,500,000	-
Corporate income tax payable		-	3,502,669	-	-
Provisions under guarantee		12,290,774	-	12,290,775	-
Other non-current financial liabilities	25	731,876	-	731,876	-
Total current liabilities		4,201,751,492	7,513,515,537	4,162,439,125	7,454,805,198
Non-current liabilities					
Liabilities under rehabilitation plan	27	29,527,288,478	55,226,829,497	29,527,288,478	55,226,829,498
Lease liabilities	19	41,439,486	1,803,188	25,353,004	679,684
Deferred tax liabilities	21	38,379,800	42,065,298	15,121,842	14,268,845
Non-current provisions for employee benefits	26	391,164,406	360,918,519	334,679,381	306,174,378
Other non-current liabilities		823,876	823,876	823,876	823,876
Total non-current liabilities		29,999,096,046	55,632,440,378	29,903,266,581	55,548,776,281
Total liabilities		34,200,847,538	63,145,955,915	34,065,705,706	63,003,581,479

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

Statements of Financial Position (Continued)

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
As at 31 December 2020

Unit: Baht

Liabilities and shareholders' equity	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Shareholders' equity					
Share capital					
Authorized share capital					
11,113,018,280 common shares					
of Baht 1 each		11,113,018,280	11,113,018,280	11,113,018,280	11,113,018,280
Issued and paid-up share capital					
11,113,018,280 common shares					
of Baht 1 each	28	11,113,018,280	11,113,018,280	11,113,018,280	11,113,018,280
Share discount on ordinary shares	28	(9,500,000,000)	(9,500,000,000)	(9,500,000,000)	(9,500,000,000)
Deficit		(16,654,971,212)	(43,415,571,375)	(17,090,924,558)	(43,907,820,470)
Equity attributable to owners of the Company		(15,041,952,932)	(41,802,553,095)	(15,477,906,278)	(42,294,802,190)
Non-controlling interests		520,932,014	544,351,645	-	-
Total shareholders' equity		(14,521,020,918)	(41,258,201,450)	(15,477,906,278)	(42,294,802,190)
Total liabilities and shareholders' equity		19,679,826,620	21,887,754,465	18,587,799,428	20,708,779,289

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

Statements of Profit and Loss

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December 2020

Unit: Baht

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Income					
Revenue from sales		17,456,188,002	24,554,308,764	17,454,139,179	24,554,137,764
Revenue from rendering of services		668,722,288	645,090,223	227,367,290	108,807,618
Net gain on exchange rate		-	212,484,840	-	212,290,072
Dividend income	14	-	-	25,500,000	45,900,000
Other income					
Reversed allowance for doubtful accounts		81,999,370	-	81,999,370	-
Others		54,016,596	75,361,318	66,171,073	79,320,634
Total income		18,260,926,256	25,487,245,145	17,855,176,912	25,000,456,088
Expenses					
Cost of sales		16,818,610,938	25,087,705,928	16,882,190,490	25,195,705,128
Cost of inoperative		60,185,292	-	60,185,292	-
Cost of rendering of services		596,263,071	482,436,680	216,333,004	99,831,351
Distribution costs		63,299,286	85,536,672	51,562,061	69,763,165
Administrative expenses		629,629,627	623,426,447	560,239,029	525,627,571
Management benefit expenses	7	95,289,282	99,778,329	85,643,282	89,428,819
Doubtful accounts		-	889,782,638	-	889,782,638
Loss on impairment of investments in joint venture		-	-	-	530,886,800
Net loss on exchange rate		33,435,996	-	33,435,996	-
Loss on onerous contracts (reversal)		12,290,775	(1,072,952)	12,290,775	(1,072,952)
Total expenses		18,309,004,267	27,267,593,742	17,901,879,929	27,399,952,520

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

Statements of Profit and Loss (Continued)

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December 2020

Unit: Baht

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit (loss) from operation activities		(48,078,011)	(1,780,348,597)	(46,703,017)	(2,399,496,432)
Finance income		10,396,773	3,574,048	10,251,127	3,154,258
Finance costs		(1,721,160,543)	(5,511,242)	(1,721,125,327)	(2,332,529)
Gains (losses) on measurements of financial liabilities at fair value		2,191,073,036	-	2,191,073,036	-
Share of profit (loss) on equity securities of joint venture by equity method	16	(64,624,878)	34,653,763	-	-
Profit (loss) before income tax expense		367,606,377	(1,747,632,028)	433,495,819	(2,398,674,703)
Tax (expense) income	31	9,821,065	(29,343,852)	(852,997)	(3,116,313)
Profit (loss) for the year		377,427,442	(1,776,975,880)	432,642,822	(2,401,791,016)
Profit (loss) attributable to					
Owners of the Company		376,347,073	(1,802,877,833)	432,642,822	(2,401,791,016)
Non-controlling interests	15	1,080,369	25,901,953	-	-
Profit (loss) for the year		377,427,442	(1,776,975,880)	432,642,822	(2,401,791,016)
Basic earnings (loss) per share (Baht)	32	0.03	(0.16)	0.04	(0.22)

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

Statements of Comprehensive Income

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December 2020

Unit: Baht

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit (loss) for the year		377,427,442	(1,776,975,880)	432,642,822	(2,401,791,016)
Other comprehensive income (expense)					
<i>Components of other comprehensive income that will not be reclassified to profit or loss:</i>					
Actuarial losses					
- The Group		-	(79,622,016)	-	(72,700,499)
- Joint venture		-	(5,312,917)	-	-
Less: Taxable effects	31	-	5,456,482	-	2,743,949
Other comprehensive income for the year - net of tax		-	(79,478,451)	-	(69,956,550)
Total comprehensive income for the year		377,427,442	(1,856,454,331)	432,642,822	(2,471,747,566)
Total comprehensive income attributable to:					
Owners of the Company		376,347,073	(1,881,987,776)	432,642,822	(2,471,747,566)
Non-controlling interests		1,080,369	25,533,445	-	-
Total comprehensive income for the year		377,427,442	(1,856,454,331)	432,642,822	(2,471,747,566)

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

Statements of Changes in Shareholders' Equity

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December 2020

Unit: Baht

Consolidated financial statements								
	Note	Issued and paid-up share capital	Share discount on ordinary shares issuance	Retained earnings (deficit)		Equity attributable to owners of the Company	Non-controlling interests	Total shareholders' equity
				Legal reserve	Unappropriated (deficit)			
Balance as at 31 December 2018		11,113,018,280	(9,500,000,000)	-	(41,533,583,599)	(39,920,565,319)	562,918,200	(39,357,647,119)
Comprehensive income (expense) for the year								
Profit (loss)		-	-	-	(1,802,877,833)	(1,802,877,833)	25,901,953	(1,776,975,880)
Other comprehensive income (expense)		-	-	-	(79,109,943)	(79,109,943)	(368,508)	(79,478,451)
Total comprehensive income (expense) for the year		-	-	-	(1,881,987,776)	(1,881,987,776)	25,533,445	(1,856,454,331)
Dividend paid to non-controlling interests		-	-	-	-	-	(44,100,000)	(44,100,000)
Balance as at 31 December 2019		11,113,018,280	(9,500,000,000)	-	(43,415,571,375)	(41,802,553,095)	544,351,645	(41,258,201,450)
Balance as at 31 December 2019 (Before restatement)		11,113,018,280	(9,500,000,000)	-	(43,415,571,375)	(41,802,553,095)	544,351,645	(41,258,201,450)
Cumulative effect of change in accounting policy	6	-	-	-	26,384,253,090	26,384,253,090	-	26,384,253,090
Balance as at 1 January 2020		11,113,018,280	(9,500,000,000)	-	(17,031,318,285)	(15,418,300,005)	544,351,645	(14,873,948,360)
Comprehensive income (expense) for the year								
Profit (loss)		-	-	-	376,347,073	376,347,073	1,080,369	377,427,442
Total comprehensive income (expense) for the year		-	-	-	376,347,073	376,347,073	1,080,369	377,427,442
Dividend paid to non-controlling interests		-	-	-	-	-	(24,500,000)	(24,500,000)
Balance as at 31 December 2020		11,113,018,280	(9,500,000,000)	-	(16,654,971,212)	(15,041,952,932)	520,932,014	(14,521,020,918)

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

Statements of Changes in Shareholders' Equity (Continued)

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December 2020

Unit: Baht

Separate financial statements						
	Note	Issued and paid-up share capital	Share discount	Retained earnings (deficit)		Total shareholders' equity
				Legal reserve	Unappropriated (deficit)	
Balance as at 31 December 2018		11,113,018,280	(9,500,000,000)	-	(41,436,072,904)	(39,823,054,624)
Comprehensive income (expense) for the year						
Profit (loss)		-	-	-	(2,401,791,016)	(2,401,791,016)
Other comprehensive income (expense)		-	-	-	(69,956,550)	(69,956,550)
Total comprehensive income (expense) for the year		-	-	-	(2,471,747,566)	(2,471,747,566)
Balance as at 31 December 2019		11,113,018,280	(9,500,000,000)	-	(43,907,820,470)	(42,294,802,190)
Balance as at 31 December 2019 (Before restatement)		11,113,018,280	(9,500,000,000)	-	(43,907,820,470)	(42,294,802,190)
Cumulative effect of change in accounting policy	6	-	-	-	26,384,253,090	26,384,253,090
Balance as at 1 January 2020		11,113,018,280	(9,500,000,000)	-	(17,523,567,380)	(15,910,549,100)
Comprehensive income (expense) for the year						
Profit (loss)		-	-	-	432,642,822	432,642,822
Total comprehensive income (expense) for the year		-	-	-	432,642,822	432,642,822
Balance as at 31 December 2020		11,113,018,280	(9,500,000,000)	-	(17,090,924,558)	(15,477,906,278)

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

Statements of Cash Flows

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December 2020

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit (loss) for the year	377,427,442	(1,776,975,880)	432,642,822	(2,401,791,016)
<i>Adjustments for</i>				
Depreciation and amortization	649,485,055	723,033,436	540,840,612	617,841,591
Bad debts and doubtful accounts	1,242,912	843,240,786	1,242,912	843,310,801
Loss on devaluation of inventories (reversal)	(538,517,729)	35,404,123	(538,517,729)	35,404,123
Unrealized loss (gain) on exchange rate	(23,369,224)	36,887,578	(23,708,796)	37,088,150
Loss (gain) on forward contracts	731,876	-	731,876	-
Withholding tax deducted at source (reversal)	(3,818,886)	-	-	-
Damaged building and equipment from flood	368,138	-	-	-
Write-off equipment	1,711,300	154,467	1,711,300	154,467
Employee benefit provisions	34,319,841	83,672,525	29,190,578	68,926,694
Loss on onerous contracts (reversal)	12,290,774	(1,072,952)	12,290,775	(1,072,952)
Loss (gain) on disposal of property, plant and equipment	(272,888)	(1,056,789)	-	(985,987)
Share of loss of joint venture (net of tax)	64,624,879	(34,653,762)	-	-
Loss on impairment of investments in associates	-	-	-	530,886,800
Profit (loss) from measurement of fair value	(2,191,073,036)	-	(2,191,073,036)	-
Finance costs	1,721,160,543	5,511,242	1,721,125,327	2,332,529
Finance income	(10,396,773)	(3,574,048)	(10,251,127)	(3,154,258)
Dividend income	-	-	(25,500,000)	(45,900,000)
Tax expense (income)	(9,821,065)	29,343,852	852,997	3,116,313
Accrued income tax expense (reversal)	-	(1,584,000)	-	-

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

Statements of Cash Flows (Continued)

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December 2020

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>Profit (loss) from operating activities before changes</i>				
<i>in operating assets and liabilities:</i>	86,093,159	(61,669,422)	(48,421,489)	(313,842,745)
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(68,754,544)	242,290,398	(34,414,890)	220,538,282
Other current receivables from related parties	8,848,924	134,570,290	31,105,173	147,464,691
Current contract assets	(4,004,837)	-	-	-
Inventories	3,685,825,035	2,173,821,599	3,718,480,984	2,184,186,243
Other current assets	14,203,771	5,002,426	(2,756,103)	(30,279,149)
Other non-current assets	(2,572,490)	(3,996,217)	(2,183,955)	(4,161,835)
Trade accounts payable	(2,282,252,397)	(629,509,265)	(2,358,164,847)	(528,144,579)
Other current payables to related parties	4,615,716	70,339,134	(1,265,875)	82,463,964
Other current payables	(69,864,065)	(20,013,168)	(65,224,996)	(25,320)
Current contract liabilities	579,078,512	-	579,874,719	-
<i>Cash provided by (used in) operating activities</i>	1,951,216,784	1,910,835,775	1,817,028,721	1,758,199,552
Employee benefit obligations paid	(4,073,954)	(2,733,813)	(685,575)	(806,136)
Income tax paid	(25,738,695)	(36,554,179)	(5,293,296)	(1,907,499)
Income tax received	17,470,638	23,152,469	-	-
Net cash provided by operating activities	1,938,874,773	1,894,700,252	1,811,049,850	1,755,485,917

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

Statements of Cash Flows (Continued)

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December 2020

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>Cash flows from investing activities</i>				
Finance income received	965,927	3,594,619	820,281	3,174,829
Increase (Decrease) in other non-current financial assets	(36,540,191)	90,734,919	(39,688,340)	88,405,444
Payments for short-term loans from related parties	(41,008,435)	-	(41,008,435)	-
Proceeds from short-term loans to related parties	29,733,985	-	29,733,985	-
Payments for long-term loans	(492,490,118)	-	(492,490,118)	-
Acquire of property, plant and equipment	(623,622,879)	(588,496,075)	(559,199,072)	(578,702,474)
Sales of property, plant and equipment	273,022	1,078,715	-	985,990
Acquire of intangible assets	(4,694,127)	(4,445,195)	(3,306,684)	(4,062,395)
Dividend received	-	-	-	45,900,000
Net cash used in investing activities	(1,167,382,816)	(497,533,017)	(1,105,138,383)	(444,298,606)

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

Statements of Cash Flows (Continued)

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December 2020

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from financing activities				
Finance cost paid	(11,897,197)	(5,532,982)	(11,861,981)	(2,332,529)
Increase (Decrease) in short-term borrowings from financial institutions	(20,682,672)	30,682,672	-	-
Proceeds from short-term borrowings from related parties	-	-	100,000,000	-
Payments for liabilities under rehabilitation plan	(374,740,937)	(1,756,655,277)	(374,740,937)	(1,756,655,277)
Payments for lease liabilities	(33,926,123)	(17,397,332)	(26,446,943)	(620,433)
Dividend paid	(24,500,000)	(44,100,000)	-	-
Net cash used in financing activities	(465,746,929)	(1,793,002,919)	(313,049,861)	(1,759,608,239)
Net increase (decrease) in cash and cash equivalents	305,745,028	(395,835,684)	392,861,606	(448,420,928)
Cash and cash equivalents as at 1 January	359,994,931	755,830,615	242,829,870	691,250,798
Cash and cash equivalents as at 31 December	665,739,959	359,994,931	635,691,476	242,829,870
Significant non-cash transactions				
Other payables for property, plant and equipment acquisition	9,722,621	7,896,166	11,469,115	7,118,029
Offset dividend received and payment borrowings from related parties	-	-	25,500,000	-
Employee benefit provisions	-	79,622,016	-	72,700,499

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

Notes to the Financial Statements

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December 2020

Notes	Contents	Page
1	General information	159
2	Basis of operation as a going concern	160
3	Basis of preparation of the financial statements	161
4	New financial reporting standards	165
5	Summary of significant accounting policies	167
6	Cumulative effect of change in accounting policy due to the adoption of new financial reporting standards	184
7	Related parties	191
8	Cash and cash equivalents	206
9	Trade accounts receivable	206
10	Current contract asset / Current contract liabilities	208
11	Inventories	209
12	Other current assets	210
13	Other non-current financial assets	210
14	Investments in subsidiaries	211
15	Non-controlling interests	212
16	Investments in joint venture	214
17	Long-term loans	217
18	Property, plant and equipment	219
19	Right-of-use assets / Lease liabilities	225
20	Other intangible assets	228
21	Deferred tax	229
22	Short-term borrowings from financial institutions	231
23	Trade accounts payable	232
24	Other current liabilities	232
25	Other current financial liabilities	233
26	Non-current provisions for employee benefits	233
27	Liabilities under business rehabilitation plan and progressive	236
28	Share capital	258
29	Segment information	259
30	Expenses by nature	262
31	Income tax	263
32	Earnings (loss) per share	264
33	Promotional privileges	265
34	Commitments and contingent liabilities	267
35	Financial instruments	271
36	Reclassification adjustment	284
37	Financial statements approval	285

Notes to the Financial Statements

Sahaviriya Steel Industries Public Company Limited and Subsidiaries
For the year ended 31 December 2020

1. General information

1.1 Company's General information

Sahaviriya Steel Industries Public Company Limited ("the Company"), is incorporated in Thailand. The Company was listed on the Stock Exchange of Thailand in September 1994 and has its registered office at 28/1 Prapawit Building, 2nd-3rd Floor, Surasak Road, Kwang Silom, Khet Bangrak, Bangkok, Thailand and its plant located at 9, Moo 7, Tambon Mae Rumphueng, Amphur Bang Saphan, Prachuabkirikhan, Thailand. The Company, its subsidiaries and its joint venture are hereinafter collectively referred to as "the Group".

On 22 June 2020, the Stock Exchange of Thailand has delisted the Company's ordinary shares since the Company may be delisted as listed securities in the event of the shareholders' equity is lower than zero in accordance with the regulations of the Stock Exchange of Thailand "Delisting of Securities B.E.2542 (1999), (Regulations reference to Delisting) No.9(6)(d) which the Company is unable to eliminate the grounds for delisting within the determined period of regulations reference to delisting No.9(15).

The exchange ordered for trading ordinary shares of the Company for 7 days before the effective date of delisting of securities, during 1-10 July 2020 and where the maturity of such trading is met the Exchange shall proceed for delisting the Company's ordinary shares as listed securities and is effective on 11 July 2020 onwards.

The major shareholders comprise Krung Thai Bank Public Company Limited held at 40.49%, Siam Commercial Bank Public Company Limited at 40.22% and Tisco Public Company Limited at 7.87%.

The principal businesses of the Company are manufacturing and distributing of hot rolled coils. Details of the Company's subsidiaries and joint venture are given in Notes 14 and 16.

1.2 Coronavirus disease 2019 (COVID 19) pandemic

The Coronavirus 2019 disease pandemic situation causes a slowdown in economy and affected the most businesses and industries, such as supply chain, consumer spending, limitation or interruption of production, the delay operations, etc.

Those situations affected the Company's business activities in respect to supply chain relating to the order of raw materials from abroad, quantity limitation of the customers' demands which affected to the current financial position, the results of operation and cash flows. That impacts reflected on the ability of the Company in settlement liabilities under business rehabilitation plan. As a result, the Company requested to revise the business rehabilitation plan as stated in notes 27 to financial statements and in the future, the management of the Company continuously monitored ongoing situation and assessed the financial impacts in respect of valuation of assets,

provisions, contingent liabilities and used estimates and judgment in respect of the various issues as the situation has evolved.

2. Basis of operation as a going concern

For the year ended 31 December 2020, the Group recognised net profits amount of Baht 377.4 million (net loss of Baht 1,813.7 million after deducted gain on changes in fair value of financial liabilities amount of Baht 2,191.0 million) (2019: net profit (restated) amount of Baht 1,776.9 million), accumulated loss of Baht 16,654.9 million (31 December 2019: accumulated loss amount of Baht 43,415.6 million) and negative shareholder equity amount of Baht 14,521.0 million (31 December 2019: negative shareholder equity of Baht 41,258.2 million).

For the year ended 31 December 2020, the Company recognised net profit amount of Baht 432.6 million (2019: net loss of Baht 2,401.8 million), accumulated loss of Baht 17,090.9 million (31 December 2019: accumulated loss of Baht 43,907.8 million) and negative shareholder equity of Baht 15,477.9 million (31 December 2019: negative shareholder equity of Baht 42,294.8 million).

In 2015, the Board of directors authorized the Company to file the rehabilitation plan to the Central Bankruptcy Court on 1 October 2015, and as of 15 December 2016, the Central Bankruptcy Court approved the rehabilitation plan and nominated the Company a plan administrator.

Past performance operation

After the Central Bankruptcy Court approved the Company's rehabilitation plan on 15 December 2016, the Company acted as a plan administrator operates under the condition as stipulated in the plan including the meeting attendance with the creditors committee to monitor the results and compliance with the conditions in the plan together with evaluate the successful of the plan on a monthly basis, as well as reporting the progress on the implementation of the plan to the Official Receiver on a quarterly basis.

In 2020, the Company ceased to make settlement for the principal under the Plan since March 2020 by making interest payment which deems that the Company defaulted on settlement under the Plan and has attended the meeting with the creditors to revise the Plan which was agreed by the most creditors and filed the petition to revise the Plan to the Official Receiver. The Company has requested revision the Plan and the Court has ordered to agree with the Plan on 18 September 2020. The significant contents of the Plan No.1 and No.2 have been disclosed in note 27.

Debt repayment under rehabilitation plan

During the preparation of the rehabilitation plan, the Company and the financial advisor used the assumption to prepared financial projections to determine the average ability to settle the annual debt by reference to the past performance as detailed in the business rehabilitation plan of the Company and with the conditions for the creditors committee to be responsible for consideration to allocate excess cash flows (if any) which arose from the operating results better than the projections.

Long-term operating plan

During 2018, the Company and its bank debtors concluded that the Company should invite other two business partnerships, who are a global producer and a global steel wholesaler to initiate long-term business plan together. During November 2018, all affiliated parties entered into the Memorandum of Understanding (MOU) to support the Company on multiple perspectives i.e. material sourcing, working capital for future business expansion and production and management technology.

However, at the end of 2020, the Company has reviewed its future strategic plan for 2021. The Company plans to create more new businesses and planned to resolve the group's debts.

The Company believes that the Company will have sufficient working capital for its operation in next year. However, it still has high uncertainties since it must comply with the rehabilitation plan No. 2 (revised version).

