

GSteel

Annual Report 2019



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General Information

The Company Name:	G Steel Public Company Limited
Trading Symbol on the Stock Exchange of Thailand:	GSTEEL for ordinary shares
Company Registration Number:	0107538000746
Headquarter Location:	88 PASO Tower, 18 th Floor, Silom Road, Suriyawong, Bangrak, Bangkok 10500
	Tel: (02) 634-2222 Fax: (02) 634-4114
Factory Location:	55 Moo 5, SSP Industrial Park, Nonglalog, Bankhai, Rayong 21120
	Tel: (038) 869-323 Fax: (038) 869-333
Website:	www.gsteel.com
Date of Establishment:	31 October 1995
Date of Production Commencement:	1 November 1999
Type of Business:	Production and Distribution of Hot Rolled Coil and Slab Hot Rolled Coil <ul style="list-style-type: none"> • Width 900 - 1,550 mm. • Gauge 1.0 - 13.0 mm. Slab <ul style="list-style-type: none"> • Width 900 - 1,550 mm. • Gauge 80 - 100 mm.
Production Technology	Melting - Electric Arc Furnace from Germany Casting - Medium Slab Casting Machine from Japan Rolling - Hot Strip Mill from Japan
Production Capacity:	1,800,000 tons per annum
Number of Employees:	662 persons
Registered Capital:	Baht 158,059,755,140.00
Paid-up Capital:	Baht 144,643,827,160.00
Paid-up Common Stock:	28,928,765,432 Ordinary shares, with per value of Baht 5.00 per shares
Fiscal Year:	1 January – 31 December

Reference

Share Registrar:

Ordinary Shares:

Thailand Securities Depository Company Limited
No. 93 Rachadabhisek Road, Dindaeng, Dindaeng,
Bangkok 10400
Tel: (02) 009-9999 Fax: (02) 009-9991

Debenture Registrar:

The Hong Kong and Shanghai Banking Corporation Limited
Level 30, HSBC Main Building, 1 Queen's Road Central,
Hong Kong

External Auditor:

A.M.T. & ASSOCIATES
Mr. Chaiyuth Angsuwithaya
(Certified Public Accountant License No. 3885) or
Mrs. Natsarak Sarochanunjeen
(Certified Public Accountant License No. 4563)
491/27 Silom Plaza, Silom Road, Bang Rak , Bangkok 10500
Tel: (02) 234-1676 Fax: (02) 237-2133

Investor Relations:

Investor Relations Department
Tel: (02) 634-2222
E-mail : IR@gsteel.com

Other Related Information:

- None -



Message from the Chairman

G Steel Public Company Limited has succeeded in debt-restructuring by obtaining the full approval from its shareholders for the Debt-to-Equity Swap during the Extraordinary General Meeting of Shareholders on 11 October 2019. Consequently, the Company has achieved an overall financial benefit totaling THB 9,226.82 million, as recorded for the Fiscal Year End of 2019. Based on the consolidated financial statements, the Company's equity has seen a turnaround from negative THB 910.52 million, as of 30 September 2019, to THB 7,013.60 million as of 31 December 2019.

The year 2019 was a year of major transformations, not only in terms of the Company's financial restructuring, but also in terms of the Company's recovery of its market share, following a temporary stoppage its operations during the first five months of year 2019. Nevertheless, on occasion, the Company needs to stabilize its operations and improve its products' quality to capture new market sectors with value added products.

In addition to the financial restructuring and improvements in product quality, the Company has been working with regulators for trade in GSTEEL shares to return to the main board. All pending submissions, i.e. financial statements, have been submitted on time and are in line with the regulations. We hope that GSTEEL shares will be tradable on the main board soon.

On behalf of the Board of Directors, I would like to express our gratitude to all our shareholders, trade partners, and governmental agencies who have continued their support for our business and our endeavor to take the Company to a new chapter in the year ahead.

Chainarong Monthienvichienchai
Chairman of the Board of Directors

Message from Chief Executive Officer



Year 2019 started on a good note for the steel industry globally; however it could not be sustained. Thailand Steel industry's flat products sector in particular, also faced challenges due to surge in imports of Alloy Steel and Galvanized HRC post expiry of safeguard duties in Feb'19. Thailand's Finished steel production at 7.63 mt declined by 15.5% and consumption at 18.47 mt by 4.5% in 2019. Import of flat products at 9.36 mt into Thailand during the year went up by 2.5 % over previous year. Hot Rolled Steel consumption for 2019 was at 6.66mt, decreasing 8.35% (thin gauge at 6.09 mt, decreasing 9.70%) compared to the same period of previous year.

Year 2019: Financial restructuring of G Steel got completed which was under process for the last 3 years; thereby reducing the debt/interest burden and making account healthy. Operation which was stopped since Feb'19 got resumed in May'19 after arranging working capital from investor in April'19 and quickly stabilized. Subsequently sales got severely affected in second half of the year on account of poor domestic market due to heavy imports arising out of removal of Safe Guard Measures since Feb'19. These factors, limited the sales of G steel products during the year 2019. Internal measures by the company continued on cost optimization with improved performance during some months in the areas of yield, oxygen consumption, and metallic recovery including restructuring of the organization. Plant has established the capability to produce value added steel including Gas cylinder grade, high tensile and working on development of CR grade.

Going ahead for the year 2020, ISIT has estimated increase in demand of steel in Thailand of 0.7% compared to global projection of 1.7% rise (by Worldsteel Association). The initial estimate has been based on Thai Governmental measures to accelerate construction industries, private investment and several others. However due to the impact of Covid 19 outbreak, the estimated projections may get affected adversely. Company has given further thrust on all internal measures to optimize the cost and maximize realization. However the full benefits of these will be available once market stabilizes to maintain the production consistently. In line with protection measures being provided by large number of countries to their domestic producers, our Company also needs similar help of Government of Thailand to curb imports. Association of Seven steel industries including G steel is perusing Government for immediate help. We are committed to put all efforts to meet the expectations of our esteemed stakeholders.

I would like to express my sincere thanks to our all esteemed Stakeholders, G Steel collective, Customers, Suppliers, Investors and the Royal Thai Government for their kind support and look forward to our shared successes ahead.

AP Choudhary
Chief Executive Officer

Report of Chief of Corporate Social Responsibility



G Steel Public Company Limited, a manufacturer of hot rolled steel flat product by the process of steel melting, slab casting and hot rolling into the same factory, has mainly policy to conduct the business and compliance with good corporate governance and high efficiency by paying attention to supervise the production process along with realizing the social and environmental responsibility to avoid any impact to the community and social environment around the factory. The Company has utilized resources worthily whether water, electricity, etc. Producing a quality products and emphasizing on health of all employees within the organization feel happy and work safety together with providing welfare and well-being as well as supporting personal development to increase their knowledge and work expertise. In addition, the Company is focusing on taking care and contributes to overall of the community and social regularly and continuously.

On 19 September 2019, the Company received “the Green Mining Awards 2019” that is the Green Mining Standard Award for the Metallurgy Factory, and “the CSR-DPIM Continuous Award 2019” for the factory that has continuous social responsibility operations from Mr. Dheerayut Varnitshang, Vice Minister for Industry, Ministry of Industry in the “Green Mining Award 2019” organized by the Department of Primary Industries and Mines, Ministry of Industry. These two prestigious awards are for continuing and accountable corporate social responsibility (CSR) activities.

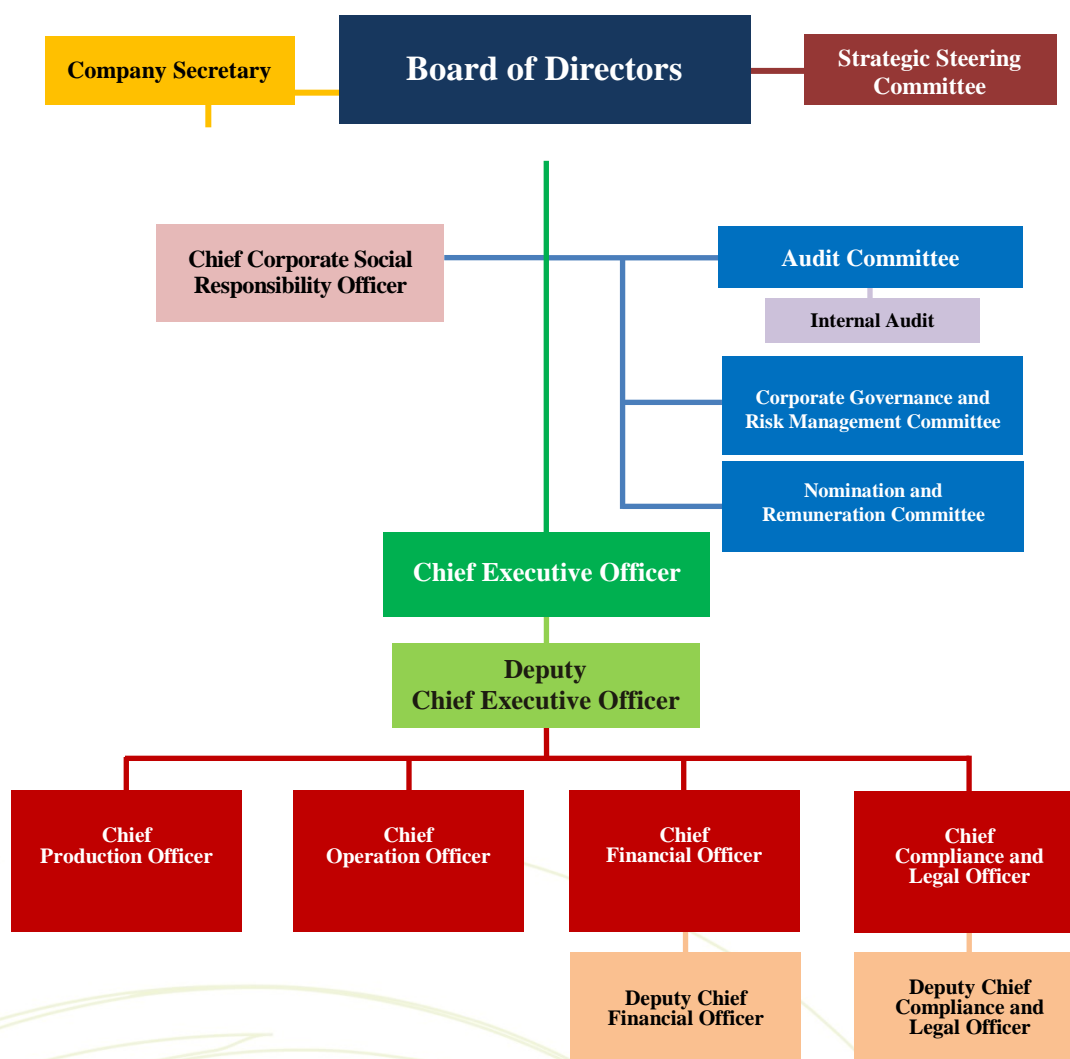
During the year 2019, the Company conducted CSR activities which are divided into internal and outside the organization activities by focusing on health care for employees such as, health checkup project, G Fight Runner project, health education for employees, and arranging for recreational activities to enhance love and unity in the organization by focusing on safety Regular hygiene for employees including the development of knowledge in order to increase and continually provide expertise and skills for employees. For the CSR activities with outside the organization, the Company is focusing on participation in social development to be a good quality society, such as blood donation to the Thai Red Cross, focusing on promoting the sport, culture and preserving cultural heritage, i.e., activity on making merit on Songkran Day in the Company, sport activities including activities with the community and society focusing on promoting the development of education with various educational institutions. Participation in community economic development activities by doing Open House for Learning Project in various faculties for drug prevention and correction with communities and organizations and also supporting other local activities.

In this regard, the Company significantly focuses and strictly comply on taking care of environmental with relevant laws to preserve the environment, and to prevent pollution which will not affect to the surrounding communities sustainability.

We, G Steel Public Company Limited has our commitment to drive our organization as a responsible entity to the employees, community, society, environment and all stakeholders of the Company through the closed cooperation between the management and all employees to perform our duties with the continuous sacrifice for the Social’s benefit.

Khunying Patama Leeswadtrakul
Chief Corporate Social Responsibility Officer

Organization Chart



Board of Directors

As at 31 March 2020



**Dr. Somsak
Leeswadtrakul**
Honorary Chairman



**Mr. Chainarong
Monthienvichienchai**
Chairman of the Board of Directors
and Independent Director



**Mr. Li
Zhong Yuan**
Independent Director
Chairman of the Audit Committee



**Mr. Christopher
Michael Nacson**
Independent Director
Audit Committee Member



**Asst. Prof. Dr. Teerachai
Arunruangsirilert**
Independent Director
Audit Committee Member



Khunying Patama Leeswadtrakul
Director



**Miss Soontareeya
Wongsirikul**
Director
Authorized Director



**Miss Kannikar
Yomchinda**
Director
Authorized Director



**Mr. Andreas Rizal
Vourlounis**
Director
Authorized Director



**Mr. Sharad
Bajpai**
Director



**Mr. Sudhir
Maheshwari**
Director
Authorized Director



**Mr. Amrendra Prasad
Choudhary**
Director
Authorized Director



**Mrs. Kwanjai
Kasemlonnappa**
Company Secretary

The Executives



**Khunying Patama
Leeswadtrakul**
Chief of Corporate Social
Responsibility Officer



**Mr. Sittisak
Leeswadtrakul**
Deputy Chief Executive Officer



**Mr. Rajeev
Jhavar**
Chief Financial Officer

**Mr. Amrendra Prasad
Choudhary**
Chief Executive Officer



**Mr. Warawut
Suwannasorn**
Chief Production Officer



**Mr. Yotsakorn
Srisuksawadi**
Deputy Chief Financial Officer
Deputy Chief Compliance and Legal Officer



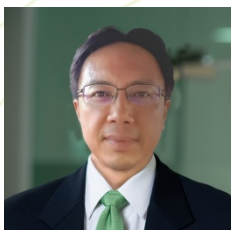
Executive Committee



**Mr. Amrendra Prasad
Choudhary**
Chairman of the Executive
Committee



**Mr. Warawut
Suwannasorn**
Member



**Mr. Sudchai
Visuddhidham**
Member

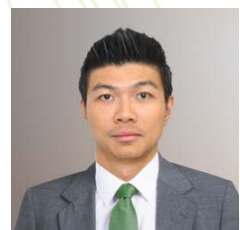
**Mr. Sittisak
Leeswadtrakul**
Member



**Mr. Rajeev
Jhavar**
Member



**Mr. Yotsakorn
Srisuksawadi**
Member



Board of Directors

Mr. Chainarong Monthienvichienchai

Age 75 years

Current position

Chairman of the Board of Directors and Independent Director

Date of Appointment

2 December 2019

No. of years in position

4 months

Significant Designation in the past

August 2017 to December 2019

November 2015 to August 2017

2013 to August 2017

2000 to 2013

Education / Training

Education

Director Training

Positions in other listed companies

August 2017 to Present

Positions in other non-listed companies

2014 to Present

2007 to Present

2002 to Present

No. of share(s) in the Company
(as at 31 March 2020)

Family Relationship among Directors and Executives None

Director has direct and indirect in any contract entered into by company None

Legal Record in the past 10 years None



Independent Director

Independent Director and Chairman of Corporate Governance Committee

Independent Director and Audit Committee Member
Director

- M.A. (Management),
Asian Institute of Management
- B.A. (Business Administration),
Chulalongkorn University
- Executive Management with Business
Development and Investment (No. 5/2018),
Institute of Business and Industrial Development
(IBID)
- Role of the Chairman Program (RCP) 43/2018,
Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP) 2004,
Thai Institute of Directors (IOD)

Chairman of the Board of Directors, and Independent
Director, G J Steel Public Company Limited

Chairman of the Board of Directors,
Salan Development Co. Ltd.

Chairman of the Board of Trustees, Saint John's
University

Director, Arnoma Hotel Bangkok Co., Ltd.

- Held personally: 300,000 Shares (0.001%)
- Held by Spouse or Minor children: None

Mr. Li Zhong Yuan

Age 50 years

Current position

Independent Director

- Chairman of the Audit Committee

Date of Appointment

11 October 2019

Date of Designation

2 December 2019

No. of years in position

6 months

Education / Training

Education

- Master of Business Administration, Sasin Graduate Institute of Business Administration, Chulalongkorn University, Thailand
- Master of Science in Computer Engineering
- Bachelor of Science in Electrical Engineering, Boston University, Massachusetts, U.S.A.

None

None

Director Training

Positions in other listed companies

Positions in other non-listed companies

2019 to Present

Executive Director, Lima Capital Asia Limited, Singapore

2017 to Present

Director, Turnaround Management Association Singapore and South East Asia Ltd., Singapore

2017 to 2018

Executive Director, Credit Structuring and Distribution Group, Standard Chartered Bank, Singapore

2016 to 2017

Executive Director, Credit Loan and Special Situations, Standard Chartered Bank, Singapore

2014 to 2016

Executive Director, Fixed Income, Currencies and Commodities Distribution, Morgan Stanley, Singapore

2011 to 2014

Director, Fixed Income Distribution, Barclays Capital, Singapore

2010 to 2011

Executive Director, Fixed Income, Currencies and Commodities Distribution, UBS AG, Singapore

2001 to 2010

Director, Distressed Products Group / Strategic Investment Group, Deutsche Bank AG, Singapore and Hong Kong

2000 to 2001

Vice President, Fixed Income Sales, Global Market, Thailand, Deutsche Bank AG, Singapore and Hong Kong

1996 to 1999

Associate (Bankers Trust Company), Global Corporate Finance, Thailand Deutsche Bank AG, Singapore and Hong Kong

No. of share(s) in the Company
(as at 31 March 2020)

- Held personally: None

- Held by Spouse or Minor children: None

Family Relationship among Directors and Executives None

Director has direct and indirect in any contract entered into by company None

Legal Record in the past 10 years None



Mr. Christopher Michael Nacson

Age 70 years

Current position

Independent Director and Audit Committee Member

Date of Appointment

2 March 2020

Date of Designation

3 March 2020

No. of years in position

1 month

Education / Training

Education

- Completed secondary education at Chester City Grammar School, UK
- Served Articles to a Chartered Accountant, UK
- Membership of Insolvency Practitioners Association, UK
- Partner, Arthur Andersen & Co, Certified Public Accountants



Director Training

None

Positions in other listed companies

Jun 2013 to present

- Formerly Chairman, Independent Non-Executive Director, and member of the Audit Committee of Suntech Power Holdings Group, and continuing roles as a Director of companies and Manager of the Luxembourg SICAR together comprising the Group's controlling entities.

Positions in other non-listed companies

November 2014 to Present

- Non-Executive Director and Legal Representative of various investee companies in Asia for Clearwater Capital Partners (Fiera Capital)

October 2014 to Present

- Formerly Non-Executive Director with continuing Advisory Roles, AMCG Partners

April 2013 to Present

- Advisor to the Board and Shareholders, and subsequently Liquidator, Digital Marketing Solutions Co. Ltd.

April 2014 to July 2017

- Non-Executive Director, and member of the Audit Committee, Allianz ABS

2012 to 2015

- Corporate Advisory, Sell-side Advisory, Advisory Role to PE fund, Consultancy role, and Interim CFO role, CSL Asia Ltd.

No. of share(s) in the Company
(as at 31 March 2020)

- Held personally: None
- Held by Spouse or Minor children: None

Family Relationship among Directors and Executives

None

Director has direct and indirect in any contract entered into by company

None

Legal Record in the past 10 years

None

Asst. Prof. Dr. Teerachai Arunruangsirilert

Age 42 years

Current position

Independent Director and Audit Committee Member

- Chairman of Corporate Governance and Risk Management Committee
- Nomination and Remuneration Committee member

Date of Appointment as a Director

6 November 2017

No. of years in position

2 years 5 months

Education / Training

Education

- Ph.D. in Management (Accounting), Asian Institute of Technology (AIT)
- Master of Accountancy, Chulalongkorn University
- B.B.A. (Accounting) (2nd Class Hons.), Thammasat University
- Advanced Audit Committee Program (AACP 34/2019), Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP), Thai Institute of Directors (IOD)
- Director Certification Program (DCP), Thai Institute of Directors (IOD)

Director Training

Positions in other listed companies

None

Positions in other non-listed companies

None

No. of share(s) in the Company

- Held personally: None

(as at 31 March 2020)

- Held by Spouse or Minor children: None

Family Relationship among Directors and Executives

None

Director has direct and indirect in any contract entered into by company

None

Legal Record in the past 10 years

None



Khunying Patama Leeswadtrakul

Age 55 years

Current position

Director

- Chief Corporate Social Responsibility Officer

Date of Appointment

17 May 2003

No. of years in position

17 years 10 months

Education / Training

Education



- Honorary Doctorate Degree of Liberal Arts, Rajamanagala University of Technology Phra Nakhon
- Honorary Doctorate Degree of Liberal Arts (Tourism Industry), Christian University of Thailand
- Honorary Doctorate in Music, Mahidol University
- Honorary Doctor of Philosophy (Management), Lampang Rajabhat University
- Honorary Doctorate in General Administration, Ramkhamhaeng University
- Master of Science (Human Resources Development), University of Manchester, England
- MBA., Ramkhamhaeng University
- B. Econ. Ramkhamhaeng University
- Wharton-NIDA Executive Leadership Program, University of Pennsylvania
- Leadership Program, Capital Market Academy, Class 5
- The Program of Senior Executive in Criminal Justice Administration, Class 16
- The Program of Senior Executive in Business and Industrial Development and Investment, Class 1
- Director Accreditation Program (DAP), Thai Institute of Directors (IOD)
- Director Certification Program (DCP), Thai Institute of Directors (IOD)
- The Role of Chairman Program (RCP), Thai Institute of Directors (IOD)
- Financial Statements for Directors (FSD), Thai Institute of Directors (IOD)

Director Training

Positions in other listed companies

2007 to Present

Chief Corporate Social Responsibility Officer,
G J Steel Public Company Limited

Positions in other non-listed companies

Present

Director, Arnoma Hotel Bangkok Company Limited

Chairperson, Homeland Loyalty Club

Chairperson, Cultural Promotion Fund, Department of
Cultural Promotion, Ministry of Culture

Director, Ramathibodi Foundation under the Royal
Patronage of HRH Princess Mahachakri Sirindhorn

Individual Expert Member, Thailand Institute of
Justice

President, Thailand Philharmonic Orchestra

Advisory Board Chairperson, Bangkok Opera
Foundation

Honorary President and Founder Thailand Choral
Association

President of the Badminton Association of Thailand
under the Royal Patronage of HM the King

Director, Foundation for Business and Industrial
Development

Senior Expert for Artists Promotion in the Minister
of Culture's Working Group

Honorary Advisor in the Commission on Sports
Reform

No. of share(s) in the Company
(as at 31 March 2020)

- Held personally: 273,095,200 Shares (0.94%)
- Held by Spouse or Minor children:
5,000,000 Shares (0.02%)

Family Relationship among Directors and Executives

None

Director has direct and indirect in any contract entered into by company

None

Legal Record in the past 10 years

None

Miss Soontareeya Wongsirikul

Age 53 years

Current position

Director

- Authorized Director of the Company
- Corporate Governance and Risk Management Committee Member
- Strategic Steering Committee Member

Date of Appointment

20 March 2015

No. of years in position

5 years

Significant Designation in the past

July 2019 to December 2019

March 2015 to June 2019

July 2017 to July 2019

Education / Training

Education

Director Training

Positions in other listed companies

December 2019 to Present

2015 to Present

Aug 2019 to Dec 2019

Mar 2019 to Aug 2019

Mar 2015 to Feb 2019

Deputy Chief Executive Officer – Strategy and Business Planning

Chief Financial Officer

Company Secretary

- Master of Business Administration (Finance), Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Master of Science (Biotechnology), Chulalongkorn University
- Bachelor of Science (Biotechnology), King Mongkut's Institute of Technology Ladkrabang
- Risk Management Program for Corporate Leaders (RCL 18/2019), Thai Institute of Directors (IOD)
- Strategic Financial Leadership Program (SFLP) 2018, Thai Listed Companies Association
- Strategic CFO in Capital Markets Program (5/2017), The Stock Exchange of Thailand
- Ethical Leadership Program (ELP 2017), Thai Institute of Directors (IOD)
- Director Certification Program (DCP 215/2015), Thai Institute of Directors (IOD)

Strategic Steering Committee Member

G J Steel Public Company Limited

Director, G J Steel Public Company Limited

Deputy Chief Executive Officer – Strategy and Business Planning, G J Steel Public Company Limited

Deputy Chief Executive Officer

Director, and Chief Financial Officer,

G J Steel Public Company Limited



2005 to 2006	Vice President - Corporate Banking, CIMB Thai Bank Public Co., Ltd. (formerly, Bank Thai Public Co., Ltd)
1996 to 2005	Assistance Vice President - Corporate Banking, United Overseas Bank (Thai) Public Co., Ltd. (formerly, Bank of Asia Public Co., Ltd.)
Positions in other non-listed companies	
2012 to 2014	Intermediate Business Referrer for Thailand Market, Bank of Singapore (a Private Banking of OCBC group)
2010 to 2012	Head of Corporate Banking, Oversea-Chinese Banking Corporation Ltd., Bangkok Branch
2006 to 2010	Vice President - Commercial Banking, (Large Local Corporate Customers), Hong Kong and Shanghai Banking Corporation Ltd., Bangkok Branch
No. of share(s) in the Company (as at 31 March 2020)	- Held personally: None - Held by Spouse or Minor children: None
Family Relationship among Directors and Executives	None
Director has direct and indirect in any contract entered into by company	None
Legal Record in the past 10 years	None

Miss Kannikar Yomchinda

Age 45 years

Current position

Director

- Authorized Director of the Company
- Nomination and Remuneration Committee Member
- Strategic Steering Committee Member

Date of Appointment

12 December 2019

Date of Designation

13 December 2019

No. of years in position

4 months

Significant Designation in the past

July 2018 to December 2019

Senior General Manager – Risk Commercial Assurance

Advisor to Executive Committee

May 2017 to July 2018

Senior General Manager - Raw Material & Spare Part Procurement

April 2015 to May 2017

Education / Training

Education

- Master of Business Administration
University of the Thai Chamber of Commerce
- Bachelor of Arts
Chandrakasem Rajabhat University
- None

Director Training

Positions in other listed companies

December 2019 to Present

Strategic Steering Committee

G J Steel Public Company Limited

1999 to December 2019

Senior General Manager - Risk Commercial Assurance,
G J Steel Public Company Limited

Positions in other non-listed companies

March 2020 to Present

Vice President, Thailand Iron and Steel Industry Club,
The Federation of Thai Industries

October 2019 to Present

Vice President
The Association of Thai Hot-Rolled Flat Steel
Administration Officer

1992 to 1995

Saint John's College / Dale Carnegie Bangkok

No. of share(s) in the Company
(as at 31 March 2020)

- Held personally: None
- Held by Spouse or Minor children: None

Family Relationship among Directors and Executives

None

Director has direct and indirect in any contract entered into by company

None

Legal Record in the past 10 years

None



Mr. Andreas Rizal Vourloumis

Age 45 years

Current position

- Authorized Director
- Strategic Steering Committee Member

Date of Appointment

11 October 2019

Date of Designation

2 December 2019

No. of years in position

4 months

Education / Training

Education

- Master of Science (Economic History),
London School of Economics and Political
Science
- Bachelor's degree in Economics, London
School of Economics and Political Science

Director Training

None

Positions in other listed companies

December 2019 to Present

Strategic Steering Committee Member,
G J Steel Public Company Limited

August 2017 to Present

Director, G J Steel Public Company Limited

Positions in other non-listed companies

January 2016 to Present

Director, Alpha Capital Asset Management Co, Ltd.

2009 to Present

Partner and Co-Founder,
SSG Capital Management (Hong Kong) Limited

No. of share(s) in the Company

(as at 31 March 2020)

- Held personally: None
- Held by Spouse or Minor children: None

Family Relationship among Directors and Executives

None

Director has direct and indirect in any contract entered into by company

None

Legal Record in the past 10 years

None

Mr. Sharad Bajpai

Age 52 years

Current position

Director

- Strategic Steering Committee Member

Date of Appointment

11 October 2019

Date of Designation

2 December 2019

No. of years in position

4 months

Education / Training

Education

Director Training

Positions in other listed companies

December 2019 to Present

Positions in other non-listed companies

March 2018 to Present

October 2016 to Present

2016 to Present

2009 to 2016

2008 to 2009

2003 to 2008

2000 to 2002

1994 to 2000

No. of share(s) in the Company

(as at 31 March 2020)

Family Relationship among Directors and Executives

Director has direct and indirect in any contract entered into by company

Legal Record in the past 10 years

- PGDBM, XLRI, Jamshedpur, India
- Bachelor of Engineering (Civil) Honours, National Institute of Technology, India

None

Strategic Steering Committee Member

G J Steel Public Company Limited

Director, Audit Committee Member, Nomination & Remuneration Committee Member, Risk Management Committee Member, Asset Liability Management Committee Member, Corporate Social Responsibility Committee Member, and Credit Committee Member,

Shapoorji Pallonji Finance Private Limited, India

Director,

Siam Power Generation Public Company Limited

Managing Director, Head of Asset Management, SSG Capital Management (Hong Kong) Limited

Managing Director, Global Markets Risk Executive (Asia), Bank of America Merrill Lynch (Hong Kong)

Deputy Head, Global Markers Asia, RZB (Austria), Singapore Branch

Principal, Senior Trading Strategist, Bank of America N.A., Singapore and Hong Kong

Director, Head of Execution, FleetBoston Financial, Singapore

Assistant Vice President, Industrial Credit and Investment Corporation of India (ICICI)

- Held personally: None

- Held by Spouse or Minor children: None

None



Mr. Sudhir Maheshwari

Age 56 years

Current position

Director

- Strategic Steering Committee Member

Date of Appointment

11 October 2019

Date of Designation

2 December 2019

No. of years in position

4 months

Education / Training

Education

- Chartered Accountant,
Institute of Chartered Accountant India
- Company Secretary - Institute of Company
Secretaries of India
- Bachelor's degree (Honors) in Accounting and
Commerce, St. Xavier's

Director Training

None

Positions in other listed companies

December 2019 to Present

Strategic Steering Committee Member,
G J Steel Public Company Limited

August 2017 to Present

Director, G J Steel Public Company Limited

Positions in other non-listed companies

2015 to Present

Founder & Managing Partner, Synergy Capital

2008 to 2015

Managing Director, Mittal Investments

2006 to 2015

Member of Group Management Board / Alternate
Chairman of the Corporate Finance & Tax,
ArcelorMittal Group

No. of share(s) in the Company

(as at 31 March 2020)

- Held personally: None
- Held by Spouse or Minor children: None

Family Relationship among Directors and Executives

None

Director has direct and indirect in any contract entered into by company

None

Legal Record in the past 10 years

None



Mr. Amrendra Prasad Choudhary

Age 66 years

Current position

Director

- Authorized Director of the Company
- Chief Executive Officer

Date of Appointment

11 October 2019

Date of Designation

2 December 2019

No. of years in position

4 months

Significant Designation in the past

31 October 2017 to Present

Education / Training

Education

Chief Executive Officer

- M.SC. Engineering, Design, Regional Engineering College Rourkela, Orissa, India
- B.SC. Engineering (Mechanical), MIT, Muzaffarpur, India
- Advance Management, Project Management, Costing, Energy Management

Positions in other listed companies

May 2018 to Present

October 2017 to Present

Director, G J Steel Public Company Limited

Chief Executive Officer, G J Steel Public Company Limited

Positions in other non-listed companies

2016 to 2017

2014 to 2017

2015 to 2016

2014 to 2015

2011 to 2013

2011 to 2013

2011 to 2013

2009 to 2013

Advisory Board Member, Synergy Capital, UK

Independent Director, RDF Power, ILFS

Member of "Governmental Task Force for MOU for energy sector"

Principal Advisor, NMDC flat product - CSP route steel plant

Chairman of Bird Group of Companies, Mining

Chairman, RINMOIL Ferro Alloys Pvt Ltd

Board Member of World Steel Association

Chairman-cum-Managing Director, CEO and Chairman of the Board of RINL, Director (Project), 7.3 MTPA Steel Plant

Executive Director, SAIL, 17 MTPA Steel Plant

2008 to 2009

No. of share(s) in the Company

(as at 31 March 2020)

Family Relationship among Directors and Executives

None

Director has direct & indirect in any contract entered into by company

None

Legal Record in the past 10 years

None



The Executives

Mr. Sittisak Leeswadtrakul

Age 41 years

Current position

Deputy Chief Executive Officer

Date of Appointment

12 December 2019

No. of years in position

4 months

Significant Designation in the past

August 2019 to December 2019

May 2017 to December 2017

2014 to October 2017

Education / Training

Education



Deputy Chief Executive Officer – Production and Commercial

Chief Production Officer

Chief Operation Officer and Executive Vice President
- Marketing (Acting)

- Master of Business, Administration Program in Business Modeling and Analysis (International Program), Mahidol University
- Bachelor of Science (General Engineering), Queen Mary University (London), United Kingdom
- Executive Certificate in Strategy - Building and Sustaining Competitive Advantage, Harvard University, USA
- Executive Certificate in Management and Leadership, Massachusetts Institute of Technology, Cambridge, USA
- Executive Certificate in Transforming Your Leadership Strategy, Massachusetts Institute of Technology, Cambridge, USA
- Executive Certificate in Developing a Leading Edge Operations Strategy, Massachusetts Institute of Technology, Cambridge, USA
- Executive Certificate in Fundamental of finance for the Technical Executive, Massachusetts Institute of Technology, Cambridge, USA
- Executive Certificate in Strategic Cost Analysis for Managers, Massachusetts Institute of Technology, Cambridge, USA
- Certificate in Advanced Corporate, Banking and Financial Services Law Program (ABFL Program), Faculty of Law, Ramkhamhaeng University
- Director Certification Program (DCP 163/2012), Thai Institute of Directors (IOD)

Director Training

Positions in other listed companies

December 2019 to present

Deputy Chief Executive Officer,
G J Steel Public Company Limited

August 2019 to December 2019

Deputy Chief Executive Officer - Production and
Commercial, G J Steel Public Company Limited

May 2017 to August 2019

Chief Production Officer,
G J Steel Public Company Limited

2011 to May 2017

Director, G J Steel Public Company Limited

2014 to April 2017

Chief Operation Officer, and
Executive Vice President - Marketing (Acting) ,

G J Steel Public Company Limited

2011 to 2014

Executive Vice President - Marketing,
G J Steel Public Company Limited

Positions in other non-listed companies

2008 to 2011

Senior officer, Steel Division,
Mitsui & Co.,(Thailand) Ltd.