3. Basis of preparation of the financial statements

(a) *Statement of compliance*

The financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS); including interpretations and guidelines promulgated by the Federation of Accounting Professions (FAP) and the regulation of The Stock Exchange of Thailand (SET) dated 2 October 2017 regarding the preparation and submission of financial statements and reports for the financial performance of the listed companies B.E. 2560. The format of presentation of the financial statements is not significantly different from the Notification of the Department of Business Development regarding the condensed form should be included in the financial statements (No.3) B.E. 2562 dated 26 December 2019.

The consolidated and separate financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

(b) *Basis of consolidation*

The financial information have been prepared by including the financial statements of Sahaviriya Steel Industries Public Company Limited, subsidiaries and associates (collectively "the Group") as following:

Name of entity	Type of business	31 December 2020 (%)	31 December 2019 (%)
<u>Direct subsidiaries</u>			
Prachuap Port Co., Ltd.	Deep-sea port and marine shipping services	51.00	51.00
West Coast Engineering Co., Ltd.	Maintenance services	99.99	99.99

Name of entity	Type of business	31 December 2020 (%)	31 December 2019 (%)
<u>Indirect subsidiaries</u>			
Helium Miracle 303 Limited	Non-operation	-	-
Helium Miracle 301 Limited	Non-operation	-	-
Helium Miracle 302 Limited	Non-operation	-	-
<u>Direct associates</u>			
Thai Cold Rolled Steel Sheet Public Company Limited	Production and distribution of cold rolled coils	35.19	35.19

The consolidated financial statements relate to the Company, its subsidiaries and joint venture (together referred to as the "Group") and the Group's interests in joint venture.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

When the share-based payment awards is issued (replacement awards) in exchange for a project held by the acquiree's employees (acquiree awards), depending on the cost of the service in the past. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals to the market-based measure of the acquire awards. If future work requirements exist, the difference between the value included in measuring the consideration transferred and the market-based measure of the replacement awards are recognised as remuneration cost for post-combination service.

Contingent liabilities of the acquired company derived from business combination are recognised as liabilities if there are current obligations arose from past events and fair value can be reliably measured.

The Group measures the non-controlling interests based on the ratio of net assets derived from the acquiree.

Costs relating to the acquisition of the Group arose from the business combination, such as legal advisory expenses professional fees and other consultant fees are expended when they are incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in a joint venture.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with joint venture are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(c) Basis of measurement

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

(d) Functional and presentation currency

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

(e) Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and assessments.

(f) Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgment in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease, considering all relevant factors and circumstances that create an economic incentive for the Group to exercise either the extension or termination option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

Lease classification - The Group as a lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for expected credit losses of trade receivables and contract assets

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

(g) *Liquidation and Deconsolidation of SSI UK and Financial statements of SSI UK*

Sahaviriya Steel Industries UK Limited ("SSI UK") is an integrated iron and steel slab producer, from the results of operating loss and continuously reducing of the world steel price, as a result, In 2015, SSI UK has stopped its steel slab manufacturing and the liquidator was appointed and become control. The Company has no a power to control the business or operation of SSI UK Limited anymore. With this cause, assets and liabilities of SSI UK were eliminated from the consolidated financial statements and instead of the recognition of investment in SSI UK which were amortized in full by net realizable value during the 2015.

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 30 December 2020 and 2019. Details are as follows:

	Unit : Thousand Baht			
	<u>Ownership interest</u>	<u>Cost method</u>	<u>Impairment</u>	<u>At cost - net</u>
	(%)			
Investments in Sahaviriya Steel Industries UK Limited	100	27,481,792	27,481,792	-

4. **New financial reporting standards**

4.1 **Issued and revised financial reporting standards adoption during the period**

During the year, the Group and the Company has adopted a number of revised financial reporting standards and interpretations (revised 2019) which are effective for the financial statements for the period beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Group and the Company's financial statements. However the new standard involves changes to key principals, which are summarized below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Thai Financial Reporting Standards

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Thai Accounting Standard

TAS 32	Financial Instruments: Presentation
--------	-------------------------------------

Thai Financial Reporting Interpretations Committee

TFRIC 16	Hedges of a Net Investments in a Foreign Operation
----------	--

TFRIC 19

Extinguishing Financial Liabilities with Equity Instruments

The above set of Thai Financial Reporting Standards (TFRSs) sets out the requirements for the classification and measurement of financial instrument at the fair value or amortized cost by considering from the type of instruments, contractual cash flow characteristics and the entity's business model, including the impairment methodology by using the expected credit loss, and the general hedge accounting, as well as the presentation and disclosures of financial instrument.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings (deficit) as at 1 January 2020 and the comparative information was not restated.

The adoption of these standards will have the impact on the financial statements from the transactions followings:

- Classification and elimination and recognition of financial liabilities in equity instruments with the substantially changes in the original financial liabilities.
- Classification and measurement of fair value of investments in equity instruments of non-listed company- the Group measured investments in equity instruments of non-listed company and classified such investment as financial assets at fair value, through profit or loss. The management of the Group assessed and considered that costs of investments in equity instruments are reflected fair value of such investment. Therefore, measurement of such investment in equity instruments have no impacts on adjustment to retained earnings as at 1 January 2020.
- Recognition of credit losses-the Group has to recognise expected credit losses on financial assets, it is no longer necessary for a credit-impaired event to have occurred. A simplified approach is required for measuring the expected losses of allowance for doubtful accounts in the lifetime of trade accounts receivable and regularly approach for measuring provision for impairment loss of long-term borrowings.
- Recognition of derivatives and hedge accounting - The Group is to initially recognise derivative at their fair value on the contract date and subsequently measure them at their fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

Cumulative effects of adoption new financial reporting standards are presented the details in notes 6 to financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principals for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

Cumulative effects of adoption new financial reporting standards are presented the details in notes 6 to financial statements.

4.2 Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate the impact of applying financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Company has elected to apply the following temporary relief measures on accounting alternatives:

- To measure investment in non-marketable equity securities at fair value as at 1 January 2020.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.
- Not to take into account forward-looking information when determining expected credit losses, in cases where the Company uses a simplified approach to determine expected credit losses.
- Not to use information relating to the COVID-19 situation in determining the sufficient taxable profits will be available in future against deferred tax assets can be utilized.

4.3 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for the financial statements for the fiscal year beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

5. Summary of significant accounting policies

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

(a) Revenues and expenses

Revenues exclude value added taxes and stated at net of trade discounts.

Sale of goods

The Group recognised revenue from sales when control of goods is transferred to the customer, generally on delivery of the goods to the customers and revenues are derecognised where the management still controls or manages the goods sold or has significant uncertainties in the economic benefits of selling the goods or providing the service. The amounts of revenues and cost incurred cannot be reliably measured. Revenues from sales are presented at net realisable value after deducting estimated of return and discount.

Revenue from rendered of services

The Group considered that service contract mostly contain only one performance obligation. The Group recognised revenue over time taking into account the stage of completion measuring based on incurred cost compared with expected cost to fulfill the contract.

The Group would consider the probability revenues from contract modification damage claim, delay one fine. Revenue would be recognised only to the extent that it is highly probable that a significant reversal in the amount of commulative revenue recognised will not occur.

When value and progress cannot be realiably measured revenue would recognised not over occurred cost that expected to recover.

Revenues from construction contract

The Group recognised as income over time of construction contract by using input method to measure the stage of completion of the contract which compared the actual costs at the end of the reporting period and total estimated costs of construction contract. The Company shall provide the provision for loss on construction when the expected losses incurred for revenues recognised in the reporting period immediately. The excess over contract revenue is presented as "Contract assets" in statements of position and discount of contract revenue is presented as "Contract liability" in statements of financial position.

Dividend income

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

Finance income

The Group recognised as income on an accrual basis by referring to the effective interest rate.

Commissions

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

Other income and expenses

Other income and expenses are recognised on accrual basis.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and highly liquid short-term investments and are not subject to the withdrawal restriction.

(c) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for expected credit losses (2019: Allowance for doubtful accounts).

(d) Inventories

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

Cost of slab raw materials is calculated using the weighted average cost principal. Cost of ore materials are calculated using the first-in, first-out principals. 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 realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(e) Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. The assets (or disposal group) are measured at the lower of their carrying value and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories and financial assets. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(f) Investments in subsidiaries and joint venture

Investments in subsidiaries and joint venture in the separate financial statements of the Company are accounted for using the cost method. Investments in joint venture in the consolidated financial statements are accounted for using the equity method.

(g) Other long-term investments

Accounting policies adopted prior to 1 January 2020.

Other long-term investments in non-marketable equity instruments, are represented at the cost less provision for impairment.

(h) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

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 building and equipment, or other amount substituted for cost, less its residual value.

Depreciation is charge to profit or loss and is based on a straight-line basis over the estimated useful lives of each component of an item of asset or the unit of production. The estimated useful lives are as follows:

Land improvements	5 years
Leasehold and leasehold improvements	5 and 10 years
Buildings and building improvements	5 and 20 years
Machinery, tools and equipment	
- in production line	The unit of production
- in steel making line	20 years
- in service line	5 – 10 years
- other tools and equipment	3 – 10 years
Furniture, fixtures and office equipment	5 – 10 years
Vehicles	5 years
Roads	5, 20 and 27 years
Berth and berth facilities	5 and 30 years
Tug boats	5 – 17 years
Customs cargo warehouse	5 years

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.

(i) Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

a) Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land and land improvement	2 years
Building and building improvement	3-6 years
Vehicles	3-5 years

b) Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the incremental borrowing rate which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

c) Short-term leases and leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted prior to 1 January 2020

Finance lease

The Group has entered into resell agreement and lease of machinery and equipment, which is classified as a finance lease. The exceeds of consideration from sales over than book value of the asset were not recognised as revenue immediately, but the Group recognised as deferred expenses and gradually amortized on 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 assets. 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.

Operating lease

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 including 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.

The Company as a lessor

Financial lease

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease

payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

Operating lease

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

(j) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives 3 - 5 years are measured at cost less accumulated amortization and accumulated impairment losses.

(k) Impairment of non-financial assets

The carrying amounts of the Group's assets or its cash-generating unit are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

(l) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(m) *Employee benefits*

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised 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.

(n) 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.

(o) Finance costs

Borrowing costs indirectly attributable to the acquisition of construction or production of qualifying assets that are recognised in profit or loss using the effective interest rate method.

(p) 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.

(q) 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.

(r) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

(s) 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.

(t) **Financial instrument**

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

The Group are classified financial assets, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition is driven by the Company business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVTOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in the income statement.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Company financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes

into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group derecognised a financial liability when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The Group and the Company account for substantial modification of terms of an existing liabilities, if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10% different from the discounted present value of the remaining cash flows of the original financial liabilities.

If the modification is not substantial, the difference between: (1) the carrying amount of the liabilities before the modification: and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

The difference in the respective carrying amounts is recognised in the statement of profit or loss

Impairment of financial assets

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted prior to 1 January 2020

Allowance for doubtful accounts

Assessed by analyzing the historical debt repayment and predictions regarding the future repayment of the customers. Receivables are write-off from the account whenever it incurred bad debt.

Impairment of Assets

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 amortized 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.

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 amortized 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.

(u) 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 amortized 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.

(v) Debt restructuring

Troubled debt restructuring is changing condition of debt repayment. The Company must record the effect from debt restructuring from the restructuring date until maturity of new condition. However, book value of such debt as at the restructuring date will not be changed.

The amount of future repayment under the new condition is the aggregate amount all types of money that the Company will have to pay under the contract such as principal, interest, accrued interest expenses under the new condition. Such amount is the amount has no discount. The Company recognises gain from debt restructuring in statement of income for the amount of future debt repayment under rehabilitation plan lower than book value of

debt. Remission is defined in rehabilitation plan as at the date approved by the Court or the date that the Company has completely complied with the rehabilitation plan.

From the restructuring plan date until maturity of the new debt condition, the Company must record interest expense at effective rate (constant rate) multiplied by book value of debt as at the beginning of the period. The effective interest rate calculated is discount rate making the present value of future payment under the new condition equal to book value of debt. The amount to be paid in the future is not included any contingent liabilities which the Company must pay as certain condition incurred as indicated in the contract.

(w) Derivatives and hedge accounting

The Group uses interest rate swaps as a derivative to hedge its interest rate risks.

The Group recognised initial of derivatives at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group presented derivatives as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.

- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in profit or loss.

Any adjustment to the carrying value of fair value hedges relating to items carried at amortised cost is amortised through profit or loss over the remaining term of the hedge using the effective interest method. The amortisation may begin as soon as an adjustment exists or no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

(x) Measurement of fair values

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

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of financial reporting standards, including the level in the fair value hierarchy in which such valuations should be classified.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as selling prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognised transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(y) *Transactions in foreign currencies*

The Group records the transactions in foreign currencies converting into Thai Baht by using the exchange rates ruling on the transaction dates. The outstanding balances of accounts in foreign currencies as at the statements of financial position date are converted into Thai Baht by using the exchange rates ruling on the same day.

Gain or loss on exchange is taken into income or expense as incurred.

(z) *Related party transactions*

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

(aa) *Use of management's judgement and estimates*

The preparation of financial statements in conformity with Thai Financial Reporting Standards ("TFRSs") at times requires the management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Allowance for expected credit losses of trade receivables and contract assets

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Allowance for obsolete of inventories

In determining allowance for obsolete of inventories, the management needs to make judgment in estimating allowance for expected credit losses of inventories by estimating net realisable value from the expected selling

price in the normal course of business less the selling expenses and allowance for obsolete and slow-moving inventories upon the condition of goods and aging analysis of inventories.

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate (IBR) to discount lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease classification - The Group as a lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

The Group recognised deferred tax assets for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Non-current provisions for employees benefit

The obligations under the defined benefit plans are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and assessments.

6. Cumulative effect of change in accounting policy due to the adoption of new financial reporting standard

As described in notes 4, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to financial statements as at 1 January 2020 and the comparative information was not made retroactively adjustment affected to the 2020 beginning retained earnings. From changes in accounting policies caused by the adoption financial reporting standards are presented as follows:

Unit : Thousand Baht

Statements of financial position	Consolidated financial statements			1 January 2020
	31 December 2019	The impacts of TFRS 9 relating to Financial Instruments	The impacts of TFRS 16	
Non-current assets				
Restricted deposit at financial institution	7,595,649	(7,595,649)	-	-
Other non-current financial assets	-	7,549,649	-	7,595,649
Property, plant and equipment	10,926,465	-	(4,925)	10,921,540
Right-of-use assets	-	-	4,925	4,925
Current liabilities				
Current portion of liabilities under rehabilitation plan	1,766,345	(1,403,026)	-	363,319
Current portion of finance lease liabilities	2,332	-	(2,332)	-
Current portion of lease liabilities	-	-	2,332	2,332
Non-current liabilities				
Liabilities under rehabilitation plan	55,226,829	(24,981,227)	-	30,245,602
Finance lease liabilities	1,803	-	(1,803)	-
Lease liabilities	-	-	1,803	1,803
Shareholders' equity				
Deficit	(43,415,571)	26,384,253	-	(17,031,318)

Unit : Thousand Baht

Statements of financial position	Separate financial statements			1 January 2020
	31 December 2019	The impacts of TFRS relating to Financial Instruments	The impacts of TFRS 16	
Non-current assets				
Restricted deposit at financial institution	3,633,986	(3,633,986)	-	-
Other non-current financial assets	-	3,633,986	-	3,633,986
Property, plant and equipment	9,711,399	-	(3,104)	9,708,295
Right-of-use assets	-	-	3,104	3,104
Current liabilities				
Current portion of liabilities under rehabilitation plan	1,774,336	(1,411,017)	-	363,319
Current portion of finance lease liabilities	649	-	(649)	-
Current portion of lease liabilities	-	-	649	649
Non-current liabilities				
Liabilities under rehabilitation plan	55,226,829	(24,973,236)	-	30,253,593
Finance lease liabilities	680	-	(680)	-
Lease liabilities	-	-	680	680
Shareholders' equity				
Deficit	(43,907,820)	26,384,253	-	(17,523,567)

6.1 Financial reporting standards related to financial instruments

Details of the effects to retained earnings as at 1 January 2020 from initial adoption TFRS relating to financial instruments are presented as follows:

	Unit : Thousand Baht Consolidated and Separate financial statements
Elimination and recognition of financial liabilities which measured at amortized cost (Financial liabilities decreased)	26,384,253
Related tax expense	-
Effects to deficit from adoption TFRS relating to Financial Instruments (Deficit decreased)	26,384,253

As at 1 January 2020, the reclassification and measurement of financial assets as determined in TFRS 9 and valuation based on the existing accounting principal are presented as follows:

Unit : Thousand Baht

Consolidated financial statements				
Reclassification and measurement based on TFRS 9				
	Valuation based on the existing accounting principal	Fair value through profit or loss	Amortized cost	Total
Financial assets				
As at 1 January 2020				
Cash and cash equivalents	359,995	-	359,995	359,995
Trade accounts receivable	67,559	-	67,559	67,559
Current contract assets	-	-	-	-
Other non-current financial assets				
- Deposits at banks pledged as collaterals	7,596	-	7,596	7,596
Equity of non-listed companies	-	-	-	-
Total financial assets	435,150	-	435,150	435,150
Financial liabilities				
Current liabilities				
As at 1 January 2020				
Short-term borrowings from financial Institutions	60,683	-	60,683	60,683
Trade accounts payable	5,148,662	-	5,148,662	5,148,662
Current portion of liabilities under rehabilitation plan	363,319	-	363,319	363,319
Current portion of lease liabilities	2,332	-	2,332	2,332
Non-current liabilities				
As at 1 January 2020				
Liabilities under rehabilitation plan	30,245,602	-	30,245,602	30,245,602
Lease liabilities	1,803	-	1,803	1,803
Total financial liabilities	35,822,401	-	35,822,401	35,822,401

Unit : Thousand Baht

Separate financial statements

	Reclassification and measurement based on TFRS 9			
	Valuation based on the existing accounting principal	Fair value through profit or loss	Amortized cost	Total
Financial assets				
As at 1 January 2020				
Cash and cash equivalents	242,830	-	242,830	242,830
Trade accounts receivable	3,229	-	3,229	3,229
Current contract assets	-	-	-	-
Other non-current financial assets				
- Deposits at banks pledged as collaterals	3,634	-	3,634	3,634
Equity of non-listed companies	-	-	-	-
Total financial assets	249,693	-	249,693	249,693
Financial liabilities				
Current liabilities				
As at 1 January 2020				
Short-term borrowings from financial Institutions	-	-	-	-
Trade accounts payable	5,188,949	-	5,188,949	5,188,949
Current portion of liabilities under rehabilitation plan	363,319	363,319	-	363,319
Current portion of lease liabilities	649	-	649	649
Non-current liabilities				
As at 1 January 2020				
Liabilities under rehabilitation plan	30,253,593	30,253,593	-	30,253,593
Lease liabilities	680	-	680	680
Total financial liabilities	35,807,190	30,616,912	5,190,278	35,807,190

6.2 TFRS 16 Leases

The initial adoption of TFRS 16, the Group recognised lease liabilities for the lease which previously classified as operating lease at present value of lease payment that are not paid, discounted by the incremental borrowing rate of the Group as at 1 January 2020. For the lease which previously classified as capital lease, the Group recognised carrying value of financial assets and liabilities by the original value prior to the date of initial adoption TFRS 16.

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	5,909	9
Less: Short-term leases and leases of low-value assets	(478)	(9)
Less: Contracts considered as services contract	(133)	-
Add: Right value for lease extension period	101,289	81,940
Less: Deferred interest expenses	(10,232)	(6,309)
Increase in lease liabilities due to initial adoption TFRS 16	96,355	75,631
Finance lease liabilities as at 31 December 2019	4,135	1,329
Lease liabilities as at 1 January 2020	100,490	76,960
The aforementioned lease liabilities consist of		
Current lease liabilities	32,767	25,798
Non-current lease liabilities	67,723	51,162
	100,490	76,960

The adjustments of right-of-use assets due to initial adoption TFRS 16 as at 1 January 2020 are summarized below:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
Land and land improvement	2,602	2,602
Building and building improvement	82,235	66,252
Vehicles	11,518	6,777
Total right-of-use assets	96,355	75,631

The aforementioned adjustments are detailed as follows:

Leases are previously classified as operating lease- the Group recognised right-of-use and lease liabilities for lease previously classified as operating lease exemption to short-term lease (defined as leases with a lease term of 12 months or less from the commencement date and containing to purchase options). It also applies the lease of low-value assets. The lease liabilities are measured at the present value of the lease payments that are not paid at the commencement date, discounted by using incremental borrowing rate at the initial adoption financial reporting standards. Right-of-use is recognised at the same value amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments which previously recognised in the financial statements. The right-of-use assets also include an estimated cost of dismantlement which were reclassified from property, plant and equipment to right-of-use assets.

7. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationship with related parties or key management personnel are as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Prachuap Port Co., Ltd.	Thailand	Subsidiary, shareholding in the proportion of 51.00% Common director
West Coast Engineering Co., Ltd.	Thailand	Subsidiary, shareholding in the proportion of 99.99% Common director
Helium Miracle 303	England	The Company is indirect shareholder and had common directors
Helium Miracle 301	England	The Company is indirect shareholder and had common directors
Helium Miracle 302	England	The Company is indirect shareholder and had common directors
Redcar Bulk Terminal Limited	England	The Company is indirect shareholder
Thai Cold Rolled Steel Sheet Public Company Limited	Thailand	joint venture, shareholding in the proportion of 35.19% Common director
Krung Thai Bank Public Company Limited	Thailand	Shareholder in the Company
The Siam Commercial Bank Public Company Limited	Thailand	Shareholder in the Company
Tisco Financial Group Public Company Limited	Thailand	Shareholder in the Company
Sahaviriya Group Corporation Limited	Thailand	Shareholder in the Company, common directors and direct and indirect shareholding by the Company's director(s)
Vanomet Holding AG	Switzerland	Common shareholder and directors and common director with a subsidiary
Sahaviriya Inter Steel Holdings Co., Ltd.	Thailand	Common shareholder and 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)

Name of entities	Country of incorporation/ nationality	Nature of relationships
C.A.R. Services Co., Ltd.	Thailand	Direct and indirect shareholding by the Company 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)
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.	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)
SVL Corporation Co., Ltd.	Thailand	Common shareholder and directors and direct and indirect shareholding by the Company's director(s)
Sahaviriya Shipping Limited	Hong Kong	Common shareholder and directors and direct and indirect shareholding by the Company's director(s)
Vanomet AG	Switzerland	Common shareholder and common director with a subsidiary
Vanomet Finance AG	Switzerland	Common shareholder and common director with a subsidiary
Vanomet International AG	Switzerland	Common shareholder and common director with a subsidiary
Atlantic Steel AG	Switzerland	Common shareholder and common director with a subsidiary
Bangpakong Shape Steel Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Steel Process Holdings Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Sahaviriya Capital Holdings Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Bangna 26 Property Co., Ltd.	Thailand	Common 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)
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)
Rama III Yard Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
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)

Name of entities	Country of incorporation/ nationality	Nature of relationships
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)
Western Security Guard Co., Ltd.	Thailand	Common directors
Key management personnel	Thailand	Persons having authority and responsibility for planning directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies with subsidiary companies and joint venture	Pricing policies with related companies
Sale of goods	Third party pricing used, dependent on volume and relevant market considerations.	Third party pricing used, dependent on volume and relevant market considerations.
Rendering of port services	Port services rendered are charged based on Ministry of Transportation-determined rates, dependent on service volume and relevant market considerations.	Port services rendered are charged based on Ministry of Transportation-determined rates, dependent on service volume and relevant market considerations.
Rendering of other services	Charges for rendering of services and maintenance-related services are based on agreements and common credit term.	Charges for rendering of services and maintenance-related services are based on agreements and common credit term.
Dividend income	Right to receive dividends	Right to receive dividends.
Other income	Sales of scrap material are priced based on scrap weight and the prices set by the Company. Revenue from providing management staff to subsidiaries and joint venture are based on agreements.	Sales of scrap material are priced based on scrap weight and the prices set by the Company. Revenue from providing management staff to related parties are based on agreements.
Purchase of goods	Purchases of goods for production are based on third party prices under terms and conditions normally applicable to similar transactions. Certain purchases of steel slab between the company and subsidiaries are based on the agreed price formula. Purchases of rolls are charged on agreed prices.	Purchases of raw material for production are based on market price.
Receiving of other services	Maintenance-related services are charged based on long-term maintenance service agreements. The term of the agreement can be modified according to business circumstances.	Transportation charges are based on agreements, dependent on cargo weight and distance. Warehouse rental is charged based on rental agreements. Cut sheet services are charged based on agreements.
Receiving of port services	Port services rendered are charged based on Ministry of Transportation-determined rates, dependent on service volume and relevant market considerations.	
Distribution costs and administrative expense	Port services rendered are charged based on Ministry of Transportation-determined rates, dependent on service volume and relevant market considerations.	Domestic transportation services are charged based on agreements, dependent on cargo weight and distance. Warehouse rental is charged based on rental agreements. Cut sheet services are charged based on agreements.
Loans		The contractual interest rate
Borrowing	The contractual interest rate	

Significant transactions for the year ended 31 December 2020 and 2019 with related parties are summarized as follows:

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
Subsidiaries				
Purchases of goods and receiving of services	-	-	318,177	423,046
Dividend income	-	-	25,500	45,900
Other income	-	-	20,403	21,419
Distribution costs and administrative expenses	-	-	1,411	14
Finance costs	-	-	4,425	-
Joint venture				
Sales of goods	725,331	589,741	725,331	589,741
Revenue from rendering of services	73,868	106,092	-	-
Other income	13,449	17,750	13,449	17,750
Distribution costs and administrative expenses	535	77	534	77
Other related parties				
Sales of goods	1,638,783	2,253,124	1,638,783	2,253,124
Revenue from rendering of services	11,555	19,752	-	-
Purchases of goods and receiving of services (including other related expenses)	119,080	7,138,560	91,843	7,123,096
Finance income	9,823	-	9,823	-
Other income	178,209	32,602	175,727	30,338
Distribution costs and administrative expenses	443,622	543,193	435,667	535,909
Finance costs	1,029	-	-	-

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
The committee and key management personnel remuneration				
The committee remuneration	8,955	9,215	5,805	6,065
Key management personnel remuneration				
Short-term benefits	90,447	94,893	80,967	84,659
Statutory severance pay	4,802	4,850	4,641	4,737
Other long-term benefits	40	35	35	33
Total key management personnel remuneration	95,289	99,778	85,643	89,429
Total the committee and key management personnel remuneration	104,244	108,993	91,448	95,494

Balances as at 31 December 2020 and 2019 with related parties were as follows:

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
<i>Cash and cash equivalents - related parties</i>				
Krung Thai Bank Public Company Limited	634,955	270,465	631,213	237,030
Siam Commercial Bank Public Company Limited	3,242	6,105	3,236	3,207
Net	638,197	276,570	634,449	240,237
<i>Other non-current financial assets - related parties</i>				
Krung Thai Bank Public Company Limited	107	3,962	-	-
Siam Commercial Bank Public Company Limited	43,322	3,634	43,322	3,634
Net	43,429	7,596	43,322	3,634
<i>Trade accounts receivable from related parties</i>				
Joint venture				
Thai Cold Rolled Steel Sheet Public Company Limited	12,110	7,006	-	-
<i>Trade accounts receivable from related parties</i>				
Other related parties				
B.S. Metal Co., Ltd.	1,767,322	1,808,009	1,767,320	1,807,999
Sahaviriya Panich Corporation Co., Ltd.	1,730,659	1,771,979	1,730,659	1,771,979
Others	4,987	7,128	-	-
Total	3,515,078	3,594,122	3,497,979	3,579,978

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
Less Expected credit loss (2019: Allowance for doubtful accounts)	(3,497,979)	(3,579,978)	(3,497,979)	(3,579,978)
Net	17,099	14,144	-	-
Other receivables from related parties				
Subsidiaries				
West Coast Engineering Co., Ltd.	-	-	9,302	31,352
Prachuap Port Co., Ltd.	-	-	32	53
Joint venture				
Thai Cold Rolled Steel Sheet Public Company Limited	186	177	186	177
Other related parties				
Vanomet AG (as prepaid for goods)	195,920	208,743	195,920	208,743
Allowance for prepaid for goods	(45,757)	(45,757)	(45,757)	(45,757)
Vanomet International AG (as prepaid for goods)	-	-	-	-
Sahaviriya Plate Mill Public Company Limited				
(Net from expected credit loss amount of Baht 48 million)	2,251	632	2,251	632
Line Transport Co., Ltd.	1,085	718	-	-
B.S. Metal Co., Ltd. (Net from expected credit loss amount of Baht 18 million)	2,857	503	2,857	503
Others	7,401	7,776	7,279	7,472
Total	163,943	172,792	172,070	203,175

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
<i>Current contract assets - related parties</i>				
Joint venture				
Thai Cold Rolled Steel Sheet Public Company Limited	2,479	2,667	-	-
Total	2,479	2,667	-	-
<i>Trade accounts payable to related parties</i>				
Subsidiaries				
West Coast Engineering Co., Ltd.	-	-	904	80,824
Prachuap Port Co., Ltd.	-	-	4,011	4,890
Other related parties				
B.S. Metal Co., Ltd.	179	880	50	880
Western Security Guard Co., Ltd.	-	223	-	-
SVL Corporation Co., Ltd.	45,479	62,470	45,479	62,428
Vanomet International AG	-	338,586	-	338,586
Sahaviriya Plate Mill Public Company Limited	37,260	-	37,260	-
Others	41	281	41	39
Total	82,959	402,440	87,745	487,647
<i>Other current payables to related parties</i>				
Subsidiaries				
West Coast Engineering Co., Ltd.	-	-	10,050	16,433
Prachuap Port Co., Ltd.	-	-	4,187	-
Other related parties				
Prapawit Building Property Co., Ltd.	289	231	265	231
Thai Steel Sales Co., Ltd.	543	530	63	50
SVL Corporation Co., Ltd.	415	239	-	-
B.S. Metal Co., Ltd.	1,036	62	1,036	62
Sahaviriya Panich Corporation Co., Ltd.	-	-	-	-
Others	8,802	5,407	6,469	6,560
Total	11,085	6,469	22,070	23,336
<i>Current contract liabilities - Other related parties</i>				
Joint venture				
Thai Cold Rolled Steel Sheet Public Company Limited	95,005	175,750	91,575	175,750

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
Other related parties				
Thai Steel Sales Co., Ltd.	4,388	10,700	4,388	10,700
B.S. Metal Co., Ltd.	21,831	20,560	21,831	20,560
Sahaviriya Panich Corporation Co., Ltd.	92,053	199	92,053	199
Sahaviriya Plate Mill Public Company Limited	197	-	197	-
Total	213,474	207,209	210,044	207,209
Short-term loans - related parties				
Redcar Bulk Terminal Limited	11,056	-	11,056	-

Movements during the year on Short-term loans borrowings from related parties were as follows:

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
As at 1 January	-	-	-	-
Increase	41,008	-	41,008	-
Decrease	(29,734)	-	(29,734)	-
Adjusted	(218)	-	(218)	-
As at 31 December	11,056	-	11,056	-

On 16 October 2020, the Company entered into a secured loan agreement with Redcar Bulk Terminal Limited of GBP 0.5 million, an interest rate of MLR+1% per annum (of two major bank creditor under the rehabilitation plan) which is paid every month. The principal is repayable on 31 March 2021.

	Consolidated		Unit : Thousand Baht Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Long-term loans - related parties				
Redcar Bulk Terminal Limited	29,750	-	29,750	-
Less Current portion of long-term loans	(14,875)	-	(14,875)	-
Long-term loans - net	14,875	-	14,875	-

On 24 November 2020, the Company entered into a secured loan agreement with Redcar Bulk Terminal Limited amounting to GBP 0.74 million. The initial repayment of principal will be made on 24 June 2021 and the last will be matured on 24 July 2022 at an interest rate of MLR+1% per annum (of two major bank creditors under the rehabilitation plan) which is payable every end of month.

	Consolidated		Unit : Thousand Baht Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term borrowings - related parties				
Subsidiaries				
Prachuap Port Co., Ltd.	-	-	74,500	-

Movements during the year on short-term borrowings from related parties were as follows:

	Consolidated		Unit : Thousand Baht Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Subsidiaries				
As at 1 January	-	-	-	-
Increase	-	-	100,000	-
Decrease	-	-	(25,500)	-
As at 31 December	-	-	74,500	-

On 5 February 2020, the Company entered into borrowings agreement with Prachuap Port Co., Ltd. for credit line not exceed Baht 200 million at the interest rate of MLR per annum for using in its working capital which already received the borrowings amount of Baht 100 million, that the repayment is matured on 5 May 2020.

Subsequent, Prachuap Port Co., Ltd. has a right to offset liabilities between dividend in the Company received and principal amount of Baht 25.5 million which is effective on 5 May 2020, as a result, the Company has remained borrowings amount of Baht 74.5 million.

On 17 July 2020, the Company and Prachuap Port Co., Ltd. entered into memorandum attached borrowings agreement by changing the repayment conditions from 90 days (5 May 2020) to pay on demand and cancelled the

bearing defaulted interest at the rate of 7.5% per annum, by bearing new interest rate at MLR per annum (6.025% as drawdown rate), commencing on 5 May 2020.

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>Current portion liabilities under rehabilitation plan - related parties (Liabilities after discounted cash flows)</i>				
Subsidiaries				
Prachuap Port Co., Ltd.	-	-	7,991	7,991
Other related parties				
Financial institutions Group	26,139,429	39,474,695	26,139,429	39,474,695
Total	26,139,429	39,474,695	26,147,420	39,482,686

Movements during the year for liabilities under the rehabilitation plan from related persons or parties are as follows:

Disclosure of accounting policies adopted since 1 January 2020

Unit : Thousand Baht

	Consolidated financial statements	Separate financial statements
	2020	2020
Other related parties		
Subsidiaries		
Prachuap Port Co., Ltd.		
Balance as at 31 December 2019 (before restatement)	-	7,991
Adjustments from write-off existing liabilities and recognise new liabilities from adoption TFRS 9	-	-
Balance at fair value as at 1 January 2020 (after restatement)	-	7,991
Recognised interest expenses by effective rate	-	-
Repayment	-	-
Changes in fair value	-	-
Balance at fair value as at 31 December 2020	-	7,991
Class No.1 : Secured creditors		
Balance as at 31 December 2019 (before restatement)	8,548,737	8,548,737
Adjustments from write-off existing liabilities and recognise new liabilities from adoption TFRS 9	(2,768,593)	(2,768,593)
Balance at fair value as at 1 January 2020 (after restatement)	5,780,144	5,780,144
Recognised interest expenses by effective rate	319,295	319,295
Repayment	(421,161)	(421,161)
Changes in fair value	(444,846)	(444,846)
Balance at fair value as at 31 December 2020	5,233,432	5,233,432

	Consolidated financial statements	Unit : Thousand Baht Separate financial statements
	2020	2020
Class No 2 : Financial institution creditors for the portions of debt claims that exceed the appraised value of the collateral		
Balance as at 31 December 2019 (before restatement)	15,041,547	15,041,547
Adjustments from write-off existing liabilities and recognise new liabilities from adoption TFRS 9	(7,726,474)	(7,726,474)
Balance at fair value as at 1 January 2020 (after restatement)	7,315,073	7,315,073
Recognised interest expenses by effective rate	409,466	409,466
Repayment	(432,459)	(432,459)
Changes in fair value	-	-
Balance at fair value as at 31 December 2020	7,292,080	7,292,080
Class No 4 : Creditor of guarantee obligations for loan		
Repayment		
Balance as at 31 December 2019 (before restatement)	25,688,490	25,688,490
Adjustments from write-off existing liabilities and recognise new liabilities from adoption TFRS 9	(11,536,329)	(11,536,329)
Balance at fair value as at 1 January 2020 (after restatement)	14,152,161	14,152,161
Recognised interest expenses by effective rate	791,533	791,533
Repayment	(849,361)	(849,361)
Changes in fair value	(480,416)	(480,416)
Balance at fair value as at 31 December 2020	13,613,917	13,613,917

Disclosure of accounting policies adopted prior to 1 January 2020

	Consolidated financial statements	Unit : Thousand Baht Separate financial statements
	2019	2019
Subsidiaries		
Prachuap Port Co., Ltd.		
As at 1 January	-	7,991
Unchanged	-	-
As at 31 December	-	7,991

	Consolidated financial statements	Unit : Thousand Baht Separate financial statements
	2019	2019
Related parties		
Financial institutions Group		
As at 1 January	42,610,463	42,610,463
Increase	-	-
Decrease	(3,135,768)	(3,135,768)
As at 31 December	39,474,695	39,474,695

Significant agreements with related parties

Consortium agreement

On 20 January 2015 a subsidiary entered into a consortium agreement with a local company in order to jointly-operate for projects from the State Railway of Thailand. As at 31 December 2020 the consortium has not operated the commercial operations.

8. Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Cash on hand	696	729	600	600
Cash at banks	665,044	359,266	635,091	242,230
Total	665,740	359,995	635,691	242,830

Unit : Thousand Baht

9. Trade accounts receivable

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Related parties (Note 7)	3,515,078	3,594,122	3,497,979	3,579,978
Other parties	403,757	338,163	321,453	287,038
Total	3,918,835	3,932,285	3,819,432	3,867,016
Less Expected credit loss (2019: Allowance for doubtful accounts)	(3,784,031)	(3,864,726)	(3,783,031)	(3,863,787)
Net	134,804	67,559	36,401	3,229

Unit : Thousand Baht

Aging analyses for trade accounts receivable were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Related parties				
Within credit terms	12,656	8,418	-	-
Overdue:				
Less than 3 months	3,221	3,136	-	-
3-6 months	1,222	2,590	-	-
Over 12 months	3,497,979	3,579,978	3,497,979	3,579,978
	3,515,078	3,594,122	3,497,979	3,579,978
Less Expected credit loss (2019: Allowance for doubtful accounts)	(3,497,979)	(3,579,978)	(3,497,979)	(3,579,978)
Total	17,099	14,144	-	-
Other parties				
Within credit terms	93,138	25,210	25,850	3,072
Overdue:				
Less than 3 months	21,867	21,435	10,551	157
3-6 months	2,700	5,126	-	-

Unit : Thousand Baht

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
6-12 months	842	1,644	842	-
Over 12 months	285,210	284,748	284,210	283,809
	403,757	338,163	321,453	287,038
Less Expected credit loss (2019: Allowance for doubtful accounts)	(286,052)	(284,748)	(285,052)	(283,809)
Total	117,705	53,415	36,401	3,229
Net	134,804	67,559	36,401	3,229

The normal credit terms granted by the Group ranges from 5 to 90 days.

As at 31 December 2019, the Company had 2 related party receivables overdue from 6-12 months, totaling in the amount of Baht 3,580 million. The Company recognised expected credit loss in full amount in the year 2019. Part of rehabilitation plan stipulated to collect the payment from related parties not less than Baht 300 million a year from 2017 to present. The debt collection from those receivables does not conform to the determination. At present, the Company is in the process of outstanding debt collection. During the year 2020, the Company has received the payment in the amount of Baht 82 million, therefore, allowance for expected credit loss was reversed by the same amount. The Plan No. 2 have been approved by the Court on 18 September 2020, is required within 30 days of the Court's order to approve the revised rehabilitation plan. The Company has to present guidelines for repaying outstanding debts of both receivables which subsequently submitted to the Board of creditors on 5 October 2020, the Plan Management presented solutions to the debts of the two debtors as required by the plan.

10. Current contract asset / Current contract liabilities

10.1 Contract balances

		Unit : Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
	Note	2020	2019	2020	2019
Current contract asset					
Unbilled revenue					
Related companies	7	2,479	-	-	-
Other companies		14,114	12,588	-	-
Total Current contract asset		16,593	12,588	-	-
Current contract liabilities					
Unearned revenue from services and advance from customer - related companies	7				
Advanced received from service income		3,430	-	-	-
Amount received advance for goods		210,044	207,209	210,044	207,209
Total		213,474	207,209	210,044	207,209
Unearned revenue from services and advance from customer - other companies					
Advanced received from service income		35,078	12,477	26,828	-
Amount received advance for goods		575,362	25,149	575,362	25,150
Total		610,440	37,626	602,190	25,150
Total Current contract liabilities		823,914	244,835	812,234	232,359

10.2 Revenue recognised in relation to contract balances

		Unit : Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
Revenues previously recognised in unearned services income brought forward		12,477	31,374	-	-
Revenues previously recognised in advance received for goods brought forward		207,235	183,318	207,235	183,318

10.3 Revenue recognised in relation to contract balances

As at 31 December 2020, the Group expects to have service revenues for future recognition for unsatisfied performance obligation (or partially unsatisfied) of contracts with customers amounting to Baht 233 million (2019: Baht 120 million). The Group expects to satisfy the obligations of the contract within 3 years and have revenues from the sale of goods which are expected to meet the obligations of the contract of Baht 785 million (2019: Baht 232 million).

11. Inventories

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
Finished goods	664,894	1,923,709	667,130	1,940,355
Work in progress	73,389	32,449	33,561	618
Raw materials	461,118	1,200,862	446,666	1,195,732
Spare parts and factory supplies	794,058	810,306	790,114	807,289
Inventories under collateral management agreement (<i>Note 23</i>)	389,622	3,502,847	389,622	3,502,847
Goods in transit	2,276,522	875,256	2,276,522	875,256
Total	4,659,603	8,345,429	4,603,615	8,322,097
Less Allowance for devaluation	(343,210)	(881,728)	(343,210)	(881,728)
Net	4,316,393	7,463,701	4,260,405	7,440,369

12. Other current assets

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Prepaid expenses	26,399	28,504	14,872	20,043
Prepaid for goods and supplies	152,267	135,212	152,267	135,212
Revenue Department receivable	1,120	11,724	4	11,724
Income tax deducted at source	44,775	36,191	10,376	5,083
Others	26,057	13,815	22,938	10,643
Total	250,618	225,446	200,457	182,705
Less Expected credit loss (2019: Allowance for doubtful accounts)	(8,032)	(8,032)	(8,032)	(8,032)
Net	242,586	217,414	192,425	174,673

13. Other non-current financial assets

Other non-current financial assets as at 31 December 2020 and 2019 are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Other non-current financial assets at amortised cost				
Restricted deposit at financial institution	44,136	7,596	43,322	3,634
Other non-current financial assets at FVTPL				
Equity securities of non-listed company	294,000	294,000	294,000	294,000
(Less) Loss on remeasuring investments (2019: Provision for impairment)	(294,000)	(294,000)	(294,000)	(294,000)
Total Other non-current financial assets	44,136	7,596	43,322	3,634

- 1) The Group and the Company used bank deposit to guarantee against bank's issuance of letter of guarantee commercial loans.
- 2) The Company has equity instruments as investments in ordinary shares of Thai Coated Steel Sheet Company Limited which engaged in business of manufacturing and distribution of electro galvanized steel sheet in the proportion of investment at 3.70%.