2006 to 2008

Business Assistant, Steel Division,
Mitsui & Co. Europe Plc.

No. of share(s) in the Company

- Held personally: None

(as at 31 March 2020)

- Held by Spouse or Minor children: None

Family Relationship among Directors and Executives

None

Director has direct & indirect in any contract entered into by company

None

Legal Record in the past 10 years

None

Mr. Warawut Suwannasorn

Age 58 years

Current position

Chief Production Officer

Date of Appointment

20 October 2017

No. of years in position

2 years 6 months

Education / Training

Education

- Master of Public Finance Administration,
National Institute of Development
Administration
- Bachelor of Political Science,
Ramkhamhaeng University



Positions in other listed companies

5 April 2013 to 19 October 2017

Senior General Manager Production & Maintenance,
G Steel Public Company Limited

1 March 2009 to 4 April 2013

Human Resources & Administration Vice President,
G Steel Public Company Limited

Positions in other non-listed companies

None

No. of share(s) in the Company

- Held personally: None

(as at 31 December 2019)

- Held by Spouse or Minor children: None

Family Relationship among Directors and Executives

None

Director has direct and indirect in any contract entered into by company

None

Legal Record in the past 10 years

None

Mr. Rajeev Jhawar

Age 47 years

Current position

Chief Financial Officer

Date of Appointment as a Director

1 July 2019

No. of years in position

9 Months

Education / Training

Education

- Post Graduate Certification in Business Management, Xavier Labour Relations Institute (XLRI), India
- Member of the Institute of Chartered Accountants of India (May, 1996) – Articleship with Price Waterhouse Coopers, Kolkata, India
- Member of Institute of Cost & Works Accountants of India, India
- Bachelor's degree in Commerce from St. Xavier's College, India
- e-learning CFO's Orientation, The Stock Exchange of Thailand

Training

Positions in other listed companies

March 2019 to Present

Chief Financial Officer,
G J Steel Public Company Limited

2017 to March 2019

General Manager - Financial Controlling,
G J Steel Public Company Limited

Positions in other non-listed companies

2014 to 2017

Director - Finance and Commercial,
Tropical Agrosystem (India) Pvt Ltd, India (Chennai)

2011 to 2014

Director - Finance and Commercial,
SBQ Steels Ltd., India (Chennai)

No. of share(s) in the Company

(as at 31 March 2020)

- Held personally: None
- Held by Spouse or Minor children: None

Family Relationship among Directors and Executives

None

Director has direct and indirect in any contract entered into by company

None

Legal Record in the past 10 years

None

Mr. Yotsakorn Srisuksawadi

Age 35 years

Current position

- Deputy Chief Financial Officer
- Deputy Chief Compliance and Legal Officer

Date of Appointment

12 December 2019

Date of Designation

12 December 2019

No. of years in position

4 months

Significant Designation in the past

July 2019 to December 2019

Deputy Chief Financial Officer, and
Deputy Chief Compliance Officer

Education / Training

Education

- Master of Business Administration Degree,
Kellogg School of Management,
Northwestern University, Evanston, IL
- Bachelor of Arts in Economics, International
Program, Thammasat University
- None

Training

Positions in other listed companies

December 2019 to Present

Deputy Chief Financial Officer, and Deputy Chief
Compliance and Legal Officer,
G J Steel Public Company Limited

March 2019 to December 2019

Deputy Chief Financial Officer,
G J Steel Public Company Limited

Positions in other non-listed companies

2012 to 2014

Intermediate Business Referrer for Thailand Market
Bank of Singapore (a Private Banking of OCBC
group)

2010 to 2012

Head of Corporate Banking, Oversea-Chinese
Banking Corporation Ltd., Bangkok Branch

2006 to 2010

Vice President - Commercial Banking, (Large Local
Corporate Customers)
Hong Kong and Shanghai Banking Corporation Ltd.,
Bangkok Branch

No. of share(s) in the Company

(as at 31 March 2020)

- Held personally: None
- Held by Spouse or Minor children: None

Family Relationship among Directors and Executives

None

Director has direct and indirect in any contract entered into by company

None

Legal Record in the past 10 years

None



Mrs. Kwanjai Kasemlonnapa

Age 52 years

Current position

- Company Secretary
- General Manager - Corporate Finance

Date of Appointment as a Company Secretary

12 December 2019

No. of years in position

4 Months

Significant Designation in the past

2007 to Present

General Manager - Corporate Finance

Education / Training

Education

- Master of Business Administration, State University of New York, U.S.A.
- Bachelor of Economics, Thammasat University

Positions in other listed companies

December 2019 to Present

Company Secretary,

G J Steel Public Company Limited

2007 to Present

General Manager - Corporate Finance,

G J Steel Public Company Limited

2006 to 2007

Senior Manager - Corporate Planning and Budgeting Department, ITV Public Company Limited

2005 to 2006

Senior Manager - Customer Service Operation, ITV Public Company Limited

1999 to 2002

Senior Manager – Head of Loan Management, Treasury Department, Intouch Holdings Pcl.

1995 to 1999

Manager – Head of Loan & Derivative, Treasury Department, Intouch Holdings Pcl.

Positions in other non-listed companies

1994 to 1995

Financial Advisor,

Isla Communications Co., Inc., Philippines

1993 to 1994

Assistant Manager, Corporate Banking Division,

The Siam Sanwa Industrial Credit Plc. (SICCO)

1989 to 1991

Marketing Officer, Retail Lending Department, Thanachart Bank

No. of share(s) in the Company

(as at 31 March 2020)

- Held personally: None

- Held by Spouse or Minor children: None

Family Relationship among Directors and Executives

None

Director has direct and indirect in any contract entered into by company

None

Legal Record in the past 10 years

None



Policy and Business Overview

G Steel Public Company Limited runs a business of producing and selling hot-rolled steel sheet in coils (or hot-rolled coils) as main products, also including slitting and shearing services as per customers' orders, and steel slabs as supplementary products. The Company's main products are used directly in construction works, water irrigation and civil engineering, and used as substrates or raw materials for many downstream industries, such as cold-rolling and galvanizing industries to make steel products for several kinds of industrial manufacturing, in steel sheet fabrication industry, e.g. making pipes, tubes and structural shapes for uses in construction, other downstream industries, namely, automotive parts (for passenger cars, buses, trucks) and parts for other vehicles, for making oil drums, gas cylinders, general industrial equipment or parts, etc.

The Company's hot-rolled coil plant has deployed state-of-the-art technologies that perfectly and efficiently integrate melting, casting and rolling processes in one plant, or known as "Compact Mini Mill", which consists of melting technology with Electric Arc Furnaces (EAFs), Continuous Casting Machine technology and Hot Strip Mill in tandem continuously throughout all the said processes.

The Company's production process, in brief, begins from taking ferrous scraps and pig iron to melt in the EAFs to make liquid steel at 1,600 degrees Celsius, then improving the quality of liquid steel with ferro-alloys and other substances to meet the requirements of the standard or customer's specification, and casting the improved liquid steel into the continuous casting machine to make steel slabs of 100 mm thickness, and hot-rolled to reduce the thickness down to the range of 1.0 - 13.0 mm as per the customer's order. The Company's plant is the first in Thailand and one of a few plants in the world that can make as thin as 1.0 mm hot-rolled sheet. The said production process is thoroughly continuous and takes just 3 hours and a half to finish.

The Company's hot-rolled coil plant has a designed capacity of 3.4 million tons per year at maximum, currently has implemented a capacity of 1.8 million tons per year, and currently has an effective capacity of 1.5 million tons per year that meets the various product mixes by customers' orders. Our hot-rolled coil products are made to comply with the Thai industrial standards (TIS), and also international and foreign standards, for instances, Japanese standards (JIS), American or the U.S. standards (ASTM and SAE), European standards (EN, DIN and BS), Malaysian standards (MS) and Indian standards (BIS), etc., according to the local and foreign markets' needs.

Vision Mission Business Objectives

Vision

“Leader in global steel supply”

Mission

1. Provide the worldwide markets with wide range of steel products
2. Grow with more production capacity and utilize it with minimal cost
3. Improve and develop products to fulfill customers' requirements
4. Continuously develop human resources
5. Preserve the environment and contribute to society
6. Enhance values to stakeholders
7. Anti-Corruption and Corruption

Business Objectives:

For the year 2020, the Worldsteel Association (Worldsteel) forecasts that the demand for finished steel in different regions of the world is likely to increase when compared to the previous year, with a growth of 1.7 percent to 1,805.7 million tons. The European Union (28 countries) expands by 1.1 percent, with a volume of 168.6 million tons. The Commonwealth of Independent States (CIS) grew up by 2 percent and the ASEAN Worldsteel grew up by 5.6 percent, in which the demand for finished steel products increased when compared to other regions. It is approximately 83.9 million tons which is a result of investment in infrastructure construction and investment expansion to other countries in the ASEAN. Whereas, Worldsteel forecasts the demand for finished steel of China, which is the world's largest producer and user of steel, in the year 2020 will grow up by 1 percent, with the volume of demand at approximately 909.1 million tons.

For the steel industry in Thailand, the Iron and Steel Institute of Thailand (ISIT) estimates that demand for steel products in the year 2020 will increase slightly from the year 2019 around 0.7 percent. It is expected that the demand will be approximately 18.6 to 19.0 million tons, which is the result of the forecast of economic conditions that are likely to recover and from trade war that lessen tensions. This is an opportunity to expand in the downstream industries that usage of steel products, especially the construction industry is expected to grow up from the acceleration of large-scale investment by the government. There are many structural construction plans and private investment, which is expected to increase and grow up with its confidence. Appliance industry have its own in a better direction with a demand from both of domestic and international markets.

Although it has been predicted by certain industries that there will be slightly changes, but the demand of Thai steel in the year 2020 can continuously grow up and reflect well in supporting the Company's business operations, as a manufacturer of hot-rolled steel sheet. The Company is mainly focus on the fundamental factors of business operations. We have a strategy to reduce the impact of various negative factors by continuous focusing on the reduction of production costs and increase of sales. We will

mainly focus on the domestic market with the efficient production in order to achieve the excellence operation and be able to deliver a variety of value-added products to meet customer requirement, which will help reducing the imports of flat steel products in Thailand. (Excluding the impact from the spread of COVID-19 situation)

Business policy

1. The Company has policy for developing the working system in compliance with international standards regularly. The company has certified international standards as following:

Certification related to management system as follows:

- Quality Management System (ISO 9001:2015)
- Environmental Management System (ISO 14001:2015)
- Occupational Management System (OHSAS 18001:2007)

Certification related to products as follows

Thai Industrial Standards (TIS)

- Thai Industrial Standard (TIS 1479-2558) Hot-rolled carbon steel coil, strip, plate and sheet for general structure
- Thai Industrial Standard (TIS 1499-2541) Hot-rolled carbon steel coil, strip, plate and sheet for Welded Structure
- Thai Industrial Standard (TIS 2060-2543) Hot-rolled carbon steel coil, strip, plate and sheet for gas cylinders
- Thai Industrial Standard (TIS 528-2548) Hot-rolled flat carbon steel of commercial and drawing qualities
- Thai Industrial Standard (TIS 1735-2542) Hot-rolled carbon steel coil and strip for pipes and tubes
- Thai Industrial Standard (TIS 1884-2542) Hot-rolled high strength steel coil, strip, plate and sheet with improved formability for automobile structure use
- Thai Industrial Standard (TIS 1999-2543) Hot-rolled steel coil, plate and sheet for automobile structure use

Malaysian Standards (MS)

- Malaysian Standards (MS 1705-2003) Hot-rolled carbon steel strip and sheet of commercial and drawing qualities
- Malaysian Standards (MS 1768-2004) Hot-rolled carbon steel strip for pipe and tube
- Malaysian Standards (MS EN 10025-2) Hot-rolled plates and strips of non-alloy structure steels
- SAE J 403-2014 SAE Carbon steel coil

Indian Standards (IS)

- IS 1079 : 2017 Hot Rolled Carbon Steel Sheet, Plate and Strip
- IS 2062 : 2011 Hot Rolled Medium And High Tensile Structural Steel
- IS 10748 : 2004 Hot Rolled Steel Strip For Welded Tubes And Pipes

Moreover, the company has a policy to continuously operate social responsibility. As can be seen in 2019, the company has been certified to comply with the standards of responsibility of industrial enterprises to society (CSR-DPIM) and awarded maintain Green Mining standards 2019 from the Department of Primary Industries and Mines (DPIM), the Ministry of Industry.

In addition, the company also has a policy to develop the employees and knowledge training continuously to enable employees to be knowledgeable and proficient in the steel industry.

Key Events in 2019

- Post Scrap Metal Tolling Agreement Tolling arrangement from 31 January 2019, the production of the Company was temporarily stopped for 3 months due to paucity of working capital. Working capital was arranged from an investor in April 2019 with which plant operations resumed from May 2019.
- Subsequently in order to reduce debt and interest burden on the company and to solve negative equity, the Extra Ordinary General Meeting of Shareholders on 11 October 2019 resolved to approve the Debt-to-Equity Conversion Scheme.
- Scrap handling system: Operations taken over by plant from contractor and now being operated departmentally; thereby establishing more flexibility.
- Slag handling process: Switched over to newer technology and stabilized to have smooth operations establishing ease in operations; thereby reducing dependency on other.
- Product development; Established the capability to produce value added steel viz Gas cylinder grade, high tensile and working on development of CR grade.
- Road map for investment to improve health of plant and equipment and to improve process efficiency including product development has been drawn to implement in stages matching fund availability.
- Cost optimization efforts helped in achieving highest ever yield during the year and improvement in some months in the areas of oxygen consumption, metallic recovery etc. which however could not be made stable due to reduced operations arising out of lower sales.
- Operations of the plant got severely affected in 2019 due to negative domestic market arising out of expiry of Safe Guard Measures on Alloy steel Imports since February 2019 combined with global recession in steel market. Post resumption of operations in May 2019, several old Customers who had resorted to imports and purchasing from competitors were brought back.

December 2019

The meeting of the Board of Directors' Meeting No. 13/2562 held on 12 December 2019 has passed the following key resolutions:

- Acknowledged of the resignation of Mr. Yanyong Kurovat from being the Company's director with the effect from 13 December 2019 onwards.
- Approved the appointment of Miss Kannikar Yomchinda as a director in replacement of vacant position of Mr. Yanyong Kurovat who has resigned from the director position.
- Acknowledge the resignation of Mr. Tanu Visittigamonyotin from being the Company Secretary, and to unanimously resolve to appoint Mrs. Kwanjai Kasemlonnapa as the Company Secretary in replacement with effect from 13 December 2019 onwards.
- Approve to set up the Strategic Steering Committee delegated by the Board of Directors in order to check, give advice and closely monitor the day-to-day operation of the Executive Committee, and to appoint members of the aforesaid Committee, with effect from 12 December 2019 onwards:
 - 1) Dr. Somsak Leeswadtrakul
 - 2) Miss Soontareeya Wongsirikul
 - 3) Miss Kannikar Yomchinda
 - 4) Mr. Andreas Rizal Vourloumis
 - 5) Mr. Sharad Bajpai
 - 6) Mr. Sudhir Maheshwari
 - 7) Mr. Davinder Chugh
- Approved the appointment of Miss Kannikar Yomchinda and Mr. Andreas Rizal Vourloumis as an Nomination and Remuneration Committee Member with effect from 13 December 2019 onwards.
- Approved the combination of the Risk Management Committee and the Corporate Governance Committee, including appointing members of the Corporate Governance and Risk Management Committee, with effective from 12 December 2019 onwards. In addition, there is no meeting of the said committee in year 2019.

November 2019

The meeting of the Board of Directors' Meeting No. 12/2562 held on 18 November 2019 has passed the following key resolutions:

- Acknowledged of the directors' resignation with the effect from 2 December 2019 onwards:
 - 1) Prof. Paichitr Rojanavanich Independent Director and Chairman of the Audit Committee

- 2) Mr. Ryuzo Ogino Director
 - 3) Mr. Somchai Leeswadtrakul Director
 - 4) Asst. Prof. Komol Wong-Apai Director
 - 5) Ms. Methikan Chutipongsiri Director
- Acknowledged the resignation of Mr. Yanyong Kurovat from being the Chairman of the Board of directors position. He still remains the position of Director with effect from 2 December 2019 onwards.
 - Approved the appointment of Mr. Chainarong Monthienvichienchai as Chairman of the Board of Director of the Company with effect from 2 December 2019 onwards.
 - Approved the appointment of Mr. Li Zhong Yuan as Chairman of the Audit Committee of the Company with effect from 2 December 2019 onwards.