14. Investments in subsidiaries

Investments in subsidiaries as at 31 December 2020 and 2019 were as follows:

		Separate financial statements										Unit : Thousand Baht	
Name of entity	Type of business	Ownership proportion		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income for the year ended	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
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	25,500	45,900
West Coast Engineering Co., Ltd.	Maintenance Services	99.99	99.99	75,000	75,000	75,000	75,000	-	-	75,000	75,000	-	-
						279,000	279,000	-	-	279,000	279,000	25,500	45,900

Unit : Thousand Baht

15. Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

Unit : Thousand Baht

	31 December 2020			
	Prachuap Port Co., Ltd.	Other individually immaterial subsidiaries	Intra-group eliminations	Total
Non-controlling interest percentage	49			
Current assets	128,776			
Non-current assets	1,084,689			
Current liabilities	(13,596)			
Non-current liabilities	(56,005)			
Net assets	1,143,864			
Carrying amount of non-controlling interest	560,493	-	(39,561)	520,932
Revenue	157,035			
Profit (loss)	(5,218)			
Other comprehensive income	-			
Total comprehensive income	(5,218)			
Profit (loss) allocated to non-controlling interest	(2,557)	-	3,637	1,080
Cash flows from operating activities	91,463			
Cash flows from investing activities	(148,545)			
Net cash used in financing activities				
(dividends to non-controlling interest: Baht 24.5 million)	(29,460)			
Net decrease in cash and cash equivalents	(86,542)			

Unit : Thousand Baht

	31 December 2019			
	Prachuap Port Co., Ltd.	Other individually immaterial subsidiaries	Intra-group eliminations	Total
Non-controlling interest percentage	49			
Current assets	134,080			
Non-current assets	1,121,615			
Current liabilities	(14,031)			
Non-current liabilities	(47,552)			
Net assets	1,194,111			
Carrying amount of non-controlling interest	585,115	-	(30,763)	554,352
Revenue	265,454			
Profit (loss)	57,357			
Other comprehensive income	(752)			
Total comprehensive income	56,605			
Profit (loss) allocated to non-controlling interest	27,736	-	(1,834)	25,902
Cash flows from operating activities	145,851			
Cash flows used in investing activities	137			
Net cash used in financing activities				
(dividends to non-controlling interest: Baht 88.2 million)	(90,310)			
Net increase in cash and cash equivalents	55,678			

16. Investments in joint venture

Investments in joint venture as at 31 December 2020 and 2019 were as follows:

Consolidated financial statements											Unit : Thousand Baht
Name of entity	Type of business	Ownership proportion		Paid-up capital		Cost method		Equity method		Share of profit (loss) for the year	Dividend income for the year ended
		2020 (%)	2019 (%)	2020	2019	2020	2019	2020	2019		
Thai Cold Rolled Steel Sheet Public Company Limited	Production and distribution of cold coils	35.19	35.19	4,816,350	4,816,350	3,817,962	3,817,962	2,564,157	2,628,782	(64,625)	-
Total				3,817,962	3,817,962	3,817,962	3,817,962	2,564,157	2,628,782	(64,625)	-

Separate financial statements												Unit : Thousand Baht	
Name of entity	Type of business	Ownership proportion		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income for the year ended	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Thai Cold Rolled Steel Sheet Public Company Limited	Production and distribution of cold coils	(%)	(%)										
		35.19	35.19	4,816,350	4,816,350	3,817,962	3,817,962	1,189,180	1,189,180	2,628,782	2,628,782	-	-
Total						3,817,962	3,817,962	1,189,180	1,189,180	2,628,782	2,628,782	-	-

Thai Cold Rolled Steel Sheet Public Company Limited has operated its business.

The Company has pledged 150,176,007 common shares in a joint-venture, Thai Cold Rolled Steel Sheet Public Company Limited to Marubeni-Itochu Steel Inc. for a trading facility to Sahaviriya Steel Industries UK Limited. In 2016, the Company recognised loss on guarantee amount of Baht 513 million as outstanding debts and presented as provisions under rehabilitation plan.

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	
	2020	2019
Revenue	8,045,300	12,320,824
Profit (loss) from continuing operations	(181,726)	7,478
Other comprehensive income	-	(15,098)
Total comprehensive income	(181,726)	(7,620)
Attributable to non-controlling interest	(117,777)	(4,939)
Attributable to investee's shareholders	(63,949)	(2,681)
Current assets	2,419,425	2,858,658
Non-current assets	3,518,684	3,622,353
Current liabilities	(998,309)	(1,333,826)
Non-current liabilities	(109,369)	(135,028)
Net assets	4,830,431	5,012,157
Attributable to non-controlling interest	3,130,602	3,248,379
Attributable to investee's shareholders	1,699,829	1,763,778
Group's interest in net assets of investee at 1 January	2,628,782	2,598,112
Total comprehensive income attributable to the Group	(64,625)	30,670
Dividend received	-	-
Carrying amount of interest in investee at 31 December	2,564,157	2,628,782

Contingent liabilities and commitments relating to the joint venture:

	2020	2019
<i>Contingent liabilities directly incurred by the Group</i>		
<i>Capital commitments in relation to interest in joint venture</i>		
Group's share of the joint venture according to		
- from capital expenditure	Baht 27 million, USD 0.07 million, JPY 57.9 million and Euro 0.04 million	Baht 38 million, USD 0.32 million, JPY 56 million and Euro 0.14 million
- from non-cancellable operating lease commitments	-	Baht 3 million
- from raw materials and chemical purchases	Baht 16.9 million, and USD 12.5 million	Baht 7.3 million, and USD 7.39 million
- from other contracts	Baht 20.6 million, and JYP 10.6 million	Baht 9 million and JPY 11 million
- Guarantee	Baht 9.29 million	Baht 9.29 million

17. Long-term loans

Unit : Thousand Baht

Consolidated and Separate financial statements

	Notes	31 December 2020	31 December 2019
Principal			
Cork Gully LLP		456,571	-
Redcar Bulk Terminal Limited	7	29,750	-
Total		486,321	-
Less Current portion	7	(14,875)	-
Net		471,446	-
Accrued interest			
Cork Gully LLP		9,323	-
Redcar Bulk Terminal Limited	7	110	-
Total		9,433	-

Movement transaction during the period for long-term loans as follows:

Unit : Thousand Baht

Consolidated and Separate financial statements						
		31 December				31 December
	Notes	2019	Increase	Decrease	Adjusted	2020
Principal						
Cork Gully LLP		-	462,095	-	(5,525)	456,571
Redcar Bulk Terminal Limited	7	-	30,175	-	(425)	29,750
Total Principal		-	492,270	-	(5,950)	486,321
<i>Less Current portion</i>						(14,875)
Net						471,446
Accrued interest						
Cork Gully LLP		-	9,052	-	271	9,323
Redcar Bulk Terminal Limited	7	-	500	(390)	-	110
Total		-	9,552	(390)	271	9,433

Cork Gully LLP

On 5 February 2020, the Company entered into loans agreement with Cork Gully LLP which is a receiver representative appointed by bank creditors of Sahaviriya Steel Industries UK Limited ("SSI UK") for exercise right to purchase ordinary shares of Redcar Bulk Terminal Limited ("RBT") which engaged in port business in England from British Steel Limited ("BSL") in the proportion of 50% of total issued share capital amount of GBP 11.36 million equivalents to Baht 463 million with the condition that Cork Gully LLP in being Receiver, held the acquired share capital and used them as guarantee to the Company against its borrowings. Subsequent on 24 February 2020, SSI UK received the transferred of share capital of RBT, resulted to the proportion of shareholding in RBT from 50% to 100%. Such loans are charged interest at the rate of GBP at LIBOR averaged 3 months+2% per annum which will be matured on 5 February 2025.

18. Property, plant and equipment

Unit : Thousand Baht

	Consolidated financial statements						
	Land and land improvement	Factory and office buildings	Machinery, tools and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	Total
Cost							
As at 31 December 2018	1,629,354	2,101,163	19,128,219	230,853	103,743	567,210	23,760,542
Additions	550	160	132,545	15,549	2,968	444,621	596,393
Transfer received from intangible assets	-	-	-	-	-	(582)	(582)
Transfers	1,870	9,640	66,019	13,927	3,370	(94,826)	-
Transfers to cost of inventory	-	-	-	-	-	(210,643)	(210,643)
Disposal/write off	-	-	(16,095)	(8,130)	(10,837)	-	(35,062)
As at 31 December 2019	1,631,774	2,110,963	19,310,688	252,199	99,244	705,780	24,110,648
The impacts of TFRS 16 adoption	-	-	-	-	(6,413)	-	(6,413)
As at 1 January 2020	1,631,774	2,110,963	19,310,688	252,199	92,831	705,780	24,104,235
Additions	46,796	12,013	48,717	10,330	45	514,133	632,034
Transfer received from intangible assets	900	1,008	4,224	49	-	(6,181)	-
Transfers	-	-	-	-	-	(1,048)	(1,048)
Transfers to cost of inventory	-	-	-	-	-	(168,229)	(168,229)
Disposal/write off	-	-	(8,218)	(2,896)	-	-	(11,114)
As at 31 December 2020	1,679,470	2,123,984	19,355,411	259,682	92,876	1,044,455	24,555,878

Unit : Thousand Baht

	Consolidated financial statements					
	Land and land improvement	Factory and office buildings	Machinery, tools and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation
						Total
Depreciation and impairment losses						
As at 31 December 2018	268,476	1,748,492	9,910,478	180,174	95,509	12,203,129
Depreciation for the year	451	50,078	434,975	18,445	2,987	506,936
Disposal/write off	-	-	(16,026)	(8,025)	(10,833)	(34,884)
As at 31 December 2019	268,927	1,798,570	10,329,427	190,594	87,663	12,675,181
The impacts of TFRS 16 adoption	-	-	-	-	(1,488)	(1,488)
As at 1 January 2020	268,927	1,798,570	10,329,427	190,594	86,175	12,673,693
Depreciation for the year	1,108	52,195	364,865	19,836	1,532	439,536
Disposal/write off	-	-	(6,506)	(2,896)	-	(9,402)
Adjustment	-	-	20,147	-	-	20,147
As at 31 December 2020	270,035	1,850,765	10,707,933	207,534	87,707	13,123,974
Loss on impairment						
As at 31 December 2018	387,348	16,088	86,566	-	-	509,002
Unchanged	-	-	-	-	-	-
As at 31 December 2019	387,348	16,088	86,566	-	-	509,002
Unchanged	-	-	-	-	-	-
As at 31 December 2020	387,348	16,088	86,566	-	-	509,002

	Consolidated financial statements					Unit : Thousand Baht
	Land and land improvement	Factory and office buildings	Machinery, tools and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation
<i>Net book value</i>						Total
As at 31 December 2019						
Owned assets	975,499	296,305	8,892,697	61,605	6,318	10,919,204
Assets under finance leases and hire-purchases	-	-	1,998	-	5,263	7,261
Total	975,499	296,305	8,894,695	61,605	11,581	10,926,465
As at 31 December 2020						
Total	1,022,087	257,131	8,560,912	52,148	5,169	10,922,902

Unit : Thousand Baht

Separate financial statements

	Land and land improvement	Factory and office buildings	Machinery, tools and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	Total
Cost							
As at 31 December 2018	1,006,391	1,939,417	16,666,823	187,473	73,243	555,176	20,428,523
Additions	-	-	130,221	14,039	2,844	438,717	585,821
Transfer received from intangible assets	-	-	-	-	-	(581)	(581)
Transfers	-	8,965	64,781	13,497	3,370	(90,613)	-
Transfers to cost of inventory	-	-	-	-	-	(210,643)	(210,643)
Disposal/write off	-	-	(15,207)	(7,707)	(10,652)	-	(33,566)
As at 31 December 2019	1,006,391	1,948,382	16,846,618	207,302	68,805	692,056	20,769,554
The impacts of TFRS 16 adoption	-	-	-	-	(3,899)	-	(3,899)
As at 1 January 2020	1,006,391	1,948,382	16,846,618	207,302	64,906	692,056	20,765,655
Additions	-	12,013	48,334	5,578	45	504,698	570,668
Transfers to cost of inventory	-	-	-	-	-	(168,229)	(168,229)
Disposal/write off	-	-	(7,773)	-	-	-	(7,773)
As at 31 December 2020	1,006,391	1,960,395	16,887,179	212,880	64,951	1,028,525	21,160,321

Unit : Thousand Baht

Separate financial statements

	Land and land improvement	Factory and office buildings	Machinery, tools and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	Total
Depreciation and impairment losses							
As at 31 December 2018	340,421	1,660,484	8,475,261	144,338	67,549	-	10,688,053
Depreciation for the year	299	45,959	339,398	15,815	2,041	-	403,512
Disposal	-	-	(15,156)	(7,606)	(10,648)	-	(33,410)
As at 31 December 2019	340,720	1,706,443	8,799,503	152,547	58,942	-	11,058,155
The impacts of TFRS 16 adoption	-	-	-	-	(795)	-	(795)
As at 1 January 2020	340,720	1,706,443	8,799,503	152,547	58,147	-	11,057,360
Depreciation for the year	299	46,430	274,513	17,130	1,480	-	339,852
Disposal/write off	-	-	(6,061)	-	-	-	(6,061)
As at 31 December 2020	341,019	1,752,873	9,067,955	169,677	59,627	-	11,391,151
Loss on impairment							
As at 31 December 2018	110,137	13,422	86,566	-	-	-	210,125
Unchanged	-	-	-	-	-	-	-
As at 31 December 2019	110,137	13,422	86,566	-	-	-	210,125
Unchanged	-	-	-	-	-	-	-
As at 31 December 2020	110,137	13,422	86,566	-	-	-	210,125

	Separate financial statements					Unit : Thousand Baht
	Land and land improvement	Factory and office buildings	Machinery, tools and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation
<i>Net book value</i>						Total
As at 31 December 2019						
Owned assets	665,671	241,939	8,047,115	54,755	6,759	9,708,295
Assets under finance leases and hire-purchases	-	-	-	-	3,104	3,104
Total	665,671	241,939	8,047,115	54,755	9,863	9,711,399
As at 31 December 2020						
Total	665,372	207,522	7,819,224	43,203	5,324	9,769,170

Assets value of the Group before accumulated depreciation of building and equipment which were fully depreciated but are still in use up to 31 December 2020 amounted to Baht 2,870 million (2019: Baht 2,822 million).

Assets value of the Company before accumulated depreciation of building and equipment which were fully depreciated but are still in use up to 31 December 2020 amounted to Baht 2,184 million (2019: Baht 2,136 million).

As at 31 December 2020, the Group and the Company has mortgaged/ pledged assets amounting to approximately Baht 8,655 million and Baht 8,407 million respectively (2019: Baht 8,950 million and Baht 8,664 million), respectively, as collateral against bank overdrafts, short-term borrowings and long-term borrowings from financial institutions, and letter of guarantee for electricity, port and goods warehouse, as described in Note 34 to financial statements.

19. Right-of-use assets / Lease liabilities

19.1 Right-of-use assets

The book value of right-of-use assets under lease land, building, leasehold and equipment agreement, and the movement for 2020 as follows:

Unit : Thousand Baht				
Consolidated financial statements				
	Land	Building and improvement	Vehicles	Total
Cost				
As at 1 January 2020	-	-	-	-
Reclassified from property, plant and equipment	-	-	6,413	6,413
Reclassify due to new TFRS adoption (see Note 6)	2,602	82,235	11,518	96,355
As at 1 January 2020 (after restatement)	2,602	82,235	17,931	102,768
Additions	-	1,009	5,312	6,321
Changing condition/write off	-	-	-	-
As at 31 December 2020	2,602	83,244	23,243	109,089
Accumulated depreciation				
As at 1 January 2020	-	-	-	-
Reclassified from property, plant and equipment	-	-	1,488	1,488
As at 1 January 2020 (after restatement)	-	-	1,488	1,488
Depreciation for the year	2,602	25,926	7,552	36,079
Depreciation - Changing condition/write off	-	-	-	-
As at 31 December 2020	2,602	25,926	9,040	37,567
Net book value				
As at 31 December 2020	-	57,318	14,203	71,522

Unit : Thousand Baht

Separate financial statements				
	Land	Building and improvement	Vehicles	Total
Cost				
As at 1 January 2020	-	-	-	-
Reclassified from property, plant and equipment	-	-	3,899	3,899
Reclassify due to new TFRS adoption (see Note 6)	2,602	66,252	6,777	75,631
As at 1 January 2020 (after restatement)	2,602	66,252	10,676	79,530
Additions	-	-	-	-
Changing condition/write off	-	-	-	-
As at 31 December 2020	2,602	66,252	10,676	79,530
Accumulated depreciation				
As at 1 January 2020	-	-	-	-
Reclassified from property, plant and equipment	-	-	795	795
As at 1 January 2020 (after restatement)	-	-	795	795
Depreciation for the year	2,602	23,066	3,532	29,199
Depreciation - Changing condition/write off	-	-	-	-
As at 31 December 2020	2,602	23,066	4,327	29,994
Net book value				
As at 31 December 2020	-	43,186	6,349	49,536

19.2 Lease liabilities

The book value of Lease liabilities and the movement for 2020 as follows:

	Consolidated financial statements	Unit : Thousand Baht Separate financial statements
	2020	2020
As at 1 January	-	-
Adjustment due to new TFRS adoption (see Note 6)	100,490	76,960
As at 1 January	100,490	76,960
Additions	6,321	-
Repayment	(33,926)	(26,447)
Decrease from termination	-	-
As at 31 December	72,885	50,513
<i>Less: Current portion of long-term lease</i>	<i>(31,445)</i>	<i>(25,160)</i>
Lease liabilities – net	41,440	25,353

The Company is liable on minimum lease payment as at 31 December 2020 are as follows:

	Unit : Thousand Baht Consolidated financial statements		
	Less than 1 year	1 - 5 years	Total
Sum of minimum lease payment	34,750	44,112	78,862
Deferred lease interest	(3,305)	(2,672)	(5,977)
Present value of minimum lease payment	31,445	41,440	72,885

	Separate financial statements		
	Less than 1 year	1 - 5 years	Total
Sum of minimum lease payment	27,251	26,119	53,370
Deferred lease interest	(2,091)	(766)	(2,857)
Present value of minimum lease payment	25,160	25,353	50,513

Lease expenses for the year ended 31 December 2020 are recognised in the following items in profit or loss.

Unit: Thousand Baht

	Consolidated financial statements	Separate financial statements
	2020	2020
Depreciation of right-of-use assets	36,079	29,199
Interest paid from lease liabilities	7,885	6,309
Expenses relating to short-term lease	180	-
Total	44,144	35,508

The Group entered into lease land, building space and vehicles agreement for using in its operation for the averaged period approximate 1 year to 6 years.

20. Other intangible assets

Unit : Thousand Baht

	Consolidated financial statements			
	Right of use licenses	Software copy right	Assets under installation	Total
<i>cost</i>				
As at 31 December 2018	5,580	246,291	32,039	283,910
Increase	-	4,444	-	4,444
As at 31 December 2019	5,580	250,735	32,039	288,354
Increase	1,286	3,409	-	4,695
Transfer to property, plant and equipment	1,048	-	-	1,048
As at 31 December 2020	7,914	254,144	32,039	294,097
<i>Amortization and Loss on impairment</i>				
As at 31 December 2018	2,667	235,910	32,039	270,616
Amortization for the year	1,295	3,575	-	4,870
As at 31 December 2019	3,962	239,485	32,039	275,486
Amortization for the year	1,598	4,043	-	5,641
As at 31 December 2020	5,560	243,528	32,039	281,127
<i>Net book value</i>				
As at 31 December 2019	1,618	11,250	-	12,868
As at 31 December 2020	2,354	10,616	-	12,970

Unit : Thousand Baht

	Separate financial statements		
	Software copy right	Assets under installation	Total
<i>cost</i>			
As at 31 December 2018	237,384	32,039	269,423
Increase	4,063	-	4,063
As at 31 December 2019	241,447	32,039	273,486
Increase	3,307	-	3,307
As at 31 December 2020	244,754	32,039	276,793
<i>Amortization</i>			
As at 31 December 2018	229,796	32,039	261,835
Amortization for the year	3,104	-	3,104
As at 31 December 2019	232,900	32,039	264,939
Amortization for the year	3,560	-	3,560
As at 31 December 2020	236,460	32,039	268,499
<i>Net book value</i>			
As at 31 December 2019	8,547	-	8,547
As at 31 December 2020	8,294	-	8,294

21. Deferred tax

Deferred tax assets and liabilities as at 31 December 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets	9,771	3,635	-	-
Deferred tax liabilities	(38,380)	(42,065)	(15,122)	(14,269)
Net	(28,609)	(38,430)	(15,122)	(14,269)

Movements of deferred tax assets and liabilities during the year were as follows:

Unit : Thousand Baht

Consolidated financial statements				
	As at	(Charged) / Credited to:		As at
	1 January	Profit	Other	31 December
	2020	or loss	comprehensive	2020
			income	
Deferred tax assets				
Trade accounts receivable	188	12	-	200
Property, plant and equipment	4,725	4,723	-	9,448
Finance lease liabilities	-	98	-	98
Non-current provisions for employee benefit	10,949	348	-	11,297
Taxable loss carry forward	-	1,676	-	1,676
Total	15,862	6,857	-	22,719
Deferred tax liabilities				
Other current assets	(323)	54	-	(269)
Property, plant and equipment	(49,493)	(416)	-	(49,909)
Finance lease liabilities	(4,476)	3,326	-	(1,150)
Total	(54,292)	2,964	-	(51,328)
Net	(38,430)	9,821	-	(28,609)

Unit : Thousand Baht

Separate financial statements				
	As at	(Charged) / Credited to:		As at
	1 January	Profit	Other	31 December
	2020	or loss	comprehensive	2020
			income	
Deferred tax liabilities				
Property, plant and equipment	(14,269)	(853)	-	(15,122)
Total	(14,269)	(853)	-	(15,122)

The Group has not recognised deferred tax assets in temporary differences of some transaction and tax losses because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom or temporary differences will be reversed in the future.

22. Short term borrowings from financial institutions

	Consolidated		Unit: Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
Short-term borrowings from financial institutions - collateral				
Trust Receipt	-	6,183	-	-
Promissory Note	40,000	54,500	-	-
Total	40,000	60,683	-	-

As at 31 December 2020, the above-mentioned borrowings are owned by West Coast Engineering Co., Ltd., a subsidiary has short-term credit lines from two local financial institutions totaling Baht 101.5 million, charged interest at the rate of MLR per annum and MOR per annum (2019: Baht 120 million, the interest is payable on monthly basis).

As at 31 December 2020, the Group had unutilized credit facilities total amount of Baht 74.8 million and the Company had no credit facilities (2019 : Baht 93 million for the Group only and no credit facilities for the Company).

Short-term borrowings from PPC, a subsidiary are guaranteed by mortgaging land with its construction structured thereon and / in the future of the subsidiary. Bank overdrafts and short-term borrowings of WCE, a subsidiary are guaranteed by mortgaging land with its construction and transferring the privileges derived from assets insurance of such subsidiary, fixed deposit of subsidiary.

23. Trade accounts payable

	Consolidated		Unit: Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
Related parties (Note 7)	82,959	402,440	87,745	487,647
Other parties	2,754,550	4,746,223	2,714,140	4,701,302
Total	2,837,509	5,148,663	2,801,885	5,188,949

Inventory under collateral management agreement

The Company entered into the collateral management agreements with company which are incorporated in Japan. Under the terms of the agreements, the Company has to pay a partial deposit and the remainder when withdrawing inventory from the representative company. The Company retains all or a significant portion of the risks and rewards relating to the collateralized inventory. Inventory is stored in the warehouse facilities for which that counter party appoints a representative to act as the collateral manager. These transactions are treated as inventory under collateral management agreements and trade payable under collateral management agreements within the statement of financial position.

24. Other current liabilities

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
Accrued expense	105,054	134,926	96,455	125,607
Other payables	60,581	57,081	45,919	51,725
Amounts received in advance from sales of goods	3,226	570	-	-
Other	50,833	88,109	38,120	57,844
Total	219,694	280,686	180,494	235,176

25. Other current financial liabilities

Other current financial liabilities as at 31 December 2020 and 2019 are as follows:

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
Forward contracts	732	-	732	-

Forward contracts, derivatives assets held for trading are not defined in hedge accounting relationship, present at fair value through profit or loss.

26. Non-current provisions for employee benefits

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
<i>Statements of financial position</i>				
<i>as at 31 December</i>				
Provisions in statements of financial position for:				
Statutory severance pay	367,596	338,177	315,654	288,355
Other long-term employee benefits	23,568	22,741	19,025	17,819
Total	391,164	360,918	334,679	306,174
<i>For the year ended 31 December</i>				
<i>Statement of comprehensive income</i>				
<i>Recognised in profit or loss:</i>				
Statutory severance pay	31,903	40,011	27,300	26,498
Other long-term employee benefits	2,417	43,662	1,891	42,429
Total	34,320	83,673	29,191	68,927

Statutory severance pay

The Group and the Company operate defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The movement in the present value of the provisions for employee benefits for the year ended 31 December 2020 and 2019 were shown in the table below:

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate financial statements	
	2020	2019	2020	2019
Provisions for employee benefits at 1 January	360,918	200,358	306,174	165,353
<i>Recognised in profit or loss:</i>				
Current service costs and interest				
Previous service cost	34,320	83,673	29,191	68,927
<i>Recognised in comprehensive income:</i>				
Actuarial losses on change in the estimates	-	79,621	-	72,700
<i>Others</i>				
Benefits paid by the plan	(4,074)	(2,734)	(686)	(806)
Provisions for employee benefits at 31 December	391,164	360,918	334,679	306,174

Actuarial assumption

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	1.63-1.71	1.63-1.71	1.71	1.71
Future salary growth	5.62-7.02	5.62-7.02	7.02	7.02

Assumptions regarding future mortality have been based on published statistics and mortality tables.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Provisions for employee benefits				
31 December 2020				
Discount rate (0.5% movement)	(13,677)	17,273	(11,528)	14,984
Future salary growth (0.5% movement)	15,947	(12,669)	13,743	(10,586)
Employee turnover rate (0.5-1% movement)	(15,795)	19,652	(11,511)	14,813

	Consolidated financial statements		Separate financial statements	
Cost of sales	15,337		11,422	
Distribution costs	3,107		2,954	
Administrative expenses	15,876		14,815	
Total	34,320		29,191	

27. Liabilities under business rehabilitation plan and progressive

The Company recorded liabilities under rehabilitation plan at the fair value as at 31 December 2020 are presented as follows:

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current portion of liabilities under rehabilitation plan	225,082	1,766,345	233,073	1,774,336
Overdue portion of liabilities under rehabilitation plan	29,527,289	55,226,829	29,527,289	55,226,829
Total	29,752,371	56,993,174	29,760,362	57,001,165

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>Current of liabilities</i>				
The creditor class 1	91,900	812,991	91,900	812,991
The creditor class 2	30,992	249,307	30,992	249,307
The creditor class 3	9,635	77,676	9,635	77,676
The creditor class 4	59,669	559,998	59,669	559,998
The creditor class 5	3,924	31,611	3,924	31,611
The creditor class 6	28,902	34,682	28,902	34,682
The creditor class 7	-	-	7,991	7,991
The creditor class 12	60	80	60	80
Total	225,082	1,766,345	233,073	1,774,336
<i>Non-current of liabilities</i>				
The creditor class 1	5,486,206	8,155,558	5,486,206	8,155,558
The creditor class 2	7,261,730	14,792,240	7,261,730	14,792,240
The creditor class 3	2,257,712	4,521,863	2,257,712	4,521,863
The creditor class 4	13,555,445	25,688,490	13,555,445	25,688,490
The creditor class 5	920,698	1,780,328	920,698	1,780,328
The creditor class 6	31,037	273,386	31,037	273,386
The creditor class 7	4,300	4,300	4,300	4,300
The creditor class 12	10,161	10,664	10,161	10,664
Total	29,527,289	55,226,829	29,527,289	55,226,829
Total liabilities under rehabilitation plan	29,752,371	56,993,174	29,760,362	57,001,165

Changes in liabilities under rehabilitation plan which stated at fair value for the year ended 31 December 2020 are as follows:

Disclosure of accounting policies adopted since 1 January 2020

	Unit: Thousand Baht	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2019	56,993,174	57,001,165
Adjustment to fair value from adoption TFRS 9 (note 6)	(26,384,253)	(26,384,253)
Balance at fair value as at 1 January 2020	30,608,921	30,616,912
Recognised interest expenses by effective rate	1,709,263	1,709,263
Repayment	(374,740)	(374,740)
Changes in fair value	(2,191,073)	(2,191,073)
Balance at fair value as at 31 December 2020	29,752,371	29,760,362

Disclosure of accounting policies adopted prior to 1 January 2020

Movements of liabilities under rehabilitation plan for the year ended 31 December 2019

	Unit: Thousand Baht	
	Consolidated financial statements	Separate financial statements
	2019	2019
As at 1 January 2019	58,680,153	58,688,144
Repayment	(1,686,979)	(1,686,979)
As at 31 December 2019	56,993,174	57,001,165

Liabilities under business rehabilitation of secured portion, detailed of security, land building and equipment as stated in notes 18 to financial statements.

Liabilities under rehabilitation plan as at 31 December 2020 and 2019 classified by currency as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Baht currency	16,137,257	30,744,686	16,145,248	30,752,677
USD currency	13,615,114	26,248,488	13,615,114	26,248,488
Total	29,752,371	56,993,174	29,760,362	57,001,165

Rehabilitation plan and progressive

On 1 October 2015, the Board of the Company approved to file the petition for business rehabilitation to the Central Bankruptcy Court. Subsequent on 10 March 2016, the Central Bankruptcy Court has ordered the Company to rehabilitate the business and appointed the Company to be a planner ("the Planner") which announced in the Royal Gazette on 26 April 2016.

As at 15 September 2016, the Official Receiver arranged the creditors meeting for considering the plan and the creditors' meeting passed the special resolution to accept the rehabilitation plan (the Plan) and appointed three creditors to be the Board of creditors, consist of Siam Commercial Bank Public Company Limited, Krung Thai Bank Public Company Limited and Tisco Bank Public Company Limited.

As at 15 December 2016, the Central Bankruptcy Court ordered to approve with the Plan dated 14 July 2016 (revised plan No.1 amendment by the Board of creditors on 15 September 2016) (the Plan No. 1). The Plan is determined the Company to be the Plan Administrator.

Subsequent, the Company ceased to repay the principal under the Plan since March 2020 (interest under the Plan still normally pay) and the Company has filed the petition for revising the Plan on 27 April 2020 to the Official Receiver.

Subsequent on 18 June 2020, the Official Receiver has attended the creditors meeting and the most of creditors passed the resolution to agree with the revised plan (the Plan dated 14 July 2016 additional revised by the creditors' meeting held on 18 June 2020) ("the Plan No. 2"). and the Plan No. 2 is approval by the Central Bankruptcy Court on 18 September 2020.

The substances of the Plan No.1 and No. 2 are as follows:

1. Classification of the creditors

The Business Rehabilitation Plan (the "Plan") has classified the creditors who filed applications for repayment of debts into 13 classes. The total debt claim denominated in Baht 33,849.9 million and in other currencies which include amount of USD 990.9 million, GBP 4.6 million and EUR 0.1 million (converted into Baht at the exchange rate as at 10 March 2016, the date that the Court issued Rehabilitation Order in which the exchange rate for USD 1 = Baht 35.4546, GBP 1 = Baht 50.5173 and EUR 1 = Baht 39.0923, total debt claim equivalent to Baht 69,220.2 million). Detail is as follows:

Class No.	Classes of Creditor	Total indebtedness amount equivalent to Thai Baht (in Thousand Baht)		
		Principal	Interest	Total
1	Secured creditors	9,780,633	8,764	9,789,397
2	Financial institution creditors for the portions of debt claims that exceed the appraised value of the collateral	12,468,299	2,271,120	14,739,419
3	Financial institution creditors who are the joint creditors under the Debt Restructuring Agreement	3,968,607	526,228	4,494,835
4	Creditor of guarantee obligations for loan repayment	28,006,355	1,865,495	29,871,850
5	Suppliers of key raw materials	1,592,058	172,264	1,764,322
6	Government agencies and authorities	177,397	204,022	381,419
7	Related party creditors	872,574	587	873,161
8	Trade accounts payable	15,110	387	15,497
9	Creditor under the guarantee agreement	3,545,460	224,786	3,770,246
10	Creditor of contingent liabilities relating to guarantees	1,185,026	-	1,185,026
11	Creditor of fines and/or damages incurred in relation to defaults of contract	279,391	-	279,391
12	Creditor of professional fees under consultant agreements	1,927,893	21,251	1,949,144
13	Issuers of bank guarantees	105,562	925	106,487
	Total	63,924,365	5,295,829	69,220,194

Remark: All creditors who filed applications for repayment of debts to the Official Receiver will receive payment under the terms and conditions set forth in the Plan when the Official Receiver, the Bankruptcy Court, or the Supreme Court (as applicable) issues a final order to validate the debt.

2. Capital Restructuring

On the date that the Court issued Rehabilitation Order, the Company had registered capital amount of Baht 50,263.7 million with the registered number of ordinary shares equivalent to 50,263.7 million shares at the par value of Baht 1 each. The issued and paid-up share capital was Baht 32,166.3 million and unissued share capital was Baht 18,097.4 million. The Plan Administrator will restructure the capital as follows:

2.1 Decrease the unissued ordinary shares

Within 90 days after the date the Court issues an order approving the Plan, the Company has to decrease the registered but unissued ordinary shares for 18,097.4 million shares. Such decrease will bring down the total value of the registered shares to be equivalent to the total value of issued and paid-up shares at Baht 32,166.3 million dividing into 32,166.3 million ordinary shares at the par value of Baht 1 each.

On 23 December 2016, the Company filed a petition for an amendment of the Memorandum of Association to decrease the unissued ordinary shares. The Court granted permission, on 22 February 2017, to amend the Memorandum of Association in order to cancel the unissued 18,097,401,000 ordinary shares at par value of Baht 1 each. The decrease of share registered capital resulted to the decreasing from Baht 50,263.7 million to Baht 32,166.3 million. The Company has registered the decrease share capital with the Ministry of Commerce on 1 March 2017.

2.2 Decrease the issued and paid-up share capital by reducing the number of issued and paid-up shares

Within 90 days after the date the Court's Plan Approval Date, the Company has to decrease the registered share capital from Baht 32,166.3 million to approximately Baht 1,109 million by reducing the number of ordinary shares by applying the ratio of existing shares 29 shares to 1 share. After such reduction, the Company will have the total value of its registered and paid-up shares equivalent to approximately Baht 1,109 million dividing into 1,109 million ordinary shares at the par value of Baht 1 each.

On 19 April 2017, the Company filed the petition to the Central Bankruptcy Court for amendment the Memorandum of Association of the Company for decreasing share capital and on 26 April 2017, the Court ordered the Company to amend the Memorandum of Association to be 31,053,243,844 ordinary shares by decreasing share capital from Baht 32,166.3 million to Baht 1,113.0 million. The Company has registered the decrease share capital with the Ministry of Commerce on 13 July 2017.

2.3 Increase the share capital by the Debt to Equity Conversion No.1

Within 90 days after the date the Court's Plan Approval Date, the Company has to increase the total value registered and paid-up shares by Baht 10,000 million by issuing ordinary shares at the amount of 10,000 million shares to be the reserve shares for debt to equity conversion for the creditor in class 2 and/or 3 and/or 4 in conformity with the conditions as stipulated in the Plan. The conversion will be Baht 0.05 per 1 share. After such execution, the Company will have the registered and paid-up share capital of approximately Baht 11,109 million dividing into 11,109 issued and paid-up ordinary shares at the par value of Baht 1 each. Nonetheless, the timeframe for the decrease of unissued ordinary shares, the decrease of the issued and paid-up share capital and the increase of the share capital by the Debt to Equity Conversion No. 1 may be extended for not more than 90 days.

On 24 July 2017, the Company filed the petition to the Central Bankruptcy Court for amendment the Memorandum of Association of the Company for increasing share capital for conversion debt to equity No.1 and on 21 September 2017, the Court has ordered to approve the amendment of memorandum of

association for increasing share capital 10,000,000,000 shares at par value of Baht 1 each. As a result, the Company has the increase share capital from Baht 1,113.0 million to Baht 11,113.0 million. The Company has registered the decrease share capital with the Ministry of Commerce on 19 October 2017.

The Company converted debt to equity No. 1 to the creditors as determined in the Plan by issuing new 10,000,000,000 ordinary shares at par value of Baht 1 each to 4 creditors who expressed their wishes at the price of Baht 0.05 per share, amounting to Baht 500 million. The Company has filed the amendment of the Memorandum of Association on 28 March 2018.

2.4 Increase of registered share capital for the Debt to Equity Conversion No.2

After the completion of the Debt to Equity Conversion No.1, in case where the creditor may proceed the Debt to Equity Conversion No. 2, their debt will be repaid by the Company's ordinary shares to be newly issued in conformity with the conditions as stipulated in the Plan. The Plan Administrator will have to increase the registered share capital and increase the issued and paid-up share capital by issuing adequate number of ordinary shares at the par value of Baht 1 each to be the reserve shares for the Debt to Equity Conversion No.2 of each and every creditor whose debt will be repaid by the Debt to Equity Conversion No.2 in conformity with the conditions as stipulated in the Plan. The conversion price will be used the market price per share (the market price at the date of the creditor indicate their intention for the Debt to Equity Conversion No.2; the conversion price will be Baht 0.05 per share in the case of no market price). In the allocation of the increased ordinary shares for debt repayment to the creditor as per the aforementioned, the Company can consider to register the issued and paid-up shares one or more times.

2.5 Increase the share capital for debt to equity conversion for the creditor class 7, 9 and 12

Under the principals of the debt repayment of this Plan, the Plan Administrator will have to increase the registered share capital and increase the issued and paid-up share capital by issuing adequate number of ordinary shares at the par value of Baht 1 each to be the reserve shares for the Debt to Equity conversion of the creditor class 7, 9 and 12 of the Plan. The conversion price will be Baht 0.05 per 1 share as stipulated in the Plan. In the allocation of the increased ordinary shares for debt repayment to the creditor as per the aforementioned, the Company can consider to register the issued and paid-up shares one or more times.

3. Debt repayment of each creditor class

3.1 *Creditor Class 1 (Secured creditor)*

- 3.1.1 The outstanding principal of Baht 9,780.6 million will be repaid from cash flow for debt repayment and/or excess cash. The creditor will be paid for 144 monthly instalment payments (the 1st month commencing from the month after the month that the Court approves the Plan).
- 3.1.2 (a) From the date after the Court ordered the business rehabilitation to the Court's Plan approval date, the Creditor Class 1 will be entitled to receive interim interest on the outstanding principal at the rate of 7.5% per annum. Such interim interest will be accrued and paid in the 144th month.
- (b) From the date after the Court's Plan Approval Date until the date the total debt is paid in full, the Creditor Class 1 will be entitled to receive New Interest on the principal at the rate of MLR% per annum; nonetheless, the actual interest payment will be at the rate of 0.5%. The difference between the new interest and the actual interest ("deferred new interest Portion") will be accrued and paid in the 144th month.
- 3.1.3 In case the Company executes the Debt to Equity Conversion No.2, the Creditor Class 1 will receive interest payment at the rate of MLR% per annum from the date after the Debt to Equity Conversion No.2 date.
- 3.1.4 After the Creditor Class 1 receives the repayment of debt in full as stipulated in the Plan which includes the prepayment of debt in full, or the Company has completed the Debt to Equity Conversion No.2 to the creditor who may convert their debt into shares in the Debt to Equity Conversion No.2, the Creditor Class 1 agrees to waive the interim interest and the deferred new interest portion by 50% of such interim interest and the deferred new Interest Portion.
- 3.1.5 With regards to the outstanding interest of Baht 8.8 million, the remaining interim interest and the remaining deferred new Interest Portion from clause 3.1.4, the Creditor Class 1 will be repaid in the 144th month. However, if the Company repays the principals of the Creditor Class 2, 3, 4 and 5 in full in any year, the Company will pay the outstanding interest, the remaining interim interest and the remaining Deferred New Interest Portion to the Creditor Class 1 in the same year.
- 3.1.6 Moreover, during the plan administration period, the Creditor Class 1 who has collaterals which are the shares owned by the Company, can opt to receive the repayment of its outstanding principal and interest in full by transferring the share collaterals to offset such amount. In this event, such Creditor agrees to immediately waive the interim interest and the deferred new interest portion in full on the closing date of the transfer of shares.

The Plan No. 2

Since the Creditor in this class has already received the partial payment as at 28 February 2020, the outstanding principal to the Creditor Class 1 had the amount of Baht 5,755.1 million. Therefore, the substances of aforementioned No. 3.1.1 is revised to:

"3.1.1 The outstanding principal amount of Baht 5,755.1 million was received from cash inflows for debts repayment and/or cash flows surplus. The Creditor will received the payment for such debts on a monthly basis through 118 installments, commenced on the last business day of March 2021.

3.2 Creditors, Class 2, 3, 4 and 5

3.2.1 Creditor Class 2 (Financial institution creditors for the portions of debt claims that exceed the appraised value of the collateral). The outstanding principal of Baht 2,319.2 million will be repaid from cash inflows for debt repayment and/or cash flows surplus. The creditor will be received for 144 monthly instalment payments (the 1st month commencing from the month after the month that the Court approves the Plan). The remaining principal of Baht 10,149.1 million will be repaid in the 144th month from the new funding and/or refinancing and/or cash flow surplus.

3.2.2 Creditor Class 3 (Financial institution creditors who are the joint creditors under the Loan Rescheduling Agreement). The outstanding principal of Baht 722.6 million will be repaid from cash flow for debt repayment and/or excess cash. The creditor will be paid for 144 monthly instalment payments (the 1st month commencing from the month after the month that the Court approves the Plan). The remaining principal of Baht 3,246.0 million will be repaid in the 144th month from the new funding and/or refinancing and/or cash flow surplus.

3.2.3 Creditor Class 4 (Creditor of guarantee obligations for loan repayment). The outstanding principal of Baht 5,209.4 million will be repaid from cash flow for debt repayment and/or cash flow surplus. The creditor will be paid for 144 monthly instalment payments (the 1st month commencing from the month after the month that the Court approves the Plan). The remaining principal of Baht 22,796.9 million will be repaid in the 144th month from the new funding and/or refinancing and/or cash flow surplus.

3.2.4 Creditor Class 5 (Suppliers of key raw materials). The outstanding principal of Baht 291.7 million will be repaid from cash flow for debt repayment and/or cash flow surplus. The creditor will be paid for 144 monthly installment payments (the 1st month commencing from the month after the month that the Court approves the Plan). The remaining principal of Baht 1,300.3 million will be repaid in the 144th month from the new funding and/or refinancing and/or cash flow surplus. However, if the creditor in Class 5 has debt payable to the Company, the Plan Administrator must set off the repayment against such debt payable before repaying the installment payment.

- 3.2.5 From the date after the Court ordered the business rehabilitation to the Court's Plan Approval Date, the Creditor Classes 2, 3, 4 and 5 will be entitled to receive interim interest on the outstanding principal. Such interim interest will be accrued and paid in the 144th month. In addition, from the date after the Court's Plan Approval Date until the date the total debt is paid in full, the Creditor Classes 2, 3, 4 and 5 will be entitled to receive new interest at the rate on the principals as follows:

1st Month – 60th Month	1.00% per annum
61st Month – 84th Month	1.75% per annum
85th Month – 96th Month	2.00% per annum
97th Month – 108th Month	2.25% per annum
109th Month – 120th Month	2.50% per annum
121st Month – 144th Month	2.75% per annum

In this regards, the creditor will receive actual interest payment at the rate of 0.1% per annum. The deferred new interest portion, which is the difference between the new interest and the actual interest, will be accrued and paid in the 144th month.

- 3.2.6 The Creditor Classes 2 and 4 will receive partial principal repayment by the Company's ordinary shares. The Creditor Class 3 has the right to receive partial principal repayment by the Company's ordinary shares under the Debt to Equity Conversion No. 1 as stipulated in the Plan.
- 3.2.7 The Creditor Classes 2, 3, 4 and 5 have the right to notify the Company of their intention to receive principal repayments by Company's ordinary shares under the Debt to Equity Conversion No. 2 as stipulated in the Plan.
- 3.2.8 In case the Company executes the Debt to Equity Conversion No. 2, if there are remaining outstanding principals, the interest computed and actually paid from the date after the Debt to Equity Conversion No. 2 date until the date the creditor' principals are fully paid will be MLR% per annum for Creditor Classes 2, 3 and 5, and LIBOR+4.5% per annum for Creditor Class 4.
- 3.2.9 The creditor Classes 2, 3, 4 and 5 agree to waive the entire amount of outstanding interests of Baht 2,271.1 million, Baht 526.2 million, Baht 1,865.5 million and 172.3 million respectively, as well as the entire interim interests and the deferred new interest portions after their principals have been paid in full as stipulated in the Plan which include the prepayment of debt in full, or have been converted to equity in the Debt to Equity Conversion No. 2 as stipulated in the Plan.
- 3.2.10 The debt of the Creditor Class 4 is the right to claim on the Company in the capacity of the guarantors of Sahaviriya Steel Industries UK Limited ("SSI UK"). Therefore, in case the creditor in Class 4 receive debt repayment from the liquidation process of SSI UK at whichever amount, their right to receive repayment from the Company as stipulated in the Plan will be decreased at same amount by reducing the installment repayment of the principals of the Creditor Class 4 in inverse order.