October 2019

The meeting of the Extraordinary General Meeting of Shareholders No. 2/2019 on 11 October 2019 at 9.30 a.m. at the Arnoma Grand Room, 3rd Floor, Arnoma Grand Bangkok, has passed the following key resolutions:

- Approved the decrease of registered capital of the Company of Baht 7,024,838,910 from the existing registered capital of Baht 48,775,743,730 to Baht 41,750,904,820 by decreasing the number of unissued shares of the Company which were issued to accommodate GSTEEL-W1 in the number of 1,135,237,165 shares and GSTEEL-W2 in the number of 269,730,617 shares, totaling 1,404,967,782 shares at a par value of Baht 5.
- Approved the Debt-to-Equity Conversion Scheme by allocating and offering 22,078,584,468 ordinary shares of the Company at a par value of Baht 5 to Group 1 Creditors who were the judgment creditors consisting of (1) M-Power TT LTD. (“M-Power”) (2) D-Sinchai Steel Company Limited (“D-Sinchai”) (3) Mrs. Wanida Yomchinda (“Mrs. Wanida”) (4) Mrs. Benjamars Pituktum (“Mrs. Benjamars”) (5) New World Intermetal Company Limited (“New World Intermetal”) (6) Mr. Tanuchai Vesaracharnont (“Mr. Tanuchai”) (7) Superior Oversea (Thailand) Company Limited (“Superior”) and Group 2 Creditor who was a commercial creditor according to the Memorandum of Understanding, i.e. Asia Credit Opportunities I (Mauritius) Limited (“ACO I”) by way of debt to equity conversion. The total number of M-Power’s debt, D-Sinchai’s debt, Mrs. Wanida’s debt, Mrs. Benjamars’s debt, New World Intermetal’s debt, Mr. Tanuchai’s debt, Superior’s debt and ACO I’s debt which shall be converted to equity (“Debts to be Converted to Equity”) was Baht 4,194,931,048.92 (the “Amount of Debts to be Converted to Equity”). The Company intended to repay Debts to be Converted to Equity in the total amount of Baht 4,194,931,048.92 by the ordinary shares of the Company, by which the Company shall determine the Debt-to-Equity price at Baht 0.19 per share, totaling up to Baht 110,392,922,340 in order to repay the Amount of Debts to be Converted to Equity.

- Approved the increase of the Company's registered capital in the amount up to Baht 116,308,850,320 from the existing registered capital of Baht 41,750,904,820 to Baht 158,059,755,140, by issuing up to 22,078,584,468 new ordinary shares at a par value of Baht 5 per share to (1) accommodate the allocation and the offering of the newly issued shares of the Company under the Debt-to-Equity Conversion Scheme in the number of 23,261,770,064 shares and (2) accommodate the right adjustment to exercise the right to purchase the newly issued ordinary shares of the Company for GSTEEL-W3 in the number up to 1,183,185,596 shares.
- Approved the allocation of the newly issued ordinary shares of the Company in the number of 22,078,584,468 shares at a par value of Baht 5 per share in order to offer to specific persons (Private Placement) under the Deb-to-Equity Conversion Scheme as follows
 - 1) Amount of 4,571,096,822 shares to M-Power;
 - 2) Amount of 566,056,684 shares to D-Sinchai;
 - 3) Amount of 52,631,578 shares to Mrs. Wanida;
 - 4) Amount of 78,947,368 shares to Mrs. Benjamars;
 - 5) Amount of 567,312,699 shares to New World Intermetal Company Limited;
 - 6) Amount of 31,578,947 shares to Mr. Tanuchai;
 - 7) Amount of 1,749,470,897 shares to Superior;
 - 8) amount of 14,461,489,473 shares to ACO I
- Approved the allocation of the newly issued ordinary shares of the Company up to 1,183,185,596 shares, at the par value of Baht 5 per share to accommodate the right adjustment of GSTEEL-W3 up to 1,183,185,596 shares according to conditions of the right adjustment specified in the Terms and Conditions Governing the Rights and Obligations of the Issuer of GSTEEL-W3
- Approved a waiver from the requirement to make a tender offer for all securities of the Company (Whitewash) from the allocation and the offering of the newly issued ordinary shares of the Company under the Debt-to-Equity Conversion Scheme to ACO I up to 14,461,489,473 shares, or equivalent to 49.99 percent of the total number of sold shares of the Company
- Approved the appointment of the following 5 persons nominated by ACO I to be the directors of the Company;

1) Mr. Andreas Rizal Vourloumis	Director
2) Mr. Sharad Bajpai	Director
3) Mr. Sudhir Maheshwari	Director
4) Mr. Amrendra Prasad Choudhary	Director
5) Mr. Li Zhong Yuan	Independent Director and Audit Committee Member

Shareholding Structure

As of 31 December 2019, top ten shareholders and stock holding proportion based on paid-up capital are as follows:

No.	Name of shareholders	Number Shares	% of paid-up capital
1.	Asia Credit Opportunities I (Mauritius) Limited	14,461,489,473	49.99
2.	M-Power TT LTD.	4,571,096,822	15.80
3.	Superior Overseas (Thailand) Co., Ltd.	2,025,246,897	7.00
4.	New World Intermetal Company Limited	567,312,699	1.96
5.	D-Sinchai Steel Company Limited	566,056,684	1.96
6.	Mr. Niram Ngamchamnurit	444,682,520	1.54
7.	Mr. Taweecat Jurangkul	432,208,900	1.49
8.	Mr. Nattaphol Jurangkul	402,878,400	1.39
9.	Group of Khunying Patama Leeswadtrakul	278,095,200	0.96
10.	Mr. Kritsanee Kevalae	276,463,000	0.96
11.	Minor shareholders	4,903,234,837	16.95
<u>Total</u>		<u>28,928,765,432</u>	<u>100.00</u>

Remarks:

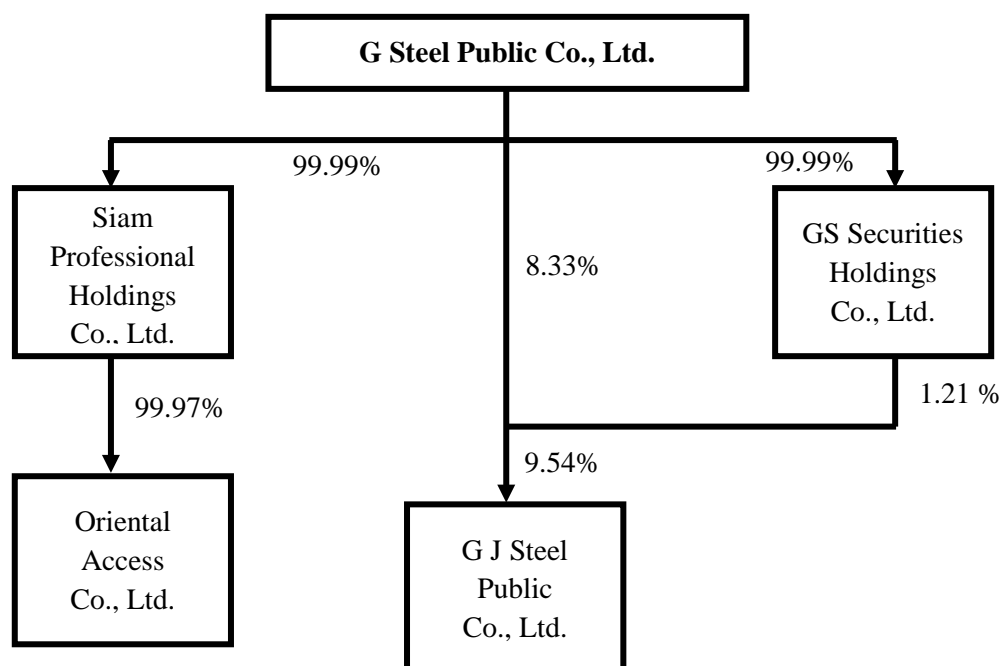
1. Group of Khunying Patama Leeswadtrakul comprising of

No.	Name of shareholders	Number Shares	% of paid-up capital
1.	Khunying Patama Leeswadtrakul	273,095,200	0.94
2.	Ms. Suratiporn Leeswadtrakul	5,000,000	0.02

2. Shareholding structure of Superior Overseas (Thailand) Co., Ltd.

No.	Name of shareholders	% of paid-up capital
1.	Khunying Patama Leeswadtrakul	29.42
2.	Marco Wealth Investment Company Limited	25.38
3.	Ms. Methikan Chutipongsiri	19.81
4.	Mr. Manit Chiachuabsilp	15.38
5.	Mrs. Patum Chiachuabsilp	10.00

Shareholding Structure in the Company's Group as at 31 December 2019



In order to increase the company's competitive capability and to reduce its production cost, the company has invested in subsidiaries by held shares in target subsidiaries and type of business as at 31 December 2019 and 2018 as follows:

Subsidiaries	The Group Ownership interest		Type of business
	2019	2018	
<u>Direct subsidiaries</u>			
Siam Professional Holdings Co., Ltd. (“SPH”)	99.99	99.99	Investment holdings company
G J Steel Public Co., Ltd. (“G J Steel”) (held by the Company 8.33% and GS Securities 9.54%)	9.54	17.28	Manufacture and distribution of hot rolled coil steel products
GS Securities Holdings Co., Ltd. (“GS Securities”)	99.99	99.99	Special-purpose restructuring entity
<u>Indirect subsidiaries</u>			
Oriental Access Co., Ltd. (“OAC”) (held by SPH 99.97%)	99.97	99.97	Consulting service and investing

Nature of Business

Revenue structure

The company and its subsidiaries earned its income mainly inside the country as there is high demand in the local market, both from the construction industry and manufacturing industry. Nevertheless, the subsidiary exported its products overseas to secure customer base and to support potential business expansion in future.

Details of the company's and its subsidiaries' revenue structures in the past 3 years are as follows:

(Unit: Thousand Baht)

Revenue (company and subsidiaries)	2019		2018		2017	
	Revenue	%	Revenue	%	Revenue	%
Local sales						
-Related companies ⁽¹⁾	293,586	1.22	706,172	2.33	5,874,010	22.74
- Other groups	17,120,128	70.99	28,235,970	93.07	19,830,975	76.77
Total local sales	17,413,714	72.21	28,942,141	95.40	25,704,985	99.50
Overseas	2,704	0.01	1,023,603	3.37	0	0.00
Total	17,416,418	72.22	29,965,744	98.77	25,704,985	99.50
Other income ⁽²⁾	6,700,448	27.78	372,127	1.23	128,005	0.50
<u>Grand total</u>	<u>24,116,866</u>	<u>100.00</u>	<u>30,337,871</u>	<u>100.00</u>	<u>25,832,990</u>	<u>100.00</u>

Remark:

1. Related companies consist of Liberty Steel Siam Co., Ltd., Asia Metal Public Co., Ltd. and The Steel Public Co., Ltd.
2. Other income consists of interest income, dividend, sales of scraps, gains from amortization of net expired debt, gains from debt restructuring, gains from exchange rate and income.

(Unit: tons)

Sales volume (Company only)	2019	2018	2017
Local sales			
- Related companies	453	33,919	29,948
- Other groups	259,322	1,354,358	539,276
Total local sales	259,776	1,388,277	569,224
Overseas	200	62,007	
<u>Total</u>	<u>259,976</u>	<u>1,450,284</u>	<u>569,224</u>

Details on the ratio of local and overseas sales to total hot-rolled steel coil product sold during 2017 to 2019 are as the following:

(Unit: Million Baht)

Sales	2019		2018		2017	
	Revenues	%	Revenues	%	Revenues	%
Local	17,414	99.98	28,942	96.58	25,705	100.00
Overseas	3	0.02	1,024	3.42	0	0.00
Total	17,416	100.00%	29,966	100.00%	25,705	100.00%

Product features

The Company's products are hot rolled coils and slabs that are positioned as the upstream industry for flat steels. The Company's products are used as raw materials for pickling and oiling hot rolled coil, hot-dip galvanized steel, galvanized steel and cold rolled steel, for utilizing in the construction industry, packaging industry, electrical appliance industry and automotive industry, for instance.

The Company's hot rolled coil is qualified the Thailand Industrial Standard (TIS).



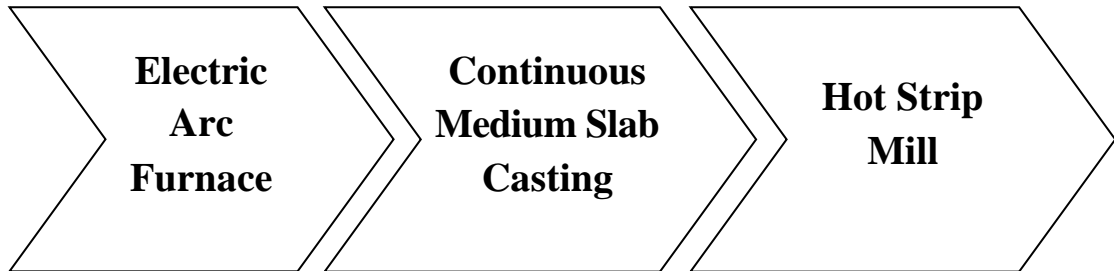
The hot-rolled steel products of the company have the quality meeting the Thailand Industrial Standard (TIS) and the international standards such as the Japanese standards (JIS), the American standards (ASTM, SAE, AISI and API), the Europe standard (EN, DIN, BS), the Indian standards (BIS) and the Malaysian standards, with the width from 900 – 1,550 mm, and the thickness from 1-13 mm, as well as the weight of the coil from 8 to 28 tons.

Details of the Products of the Company can be summarized as follows:

Product Characteristics	Detail
Width	900 - 1,550 mm
Thickness	1 - 13 mm
Weight per length	8.3 – 18 kilograms / mm.
Total Weight of Steel Coil	8 - 28 tons

Production technology

The Company's hot rolled coil mill is called Compact Mini Mill which is equipped with the world's state-of-the-art technology. The continuous melting, casting and rolling processes are efficiently integrated into the Company's mill with the short production cycle of only 3.5 hours on transforming the raw materials into the finished products. The details of key technologies are as follows:



1. Technology of Electrical Arc Furnace with the Ladle Heat Furnace for the refined liquid steel. This technology came from Mannesmann Demag Huttentechnik, Germany. This technology begins with melting scrap and pig iron in an electrical arc furnace. Oxygen and other gases will be added to increase the temperature. Additives will be added into the liquid steel to adjust the quality per requirement. The Company's melting process has capacity of 2.2 million tons per annum.



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Production process

The Company produces the hot rolled coil by melting scrap and pig iron in an electrical arc furnace. Then the refined liquid steel will be cast into slab and is subsequently hot rolled into the specific required gauge as the following processes

1. Melting Process. The scrap and pig iron will be melted in an electrical arc furnace into liquid steel. After that, in the ladle heat furnace, the additives will be added into the liquid steel to adjust the quality per requirement.
2. Casting Process. The refined liquid steel will be cast into medium sized slab with 80-100 mm. thickness.
3. Rolling Process. The medium sized slab from the reheating furnace will be subsequently rolled from 100 mm. thickness to 1-13 mm. thickness and will be kept in the down coiler for further transporting to store in the coil yard.

Marketing and Competitions

Expanding Products Range

The Company is continuously looking at opportunities to develop and improve its products range to have more diverse range in terms of developing new and special quality grades, that the market still has to depend on import, such as steel quality for Cold-Rolling, gas cylinder, API, welding and high-tensile steel.

The Company has a plan to improve the strategy on product development as follows:

1. To focus on products on demand of the market and of regular use.
2. To develop products to support the market not only for the general construction industry and Tube sector, but also for automobile and large construction industry, including the industries of household and electrical appliances.

3. To supply Hot-rolled steel Coils for production of cold-rolling & coated steel products.
4. To develop product with special thickness in the form of coil which is in the niche and the upscale market.

Pricing Strategies

1. The Company sets the price that is suitable for the general steel grades to be able to compete with the competitors and still can maintain the market share.
2. The Company improves the existing technology to help support low production cost to have the opportunity to enter new domestic and foreign markets.
3. The Company can produce goods with difference from the competitors on the quality and grade, so it can set the sales price that is higher.
4. The Company gives more information and confidence on the consumption of steel to the customer, including building good relations with the customers continuously.

Target Customer Groups

The customer target groups of the Company can be divided into three groups as follows:

1. Steel Service Centre is the buyers of hot-rolled and cold-rolled steel to cut to sizes and in turn for sales to the users.
2. Pipe Makers such as the steel pipe manufacturers for use in the pipe work, including production for export.
3. Direct Users such as the manufacturers of cold-rolled steel in the country, the manufacturers of auto parts and electrical appliances.