The Plan No. 2

Since the Creditor in this class has already received the partial payment as at 28 February 2020, the outstanding principal to the Creditor Class 3,4 and 5 had the amount of Baht 1,603.3 million, Baht 498.5 million, Baht 3,144.6 million and Baht 203.3 million respectively which was received from cash inflows for debt repayment and/or cash flows surplus. Therefore, the substances of the mentioned above No.3.2.1, 3.2.2, 3.2.3, and 3.2.4 are revised to:

- "3.2.1 Creditor Class 2 (Financial institution creditors for the portions of debt claims that exceed the appraised value of the collateral). The outstanding principal of Baht 1,603.3 million will be repaid from cash inflows for debt repayment and/or cash flows surplus. The Creditor will received the payment for such debts on a monthly basis through 118 installments, commenced on the last working day of March 2021 and the outstanding principal in the amount of Baht 10,153.4 million will be received the repayment in December 2030 from the new funding and/or refinancing and/or cash flow surplus".
- "3.2.2 Creditor Class 3 (Financial institution creditors who are the joint creditors under the Loan Rescheduling Agreement). The outstanding principal of Baht 498.5 million will be repaid from cash inflows for debt repayment and/or cash flows surplus. The Creditor will received the payment for such debts on a monthly basis through 118 installments, commenced on the last business day of March 2021 and the outstanding principal in the amount of Baht 3,156.7 million will be received the repayment in December 2030 from the new funding and/or refinancing and/or cash flow surplus".
- "3.2.3 Creditor Class 4 (Creditor of guarantee obligations for loan repayment). The outstanding principal of Baht 3,144.6 million will be repaid from cash inflows for debt repayment and/or cash flows surplus. The Creditor will received the payment for such debts on a monthly basis through 118 installments, commenced on the last business day of March 2021 and the outstanding principal in the amount of Baht 19,901.6 million will be received the repayment in December 2030 from the new funding and/or refinancing and/or cash flow surplus".
- "3.2.4 Creditor Class 5 (Suppliers of key raw materials). The outstanding principal of Baht 203.3 million will be repaid from cash inflows for debt repayment and/or cash flows surplus. The Creditor will received the payment for such debts on a monthly basis through 118 installments, commenced on the last business day of March 2021 and the outstanding principal in the amount of Baht 1,287.4 million will be received the repayment in December 2030 from the new funding and/or refinancing and/or cash flows surplus. However, if the Creditor in Class 5 have debt payable to the Company, the Plan Administrator must offset the repayment against such debt payable before repaying the installment payment".

The Plan No. 2

Since the Creditor Class 2, 3, 4 and 5 has changed the repayment table, therefore, the substances of aforementioned No. 3.2.5 and 3.2.9 are revised to:

“3.2.5 From the date after the Court ordered the business rehabilitation to the Court’s Plan Approval Date, the Creditor Classes 2, 3, 4 and 5 will be entitled to receive interim interest on the outstanding principal. Such interim interest will be accrued and paid in the 168th month. In addition, from the date after the Court’s Plan Approval Date until the date the total debt is paid in full, the Creditor Classes 2, 3, 4 and 5 will be entitled to receive new interest at the rate on the outstanding principals as follows:

1st Month – 60th Month	1.00% per annum
61st Month – 84th Month	1.75% per annum
85th Month – 96th Month	2.00% per annum
97th Month – 108th Month	2.25% per annum
109th Month – 120th Month	2.50% per annum
121st Month – 168th Month	2.75% per annum

In this regards, the creditor will receive actual interest payment at the rate of 0.1% per annum. The deferred new interest portion, which is the difference between the new interest and the actual interest, will be paid in December 2030”.

The Plan No. 2

“3.2.9 The creditor Classes 2, 3, 4 and 5 agree to waive the entire amount of outstanding interests of Baht 2,257.9 million, Baht 523.5 million, Baht 1,662.4 million and 150.3 million accordingly, as well as the entire interim interests and the deferred new interest portions after their principals have been paid in full as stipulated in the Plan which include the prepayment of debt in full, or have been converted to equity in the Debt to Equity Conversion No. 2 as stipulated in the Plan.”

3.3 Creditor Class 6 (Government agencies and authorities)

3.3.1 The outstanding principal of Baht 177.4 million will be repaid from cash flow for debt repayment. The creditor will be paid for 60 monthly installment payments (the 1st month commencing from the month after the month that the Court approves the Plan).

3.3.2 Any other debt owed to the Creditor Class 6 including the penalty and surcharge of Baht 204.0 million, outstanding interest, defaulted interest, fines, statutory costs, expenses and others incurred from contracts and/or law whose repayments have not been stipulated in this Plan will be immediately waived for the entire amount after the completion of the debt repayment to such Creditor under the Plan.

The Plan No. 2

Since the Creditor Class 6 has already received the partial payment as at 28 February 2020, the outstanding principal in the amount of Baht 63.6 million. Therefore, the substances of aforementioned No. 3.3.1 is revised to:

“3.3.1 The outstanding principal of Creditor Class 6 in the amount of Baht 63.6 million will be repaid from cash inflows for debt repayment. The Creditor will receive the payment for such debts on a monthly basis through 22 installments, commenced on the last business day of March 2021”.

3.4 Creditor Class 7 (Related party creditors)

3.4.1 The outstanding principal of Baht 872.6 million will be repaid by the increase in the Company's ordinary shares with the conversion price at Baht 0.05 per share within the last working day of the 84th month (the 1st month commencing from the month after the month that the Court approves the Plan). If, however, within such period of time, any Creditor in Class 7 has not yet received the final judgment of its debt claim, the Plan Administrator must increase the Company's registered ordinary shares in advance to be the reserve shares for the Debt to Equity conversion of the Creditor Class 7 and increase the number of issued and paid-up shares after the final judgment of the debt claim is issued.

3.4.2 Any other debt owed to the Creditor Class 7 including the outstanding interest of Baht 0.6 million defaulted interest, fines, penalty, surcharge, statutory costs, expenses and others incurred from contracts and/or law whose repayments have not been stipulated in this Plan will be immediately waived for the entire amount after the completion of the debt repayment to such creditor under the Plan.

The Creditor Class 7 On 1 February 2016, the Company's director, lender under loan agreement amount of Baht 637 million, a loan creditor entered into sell and buy agreement and transferred the right on claiming to Sahaviriya Plate Mill Public Company Limited in the amount of Baht 413.7 million and B.S. Metal Co., Ltd. in the amount of Baht 223.3 million. In 2015, Sahaviriya Plate Mill Public Company Limited taken the debt amounts from transfer the right on claiming to offset with trade and other receivables with the Company and resulting to the Company has to record payables with the amount to be repaid to Sahaviriya Plate Mill Public Company Limited amount of Baht 4.3 million and in 2017, B.S. Metal Co., Ltd. taken the debt amount from transfer the right on claiming to offset with trade accounts receivable with the Company in the amount of Baht 223.3 million. Later on, the Company's management withdrew the repayment request. The request was authorized by the official custodian, hence, Sahaviriya Plate Mill Public Company Limited received the repayment of Baht 4.3 million from B.S. Metal Co., Ltd.

The Plan No. 2

As for the Official Receiver has a final order that this Class of Creditor to receive the debt repayment as at 28 February 2020, the outstanding principal to the Creditor Class 7 amount of Baht 12.3 million. Therefore, the substances of aforementioned No. 3.4.1 is revised to:

“3.4.1 The outstanding principal of Baht 12.3 million will be repaid by the increase in the Company's ordinary shares with the conversion price at Baht 0.05 per share within the last working day of the 84th month (the 1st month commencing from the month after the month that the Court approves the Plan). If, however, within such period of time, any Creditor in Class 7 has yet received the final judgment of its debt claim, the Plan Administrator must increase the Company's registered ordinary shares in advance to be the reserve shares for the Debt to Equity conversion of the Creditor Class 7 and increase the number of issued and paid-up shares after the final judgment of the debt claim is issued”.

3.5 Creditor Class 8 (Trade creditor)

The debt owed to the Creditor Class 8 including the outstanding principal of Baht 15.1 million, each creditor will receive the debt settlement from cash inflows for debt settlement in the normal course of business.

3.6 Creditor Class 9 (Creditor under the guarantee agreement)

3.6.1 The debt of the Creditor Class 9 comprises of the outstanding principal of Baht 3,545.5 million and the outstanding interest of Baht 224.8 million. Such debt will be repaid as stipulated in the Plan when the Creditor in Class 9 in the capacity of the joint guarantor pays the principal debt on behalf of SSI UK and the principal debt of such principal creditors as per the Senior Facilities Agreement dated 16 March 2011 (and the subsequent amendments) must be already repaid in full.

3.6.2 The right to claim of the Creditor Class 9 will be equal to half of the amount that the Creditor Class 9 in the capacity of the joint guarantor pays to the principal creditors.

3.6.3 In case the Creditor Class 9 and the Company in the capacity of the joint guarantors have individually paid the principal debt to the principal creditors in accordance with such joint guarantee agreement, the Plan Administrator must offset the amount before proceeding to the Debt to Equity conversion for the Creditor Class 9.

3.6.4 The remaining outstanding principal after the offset will be repaid by the Company's ordinary shares to be newly issued with the conversion price at Baht 0.05 per share within 180 days after the date the Creditor in Class 9 submits evidences of the debt repayment to the Plan Administrator.

3.6.5 The Plan Administrator will negotiate with the Creditor Class 9 to make an agreement between the Company and the Creditor to reduce the debt and to waive the right of recourse with one another in order to decrease the debt burden or to waive the debt payment to each other.

- 3.6.6 Any other debt owed to the Creditor Class 9 including the outstanding interest, defaulted interest, fines, penalty, surcharge, statutory costs, expenses and others incurred from contracts and/or law whose repayments have not been stipulated in this Plan will be immediately waived for the entire amount after the completion of the debt repayment to such creditor under the Plan.

The Creditor Class 9 One of the creditor class 9 is the Company management who requested the Company to repay principal and interest, totaling of USD 100 million and USD 6.3 million, respectively. Later on 31 October 2016, the Official Receiver dismissed the stated request. Subsequently, on 19 January 2017, the Board of Directors' meeting of the Company passed the resolution approving the Company to prepare an agreement for a waiver of their right of recourse with one another, in respect to the joint guarantee of the Revolving Facility B Loan of SSI UK. The Company assigned the audit committee to review and agree the agreement details and condition. Details of the agreement had been considered in the Audit Committee's meeting on 27 January 2017 which is considered a related transaction.

3.7 Creditor Class 10 (Creditor of contingent liabilities relating to guarantees)

- 3.7.1 The debt owed to the Creditor Class 10 comprises the outstanding principal of Baht 1,185.0 million which is contingent liability and has not been crystalized under the guarantee by the Company for SSI UK for the damages that the Creditor Class 10 may obtain or be claimed by the third party for environmental damages in relation to the Sale and Purchase Agreement and the delivery of goods per related contracts. Therefore, the Creditor Class 10 will be repaid as stipulated in the Plan only after the final judgment of their debt claims are issued and the third party, such as a governmental agency in England or a person entitled to claim, has demanded the Creditor Class 10 to pay for the damages. After the Creditor in Class 10 has already paid for such damages and submitted trustworthy evidences together with other true concerning documents to prove to the Plan Administrator that it verily pays the damages will the Creditor be paid as stipulated in the Plan.
- 3.7.2 The outstanding principal of Baht 220.4 million will be repaid from cash inflows for debt repayment and/or cash flows surplus. The creditor will be paid for 144 monthly installment payments (the 1st month commencing from the month after the month that the final order to receive the debt repayment). The remaining principal of Baht 964.6 million will be repaid in the 144th month from the new funding and/or refinancing and/or cash flows surplus.
- 3.7.3 From the date after the final judgment of the debt claim is issued and the Creditor Class 10 has already paid for such damages and submitted trustworthy evidences together with other true concerning documents to prove to the Plan Administrator that it verily pays the damages until the date the total debt is paid in full, the Creditor Class 10 will be entitled to receive new interest at the rate on the principal as specified in point 3.2.5. In this regards, the creditor will receive actual interest payment at the rate of 0.1% per annum. The deferred new interest portion which is the difference between the new interest and the actual interest will be paid in the 144th month.

- 3.7.4 The Creditor Class 10 has the right to notify the Company of its intention to receive principal repayment by Company's ordinary shares under the Debt to Equity Conversion No.2 as stipulated in the Plan. However, if the Company has proceeded the Debt to Equity Conversion No.2 to other creditor before the Creditor Class 10 receives the final judgment and pays for any damages in accordance with the Sale and Purchase Agreement and concerning contracts to such third party, the Plan Administrator has the authority to increase the Company's registered ordinary shares in advance to be the reserve shares for the Debt to Equity conversion of the Creditor Class 10 and will increase the number of issued and paid-up shares after the final judgment of the debt claim is issued and the Creditor has submitted trustworthy evidences together with other true concerning documents to prove to the Plan Administrator that the creditor had verily paid such damages.
- 3.7.5 In case the Creditor Class 10 receives the Company's ordinary shares from the Debt to Equity Conversion, No.2 if there are remaining outstanding principals, the interest computed and actually paid from such date until the date the creditor's principals are fully paid will be LIBOR+4.5% per annum.
- 3.7.6 The Creditor Class 10 agrees to waive the entire amount of outstanding interest after their principals have been paid in full as stipulated in the Plan which includes the prepayment of debt in full, or have been converted to equity in the Debt to Equity Conversion No. 2 as stipulated in the Plan.

One of the creditor class 10 requested the Company to repay debt, totaling of USD 31 million. Subsequently, on 23 April 2018, the Official Receiver ordered the Company to repay this creditor class 10, totaling of USD 31 million, under the condition that the environment damages incurred and conformed to the environment responsibility condition under the trading of integrated still mill and steel trading agreement dated 24 February 2011.

The Plan No. 2

As at 28 February 2020, the outstanding principal to be paid to the Creditor Class 10 in the amount of Baht 985.2 million. Therefore, the substances of aforementioned No. 3.7.1 and 3.7.2 are revised to:

- "3.7.1 The debt owed to the Creditor Class 10 comprises the outstanding principal of Baht 985.2 million which is contingent liability and has not been crystalized under the guarantee by the Company for SSI UK for the damages that the Creditor Class 10 may obtain or be claimed by the third party for environmental damages in relation to the Sale and Purchase Agreement and the delivery of goods per related contracts. Therefore, the Creditor Class 10 will be repaid as stipulated in the Plan only after the final judgment of their debt claims are issued and the third party, such as a governmental agency in England or a person entitled to claim, has demanded the Creditor Class 10 to pay for the damages. After the Creditor in Class 10 has already paid for such damages and submitted trustworthy evidences together with other true concerning documents to prove to the Plan Administrator that it verily pays the damages will the Creditor be paid as stipulated in the Plan.
- 3.7.2 The outstanding principal of Baht 183.5 million will be repaid from cash inflows for debt repayment and/or cash flows surplus. The creditor will be paid for 168 monthly installment payments, commenced on the last working day of the month after the month that the final order to receive the debt repayment

and the outstanding principal in the amount of Baht 801.7 million will be received the repayment in the 144th month from the new funding and/or refinancing and/or cash flow surplus”.

3.8 Creditor Class 11 (Creditor of fines and/or damages incurred in relation to defaults of contract)

- 3.8.1 The outstanding principal of Baht 52.0 million will be repaid from cash inflows for debt repayment and/or cash flows surplus. The creditor will be paid for 144 monthly instalment payments (the 1st month commencing from the month after the month that the final order to receive the debt repayment). The remaining principal of Baht 227.4 million will be repaid in the 144th month from the new funding and/or refinancing and/or cash flows surplus.
- 3.8.2 From the date after the final judgment of the debt claim is issued until the date the total debt is paid in full, the Creditor Class 11 will be entitled to receive new interest at the rate on the principal as specified in clause 3.2.5. In this regards, the creditor will receive actual interest payment at the rate of 0.1% per annum. The deferred new interest portion which is the difference between the new interest and the actual interest, will be paid in the 144th month.
- 3.8.3 The Creditor Class 11 has the right to notify the Company of its intention to receive principal repayment by Company's ordinary shares under the Debt to Equity Conversion No.2 as stipulated in the Plan. However, if the Company has proceeded the Debt to Equity Conversion No.2 to other creditor before the Creditor Class 11 receives the final judgment of its claim, the Plan Administrator has the authority to increase the Company's registered ordinary shares in advance to be the reserve shares for the Debt to Equity conversion of the Creditor Class 11 and will increase the number of issued and paid-up shares after the final judgment of the debt claim.
- 3.8.4 In case the Creditor Class 11 receives the Company's ordinary shares from the Debt to Equity Conversion No 2., if there are remaining outstanding principals, the interest computed and actually paid from such date until the date the creditor' principals are fully paid will be MLR% per annum.
- 3.8.5 The Creditor Class 11 agrees to waive the entire amount of outstanding interest after their principals have been paid in full as stipulated in the Plan which includes the prepayment of debt in full, or have been converted to equity in the Debt to Equity Conversion No. 2 as stipulated in the Plan.

As at 28 September 2016, one of the Creditor Class 11 filed a wrongful dismissal claim of Official Receiver, total amount of Baht 279 million to the Central Bankruptcy Court. Subsequently on 8 March 2017, this creditor class 11 withdrew such claim.

The Plan No. 2

The debt owed to the Creditor Class 11 comprise a creditor which had the outstanding principal amount of Baht 279.4 million. Subsequent, the Official Receiver has a final order to dismiss the request to receive the repayment of this creditor in total amount. As a result, there is no creditor to have a right to receive the repayment in this class.

The Company has not recorded liabilities since the management considered that there is uncertainly and possibly in loss of economic benefit for such debts settlement.

3.9 Creditor Class 12 (creditor of professional fees under consultant agreements)

- 3.9.1 The outstanding principal of Baht 188.0 million will be repaid from cash inflows for debt repayment and/or cash flows surplus. The creditor will be paid for 144 monthly installment payments (the 1st month commencing from the month after the month that the Court approves the Plan). However, the Company will repay the debt to any Creditor in Class 12 only after the Creditor has already obtained the final judgment of its debt claim.
- 3.9.2 The outstanding principal of Baht 776.0 million will be repaid by the increase in the Company's ordinary shares with the conversion price at Baht 0.05 per share within the last working day of the 84th month (the 1st month commencing from the month after the month that the Court approves the Plan). If, however, within such period of time, any Creditor in Class 12 has not yet received the final judgment of its debt claim, the Plan Administrator must increase the Company's registered ordinary shares in advance to be the reserve shares for the Debt to Equity conversion of the Creditor Class 12 and increase the number of issued and paid-up shares after the final judgment of the debt claim is issued.
- 3.9.3 The remaining outstanding principal of Baht 963.9 million including the outstanding interest of Baht 21.3 million, defaulted interest, fines, penalty, surcharge, statutory costs, expenses and others incurred from contracts and/or law whose repayments have not been stipulated in this Plan will be immediately waived for the entire amount after the completion of the debt repayment to such creditor under the Plan.

Subsequent, one of the creditors in the Creditor class 12 of rehabilitation plan who filed the application for repayment of debts, as at 25 March 2019 there is the order of the Official Receiver to dismiss the application for receiving debt settlement of such creditor. Subsequently, such creditor filed extends the time request for disputation of which Central Bankruptcy Court. Then on 23 September 2019, the creditor filed application to the Court to change the order of the Official Receiver. The Court will examine the witnesses of such creditor and objector on 4 and 5 March 2020, total debt claiming which comprise principal and interest under rehabilitation plan amounted to Baht 1,928.7 million.

3.10 Creditor Class 13 (Issuers of bank guarantees)

The Creditor in this Class is the Creditor who issued letter of guarantees to the Company to guarantee for the Company's debt. This Creditor will not be affected by the debt restructuring under this Plan because the obligation as per the letter of guarantees has not yet been due. Nonetheless, the Creditor will receive the payments for fees and other expenses in relation to the original contracts and agreements.

4. Collection from related company receivables

B.S. Metal Co., Ltd. and Sahaviriya Panich Corporation Co., Ltd. have the outstanding debt with the Company and the collection from both receivables is the part of cash flows to be taken to settle to creditors under rehabilitation plan. Therefore, during the performance in accordance with the rehabilitation plan, the Company dealt with B.S Metal Co., Ltd., Sahaviriya Panich Corporation Co., Ltd. and related companies on the basis and methodology as follow:

- 4.1 If both receivables still deal with the Company that the Company gradually reduced the outstanding current trade accounts to both receivable. In the goods purchasing order from the Company that new goods will be delivered not exceed 95 per cent of the amount payment in that period and the Company has to take total receipt of the goods payment to settle the existing debt.
- 4.2 As per No. 4.1, both receivable have to settle the existing debts or goods ordered in each time by cash payment before the date of goods delivery.
- 4.3 The Company has to follow up the debt settlement from both receivables by computing the amounts between new goods valuation and goods price to be settled for the existing debt or the amounts which the receivable gradually settled debt (if there is no trading).
- 4.4 Amounts of debt settlement which both receivable computed as per No. 4.3 not less than the amount of Baht 300 million per annum and both receivables have to make total outstanding debt settlement (the existing and new debt) to the Company within 7 years from 2017 onwards. In 2019, all outstanding debt is not exceeding than Baht 2,640.0 million and at the end of 2021 the outstanding debt balance (the existing and new debt) will not exceed than Baht 1,760.0 million.
- 4.5 If the receivables do not make payment as time determined in No. 4.2, the goods delivery to received is suspended.
- 4.6 If the Company is unable to collect the outstanding debt from B.S. Metal Co., Ltd. and Sahaviriya Panich Corporation Co., Ltd. as determined in No. 4.4 above and the Board of creditor informed the Company by notice for such defaulting and caused to be the default as determined in the rehabilitation plan.