Channels of Distribution

For domestic sales the Company shall distribute its goods via the two channels as follows:

1. Direct Sales

The Company has a plan to distribute directly for the customer group of the steel service center is the manufacturers of steel pipe, Cold-Rolled Steel producers, auto parts and electrical appliances, which expected to have the ratio of 60 percent of the total domestic turnover.

2. Sales Through the Wholesalers

For other groups of the customers, which are the small customers and have numerous numbers, the Company shall distribute through the wholesalers, which can make the Company to reduce the expense on hiring the salesmen and the expense on marketing activities. Moreover, it is to shift the risk on credit in this group of customers to the wholesalers to be responsible for it. The Company expects to sell through this channel at the approximate ratio of 40 percent of the domestic turnover.

Company proposes to continue exports of its products in the international market to maintain domestic price and supply balance, bench mark its quality with best producers in the world, help build Company's profile globally.

Marketing Strategies

1. The Company's customers are in various industries such as the pipe manufacturing, the domestic and foreign cold-rolled manufacturers, the steel service center, gas cylinder manufacturers, the auto industry, the large construction projects with the demand to use special quality steel.
2. The Company has developed and improved the quality of its products all the time by investing in the tools for modernization to increase potential and quality improvement and reduce cost of the production.
3. The Company has succeeded very much in building confidence in the delivery of the goods to the customers punctually, so the customers can plan and manage the inventory suitably.
4. The Company has given prioritization on the improvement and development of the goods and service of the Company regularly with a survey and listening to the opinion of the customers periodically, so the Company knows of the correct and suitable demand of the customers clearly.

Steel Industry situation

Thailand's 2019 steel industry situation

From statistical information obtained from the Iron and Steel Institute of Thailand (ISIT), the volume of finished steel production in Thailand from January to December 2019 totaled 7.63 million tons, decreased 15.47% compared to the previous year (2018). If categorized by product groups, long steel products represents 5.01 million tons, a decrease of 11.50% compared to the prior year attributable to the production of rebar and hot-rolled section declining by 12.85% compared to the prior year's 4.08 million tons whilst the production volume of flat steel products stood at 2.63 million tons, a decrease of 22.11% compared to the prior year. The most produced product belongs to hot rolled sheet where, in 2019, it totaled 2.50 million tons, decrease 21.69%, followed by cold rolled sheet at 2.07 million tons, decreased 14.77% year on year and coated steel, at 1.72 million tons, a decrease of 7.21% year on year.

Total Apparent Finished Steel (Unit : Tons)	2019	2018	% Change
Production	7,634,912	9,031,718	(15.47)
Import	12,219,872	12,056,501	1.36
Export	1,384,722	1,754,326	(21.07)
Consumption	18,470,062	19,333,893	(4.47)

Long Product Finished Steel Consumption (Unit : Tons)	2019	2018	% Change
Production	5,007,103	5,657,869	(11.50)
Import	2,858,807	2,921,247	(2.14)
Export	897,862	1,062,504	(15.50)
Consumption	6,968,048	7,516,612	(7.30)

Flat Product Finished Steel Consumption (Unit : Tons)	2019	2018	% Change
Production	2,627,809	3,373,850	(22.11)
Import	9,361,065	9,135,254	2.47
Export	486,860	691,822	(29.63)
Consumption	11,502,014	11,817,282	(2.67)

Source : Iron and Steel Institute of Thailand, by Steel Business Intelligence

The finished steel consumption in Thailand in 2019 stood at 18.47 million tons, decreased by 4.47% year on year. If categorized by product group, long steel products decreased 7.30% compared to the prior year, to 6.97 million tons whereas the consumption of flat steel products decreased by 2.67% compared to the prior year, to 11.50 million tons. The most consumed steel category is hot rolled sheet, at 6.95 million tons followed by coated steel at 4.61 million tons and steel bar and hot rolled structural steel, at 4.40 million tons respectively.

Import of finished steel into Thailand in 2019 stood at 12.22 million tons, up 1.36% over the prior year. The highest imported product is hot rolled sheets at 4.33 million tons followed by coated steel at 3.05 million tons and cold rolled sheet at 1.65 million tons respectively. The ratio of imported steel consumption versus local steel consumption is at 66.16% against 33.84%, reflecting that Thailand still heavily relies on imported steel.

Thailand exported steel products 1.38 million tons in 2019, decreased 21.07% year on year. The most exported steel products are structural steel, at 308,346 tons followed by rebar, at 226,499 tons.

Hot rolled steel sheet situation in Thailand in 2019

There is no upstream iron and steel industry in Thailand which starts with the melting of iron ore. As such, the structure of Thailand's iron and steel industry begins at the middle stream by melting steel scraps using electrical arc furnace (EAF) of local manufacturers. From there, the outputs are sent to the downstream production facilities, consisting of long steel products, for example, bar, HR section, wire rod, cold-drawn bar, steel wire, seamless pipes etc. and flat steel products, for example, hot rolled plate, hot rolled sheet, cold rolled sheet, coated, cold-formed section, welded pipe etc. From there, the output is distributed to connected

industry comprising users of steel products. As for the state of hot rolled steel sheet industry in Thailand, the statistical information obtained from ISIT i.e. production volume, import volume, export volume and consumption volume during January to December 2019 reveal the followings.

The local production volume of hot rolled steel, coil and non-coil, in 2019 totaled 2.63 million tons, decreased by 22.11% over the prior year. It consists of hot rolled sheet at 2.05 million tons, a decrease of 21.69% whereas the production of hot rolled plate down by 29.59% year on year, to 126,628 tons.

The local consumption of hot rolled steel, both coil and sheet in 2019, stood at 6.66 million tons, decreased 8.35% consisting of HR sheet of 6.09 million tons, decreased 9.70% and HR plate 566,211 tons, increased 9.23%.

Import of hot rolled steel in 2019, both coil and sheet, increased 1.86%, to 4.04 million tons divided into hot rolled sheet of 3.59 million tons, decreased 0.32% and hot rolled plate of 442,014 tons, increased 23.88%.

Total Hot Roll (Unit : Tons) (Excluding Stainless Steel)	2019	2018	Change (%)
Production	2,627,809	3,373,850	(22.11)
Import	4,036,952	3,963,408	1.86
Export	8,013	73,977	(89.17)
Consumption	6,656,748	7,263,281	(8.35)

Total Hot Roll Sheet (Unit : Tons) (Excluding Stainless Steel, Thickness < 3 mm.)	2019	2018	% Change
Production	126,628	179,839	(29.59)
Import	442,014	356,797	23.88
Export	2,431	18,268	(86.69)
Consumption	566,211	518,368	9.23

Total Hot Roll Sheet (Unit : Tons) (Excluding Stainless Steel, Thickness < 3 mm.)	2019	2018	% Change
Production	2,501,181	3,194,011	(21.69)
Import	3,594,938	3,606,611	(0.32)
Export	5,582	55,709	(89.98)
Consumption	6,090,537	6,744,913	(9.70)

Source : Iron and Steel Institute of Thailand, by Steel Business Intelligence

Export of hot rolled steel in 2019, both coil and sheet, stood at 8,013 tons, decreased 89.17% compared to the prior year, divided into hot rolled sheet of 5,582 tons, decreased 89.98% from the same period last year and hot rolled plate of 2,431 tons, decreasing by 86.69% from last year.

Outlook of steel industry in Thailand in 2020

In the year 2019, steel prices in the world market have decreased compared to the period of 2018 due to the economic slowdown in many countries. Causing the demand for steel products to slow down as well. Especially the economic conditions of China, which is both the manufacturer and the number one steel user in the world. Including the impact of the trade war situation. Resulting in the intensifying competition in the steel industry. The price level therefore fluctuates and decreases. Since the beginning of the year 2019 until the end of the year, price trends in Southeast Asia was a downward direction. Prices of steel products in the world market in 2019 began to slow down significantly during May and tend to decrease continuously. Prices of steel products in China and imported steel prices in Southeast Asia have decreased since May and are the lowest in October. And adjusted towards the end of the year 2019, partly due to the Chinese New Year Festival in 2020 coming faster, which is a long holiday in China. Therefore, receiving the purchase of products for storage and preparation for delivery. And coming from a significant price drop in the previous period, therefore having to buy products for inventory. As for the overall picture of hot-rolled steel sheet and steel bar in the year 2019, it decreased in accordance with the price of steel in China, the world's largest steel producer. The HRC price has dropped by about 14 percent with an average price of approximately 496 US dollars per ton. And the price of rebar decreased by 13 percent, with an average price of approximately 472 US dollars per ton. The Thai steel industry in the year 2019 was also affected by the trade war and the fluctuation of world steel prices as well. Which is expected that steel producers in various countries including Thailand, will continue to face competition from imported steel in 2020.

On outlook of steel industry, World Steel Association (WSA) anticipates the global demand for finished steel in 2020 will grow by 1.7 percent to 1,805.7 million tons, according to the forecast by the world steel demand for 2020 of various regions around the world. The demand is likely to increase compared to previous years. The European Union (28 countries) predicted that demand for finished steel by 2020 will increase by 1.1 percent to 168.6 million tons. The CIS predicts that demand for finished steel will increase by 2 percent. In the ASEAN countries, Worldsteel predicted that demand for finished steel products would increase by 5.6 percent which the demand for finished steel will increase compared to other regions. It is estimated at 83.9 million tons, which is a result of investment in infrastructure construction and investment expansion to ASEAN countries. While Worldsteel predicts Chinese demand for finished steel, which is World's largest steel producer and user, by 2020, demand for finished steel will increase by 1 percent, with the demand is approximately 909.1 million tons

According to the National Economic and Social Development Board (NESDB), GDP growth for the year 2020 is estimated at 2.7 – 3.7, supported by

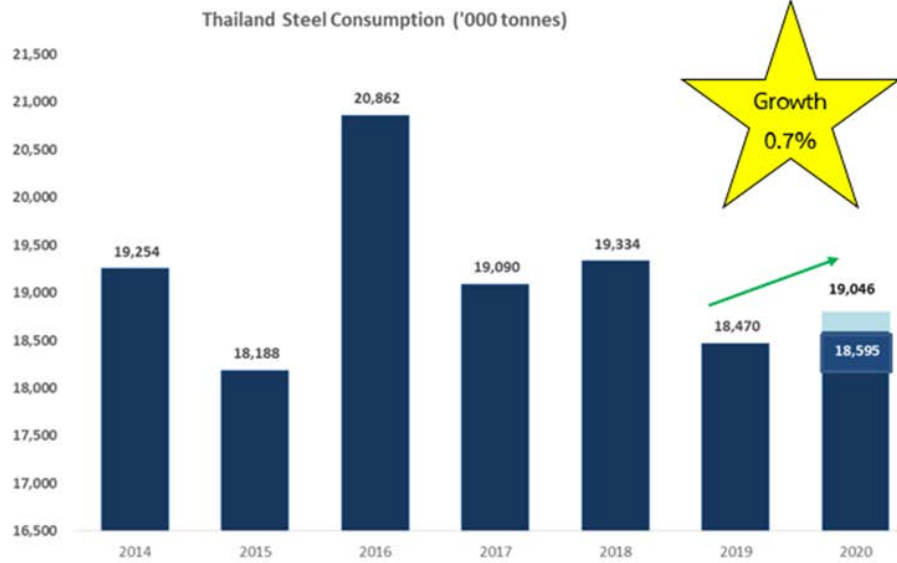
1. A favorable growth momentum of domestic demand both private consumption and private investment.
2. A gradual recovery of export following expected global recovery together with an adjustment of export to the trade measures.
3. Key government stimulus measures.
4. A continued improvement of tourism sector.

However, there are still important external factors need to be aware that may cause fluctuations in the global economic system consisting of

1. Global economy particularly key trading partners may grow slower than the base case scenario, particularly the US and Chinese economies which remain under risks of growing slower than expected if the trade dispute escalate. Also, the Eurozone economy remains under risk from the uncertainty of Brexit outcome of which the no-deal situation is still possible.
2. The vulnerabilities of the global economic and financial situation remain high and may increase. Key risk factors to the outlook that need close monitoring include:
 - The possibility of additional US trade measures against China and other countries particularly the tariffs that are authorized under Section 232 of the Trade Expansion Act of 1962, which will adversely impact automotive industry.
 - The political situation in the US from the presidential election in November 2020.
 - The risks of economic fluctuation in Eurozone and UK mainly due to the uncertainty of Brexit, the Catalonia protest in Spain, the political condition in Italy, as well as the German general election in October 2020.
 - The Chinese economic instability that remains under pressure particularly amid the Yuan depreciation and the economic slowdown trend.
 - The fluctuation in the financial market due to the expectations and the adjustment of investors in response to monetary policy adjustment of major central banks and key economies.
 - Geopolitical conflict and domestic political conditions that caused the domestic unrests such as in Hong Kong, Chile, Iraq, Lebanon, as well as political stability problem in the Middle East.
3. Risk from drought conditions remains a concern.

For the steel industry in Thailand, the Iron and Steel Institute of Thailand (ISIT) estimates that the demand for steel products in 2020 will increase slightly by 0.7 percent from the year 2019, with the expected demand of around 18.6 - 19.0 million tons, which is a result of anticipation of an economic recovery from a trade war. Which is an opportunity to expand in the downstream industries that use steel products, especially the construction industry which is expected to grow from the acceleration of large-scale investment by the government. There are many structural construction plans and private investment that is expected to grow based on increased confidence. Appliance industry with a better direction, demand from domestic and international markets. Although in some industries, there is a slight growth forecast. But in overall, it is expected that the demand for Thai steel in 2020 will continue to grow. It would inevitably support the business of the company as a hot-rolled steel producer. The company has focused on the fundamental factors in business operations and has a strategy to reduce the impact of various negative factors by focusing on reducing production costs and increasing sales continuously. The domestic market is the main target of the company. With efficient production to achieve operational excellence and able to deliver a variety of value-added products to meet the needs of customers. Which will help reduce imports of flat steel products in the country. (By not including the impact from the COVID-19 situation)

Thailand Apparent Steel Outlook in 2020



Assumption

In 2020 Construction will growth about 3-6% support by Public Construction and Private Construction. Automotive will contract 8.5-10% production will be 1.8 million unit in 2020. Appliance growth 0.2-0.4% from domestic demand and export market. Packaging growth 6.7% support by the canned sea food and canned fruit growth 6.3% and 7% respectively. But all sector still have to follow closely.



Source: OIE, Krungsri Research, NESDB, Electrical and electronics Institute (EEI), National food Institute (NFI), Machinery Intelligence Unit and forecasted by Iron and Steel Institute of Thailand (ISIT), February 2019

Source : Iron and Steel Institute of Thailand

Management Structure

As at 3 March 2020, the Company's Management Structure consists of the Board of Directors and 5 sub-committees namely the (1) Executive Committee (2) Audit Committee (3) Nomination and Remuneration Committee, (4) Corporate Governance and Risk Management Committee and (5) Strategic Steering Committee. Details of the Committee's scope of authorities and responsibilities are as follows;

(1) Board of Directors

Definition

Non-Executive Director means outside directors who are not the Company's executives or employees, nor executive directors, nor authorized directors

Executive Director means directors who are involved in routine operation and management as well as are authorized directors.

The Company's Board of Directors comprises of 11 members as follows:

	Name	Position
1.	Mr. Chainarong ⁽²⁾ Monthienvichienchai	Chairman and Independent Director / Non-Executive Director
2.	Mr. Li ⁽¹⁾ Zhong Yuan	Independent Director/ Chairman of the Audit Committee
3.	Mr. Christopher ⁽⁴⁾ Michael Nacson	Independent Director / Audit Committee Member
4.	Asst. Prof. Dr. Teerachai Arunruangsirilert	Independent Director / Audit Committee Member
5.	Khunying Patama Leesawadtrakul	Director / Executive Director
6.	Miss Soontareeya Wongsirikul	Director / Executive Director
7.	Miss Kannikar ⁽³⁾ Yomchinda	Director / Executive Director
8.	Mr. Andreas ⁽¹⁾ Rizal Vourloumis	Director / Executive Director
9.	Mr. Sharad ⁽¹⁾ Bajpai	Director / Non-Executive Director
10.	Mr. Sudhir ⁽¹⁾ Maheshwari	Director / Executive Director
11.	Mr. Amrendra ⁽¹⁾ Prasad Choudhary	Director / Executive Director

Remarks:

- 1) The Extraordinary General Meeting of Shareholders No. 2/2019 on 11 October 2019 resolved to approve the appointment of Mr. Li Zhong Yuan, Mr. Andreas Rizal Vourloumis, Mr. Sharad Bajpai, Mr. Sudhir Maheshwari, and Mr. Amrendra Prasad Choudhary, and acknowledged that Mrs. Churairat Panyarachun expressed her intention not to return to the director position in the Meeting.
- 2) The Board of Directors' Meeting No. 12/2562 on 18 November 2019 has passed the following key resolutions;
 - Acknowledged the directors' resignation of Prof. Paichitr Rojanavanich, Mr. Ryuzo Ogino, Mr. Somchai Leeswadtrakul, Asst. Prof. Komol Wong-Apai, and Miss Methikan Chutipongsiri, with the effectiveness from 2 December 2019 onwards.

- Acknowledged the resignation of Mr. Yanyong Kurovat from being the Chairman of the Board of Directors position, with the effectiveness from 2 December 2019 onwards. He still remains the position of director.
 - Approved the appointment of Mr. Chainarong Monthienvichienchai as Chairman of the Board of Director of the Company, with the effectiveness from 2 December 2019 onwards.
- 3) The Board of Directors' Meeting No. 13/2562 on 12 December 2019 has passed the following key resolutions;
- Acknowledged the resignation of Mr. Yanyong Kurovat from being the Company's director, and approved the appointment of Miss Kannikar Yomchinda as a director in replacement of vacant position of Mr. Yanyong Kurovat who has resigned from the director position, with the effectiveness from 13 December 2019 onwards.
 - Approved the combination of the Risk Management Committee and the Corporate Governance Committee, including appointing members of the Corporate Governance and Risk Management Committee, with the effectiveness from 12 December 2019 onwards.
- In addition, there is no meeting of the said committee in year 2019.
- 4) The Board of Directors' Meeting No. 2/2563 on 2 March 2020, acknowledged the resignation of Mr. Teerapol Pussadet from being the Company's independent director and the Audit Committee member, and resolved to approve the appointment of Mr. Christopher Michael Nacson as an independent director and the Audit Committee member, in replacement of vacant position of Mr. Teerapol Pussadet who has resigned from the director position, with the effectiveness from 3 March 2020 onwards.

Authorized Directors are as follow;

“Miss Soontareeya Wongsirikul or Miss Kannikar Yomchinda signs jointly with either Mr. Andreas Rizal Vourloumis or Mr. Amrendra Prasad Choudhary or Mr. Sudhir Maheshwari totaling two persons, together with the Company's seal being affixed”

The Roles and Responsibilities of the Board of Directors

The Company's Board of Directors has the power and duties in accordance with the law and resolutions of the shareholders' meeting. However, the board cannot approve or consider anything except by approval of the majority vote of the attending directors of the board meeting on the following matters:

1. In the operation of the business of the Company, the Board of Directors must perform duties in accordance with the law, the objectives and articles of association of the Company, as well as the resolutions of meeting of shareholders with honesty and due care in the protection of benefits of the company.
2. To formulate policy and direction in business operation as well as conduct and supervise the execution of the Management to comply with the Company's policies effectively and efficiently.
3. To be consistently accountable to shareholders and to manage for the best benefits of shareholders, as well as to accurately, sufficiently and transparently disclose information to investors.

4. To appoint and revise the Company's list of authorized signatory directors on the Company's behalf.
5. To appoint sub-committees to assist in supervising, monitoring and controlling the Company's key operations, which are Management, Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee and Risk Management Committee.
6. To authorized any person or persons to duly act on behalf of the Board of Directors in the time frame which the Board considered as proper. The Board of Directors may have such delegation repealed, changed or modified.
7. To stipulate recruiting process to select, hire and appoint appropriate person as the Chief Executive Officer and stipulate appropriate remuneration, and to empower the CEO to transfer, suspend or terminate employment where the Board of Directors to be informed accordingly.
8. To prepare the Board of Directors' report for the year and be responsible for the preparation and disclosure of financial statements revealing the Company's financial status and performance in the past year to present to the shareholders' meeting.
9. To convene at least once every three months. Ruling of the Board of Directors is based on majority vote. Directors with conflict of interest in any matters shall have no voting right on such issue.
10. To arrange an Annual General Shareholders' Meeting within four months after the Company's fiscal year-end date.

However, in the case of any implementation on any matter that any directors or possible vested interests according to the notification of the Security and Exchange Commission ("SEC") and/or the Stock Exchange of Thailand ("SET") as stakeholders or conflict of interests, and the Company has designated it, so that director has no power to approve that matter. However, it is only for the overall benefit of the Company or the shareholders as priority.

(2) Independent Director

Definition

Independent director means director that have specifications as follows;

1. Hold not exceeding 0.5% of the total voting shares of the Company, its subsidiaries, nor being a major shareholder, affiliates or other juristic persons with possible conflict of interest, including the shares held by their related persons (under Section 258 of Securities and Exchange Act).
2. Neither involving in management, non-controlling, nor being the Company's executive/ employees, salaried consultant, competent authorized person to control the Company, its subsidiaries, affiliates or other juristic person with possible conflict of interest at present and in the last 3 years before appointment.
3. Not being a person related by blood or legal registration such as father, mother, spouse, sibling, and child, including spouse of the child, to executives, major

shareholders, controlling persons, or persons to be nominated as executive or controlling person of the Company or its subsidiary, and be independent from major shareholders, executives and controlling persons.

4. Not being person who has, or used to have, business relationship with the Company, subsidiaries, affiliate companies, major shareholder, or authorized controller, by offering professional and trade service, according to the SET's requirement on connected transaction, except that he has no longer had such relation for at least 3 years.
5. Not be or used to be auditor of the Company, subsidiaries, affiliate companies, major shareholder, or authorized controller, and not being shareholder.
6. Not being a person who has been appointed as a representative of the Company's Director, major shareholders or shareholders who are related to the major shareholders.
7. Not having any characteristics which make him/her incapable in expressing independent opinions.
8. Be capable in protecting all shareholders' benefits equally and supervising in order to prohibit any conflict of interest between the Company and related persons, and able to attend the meetings of the Board of Directors in order to make a decision on significant issues.

Furthermore, this definition of independent directors has been revised so as to be stricter than that defined by the SEC.

Criteria in selecting independent director

The Company selects independent directors taking into account the knowledge, experience good understanding in related businesses, vision, as well as sufficient time to perform duty, also with the qualities as stated in the concerned government agencies' announcements, regulations and rules. The Company would invite qualified persons to be its independent directors. The Company considers that the aforementioned independent directors are able to exercise their knowledge and capability as well as provide opinions that are useful and appropriate to support the Company's business operation.

The Board of Directors comprises of the Chairman and independent director, 3 independent directors, 6 executive directors, and 1 non-executive director, totaling 11 members. The Executive Directors are knowledgeable and able to provide in-depth comment regarding to steel industry as well as formulate strategic business plan, while non-executive and independent directors have good knowledge and understanding of the overall industrial sector, finance and banking, asset management, auditing, law, and others, so as to encourage creative opinion expression in the Board of Directors' meetings. The Board of Directors shall make decision for the best benefits of the Company.

(3) Audit Committee

Definition

Audit Committee Member means persons appointed by The Board of Directors or the Company's Shareholders. The Audit Committee members must be independent directors and not to be directors assigned by the Board of Directors to make decision on business operations of the Company, parent companies, subsidiaries, joint venture, similar subsidiaries, or any juristic persons that may have conflict of interest. They must be neither the director of parent companies, subsidiaries, joint venture, or similar subsidiaries. They must have qualifications and responsibilities as announced by the SEC and as per the SET's regulations on the qualifications and work scope of audit committee. They must also have sufficient knowledge and experience to review the reliability of the financial statements and perform other duties in the capacity as Audit Committee members.

The Board of Directors considered that all the Audit Committee members are qualified according to the Company's definition and comply with the SEC and the SET regulations. The Audit Committee Meeting also considered that Mr. Li Zhong Yuan has good knowledge and expertise in accounting and finance, as well as long experience in auditing which is adequate to review the reliability of the financial statements. Therefore, the committee resolved to appoint Mr. Li Zhong Yuan as the Chairman of the Audit Committee, the biographies of who has been disclosed in the Audit Committee Member's Certificate of Biography submitted to the SET in 2008 according to the new regulation.

The Audit Committee comprises of the following 3 members, with 3 years term:

	Name	Position
1.	Mr. Li ⁽¹⁾ Zhong Yuan	Chairman of the Audit Committee
2.	Mr. Christopher ⁽²⁾ Michael Nacson	Audit Committee Member
3.	Asst. Prof. Dr. Teerachai Arunruangsirilert	Audit Committee Member

Remarks:

- 1) The Board of Directors' Meeting No. 12/2562 on 18 November 2019 acknowledged the directors' resignation of Prof. Paichitr Rojanavanich Kurovat from being the Company's director, and Chairman of the Audit Committee, and resolved to approve the appointment of Mr. Li Zhong Yuan as the Company's Chairman of the Audit Committee with the effectiveness from 2 December 2019 onwards.
- 2) The Board of Directors' Meeting No. 2/2563 on 2 March 2020, acknowledged the resignation of Mr. Teerapol Pussadet from being the Company's independent director and the Audit Committee member, and resolved to approve the appointment of Mr. Christopher Michael Nacson as an independent director and the Audit Committee member, in replacement of vacant position of Mr. Teerapol Pussadet who has resigned from the director position, with the effectiveness from 3 March 2020 onwards.
- 3) Three Audit Committee members have good knowledge and expertise in accounting and finance, as well as long experience in auditing which is adequate to review the reliability of the financial statements.

Responsibilities of the Audit Committee

1. To review and ensure the Company has accurate and sufficient financial reports.
2. To review and ensure the Company has appropriate and effective internal controls and internal audit systems, also, consider the independence of internal audit unit, give consent on appointing, rotating, and discharge of the chief of such unit or others responsible for internal audit.
3. To review and ensure the Company's operation complies with the laws on securities and stock exchange, regulations of the SET or laws related to the Company's business.
4. To consider, select and propose the nomination of independent persons to perform as the Company's external auditors as well as their remuneration, and to attend the meeting with the external auditors without the Management at least once a year.
5. To consider any related transactions or transaction with possible conflict of interest to be compliance to the law and the SET's regulations, in order to ensure that such transactions are reasonable and for the best benefit of the Company.
6. To prepare the report of the Audit Committee to be published in the Company's annual report. The Audit Committee's report shall be signed by the committee's chairman and consist of at least the following information:
 - a) Notes on the preparation procedures in relations to accuracy, sufficiency and reliability of the Company's financial report.
 - b) Notes on the sufficiency of internal control system.
 - c) Opinion on compliance with law related to securities and the stock exchange, the SET regulations or other laws related to the Company's business.
 - d) Opinion on the suitability of external auditors.
 - e) Opinion on transaction with possible conflict of interest.
 - f) The number of audit committee meetings and the attendance of each member.
 - g) Overall opinion and notes that the Audit Committee receives from performing complying with the laws (Charter).
 - h) Any other reports that shareholders and investors should be informed under the scope of responsibilities assigned by the Board of Directors.
7. To review and ensure the Company's measurement in respect of conducting on the anti-corruption and bribery which are as apart of good corporate governance in accordance with a guideline of The Thai Institute of Directors Association (IOD).
8. To carry out any other tasks assigned by the Board of Directors and agreed by the Audit Committee.
9. To be accountable to the Board of Directors as per roles and responsibilities entrusted and shall report to it the performance, recommendations and findings at least twice a year.

In any case where any Audit Committee member or parties with possible conflict of interest, have conflict of interest with the Company or its affiliates, the acquisition or sale

of assets of listed companies and connected transactions (if any), as per announcements of the SEC and/or the SET, the Audit Committee shall report the matter to the Board of Directors and/or the shareholders' meeting for consideration and approval in compliance with related law and regulations.

(4) Nomination and Remuneration Committee

Definition

Nomination and Remuneration Committee Member means a person appointed by the Board of Directors as a member of the Nomination and Remuneration Committee. For the transparency and independence in performance of duties, the Chairman of the Nomination and Remuneration Committee shall be an independent director and no less than two-thirds of total number of the committee members shall be the independent directors. In addition, the committee member shall have sufficient knowledge and experience to nominate directors and senior executives of the Company and to conduct other duties as the nomination and remuneration committee member, provided that the qualifications of the committee member shall be prescribed by the Company and in accordance with the corporate governance principles prescribed by the SET.

The Nomination and Remuneration Committee comprises of 3 members as follows:

	Name	Position
1.	Dr. Teerachai Arunruangsirilert	Nomination and Remuneration Committee Member
2.	Miss Kannikar ⁽¹⁾ Yomchinda	Nomination and Remuneration Committee Member
3.	Mr. Andreas ⁽¹⁾ Rizal Vourloumis	Nomination and Remuneration Committee Member

Remarks:

- 1) The Board of Directors' Meeting No. 13/2562 on 12 December 2019 resolved to approve the appointment of Miss Kannikar Yomchinda and Mr. Andreas Rizal Vourloumis as an Nomination and Remuneration Committee Member with the effectiveness from 13 December 2019 onwards.
- 2) The Board of Directors' Meeting No. 2/2563 on 2 March 2020, acknowledged the resignation of Mr. Teerapol Pussadet from being the Company's independent director and the Audit Committee member, Chairman of the Nomination and Remuneration Committee, and the Corporate Governance Risk Management Committee member, with the effectiveness from 3 March 2020 onwards.

Responsibilities of the Nomination and Remuneration Committee

1. To formulate criteria and policy in nominating directors, members of different committees and the Chief Executive Officer.
2. To consider and nominate appropriate persons to be appointed as directors, and members of different committees as well as the Chief Executive Officer for approval by the Board of Directors and/or Shareholders' Meeting.
3. To stipulate all rules and policies on remunerations for the Board of Directors, committees and Chief Executive Officer for approval by the Board of Directors and/or, as the case may be, the Shareholders' Meeting.
4. To set necessary and appropriate annual remunerations for the Board of Directors, committees and the Chief Executive Officer.
5. To report to the Board of Directors the Nomination and Remuneration Committee meeting results or other matters the Board of Directors should be informed.
6. Other duties assigned by the Board of Directors.

(5) Corporate Governance and Risk Management Committee

Definition

Corporate Governance and Risk Management Committee Member means a person appointed by the Board of Directors as a member of the Corporate Governance and Risk Management Committee. The Corporate Governance and Risk Management Committee will perform their duties to review and assess the effectiveness of the risk management, to report to the Internal Audit Committee any risk progress and risk management measures in due courses and to propose, review and implement the guidelines for good corporate governance including the related laws that regularly changed and to be utmost benefit of the Company.

The Corporate Governance and Risk Management Committee comprises of 3 members as follows:

	Name	Position
1.	Asst. Prof. Dr. Teerachai Arunruangsirilert	Chairman of Corporate Governance and Risk Management Committee
2.	Miss Soontareeya Wongsirikul	Corporate Governance and Risk Management Committee Member
3.	Mr. Sharad Bajpai	Corporate Governance and Risk Management Committee Member

Remarks:

- 1) The Board of Directors' Meeting No. 13/2562 on 12 December 2019 resolved to approve the combination of the Risk Management Committee and the Corporate Governance Committee, including appointing members of the Corporate Governance and Risk Management Committee, with the effectiveness from 12 December 2019 onwards. In addition, there is no meeting of the said committee in year 2019
- 2) The Board of Directors' Meeting No. 2/2563 on 2 March 2020, acknowledged the resignation of Mr. Teerapol Pussadet from being the Company's independent director and the Audit Committee member, Chairman of the Nomination and Remuneration Committee, and the Corporate Governance Risk Management Committee member, with the effectiveness from 3 March 2020 onwards.

(6) Strategic Steering Committee

Definition

Strategic Steering Committee Member means a person appointed by the Board of Directors as a member of the Strategic Steering Committee. The Corporate Governance and Risk Management Committee will perform their duties check, give advice and closely monitor the day-to-day operation of the Executive Committee.

The Strategic Steering Committee comprises of 7 members as follows:

No.	Name	Position
1.	Dr. Somsak Leeswadtrakul	Member
2.	Miss Soontareeya Wongsirikul	Member
3.	Miss Kannikar Yomchinda	Member
4.	Mr. Andreas Rizal Vourloumis	Member
5.	Mr. Sharad Bajpai	Member
6.	Mr. Sudhir Maheshwari	Member
7.	Mr. Davinder Chugh	Member

Remarks:

The Board of Directors' Meeting No. 13/2562 on 12 December 2019 resolved to approve to set up the Strategic Steering Committee delegated by the Board of Directors, and to appoint members of the aforesaid Committee, with the effectiveness from 12 December 2019 onwards.

(7) Executives

The Company's Executives are as follows:

No.	Name	Position
1.	Khunying Patama Leeswadtrakul	Chief Corporate Social Responsibility Officer
2.	Mr. Amrendra Prasad Choudhary	Chief Executive Officer
3.	Mr. Sittisak Leeswadtrakul	Deputy Chief Executive Officer
4.	Mr. Warawut Suwannasorn	Chief Production Officer
5.	Mr. Rajeev ⁽¹⁾ Jhawar	Chief Financial Officer
6.	Mr. Yotsakorn ⁽²⁾ Srisuksawadi	Deputy Chief Financial Officer, and Deputy Chief Compliance and Legal Officer

Remarks:

- 1) The Board of Directors' Meeting No. 5/2562 on 30 May 2019 resolved to appoint Mr. Rajeev Jhawar, as Chief Financial Officer of the Company, with the effectiveness from 1 July 2019.
- 2) The Board of Directors' Meeting No. 12/2562 on 12 December 2019 resolved to appoint Mr. Yotsakorn Srisuksawadi, as Deputy Chief Financial Officer and Deputy Chief Compliance and Legal Officer, with the effectiveness from 12 December 2019 onwards.