The Plan No. 2

Add the requirement for the collection from related party debtors is as follows:

- “4.7 From the date of the Court’s ordered to approve the revised rehabilitation plan, the Company has to present the guidelines for the repayment of both debtors and the solution of the troubles arising with those two debtors which are other than the stipulated in No. 9.1 (Rehabilitation Plan) above to the Creditors Committee for consideration and approval. The guideline should be thought about the benefits of the Company However, the Company shall offer another solution to resolve the troubles until the approval is made by the Creditors Committee if the Company’s solution is not satisfactory by The Creditors Committee.

5. Excess cash flows

The Company's excess cash flows derived from the following allocations:

For every end of the 6-month calendar year, in the event that the sum of (1) EBITDA occurs and (2) the amount reclaimed by the Company from the reduction of B.S. Metal Co., Ltd. and Sahaviriya Panich Corporation Co., Ltd. in accordance with the criteria specified in the calculated plan have higher than profit before depreciation, interest and taxes and refund amount from debt reduction of B.S. Metal Co., Ltd. and Sahaviriya Panich Corporation Co., Ltd. assume that the total amount (1) and (2) exceeds the sum of profit before depreciation, interest and taxes, and the amount of return on debt reduction of B.S. Metal Co., Ltd. and Sahaviriya Panich Corporation Co., Ltd. are excess cash flows.

The Plan No. 2

The allocation methodology of cash flows according to the revised Plan is calculated from 2 ways excess cash flows as follows:

- (1) 1st way: Bring (a) the result of actual EBITDA, less actual investment expenses (CAPEX), and exclude income from reversal of allowance for doubtful accounts. B.S. Co., Ltd. Metal Co., Ltd. and Sahaviriya Panich Corporation Co., Ltd. deducted (b) EBITDA as specified in attachment to the Plan No. 1.2, less investment expenses (CAPEX) as specified in the attachment to the Plan No. 1.2, which is defined annually, thus calculating the 6-month periods compared to 50% of the figures in each year.
- (2) 2nd way, if the Company receives a refund from the debts reduction of B.S. Metal Co., Ltd. and Sahaviriya Panich Corporation Co., Ltd. are calculated in accordance with the criteria set out in the revised Plan as actually incurred.

Therefore, total amount calculated from clauses (1) and (2) above in each period is combined to form excess cash flows for the period and allocated as planned. For excess cash flows calculated in 2020, the Plan Administrator must not take to allocate the debts settlement.

6. Excess cash flows allocation methodology

Excess cash flows were taken to allocate the debts settlement as follows:

- (1) 85% of the principal debts of class 1 creditors in proportion to the outstanding principal debt of each creditor in that class (Pro rate) are granted to reduce interim interest payable and suspended interest at 50% of the interim interest payable and suspended interest obligations based on the proportion of principal repayment from excess cash flows compared with the outstanding principal as at the date of the Court order for rehabilitation (10 March 2016).
- (2) 15% was settled for the principal of class 2 creditors, class 3, class 4, class 5, class 10, class 11 based on the proportionate of outstanding principal of each class of creditors, and each creditor in that class (Pro rate) before maturity, the Company is granted to reduce the outstanding interest payable and suspended interest obligations as planned based on the proportion of principal that the Company repays from excess cash flows compared with the outstanding principal as at the date of the Court order for rehabilitation (10 March 2016).

The Plan No. 2

- (1) In 2021, the Company was able to reserve excess cash flows to support the Company's operations in total but not exceeding Baht 662 million. If this number is exceeded, the excess amount will be allocated in accordance with clause (3).
- (2) In 2022 and 2023, the Company was able to reserve excess cash flows to support the Company's operations, but when combined with the excess cash flows already reserved in accordance with Clause (1), not exceeding Baht 1,000 million. If this number is exceeded, excess amount will be allocated in accordance with clause (3).
- (3) In excess of the allocations in clauses (1) and (2) above, and from the year 2024 onwards, they should be allocated as follows:
 - 3.1 15% is excess cash flows reserved for debts settlement that the Plan Administrator must deposit in the bank account with the objective of preserving the repayment of principal and interest payments according to the repayment period or as excess cash flows to pay off the debt further early to maintain this amount. The Company can set aside funds from excess cash flows to reserve repayments in excess of the principal and interest that the Company must pay to all creditors for an average of 3 periods, by calculating from the principal and interest payable of the calendar year following the year when the excess cash flows reserved exceeded that limit. However, if the Company encountered the financial trouble, it is necessary to use the excess cash flows deposited in the bank account to pay off principal and interest payments. This is a monthly installment in the order in which the payment is matured, or if the intention is to use excess cash flows to pay off the debt further early or use the funds in any other cases. The Company shall consider the necessary grounds and present the details to the Creditors Committee for consideration and approval.

3.2 85% will be allocated the debts settlement according to the proportion specified in the Plan as follows:

3.2.1 85% will be settled the principal of class 1 creditors as a proportion of the outstanding principal of each creditor in that class (Pro rate) before maturity.

The Company will receive a reduction in interim interest payable and suspended interest at the rate of 50% of the interim interest payable and suspended interest obligations as defined in the Plan in proportion to the principal repayment of excess cash flows and outstanding principal as at the date of the Court order for rehabilitation.

3.2.2 15% was settled for the principal of class 2 creditors, class 3, class 4, class 5, class 10, class 11 based on the proportionate of outstanding principal of each class of creditors, and each creditor in that class (Pro rate) before maturity.

The Plan Administrator will prematurely repay the excess cash flow within 15 days after submitting the report of excess cash flows by deducting the debt as approved by the Creditors Committee, unless in the event of business reasons and necessities, and maintaining excess cash flows for the benefit and necessity of the Company's business operations, as well as to support the expansion of the business or its potential impact on the Company. In the event of fluctuations in steel prices or events affecting the Company's business operations in the near future, or in the event of a profit from steel stocked. If the Plan Administrator deems that the funds should not be paid early, the Plan Administrator should discuss with the Creditors Committee for approval that all or part of the excess cash flows do not bring to pay the debt early or to be calculated in the next period, and then consider whether to repay all or part of the debt or calculate it against the excess cash flows in the next period. The Company shall prepare a semi-yearly budget (at least) as well as clarify the reasons and necessary to use excess cash flows in the entity working capital.

7. The success of the Plan

- 7.1 The Company has repaid the outstanding principal to every Creditor as stipulated in the Plan in the amount not less than 25% of the outstanding principal that the Company has to pay under the Plan, and
- 7.2 The Company has secured new funding from an investor(s) to repay debt such that the shareholders' equity of the Company becomes positive, or
- 7.3 Debt to equity conversion as stipulated in the Plan has been executed such that the shareholders' equity of the Company becomes positive.

The Plan No. 2

Revise No. 7.1 above by revising to

“7.1 The Company has made repayment for the outstanding principals to all creditors in accordance with the rehabilitation plan including the case of creditors who received the repayment by conversion debts to equity No.1 and No. 2 in the total amount not less than 25% of the outstanding principals to be repaid under the Plan and”

The Progressive in operation under the business rehabilitation for the year ended 31 December 2020 and 2019

For the year ended 31 December 2020, the Company has made repayment to creditors under the Plan for the principals amount of Baht 305.6 million and interest total amount of Baht 68.8 million, totally Baht 374.4 million. Thus, the Company has not made the principals repayment since March 2020 until present The Company has requested revision to the plan and the Court has agreed to the revised Plan on 18 September 2020.

For the year ended 31 December 2019, the Company has made repayment to the creditors under the Plan for the principal amount of Baht 1,684.5 million and interest amount of Baht 72.2 million, totally Baht 1,756.7 million.

In 2020, the liquidators had sold collateral assets amounting to GBP 15 million (before deducting expenses) and this fund was sent to the creditors class 4 in full. According to the rehabilitation plan, the fund will be used to reduce the installment amount of principal in the final period backwards respectively.

Therefore, the Plan Administrator has sent a letter to the class 4 of creditors for informing the reduced principal debt balance and showing the receipt of the payment. As at 31 December 2020, the Plan Administrator has not yet replied, the reduction in accounts has not been made since the process of liquidity is not finalized. Contingent liabilities from guarantee as stated in notes 34 to financial statements from contractual damages from environmental insurance amounting to USD 31 million as stated in note 34.

In 2015, major lenders demanded immediate payments of USD 788 million and GBP 1 million respectively (equivalent to Baht 28,384 million and Baht 46 million respectively) and Baht 1.6 million with Sahaviriya Steel Industries UK Co., Ltd. and subsequently, the major lender also asked the Company to take responsibility for the debt as a loan guarantor, resulting in the Company's inability to maintain its financial ratio and does not repay the matured principal and interest to the bank. That the major lender called for total loans repayment immediately. The incident caused the Board of Directors to approve the Company's request for rehabilitation to the Central Bankruptcy Court on 1 October 2015 as a result of a rehabilitation plan approved by the Central Bankruptcy Court on 15 December 2016. The provisions from acted as guarantors and other creditors under the rehabilitation plan are included in part of the rehabilitation plan (Note 34). Therefore, the reclassification of borrowings, provisions, other creditors and accrued interest under the rehabilitation plan are conformed to the repayment plan specified in the rehabilitation plan.

Collection from related company receivables

According to the rehabilitation plan, the Company must monitor the debt collection of B.S. Metal Co., Ltd. and Sahaviriya Panich Corporation Co., Ltd. totaling not less than Baht 300 million per annum to be completed within 7 years from 2017 onwards. (Both existing and new debts totaled not exceeding Baht 2,640 million, but as at 31 December 2020, the debts of two debtors amounted to Baht 3,498 million, the Company has received the settlement in 2020 total amount of Baht 82 million. The Company has provided the all remaining debt allowances in full. The incident is not considered a default because the Creditors Committee has not yet issued a notice of default. The Company is currently tracking the debt and consenting the additional repayment terms.

In 2020, the Company proposed an alternative solution to resolve the guidance to repay the outstanding debts of the two receivables and resolve the problems with two receivables to the Creditors Committee for consideration. Presently, it's under consideration of the Creditors Committee.

28. Share capital

Movements of share capital for the year ended 31 December 2020 and 2019 are as follows:

	Par value per share <i>(in Baht)</i>	2020		2019	
		Number	Amount	Number	Amount
		<i>Thousand shares</i>	<i>Thousand Baht</i>	<i>Thousand shares</i>	<i>Thousand shares</i>
<i>Authorized</i>					
ordinary shares					
As at 1 January	1	11,113,018	11,113,018	11,113,018	11,113,018
- Share increase	1	-	-	-	-
As at 31 December	1	11,113,018	11,113,018	11,113,018	11,113,018
<i>Issued and paid-up</i>					
ordinary shares					
As at 1 January		11,113,018	11,113,018	11,113,018	11,113,018
- Share increase		-	-	-	-
As at 31 December	1	11,113,018	11,113,018	11,113,018	11,113,018

Increase in ordinary shares

On 28 March 2018, the Company has converted debt to equity No. 1 to the creditors as determined in the Plan by issuing new 10,000,000,000 ordinary shares at the par value of Baht 1 each to 4 creditors who expressed their wishes at the price of Baht 0.05 per shares, amounting to Baht 500 million and the Company has filed the amendment of Memorandum of Association with the Ministry of Commerce.

Thus the abovementioned decrease and increase share capital must be complied with the stipulation in the Plan.

Transactions effected from decrease share capital

Moments of capital and reserves are presented in statements of changes in shareholders' equity.

Share discount on ordinary shares

	Unit : Thousand Baht
As at 1 January 2020	(9,500,000)
Increase	-
As at 31 December 2020	<u>(9,500,000)</u>

29. Segment information

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

Segment

Segment 1	Manufacture of hot rolled coils
Segment 2	Maintenance services
Segment 3	Deep-sea port services

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

Information about segment income and profit for the year ended 31 December 2020 and 2019 are as follows:

	Manufacture of hot rolled coils		Maintenance services		Deep-sea port services		Elimination		Total segment	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Unit : Thousand Baht									
External revenue	17,681,506	24,662,945	325,015	339,526	118,389	196,928	-	-	18,124,910	25,199,399
Inter-segment revenue	-	-	283,791	359,389	35,752	64,154	(319,543)	(423,543)	-	-
Segment profit (loss) before income tax	433,496	(2,401,829)	12,854	52,807	(5,728)	73,853	(73,016)	527,537	367,606	(1,747,632)
Reportable segment assets as at 31 December	18,587,799	20,708,779	360,414	388,718	1,213,465	1,255,695	(481,851)	(465,438)	19,679,827	21,887,754
Reportable segment liabilities as at 31 December	34,065,706	63,003,581	174,774	222,088	69,601	61,584	(109,234)	(141,277)	34,200,847	63,145,956

Geographical segments

- Segment 1 - is managed and operates manufacturing facilities and sales offices in Thailand
Segment 2 and 3 - operate principally in Thailand. There is no material revenues derived from, or assets located in, foreign countries.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Geographical information

	Consolidated		Unit : Thousand Baht	
	financial statements		Consolidated	
	2020	2019	2020	2019
Income				
Domestic	17,928,655	25,171,934	17,496,802	24,655,214
Overseas	196,255	27,465	184,704	7,731
Total	18,124,910	25,199,399	17,681,506	24,662,945

Major customer

For the year ended 31 December 2020, Revenues from 2 customers of the Group's segment 1 represent approximately Baht 7,502 million (2019: 3 customers Baht 6,490 million).

30. Expenses by nature

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Changes in inventories of finished goods and work in progress	1,217,875	914,725	1,240,282	918,902
Raw materials and consumables used	14,794,820	22,215,507	14,584,316	21,991,379
Employee benefit expenses	1,088,284	1,109,860	793,141	783,968
Fuel oil and electrical expenses	533,588	660,322	525,866	651,651
Depreciation and amortization	649,485	723,033	540,841	617,842
Maintenance expenses	204,672	282,806	196,933	277,143
Transportation expenses	357,303	467,061	357,303	467,061
Professional fee	286,118	290,990	162,802	159,221
Minimum lease payments recognised as an operating lease expenses	19,768	46,981	13,740	35,313
Credit loss /bad debt and doubtful accounts	1,243	843,311	1,243	843,311
Advertising and public relation expenses	9,751	14,626	9,751	14,626
Penalties	1,817	911	1,817	911
Loss on devaluation of inventories (reversal)	(538,518)	35,404	(538,518)	35,404
Loss on onerous contracts (reversal)	12,291	(1,073)	12,291	(1,073)
Loss on impairment of investments in joint venture	-	-	-	530,887

31. Income tax

Income tax recognised in profit or loss

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current income tax				
Current year	-	(36,904)	-	-
Deferred tax expense				
Movements in temporary differences	(9,821)	7,560	(853)	(3,116)
Total tax (expense) income	(9,821)	(29,344)	(853)	(3,116)

Unit : Thousand Baht

Reconciliation of effective tax rate

	Consolidated financial statements			
	2020		2019	
	Tax rate	Amount	Tax rate	Amount
	(%)		(%)	
Gain (loss) before income tax		367,607		(1,747,632)
Income tax using the Thai corporation tax rate	20	73,521	20	(349,526)
Income not subject to tax		(9,431)		(15,515)
Expenses not deductible for tax purposes		66,902		480,830
Double taxable expenses		(7,303)		(4,593)
Unrecognise deferred tax assets and deferred tax liabilities during the year		(9,821)		7,442
Under tax provided in prior year, lower (over)		(3,819)		3,668
Tax loss		(119,870)		(151,650)
Total		(9,821)		(29,344)

Unit : Thousand Baht

Unit : Thousand Baht

	Separate financial statements			
	2020		2019	
	Tax rate	Amount	Tax rate	Amount
	(%)		(%)	
Gain (loss) before income tax expense		433,496		(2,398,675)
Income tax using the Thai corporation tax rate	20	86,699	20	(479,735)
Income not subject to tax		(9,431)		(13,511)
Expenses not deductible for tax purposes		42,602		583,184
Unrecognised deferred tax assets and deferred tax liabilities during the year		(853)		7,442
Tax losses		(119,870)		(100,496)
Total		(853)		(3,116)

Income tax recognition depends on the best estimates of the management in respect of the weighted average of tax rate for the year which expected for the period, using revenues before interim income tax, effective rate of the Group. The Company has the effects from these factors as following:

- Taxable losses and temporary differences incurred during the period which deferred tax assets were not recorded since the management deems that there is no direction to utilize the future taxable profit.
- Certain net profit of the Group incurred from the promoted business activities that net profit of such activities were exempted from income tax.
- Losses of some subsidiaries of the Group cannot be netted with profit of other subsidiaries in income tax calculation.

32. Earnings (loss) per share

Basic earnings (loss) per share

The calculations of basic earnings per share for the year were based on the profit for the period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the year.

For the year ended 31 December 2020 and 2019 as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit (Loss) for the year attributable to ordinary shareholders of the Company (Thousand Baht))	376,347	(1,802,878)	432,643	(2,401,791)
Number of ordinary shares issued as at 1 January	11,113,018	11,113,018	11,113,018	11,113,018
Effects of shares issued during the year	-	-	-	-
Weighted average number of ordinary shares outstanding (basic) (Thousand shares)	11,113,018	11,113,018	11,113,018	11,113,018
Basic earnings (loss) per share (Baht)	0.03	(0.16)	0.04	(0.22)

33. Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to (1) the manufacture of hot rolled coils and hot rolled pickled and oiled coils (2) the provision of marine shipping services (3) the provision of high-powered tug boat services (4) the manufacture of industrial machinery and equipment, mechanical parts, and the repair and improvement of industrial machinery and equipment and steel structures for industrial use.

The privileges granted include:

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of import duty on essential raw materials and supplies imported;
- (c) exemption from payment of income tax for sales of hot rolled coils and hot rolled pickled and oiled coils, to the extent that the amount sold does not exceed 1.6 million tons a year, for a period of 8 years from the date on which the income is first derived from such operations (13 May 2004).
- (d) exemption from payment of income tax on net income from the provision of marine shipping services, for a period of 8 years from the date on which the income is first derived from such operations (14 November 2006) to the extent that the amount of tax exempted does not exceed 100 percent of the total investment made, excluding the price of land and working capital. The amount of income tax exempted thus must not exceed Baht 1,146 million, and such cap is to be adjusted according to the actual capital investment (excluding land cost and working capital) as of the started date operation of the project commences. In addition, the privilege also includes an exemption from payment of import duty on machinery approved by the Board;

- (e) exemption from payment of income tax on net income from the provision of high-powered tug boat services, for a period of 8 years from the date on which the income is first derived from such operations (4 July 2012) to the extent that the amount of tax exempted does not exceed 100 percent of the total investment made, excluding the price of land and working capital. The amount of income tax exempted thus must not exceed Bath 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 percent of the total investment made, excluding the price of land and working capital. The total amount of income tax exempted thus must not exceed Baht 167 million, and such cap is to be adjusted according to the actual capital investment (excluding land cost and working capital) as of the started date operation of the project commences.

As promoted companies, the Group must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses for the year ended 31 December

Unit : Thousand Baht

Consolidated financial statements					
2020			2019		
Promoted Businesses	Non- promoted Businesses	Total	Promoted Businesses	Non-promoted Businesses	Total
Export sales and services	-	196,255	-	27,465	27,465
Local sales and services	-	18,248,198	1,296	25,594,181	25,595,477
Eliminations	-	(319,543)	-	(423,543)	(423,543)
Total revenues	-	18,124,910	1,296	25,198,103	25,199,399

Unit : Thousand Baht

Separate financial statements					
2020			2019		
Promoted Businesses	Non- promoted Businesses	Total	Promoted Businesses	Non-promoted Businesses	Total
Export sales and services	-	184,704	-	7,731	7,731
Local sales and services	-	17,496,802	-	24,655,214	24,655,214
Total revenues	-	17,681,506	-	24,662,945	24,662,945

34. Commitments and contingent liabilities

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>Capital expenditures commitment</i>				
<i>Contracted but not provided for</i>				
Machinery and equipment	59	82	135	104
Total	59	82	135	104

As at 31 December 2020, the Group had capital expenditures amount of Baht 37 million, USD 0.5 million and EUR 0.2 million (2019: Baht 35 million, USD 0.2 million and EUR 1.2 million) in relation to the acquisition and installation of machinery and equipment.

As at 31 December 2020, the Company had capital expenditures amount of Baht 113 million, USD 0.5 million and EUR 0.2 million (2019: Baht 57 million, USD 0.2 million and EUR 1.2 million) in relation to the acquisition and installation of machinery and equipment.

As at 31 December 2020, the Group had the minimum amount to be paid in the future under the lease as follows:

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2020	2019	2020	2019
Non-cancellable operating lease commitments				
Within one year	0.30	12	0.23	5
After one year but within five years	0.21	3	-	4
Total	0.51	15	0.23	9
Other commitments				
Raw materials purchases	821	6,511	821	2,194
Letter of credit	-	43	-	-
Other agreements	312	569	297	513
Total	1,133	7,123	1,118	2,707

As at 31 December 2020, the Group has no obligations related to lease land, building and vehicles agreement from adoption TFRS 16. As at 1 January 2020, the Group has recognised machineries which were reclassified as operating lease by present value of the outstanding amounts of lease payment discounted by the increment borrowings rate of the Group as stated in notes 6.

As at 31 December 2020, the Group had other commitments in relation to purchase spare parts and equipment supplies, and to obtain maintenance services amounting to Baht 219 million, USD 1 million, EUR 1.5 million, GBP 0.1 million and JPY 8.2 million (31 December 2019: Baht 309 million, USD 2.9 million, EUR 4.0 million, GBP 0.04 million and JPY 34.6 million).

As at 31 December 2020, the Company had other commitments in relation to purchase spare parts and equipment supplies, and to obtain maintenance services amounting to Baht 203.4 million, USD 1 million, EUR 1.5 million, GBP 0.1 million and JPY 8.2 million (31 December 2019: Baht 277 million, USD 2.9 million, EUR 4.0 million, GBP 0.04 million and JPY 34.6 million).

Contingent liabilities

a) As at 31 December 2020 and 2019, the Group was liable to banks in respect to the following guarantees:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Electricity supply	107	107	104	104
Performance guarantees	78	47	34	4
Others	11	11	-	-
Total	196	165	138	108

As at 31 December 2020, the Group had outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of the business. These included letters of guarantee for:

- To the Customs Department in respect of the establishment of a wharf and go-downs amounting to Baht 11 million (31 December 2019: amount of Baht 11 million),
- The contractual performance amounting to Baht 78 million (31 December 2019: amount of Baht 47 million),
- Electricity usage amount of Baht 107 million (31 December 2019: amount of Baht 107 million).

b) As at 31 December 2020, the Company has contingent liabilities from guarantee contracts and damages under agreement in the amount of USD 31 million with the condition that the environment damages incurred and conformed to the environment responsibility condition under the trading of integrated still mill and steel trading agreement dated 24 February 2011.

Dispute

Land in Prachuabkirikhan

- a) On 9 July 2010, the Prachuabkirikhan Provincial Land Office, Bangsaphan Branch (“the Land Office”) ordered the Company and a subsidiary to submit the Certificates of Utilization (Nor. Sor. 3 Kor) (“the Certificates”) for various plots of land, with an aggregate value of Baht 123.1 million for the Company and Baht 187.6 million for the subsidiary, for cancellation. Later, the Land Office announced that it was issuing replacement certificates for the Certificates (Nor. Sor. 3 Kor). The Company and the subsidiary filed a lawsuit against the officers of the Land Office with the Central Administrative Court “CAC”, petitioning the CAC to order the cancellation of the announcement of the Company and the subsidiary. The Company and the subsidiary also petitioned the CAC to identify measures to provide them with temporary relief. The Court accepted the lawsuit for consideration.

On 1 September 2010, the Company and the subsidiary filed a lawsuit against the Director-General of the Department of Lands and the Deputy Permanent Secretary of the Ministry of Interior with the CAC, petitioning the court to order the revocation of the order of the Director-General of the Department of Lands issued on 5 January 2010, which ordered the revocation and re-drawing up the area under the Certificates, and the withdrawal of the appeal decision of the Deputy Permanent Secretary of the Ministry of Interior. Also, the Company and the subsidiary requested the court to suspend the execution of a sentence of the CAC. On 6 August 2013, the Central Administrative Court ordered to stay the execution ordering the Company and its subsidiary to vacate from the National Forest and to undertake no activities on that land. Subsequent on 23 December 2014, the CAC reversed the ordering to relieve the execution which ordered the Company and its subsidiary to vacate from the National Forest.

In addition, the Court ordered to try this case together with the case in which the Company and subsidiary filed a lawsuit against the abovementioned officer of Land Department. Prachuap Kiri Khan Province, Bangsaphan Branch.

On 29 August 2017, the Central Administrative Court has dismissed the case, subsequent on 27 September 2017, the Company and subsidiary filed the appeal to protest the judgment to the Administrative Supreme Court.

At the present, the plaint is still pending the Court’s trial.

- b) On 20 December 2010, the Bangsaphan Sheriff, as the official responsible for the oversight and care of the National Forest, Klong Mae-Rumphueng forest, Prachuabkirikhan province (“the Forest”), issued a written order for the Company and the subsidiary to vacate the land for which the Director-General of the Department of Lands ordered revocation of the Certificates and for which the Land Office issued replacement certificates for the Certificates within 30 January 2011.

On 30 March 2011, the Company and the subsidiary filed a lawsuit petitioning the CAC to order the cancellation of written order of the Bangsaphan Sheriff on 20 December 2010, for the Company and the subsidiary to vacate from the Forest and to undertake no activities on that land.

On 20 February 2018, the Central Administrative Court has judged to dismiss the aforementioned lawsuit, subsequent on 19 March 2018, the Company and subsidiary filed the appeal to dispute the judgment to the Central Administrative Court.

At the present, the plaint is still pending the Court's trial.

However, the Management of the Company and subsidiaries believes that the results of trial will not be affected to the future operation of the Company and subsidiaries. In the preparation of financial statement, the Company and subsidiaries have fully recorded provision for impairment of land and asset structured on such land in the year 2007 and 2008 respectively.

35. 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 22 and 27). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

For liabilities under Rehabilitation Plan, interest as stipulated in the Plan. Portion of interest would be waive if the Company can comply with certain condition.

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:

Unit : Thousand Baht

Consolidated financial statements as at 31 December 2020

Particular	Notes	Floating interest based on market rate	Fixed interest rate	Non-interest bearing	Total	Interest rate
Financial assets						
Cash and cash equivalents	8	665,740	-	-	665,740	0.05% - 0.125 %
Trade accounts receivable	9	-	-	134,804	134,804	-
Other current related party receivables						
Other receivable deposits	7	-	-	150,162	150,162	-
Current contract assets	10	-	-	16,593	16,593	-
Short-term loans from related parties	7	11,056	-	-	11,056	LIBOR 3 Month + 2 and MLR+1
Current portion of long-term loans	17	14,875	-	-	14,875	LIBOR 3 Month + 2 and MLR+1
Other non-current financial assets	13	44,136	-	-	44,136	0.100%
Long-term loans	17	471,446	-	-	471,446	LIBOR 3 Month + 2 and MLR+1
Financial liabilities						
Short-term borrowings from financial institutions	22	40,000	-	-	40,000	MLR and MOR
Trade accounts payable	23	-	-	2,838,508	2,838,508	-
Other current payables	24	-	-	216,468	216,468	-
Current portion of liabilities under rehabilitation plan	27	225,022	60	-	225,082	MLR and 1.00% to 2.75%
Current portion of lease liabilities	19	-	680	30,765	31,445	MOR KTAM 5.4%
Other current financial liabilities	25	-	-	732	732	-
Liabilities under rehabilitation plan	27	29,512,828	14,461	-	29,527,289	MLR and 1.00% to 2.75%
Lease liabilities	19	41,439	-	-	41,439	4.30%

Unit : Thousand Baht

Separate financial statements as at 31 December 2020

Particular	Notes	Floating interest based on market rate	Fixed interest rate	Non-interest bearing	Total	Interest rate
Financial assets						
Cash and cash equivalents	8	635,691	-	-	635,691	0.05% - 0.125 %
Trade accounts receivable	9	-	-	36,401	36,401	-
Other current receivables from related parties						
Other receivable deposits	7	-	-	150,162	150,162	-
Short-term borrowings from related parties	7	11,056	-	-	11,056	LIBOR 3 Month + 2 and MLR+1
Current portion of long-term loans	19	14,875	-	-	14,875	LIBOR 3 Month + 2 and MLR+1
Other non-current financial assets	13	43,322	-	-	43,322	0.100%
Long-term loans	17	471,446	-	-	471,446	LIBOR 3 Month + 2 and MLR+1
Financial liabilities						
Trade accounts payable	23	-	-	2,801,885	2,801,885	-
Other current payables	24	-	-	180,494	180,494	-
Current portion of liabilities Under rehabilitation plan	27	225,022	8,051	-	233,073	MLR and 1.00% to 2.75%
Current portion of lease liabilities	19	-	680	24,480	25,160	4.30%
Short-term borrowings from related parties	7	-	74,500	-	74,500	6.025%
Other current financial liabilities	25	-	-	732	732	-
Liabilities under rehabilitation plan	27	29,512,828	14,461	-	29,527,289	MLR and 1.00% to 2.75%
Lease liabilities	19			25,353	25,353	4.30%

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.

As 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:

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
US Dollars				
Cash and cash equivalents	1,897	318	1,897	318
Trade accounts receivable	-	-	-	-
Short-term borrowings from financial institutions	-	(5,841)	-	-
Trade accounts payable	(2,487,013)	(4,660,572)	(2,487,013)	(4,660,572)
Provisions under guarantee agreement and others	(21,905,081)	(25,815,560)	(21,905,081)	(25,815,560)
Other current liabilities	(1,633)	-	(1,633)	-
Book value in balance sheets at risks	(24,391,830)	(30,481,655)	(24,391,830)	(30,476,450)
Forward contracts	(732)	-	(732)	-
Net risks balance	(24,392,562)	(30,481,655)	(24,392,562)	(30,476,450)
Pound Sterling				
Trade accounts receivable	-	403	-	-
Trade accounts payable	-	(11,609)	-	(11,473)
Financial liabilities with interest obligation	-	-	-	-
Other current liabilities	(6,786)	-	(6,786)	-
Book value in balance sheets at risks	(6,786)	(11,206)	(6,786)	(11,473)
Forward contracts	-	-	-	-
	(6,786)	(11,206)	(6,786)	(11,473)

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	2020	2019	2020	2019
Euro				
Cash and cash equivalents	4,677	65	4,677	65
Trade accounts receivable	166	1,156	-	-
Short-term borrowings from financial institutions	-	(345)	-	-
Trade accounts payable	(28,124)	(27,748)	(28,124)	(27,748)
Other current payables	(1,836)	-	(1,836)	-
Book value in balance sheets at risks	(25,117)	(26,872)	(25,283)	(27,813)
Forward contract	-	-	-	-
Net risks balance	(25,117)	(26,872)	(25,283)	(27,813)
Yen				
Trade accounts payable	(870)	(294)	(842)	(268)
Other current liabilities	-	-	-	-
Book value in balance sheets at risks	(870)	(294)	(842)	(268)
Forward contract	-	-	-	-
Net risks balance	(870)	(294)	(842)	(268)

The Company has derivatives instruments by entering into forward foreign exchange contracts as at 31 December 2020 as follows:

Unit : Thousand Baht			
Consolidated financial statements			
Currency	Purchased amount	Exchange rate under contract of the purchased amount (Baht/foreign currency)	Maturity date
US Dollar	220,620	30.375	22 February 2021
US Dollar	47,864	30.390	22 February 2021
US Dollar	79,966	30.290	9 March 2021

Unit : Thousand Baht			
Separate financial statements			
Currency	Purchased amount	Exchange rate under contract of the purchased amount (Baht/foreign currency)	Maturity date
US Dollar	47,864	30.390	22 February 2021
US Dollar	79,966	30.290	9 March 2021

Analysis the impacts of changes in exchange rate

The Group has not materially affected pre-tax profits due to changes in the fair value of currency assets and liabilities that may arise from changes in the exchange rate of assets and liabilities denominated in foreign currency.

Credit risk

The Group exposed to credit risks associated with trade and other receivables, bank deposits and other financial instruments. The maximum amount the Group may lose from lending is the book value shown in the statement of financial position, except derivatives.

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

As at 31 December 2020, the Group has approximately 12.49% of its liabilities due within a year compared to the book value of liabilities presented in the financial statements (2019: 12.09%). The Group assessed the concentration of risks relating to borrowings for settle the existing debts and concluded that such risk is low The Group has sufficient access to various of funding sources.

Details of maturities of non-derivative financial liabilities of the Group as at 31 December 2020 based on undiscounted contractual cash flows to present value, can be shown as follows:

Unit : Thousand Baht

		Consolidated financial statements				
	Note	On demand	Within 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives						
Short-term borrowings from financial institutions	22	-	40,000	-	-	40,000
Trade accounts payable	23	-	2,837,509	-	-	2,837,509
Other current payables to related parties	7	-	11,085	-	-	11,085
Other current payables		-	219,142	-	-	219,142
Current contract liabilities	10	-	823,914	-	-	823,914
Liabilities under rehabilitation plan	27	-	225,082	20,115,907	9,186,299	29,527,288
Lease liabilities	19	-	31,445	41,439	-	72,884
Total non-derivatives		-	4,188,177	20,157,346	9,186,299	33,531,822

Unit : Thousand Baht

		Separate financial statements				
	Note	On demand	Within 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives						
Short-term borrowings from related parties	7	74,500	-	-	-	74,500
Trade accounts payable	23	-	2,801,885	-	-	2,801,885
Other current payables to related parties	7	-	22,070	-	-	22,070
Other current payables	24	-	180,494	-	-	180,494
Current contract liabilities	10	-	812,234	-	-	812,234
Liabilities under rehabilitation plan	27	-	233,073	20,115,907	9,411,381	29,760,361
Lease liabilities	19	-	25,160	25,353	-	50,513
Total non-derivatives		74,500	4,074,916	20,141,260	9,411,381	33,702,057

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values

have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of investments in equity and debt securities, which are held for trading, held to maturity and available for sales, is determined by reference to their quoted bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option.

The fair value of financial assets and liabilities, together with the carrying values shown in the statement of financial position at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	Fair value level 2	Carrying value	Fair value level 2	Carrying value
2020				
Current				
Derivatives-contracts	(732)	(732)	(732)	(732)
Current portion of liabilities under rehabilitation plan	(225,082)	(225,082)	(233,073)	(233,073)
Total	(225,814)	(225,814)	(233,805)	(233,805)
Non-current				
Liabilities under rehabilitation plan	(29,527,288)	(29,527,288)	(29,527,288)	(29,527,288)
Total	(29,527,288)	(29,527,288)	(29,527,288)	(29,527,288)

Unit : Thousand Baht

	Consolidated financial		Unit : Thousand Baht Separate financial statements	
	statements			
	Fair value level 2	Carrying value	Fair value level 2	Carrying value
2019				
Current				
Derivatives - contracts	(7,150)	(7,150)	-	-
Current portion of liabilities under rehabilitation plan	(1,766,345)	(1,766,345)	(1,774,336)	(1,774,336)
Total	(1,773,495)	(1,773,495)	(1,774,336)	(1,774,336)
Non-current				
Liabilities under rehabilitation plan	(55,226,829)	(55,226,829)	(55,226,829)	(55,226,829)
Total	(55,226,829)	(55,226,829)	(55,226,829)	(55,226,829)

Fair value of financial instruments

The most of the Group's financial assets and liabilities are classified as short-term or bear interest rates close to market interest rates. Therefore, the Group estimates the fair value of most financial assets and liabilities close to the book value shown in the statement of financial position.

Book value and fair value of financial assets and financial liabilities as at 31 December 2020 and 1 January 2020 are as follows:

Unit : Thousand Baht

Consolidated financial statements as at 31 December 2020				
	Book value			Fair value
	Fair value through profit or loss	Amortized cost	Total	
Financial instruments disclosed at fair value				
Financial assets				
Cash and cash equivalents	-	665,740	665,740	665,740
Trade accounts receivable	-	134,804	134,804	134,804
Other current receivables from related parties – Other receivables	-	150,162	150,162	150,162
Current contract asset	-	16,593	16,593	16,593
Short-term loans from related parties	-	11,056	11,056	11,056
Current portion of long-term loans	-	14,875	14,875	14,875
Other non-current financial assets				
- Restricted deposit at financial institution	-	44,136	44,136	44,136
Long-term loans	-	471,446	471,446	471,446
Total financial assets	-	1,508,812	1,508,812	1,508,812
Financial liabilities				
Short-term borrowings from financial institutions	-	40,000	40,000	40,000
Trade accounts payable	-	2,837,509	2,837,509	2,837,509
Other current payables	-	216,468	216,468	216,468
Current portion of liabilities under rehabilitation plan	225,082	-	225,082	225,082
Current portion of lease liabilities	-	31,445	31,445	31,445
Other current financial liabilities	-	732	732	732
Liabilities under rehabilitation plan	29,527,288	-	29,527,288	29,527,288
Lease liabilities	-	41,439	41,439	41,439
Total financial liabilities	29,752,370	3,167,593	32,919,963	32,919,963

Unit : Thousand Baht

Consolidated financial statements as at 31 December 2020				
	Book value			Fair value
	Fair value through profit or loss	Amortized cost	Total	
Financial assets				
Cash and cash equivalents	-	359,995	359,995	359,995
Trade accounts receivable	-	67,559	67,559	67,559
Other current receivables from related parties – Other receivables	-	162,987	162,987	162,987
Current contract asset	-	12,588	12,588	12,588
Other non-current financial assets - Restricted deposit at financial institution	-	7,596	7,596	7,596
Total financial assets	-	610,725	610,725	610,725
Financial liabilities				
Short-term borrowings from financial institutions	-	60,683	60,683	60,683
Trade accounts payable	-	5,148,663	5,148,663	5,148,663
Other current payables	-	280,686	280,686	280,686
Current portion of liabilities under rehabilitation plan	363,319	-	363,319	363,319
Current portion of lease liabilities	-	2,332	2,332	2,332
Liabilities under rehabilitation plan (after adjustment) (Note 6.1)	30,245,602	-	30,245,602	30,245,602
Lease liabilities	-	1,803	1,803	1,803
Total financial liabilities	30,608,921	5,494,167	36,103,088	36,103,088

Unit : Thousand Baht

Separate financial statements as at 31 December 2020				
	Book value			Fair value
	Fair value through profit or loss	Amortized cost	Total	
Financial assets				
Cash and cash equivalents	-	635,691	635,691	635,691
Trade accounts receivable	-	36,401	36,401	36,401
Other current receivables from related parties – Other receivables	-	150,162	150,162	150,162
Short-term loans from related parties	-	11,056	11,056	11,056
Current portion of long-term loans	-	14,875	14,875	14,875
Other non-current financial assets				
- Restricted deposit at financial institution	-	43,322	43,322	43,322
Other Long-term loans	-	471,446	471,446	471,446
Total financial assets	-	1,362,953	1,362,953	1,362,953
Financial liabilities				
Short-term borrowings from financial institutions	-	-	-	-
Trade accounts payable	-	2,801,885	2,801,885	2,801,885
Other current payables	-	180,494	180,494	180,494
Current portion of liabilities under rehabilitation plan	233,073	-	233,073	233,073
Current portion of lease liabilities	-	25,160	25,160	25,160
Short-term borrowings from related parties	-	74,500	74,500	74,500
Other current financial liabilities	-	732	732	732
Liabilities under rehabilitation plan	29,527,288	-	29,527,288	29,527,288
Lease liabilities	-	25,353	25,353	25,353
Total financial liabilities	29,760,361	3,108,124	32,868,485	32,868,485

Unit : Thousand Baht

Separate financial statements as at 1 January 2020				
	Book value			Fair value
	Fair value through profit or loss	Amortized cost	Total	
Financial assets				
Cash and cash equivalents	-	242,830	242,830	242,830
Trade accounts receivable	-	3,229	3,229	3,229
Other current receivables from related parties – Other receivables	-	162,987	162,987	162,987
Other non-current financial assets				
- Restricted deposit at financial institution	-	3,634	3,634	3,634
Total financial assets	-	412,680	412,680	412,680
Financial liabilities				
Trade accounts payable	-	5,188,949	5,188,949	5,188,949
Other current payables	-	235,176	235,176	235,176
Current portion of liabilities under rehabilitation plan	363,319	-	363,319	363,319
Current portion of lease liabilities	-	649	649	649
Liabilities under rehabilitation plan (after adjustment) (Note 6.1)	30,253,593	-	30,253,593	30,253,593
Lease liabilities	-	680	680	680
Total financial liabilities	30,616,912	5,425,454	36,042,366	36,042,366

The Group accessed the fair value of financial instruments on the basis as follows:

- Financial assets and financial liabilities will be matured in short-term, such as cash on hand and deposits at financial institutions, receivables and payables, current contract asset are presented by the estimated fair value based on carrying value in statements of financial position.
- Loans and borrowings which had interest rate close to market interest rate are presented by the estimated fair value based on carrying value in statements in financial position.
- The Company had liabilities under the rehabilitation plan presented at fair value by using the discounted future cash flows technique and valuation theory model.
- Future exchange contract presented at fair value by using discounted future cash flows and valuation theory model. Information use in valuation is observable information in relevant market, such as exchange rates immediately.

During the current period, there is no transferring between the hierarchical of fair value.

36. Reclassification adjustment

The Company has reclassified the certain accounts in financial statements for the year ended 2019 for corresponding with the recent reclassification, summarised as follows:

Unit : Thousand Baht			
Consolidated financial statements			
	Before reclassify	Reclassification	After reclassify
Statement of financial position			
Current assets			
Current contract assets	-	12,588	12,588
Other current assets	230,002	(12,588)	217,414
Current liabilities			
Other current payables to related parties	213,679	(207,210)	6,469
Other current payables	-	280,686	280,686
Current contract liabilities	-	244,836	244,836
Other current liabilities	318,312	(318,312)	-

Unit : Thousand Baht			
Consolidated financial statements			
	Before reclassify	Reclassification	After reclassify
Statements of comprehensive income			
Revenue from sale of goods	24,662,883	(108,574)	24,554,309
Revenue from rendering of services	536,516	108,574	645,090
Other income	78,935	(3,574)	75,361
Cost of sales	24,720,252	367,454	25,087,706
Cost of rendering of services	382,606	99,831	482,437
Distribution costs	552,822	(467,285)	85,537
Finance income	-	3,574	3,574

Unit : Thousand Baht

	Separate financial statements		
	Before reclassify	Reclassification	After reclassify
Statement of financial position			
Current liabilities			
Other current payables to related parties	230,546	(207,210)	23,336
Other current payables	-	235,176	235,176
Current contract liabilities	-	232,359	232,359
Other current liabilities	260,325	(260,325)	-
 Statements of comprehensive income			
Revenue from sale of goods	24,662,712	(108,574)	24,554,138
Revenue from rendering of services	234	108,574	108,808
Other income	82,475	(3,154)	79,321
Cost of sales	24,828,475	367,230	25,195,705
Cost of rendering of services	-	99,831	99,831
Distribution costs	536,824	(467,061)	69,763
Finance income	-	3,154	3,154

37. Financial Statements Approval

These financial statements were approved and authorized for issue by the Company's Board of directors on 1 March 2021.





Sahaviriya Steel Industries Public Company Limited

Head Office:

28/1 Prapawit Building, 2nd - 3rd Floor,
Surasak Road, Silom, Bangrak,
Bangkok 10500

Tel.: 0-2238-3063-82,
0-2630-0280-6

Fax: 0-2236-8890,
0-2236-8892

Factory:

9 Moo 7, Mae Ramphueng, Bangsaphan,
Prachuap Khiri Khan 77140

Tel.: 0-3269-1403,
0-3269-1411,
0-3269-1413-14,
0-3269-1419-20

Fax: 0-3269-1416,
0-3269-1421