(8) Executive Committee

The Board of Directors' Meeting No. 13/2562 held on 12 December 2019 resolved to approve the appointment of members of the Executive Committee, with the effectiveness from 12 December 2019 onwards.

The Executives Committee comprises of 6 members as follows;

No.	Name	Position
1.	Mr. Amrendra Prasad Choudhary	Chairman of the Executive Committee
2.	Mr. Sittisak Leeswadtrakul	Member
3.	Mr. Warawut Suwannasorn	Member
4.	Mr. Rajeev Jhavar	Member
5.	Mr. Sudchai Visuddhidham	Member
6.	Mr. Yotsakorn Srisuksawadi	Member

Responsibilities of the Chief Executive Officer

1. To formulate business plan, investment plan, and annual budget plan for approval by the Executive Committee and/or the Board of Directors.
2. To operate the Company's business in compliance with the law, the Company's objectives, Articles of Association, and Code of Conduct, including the Board of directors' resolutions with honest and for the Company's benefit.
3. To be responsible for the overall management and to deliberate all the Company's policies to achieve the preset objectives and within the policy, business plan and budget plan approved by the Board of Directors.
4. To approve an execution or payment according to the Company's authorization regulations or annual budget approved by the Board of Directors.
5. To recruit, hire, transfer, reshuffle, suspend or terminate employment of any executives or employees and to stipulate scope of roles and responsibilities as well as appropriate remuneration. For the positions equivalent to Senior Vice President or higher to report to the Board of Directors, while for the positions equivalent to the Internal Audit Department executives, the proceeding shall be made with the Audit Committee's consideration.
6. To appoint respective authorized persons to sign the Company's document in the areas of accounting, finance, purchase, production, sales and general management, as well as other important document.
7. To set, change, revise or cancel any rules, regulations, order, announcement, punishment measures and internal control systems for use as guideline for all employees and to enable the internal management to be executed as per the Company's policies.
8. To appoint advisors in various aspects significant to the operations for the best benefits of the Company. The CEO is empowered to appoint attorney(s) to file lawsuit or defend case related to the Company.
9. To assign person(s) to perform task on his/her behalf as deemed appropriate. Such authorization can be terminated, changed or modified.

10. To report the Company's performance, progress of any projects and financial status to the Board of Directors.
11. To perform other works assigned by the Board of Directors.

In case that the CEO or other persons with possible conflict of interest, the CEO shall have no right to approve such matter.

The Selection of Directors, Chief Executive Officer and Executives

1) The Selection of Directors and Chief Executive Officer

When the position of Company's directors or Chief Executive Officer is vacant, the Nomination and Remuneration Committee are responsible for selecting and nominating the persons to take these positions. The Nomination and Remuneration Committee shall consider person with knowledge, capability, and experience with specialization that are crucial and essential to the Company's operation. The Nomination and Remuneration Committee shall consider the following qualifications:

1. Qualification as per Clause 68 of the Public Limited Company Act, B.E. 2535, and announcement or rules and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) and the Company's regulations.
 2. The candidates' knowledge, capability, experience and specializations that would contribute to the Company's operational efficiency.
 3. The candidates' qualifications shall support good corporate governance practices, such as ethics, independence, assertiveness, creativity, carefulness and integrity as well as ability to dedicate their time for the Company.
- 2) The nomination of directors (at the end of terms as required by law)

The selection of a Board of Directors member to replace director who must retire at the end of his/her term shall be approved by the Annual General Shareholder's Meeting and by majority vote of the shareholders present at the meeting. Criteria and selection method are as follows:

1. A shareholder shall have one vote per one share.
2. Each shareholder shall exercise all his/her voting right as mentioned above in selecting one or many person as directors but cannot separate votes for any person(s).
3. The persons receiving the highest votes will be selected as directors. The number of persons selected shall be equal to the number of directors to be selected. In case there are persons with the highest votes more than the number of directors required, the meeting chairman shall have the right to make decision.

In addition, in selecting new directors to replace vacant positions due to other reasons than end of term according to the law shall be approved by the Board of Directors' meeting and thus with no less than two-thirds of the votes of the remaining directors. The new directors who replace the vacant position shall be in the position for the remaining term of the vacant position.

In case directors resign, the Company's regulations allow the Board of Directors to appoint new directors as replacement.

3) The selection of the Executives

The Chief Executive Officer is authorized to nomination and appoints persons with appropriate qualifications in terms of education, knowledge, capability and business experience. The selection shall follow the Company's rules related to human resources management. For position equivalent to Senior Vice President or higher, the appointment of the person shall be reported to the Board of Directors for acknowledgement, while an appointment of positions equivalent to the Internal Audit Department executives shall be made with the Audit Committee's discretion.

(9) Company Secretary

The Board of Directors Meeting No. 13/2019 held on 12 December 2019 appointed Mrs. Kwanjai Kasemlonnappa as the Company Secretary, with the effectiveness from 13 December 2019 onwards, to perform the duties of Company Secretary on giving the advices regarding laws and regulations which the Board of Directors shall be aware, to monitor the Board of Directors' conduct as well as to coordinate and follow up the execution to be according to the Board of Directors' resolution.

Responsibilities of the Company Secretary

1. To give basic advice to the Board of Directors on related laws, regulations and provisions of the Company in accordance with the good corporate governance practices, as well as follow up and monitor the compliance to be accurate and consistent.
2. To arrange meetings of the Board of Directors, committees and shareholders in accordance with the applicable laws, the Company's regulations and practices, as well as complying with the good corporate governance policy of the Company and the SET.
3. To monitor the disclosing of data and information to the responsible government agencies according to the regulations and requirements of related organizations, including communicating with shareholders and take care of them appropriately.
4. To provide and keep the following documents
 - a) Directors' Record
 - b) Invitation letters and minutes of the Board of Directors meetings, as well as the Company's annual report.
 - c) Invitation letters to shareholders for the meeting and the minutes.
5. To keep the conflict of interest report provided by directors or executives.
6. To support the Board of Directors' task as assigned.
7. To operate other tasks as specified by the SET's Capital Market Supervisory Board.

(10) Remuneration for the Board of Directors and the Management

As for 2019, the remuneration committee meeting has considered the suitability with the burden, duty and responsibility assigned and compared with the compensation of the directors in the listed companies in the similar industry and business for the compensation. Including considering the overall operation results, business environment, so it resolved to set up the remuneration for the directors 2019 in the same rates as the year 2018 with details on it as follows:

Remuneration for the Board of Directors for year 2019

Position	Position Remuneration (Baht/Month)	Monthly Remuneration (Baht/Month)	Meeting Allowance (Baht/Time)
Chairman of the Board of Directors	60,000	-	6,250
Director	-	20,000	5,000
Chairman of the Audit Committee	60,000	-	6,250
Audit Committee Member	-	20,000	5,000
Chairman of the Nomination and Remuneration Committee	-	-	6,250
Nomination and Remuneration Committee Member	-	-	5,000
Chairman of the Corporate Governance and Risk Management Committee	-	-	6,250
Corporate Governance and Risk Management Committee Member	-	-	5,000
Others	-	-	-

Remark:

The directors holding executive position and receive salary shall not receive any of the remuneration stated in the above table.

Remuneration for individual Directors for year 2019

	Name of Directors	Remuneration for Director (Baht)	Meeting Allowance (Baht)				Total (Baht)
			Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	
1.	Mr. Chainarong ⁽²⁾ Monthienvichienchai	280,000	66,250	-	-	-	346,250
2.	Mr. Li ⁽¹⁾ Zhong Yuan	60,000	5,000	-	-	-	65,000
3.	Mr. Christopher ⁽⁴⁾ Michael Nacson	-	-	-	-	-	-
4.	Asst. Prof. Dr. Teerachai Arunruangsirilert	240,000	50,000	35,000	10,000	-	335,000
5.	Khunying Patama ⁽⁷⁾ Leesawadtrakul	-	-	-	-	-	-
6.	Miss Soontareeya ⁽⁷⁾ Wongsirikul	-	-	-	-	-	-
7.	Miss Kannikar ⁽³⁾ Yomchinda	-	-	-	-	-	-
8.	Mr. Andreas ⁽¹⁾⁽⁵⁾ Rizal Vourloumis	-	-	-	-	-	-
9.	Mr. Sharad ⁽¹⁾⁽⁵⁾ Bajpai	-	-	-	-	-	-
10.	Mr. Sudhir ⁽¹⁾⁽⁵⁾ Maheshwari	-	-	-	-	-	-
11.	Mr. Amrendra ⁽¹⁾ Prasad Choudhary	-	-	-	-	-	-
	Total	580,000	121,250	35,000	10,000	-	746,250

Remarks:

- 1) The Extraordinary General Meeting of Shareholders No. 2/2019 on 11 October 2019 resolved to approve the appointment of Mr. Li Zhong Yuan, Mr. Andreas Rizal Vourloumis, Mr. Sharad Bajpai, Mr. Sudhir Maheshwari, and Mr. Amrendra Prasad Choudhary, and acknowledge that Mrs. Churairat Panyarachun expressed her intention not to return to the director position in this Meeting.
- 2) The Board of Directors' Meeting No. 12/2562 on 18 November 2019 has passed the following key resolutions;
 - Acknowledged the directors' resignation of Prof. Paichitr Rojanavanich, Mr. Ryuzo Ogino, Mr. Somchai Leeswadtrakul, Asst. Prof. Komol Wong-Apai, and Miss Methikan Chutipongsiri, with the effectiveness from 2 December 2019 onwards.
 - Acknowledged the resignation of Mr. Yanyong Kurovat from being the Chairman of the Board of Directors position, with the effectiveness from 2 December 2019 onwards. He still remains the position of director.
 - Approved the appointment of Mr. Chainarong Monthienvichienchai as Chairman of the Board of Director of the Company, with the effectiveness from 2 December 2019 onwards.
- 3) The Board of Directors' Meeting No. 13/2562 on 12 December 2019 has passed the following key resolutions;
 - Acknowledged the resignation of Mr. Yanyong Kurovat from being the Company's director, and approved the appointment of Miss Kannikar Yomchinda as a director in replacement of vacant position of Mr. Yanyong Kurovat who has resigned from the director position, with the effectiveness from 13 December 2019 onwards.
 - Approved the combination of the Risk Management Committee and the Corporate Governance Committee, including appointing members of the Corporate Governance and Risk Management Committee, with the effectiveness from 12 December 2019 onwards.

In addition, there is no meeting of the said committee in year 2019.
- 4) The Board of Directors' Meeting No. 2/2563 on 2 March 2020, acknowledged the resignation of Mr. Teerapol Pussadet from being the Company's independent director and the Audit Committee member, with the effectiveness from 3 March 2020 onwards, and resolved to approve the appointment of Mr. Christopher Michael Nacson as an independent director and the Audit Committee member, in replacement of vacant position of Mr. Teerapol Pussadet who has resigned from the director position, with the effectiveness from 3 March 2020 onwards.
- 5) The director(s) has tendered his/her intention not to receive position remuneration, monthly remuneration and meeting allowance.
- 6) Details of resigned directors' remunerations for year 2019 are as follows;

No.	Name of Resigned Directors	Directors' Remuneration Amount (Baht)
1.	Mr. Yanyong Kurovat	760,000
2.	Prof. Paichitr Rojanavanich	752,500
3.	Mr. Teerapol Pussadet	353,750
4.	Mr. Ryuzo Ogino	260,000

No.	Name of Resigned Directors	Directors' Remuneration Amount (Baht)
5.	Mr. Somchai ^(*) Leeswadtrakul	-
6.	Mrs. Churairat Panyarachun	265,000
7.	Asst. Prof. Komol Wong-Apai	280,000
8.	Miss Methikan ^(*) Chutipongsiri	-
	Total	2,671,250

Remarks: Mr. Somchai Leeswadtrakul and Miss Methikan Chutipongsiri were executives of the Company and received the remuneration in a form of salary. Therefore, they were not receive any of the remuneration and meeting allowance.

- 7) The directors holding executive position or employee of the Company and receive the remuneration in a form of salary, shall not receive any of the remuneration and meeting allowance as stated in the above table.

Employees

Number of employees

As of 31 December 2019, the Company has a total of 662 employees, which are separated under the following functions:

Functions	Number of Employees
Corporate	61
Production	601
<u>Total</u>	<u>662</u>

The proportion of employees is classified by gender, age, and level as follows;

Gender	Number of Employees	Proportion by Gender (%)
Male	582	87.92
Female	80	12.08
<u>Total</u>	<u>662</u>	<u>100.00</u>

Age	Number of Employees	Proportion by Age (%)
Under 30 years old	180	27.19
Between 30-50 years old	392	59.21
Above 50 years old	90	13.60
<u>Total</u>	<u>662</u>	<u>100.00</u>

Level	Number of Employees	Proportion by Level (%)
Staff-Senior Supervisor	632	95.47
Section Manager-Department Manager	17	2.57
General Manager up	13	1.96
<u>Total</u>	<u>662</u>	<u>100.00</u>

Good Corporate Governance

Through the year 2019, the Board of Directors has perpetuated the intentions to enhance the Good Corporate Governance (“CG”) in accordance with the international standards. The Board of Directors therefore applied the CG Self-Assessment for developing the Company’s governance system under the CG established by The Stock Exchange of Thailand (SET). The purposes of this are for the most efficiency of management system including priority given to the shareholders’ rights, equal treatment to shareholders, stakeholders’ roles, data disclosure and transparency, and responsibilities of the Board of Directors. All those are for protecting the shareholders’ interest.

In this connection, the Board of Directors has acknowledged the Corporate Governance Code for Listed Companies 2017 (“CG Code”) and was well awarded of the governing body to create value for sustainable business including reviewing, policy assessing and the implementation in relation to the Company’s corporate governance and each CG Code. The Board of Directors has assigned the Corporate Governance and Risk Management Committee or Company secretary to amend CG policy and Ethics of the Company as well as the directions in compliance with CG Code and adaptable to the rapid change of CG development.

In 2019, the Company’s CG practices were divided into 5 parts, as follows:

Part 1 Shareholders’ Rights

1.1. CG on Shareholders’ Right Protection Policy

The Company’s Board of Directors formulates the shareholders’ right protection policy in writing in 2006. The policy emphasizes on allowing shareholders to have equal rights to have access to the Company’s operational performance; and to participate in important decisions making, as well as protecting, promoting, encouraging but not to infringe shareholders’ rights. The policies are as follows:

Policy on shareholders’ right protection

1. The Board of Directors is responsible for protecting and respecting basic rights of the Company’s shareholders, such as right to purchase, sell or transfer shares, right to the Company’s profit sharing; right to obtain sufficient information about the Company’s operation, right to attend the shareholders’ meeting to appoint or terminate directors and independent auditors, allocate dividend payment, formulate or amend the provisions or Memorandum of Association, approve capital increase or decrease, and special items, etc.
2. The Board of Directors has duty to promote and support shareholders to exercise their rights in various areas at the Annual General Shareholders’ Meeting, i.e. the right to propose meeting agenda in advance, the right to nominate persons as directors, the right to submit questions to the Company prior to the annual shareholders’ meeting and the right to openly express opinions and ask questions at the shareholders’ meeting, etc.
3. The Board of Directors shall not take any action which may violate or limit, or infringe the shareholders’ right to study the Company’s information that shall be

disclosed according to the related requirements, and the right to attend shareholders' meeting; for example, not to distribute significant information document unexpectedly added, not to add agenda or amend the important data without advance notice to shareholders.

4. The Board of Directors has responsibility to facilitate the applying of the shareholders' rights such as giving the significant information updated via website, inviting the shareholders to visit factory, etc.

1.2. Allowing shareholders to study information prior to the shareholders' meeting

The Board of Directors and the Management have implemented the policy relating to shareholders' right that covers more the rights than those required by law, especially the right to general and significant information. At the Annual General Meeting of the Shareholders, the Company provided the shareholders with sufficient opportunity to study the information to the meeting date via the Company's website. Such information was also published in both Thai and English similar to the hard copy the Company submitted to shareholders.

1.3. Practice for shareholders prior to the shareholders' meeting, at the shareholders' meeting, and after the shareholders' meeting

To deliver to the documents of the Annual General Meeting of Shareholders ("Meeting"), the Company assigned the Thailand Securities Depository Company Limited (TSD), which is the Company's share registrar, to distribute the invitation to the Meeting to all shareholders 14 days prior to the Meeting date in order to provide shareholders with sufficient time to study the information. Such delivery period of meeting documents was more than that specified by the applicable laws.

At the Meeting, the Company facilitated shareholders to exercise their rights to attend the meeting by implementing a barcode system for registration and vote counting, as well as providing the revenue stamps for proxy authorization. The label of registered shareholder was provided for access convenience while meeting, without time loss to recheck their documents.

In addition, at the Meeting, for the purpose of transparency and good corporate governance imposed by Securities and Exchange Commission Thailand (SEC), the Company has invited shareholders to witness the vote-counting. There were no shareholders volunteered. In this regards, Miss Nanthana Thamtherdthai, Hunton Andrews Kurth (Thailand) Limited, Legal Advisor was assigned to witness the vote-counting.

Furthermore, the Company has informed the Meeting the number and ratio of attending shareholders either by themselves or by appointment of proxies, the procedures of vote-casting, vote-counting, including notification of voting result.

After the General Meeting of the Shareholders, the Company compiled the document, including agenda, meeting resolutions, voting results, questions and shareholders' opinion expressed at the meeting, so as to provide "The minutes of Annual General Meeting of the Shareholders for publishing on the Company's website is in compliance with the regulations of SEC and SET.

The Company held the Extraordinary General Meeting of Shareholders No. 1/2019 on 29 May 2019, and the Extraordinary General Meeting of Shareholders No. 2/2019, on 11 October 2019. In this regards, the Company provided upon requested the video of meeting atmosphere in soft file for publishing on the Company's website for shareholders who could not attend the meeting, apart from the minutes publicized in the channel of SET and the Company's website.

1.4. Preventing limitation of shareholders' rights to general information and information technology

Through publishing all information on the Company's website prior to the Annual General Meeting of the Shareholders, the Company's Board of Directors supported and not to infringe the shareholders' rights exercise while the Company did not distribute additional document containing significant information during the meeting, or add or change meeting agenda or amend significant information without advance notice. There has been no complaint from shareholders on this case.

1.5. Facilitating shareholders to exercise rights

The Company facilitated the shareholders and shareholders' proxy to register attending the meeting by implementing a barcode system for registration and vote counting as well as distributing voting ballots to the shareholders before meeting.

The Company clearly stated shareholders' meeting rules and process in the meeting invitation. The moderator of the meeting also informed the attending shareholders of the rule and voting process at the meeting. The shareholders' meeting minutes also included a record that the meeting was informed of the rules and voting process.

Moreover, the Company invited its shareholders to exercise their right to visit its factory. Regularly, the Company updates current information and data published on its website.

1.6. Providing time and opportunity for shareholders to express their opinions

The Chairman of the Board of Directors asked the meeting at the end of each agenda whether the shareholders ask questions related to the meeting agenda or related to the Company, whereby they could openly express their opinion. Any questions related to the meeting agenda or the Company together with shareholders' opinion as well as the answers or clarification made by the Board of Directors or the Company's management, were entirely recorded in the minutes.

The Company provided recording sound of the shareholders' meeting, and disclosed the significant matters arising during the meeting in the meeting minutes for reference in the future and enables shareholders who could not attend the meeting to follow up the meeting particulars.

1.7. Directors to attend the shareholders' meeting

With fully respect of shareholders' right, the attendance of all 12 Directors, including Chief Executive Officer, and Chief Financial Officer, comprised 14 persons attended the Extraordinary General Meeting of Shareholders No. 1/2019 on 29 May 2019, and the Extraordinary General Meeting of Shareholders No. 2/2019.

Part 2 Equitable treatment towards shareholders

2.1 Policy on facilitating the minor shareholders

The Board of Directors respected the equitable treatment to shareholders, and therefore the facilitation policy for minor shareholders was set as follows:

Policy on facilitating the minor shareholders

1. The Board of Directors has the duties to respect the shareholders' rights and treat them equally.
 2. The Board of Directors has the duties to encourage and support the shareholders to exercise their rights in any respects for the annual general meeting of shareholders such as proposing an issue in the agenda in advance, nominating a person to be selectively director in advance, and submitting questions prior to the meeting, etc.
 3. The Board of Directors has the duties to assist the shareholders in any respects such as supporting the shareholders to study information before making decision. For the voting, the Company supports the shareholders to authorize proxies by offering alternatives at least one independent director for the shareholders to authorize as their proxies.
- 2.2 Criteria to provide the minor shareholders the opportunity to propose in advance an issue in the agenda of the shareholders' meeting

The Company allowed and assisted any shareholders to propose in advance an issue in the meeting agenda by providing the consideration criteria published via the data system of SET and the Company's website 3 months prior to the Annual General Meeting of Shareholders for the year 2017. The Board of Directors' Secretary was assigned to compile the meeting agenda and submitted to the independent directors for consideration. Basically, if the independent directors viewed such issue as proper, they shall propose to the Board of Directors. The criteria of proposing the agenda of the Annual General Meeting of Shareholders were the followings:

1. The qualifications of shareholders entitled to propose issue for the annual general meeting of shareholders agenda shall be the shareholder holding not exceeding 0.5% of the total voting shares of the Company, maybe a sole shareholder or combined shareholders, holding continuingly such shares not less than 12 months from the holding date to the proposal date.
2. An issue shall be proposed through the "Agenda Proposal Form for the Annual General Meeting of Shareholders with related complete and entire documents, to be submitted to the Company.
3. For an efficient AGM, the Company reserves its right not to include the following matters as the meeting agenda:
 - 1) Matters proposed by shareholders who are not qualified, as specified in criteria No. 1 or do not follow the procedures set forth by the Company in the criteria for shareholders to propose the Agenda of AGM.

- 2) Matters as stipulated by laws for consideration at AGM, which have been pursued regularly by the Company.
 - 3) Matters relating to a normal course of business of the Company and matters already undertaken by the Company.
 - 4) Matters under the Company's management authority except ones causing material impacts on shareholders in general.
 - 5) Matters that shareholders already proposed in AGM within the past 12 months, and those under support by less than 10% of total voting shares, given that the factual events have not changed significantly.
 - 6) Matters unlikely to benefit the Company and matters previously submitted for consideration by other shareholders.
 - 7) Matters that violate applicable laws, rules, regulations of the government agencies or regulatory or involved agencies, or actions not in compliance with the objectives, Articles of Association and Statement of Business Conducts of the Company.
 - 8) Matters that are beyond the authority of the Company.
4. The Company's independent directors considered and screened the issues proposed by shareholders prior to submit to the Board of Directors. The Company would notify the consideration result after the meeting of the Board of Directors. The approved issues would be included in the agenda attached to the invitation to the Annual General Meeting of Shareholders

2.3 Consider not to add an issue in the shareholders' meeting agenda

The Board of Directors complied with the policy on monitoring the shareholders' rights. In the General Meeting of shareholders, the Board of Directors strictly conducted the meeting in line with the agenda and did not distribute any additional documents suddenly, or add any issue in the agenda or change any significant information without advance notice.

2.4 Criteria to provide the minor shareholders to nominate person for director position

The Company allowed and assisted any shareholders to nominate in advance qualified person for director position by providing the consideration criteria published via the data system of SET and the Company's website prior to the Annual General Meeting of Shareholders. The Board of Directors' Secretary was assigned to compile the accompanied information of the nominee's qualifications as well as his/her consent, and then submitted to the Nomination Committee to consider the qualifications of person nominated by the minor shareholders in accordance with the Company's nomination procedure. Generally, if the Nomination Committee viewed such person nominated as proper, it shall propose to the Board of Directors to consider and propose to the Annual General Meeting of Shareholders. The Criteria for the Nomination of Candidate for Directorship in the Annual General Meeting of Shareholders (AGM) Agenda are as follows:

1. Qualification of shareholder who has the right to nominate a qualified person as a candidate for the Company's directorship election must be the Company's shareholder holding continuously minimum of five percent of the total shares issued by the Company by one shareholder or several shareholders combined and shareholders must have held those shares continuously for at least 12 months by the date the shareholder nominates a qualified candidate.
2. Nomination of a qualified person as candidate for directorship, shareholder fully qualified as in criteria No.1 can fill out the following forms:
 - 1) Form Nominated Qualified Candidate for Directorship in AGM
 - 2) Form Personal Data on Qualified Candidate for Directorship in AGM
 - 3) Letter of Consent from the Nominated Candidate for Directorship in AGM

Together with other completed supplementary documents as required.
3. Candidate must have the qualifications in compliance with related laws and regulations as follows: Securities and Stock Exchange Commission, Thailand, The Stock Exchange of Thailand, The Public Company Limited Act, B.E. 2535 and the Company's Memorandum of Association.
4. The above nominated candidate, together with complete supplementary documents, as required shall be scrutinized by the Nomination Committee according to the Nomination Process of the Company, before further submission to the Board of Directors for consideration. The Company will notify the Board of Directors' (BOD) resolution after the BOD Meeting.

2.5 Encouraging the shareholders to use the Proxy Form

The Board of Directors encouraged the shareholders to use the Proxy Form in voting APPROVE, DISAPPROVE, ABSTAIN by providing the Proxy Form B. Besides, the Company provided the shareholders with the Proxy Form A (general Proxy Form) and the Proxy Form C (only for custodian) published on the website 14 days prior to the meeting date for download.

2.6 Encouraging the shareholders to vote

The Board of Directors provided convenience for shareholders who could not attend the meeting but wish to exercise their voting rights by allowing them to assign proxy. The Company arranged 2 independent directors to attend the meeting and vote on behalf of the shareholders. Shareholders can appoint one of the two independent directors as their proxy.

2.7 Giving the shareholders opportunity to exercise right to appoint individual director

The Board of Directors encouraged the shareholders to use their voting rights by providing and distributing voting ballots at the registration before meeting. Voting ballots were provided for each issue of the agenda, such as dividend payment approval, independent auditor remuneration, and individual director appointment. The vote counting was recorded in the minutes of each meeting for transparency and reference in case of objection later.

2.8 Measures to prevent directors, executives, and employees from using the internal information for own benefits

The Board of Directors stipulated the measures to prevent the directors, executives, and employees from using the internal information for their or others' benefits in the Code of Conduct covering the use of internal information for stock trading, the conflict of interest, and the confidentiality of information. The measures were notified through the business ethics, training, and the Company's website. Besides, the secretary of the Board of Directors was assigned to notify the rules in data disclosure and monitor that the Board of Directors and executives report their asset possession including the disclosure of the conflict of interest and connected transaction between directors and executives.

Part 3 Roles of stakeholders

3.1 Good Corporate Governance policy related to stakeholders

The Company respected and gave priority to all groups stakeholders' rights, not only particular to the applicable laws. In the past year, the Company newly considered indicating the stakeholders and established the additional policy and measure on monitoring the stakeholders in accordance with the Good Corporate Governance (CG) and CSR policy simultaneously adhered to conduct. The stakeholders of the Company shall be divided in 10 groups, as follows:

1. Employees and families
2. Customers and creditors
3. Shareholders
4. Community around factory
5. Government agencies
6. Suppliers and contractors
7. Financial institutes, analysts, and investors
8. Scholars
9. Educational institutions
10. Mass media

Part 4 Information disclosure and transparency

4.1 Results of the execution of good corporate governance policy

Last year, the Company accurately, adequately, timely and transparently disclosed the financial and non-financial information required by the SEC and SET through SET's online system and the Company's website. The Company has never been punished by the SEC or SET for not disclosing the information as required. Also, the Company regularly appraises the efficiency of information disclosure process and strictly follows the regulations.

Moreover, the Company published and regularly updated all significant information submitted to the SET and other current information on its website as well as provided all

shareholders and stakeholders with such information both in Thai and English so as for equal access to the information.

4.2 Remuneration for the directors and the management

The Nomination and Remuneration Committee formulated the policy on remuneration for directors, Chief Executive Officer and top executives as follows;

Policy on remuneration for directors, Chief Executive Officer and top executives

1. Remuneration of the Company's directors, Chief Executive Officer and top executives shall be set in accordance with their duty, scope of responsibility, fairness and attractiveness, which should be compared to those for directors in other listed companies in the same industry and similar size, including the Company's performance, business surroundings, and overall economic conditions.
2. The Nomination and Remuneration Committee shall be responsible for initial consideration and propose for the approval of the Board of Directors and the Annual General Meeting of the Shareholders the maximum remuneration of the year, position remuneration and meeting allowance.
3. The Nomination and Remuneration Committee shall comply with the resolution of the Annual General Meeting of the Shareholders on the remuneration budget and details which are also disclosed in the annual report. The remuneration that the directors received from positions in other companies, such as consultancy fee, and directorship in the Company's subsidiaries shall also be disclosed.
4. Any director who currently holds management position in the Company and receives the remuneration in the forms of monthly salary will not be entitled to receive the remuneration.

The Nomination and Remuneration Committee proposed to the Board of Directors, and the Annual General Meeting of the Shareholders to approve the remunerations for the non-executive and non-employee directors as shown in Remuneration for Directors and the Management Chapter. Any director being the subsidiary's director shall not be entitled to take any remuneration from such subsidiary.

4.3 Board of Directors' Report

The Company provided the Board of Directors' responsibility report on financial statements together with the independent auditor's report, as published in the annual report under the Board of Directors' Responsibility towards financial statements.

4.4 Roles and duties of the Board of Directors and Committees

In 2019, the Board of Directors managed the Company in compliance with legal framework, the Company's objectives, rules and regulations, as well as the resolution of the shareholders' meeting with honesty and discretion and for the best benefits of the shareholders. Besides, the Board of Directors appointed committees to assist the Board of Directors in studying details, in monitoring and supervising the Company's operations, as well as screening assigned tasks.

In 2019, there were 13 the meetings of the Board of directors, in which held according to the Articles of Association of the Company and the Limited Public Company Act B.E.2535

(1992). There were the agenda and meeting documents submitted for the directors' consideration 7 days prior to the meeting day, and also the opportunities for directors to discuss on the significant matters with carefulness. In this connection, the Company Secretary and the legal advisor were attending the meeting in order to take minutes, respond the directors' inquiries and recommendations. Therefore, the directors or relevant persons can follow and monitor the matter properly.

In the General Meeting of Shareholders in year 2019, there were directors, Chief Financial Officer, the Company's auditor, and legal advisor. Details of meeting attendance of Directors for year 2019 are as follows:

No.	Name	Board of Directors Meeting/ Attendance	Audit Committee Meeting/ Attendance	Nomination and Remuneration Committee Meeting/ Attendance	The Extraordinary General Meeting of shareholders No. 1/2019/ Attendance	The Extraordinary General Meeting of shareholders No. 2/2019/ Attendance
1.	Mr. Chainarong ⁽²⁾ Monthienvichienchai	13 / 13	-	-	✓	✓
2.	Mr. Li ⁽¹⁾ Zhong Yuan	1 / 1	0 / 0	-	-	-
3.	Mr. Christopher ⁽⁴⁾ Michael Nacson	0 / 0	-	-	-	-
4.	Asst. Prof. Dr. Teerachai Arunruangsirilert	10 / 13	7/7	2 / 3	✓	✓
5.	Khunying Patama Leesawadtrakul	3 / 13	-	-	-	✓
6.	Miss Soontareeya Wongsirikul	13 / 13	-	-	✓	✓
7.	Miss Kannikar ⁽³⁾ Yomchinda	0 / 0	-	0 / 0	-	-
8.	Mr. Andreas ⁽¹⁾ Rizal Vourloumis	1 / 1	-	0 / 0	-	-
9.	Mr. Sharad ⁽¹⁾ Bajpai	1 / 1	-	-	-	-
10.	Mr. Sudhir ⁽¹⁾ Maheshwari	1 / 1	-	1 / 1	-	-
11.	Asst. Prof. Komol Wong-Apai	8 / 9	-	-	-	-

Remarks:

- (1) The Extraordinary General Meeting of Shareholders No. 2/2019 on 11 October 2019 resolved to approve the appointment of Mr. Li Zhong Yuan, Mr. Andreas Rizal Vourloumis, Mr. Sharad Bajpai, Mr. Sudhir Maheshwari, and Mr. Amrendra Prasad Choudhary, and acknowledge that Mrs. Churairat Panyarachun expressed her intention not to return to the director position in this Meeting.
- (2) The Board of Directors' Meeting No. 12/2562 on 18 November 2019 has passed the following key resolutions;
 - Acknowledged the directors' resignation of Prof. Paichitr Rojanavanich, Mr. Ryuzo Ogino, Mr. Somchai Leeswadtrakul, Asst. Prof. Komol Wong-Apai, and Miss Methikan Chutipongsiri, with the effectiveness from 2 December 2019 onwards.
 - Acknowledged the resignation of Mr. Yanyong Kurovat from being the Chairman of the Board of directors position, with the effectiveness from 2 December 2019 onwards. He still remains the position of director.
 - Approved the appointment of Mr. Chainarong Monthienvichienchai as Chairman of the Board of Director of the Company, with the effectiveness from 2 December 2019 onwards.

- (3) The Board of Directors' Meeting No. 13/2562 on 12 December 2019 has passed the following key resolutions;
- Acknowledged the resignation of Mr. Yanyong Kurovat from being the Company's director with the effectiveness from 13 December 2019 onwards, and approved the appointment of Miss Kannikar Yomchinda as a director in replacement of vacant position of Mr. Yanyong Kurovat who has resigned from the director position, with the effectiveness from 13 December 2019 onwards.
 - Approved the combination of the Risk Management Committee and the Corporate Governance Committee, including appointing members of the Corporate Governance and Risk Management Committee, with the effectiveness from 12 December 2019 onwards. In addition, there is no meeting of the said committee in year 2019.
- (4) The Board of Directors' Meeting No. 2/2563 on 2 March 2020, acknowledged the resignation of Mr. Teerapol Pussadet from being the Company's independent director and the Audit Committee member, with the effectiveness from 3 March 2020 onwards, and resolved to approve the appointment of Mr. Christopher Michael Nacson as an independent director and the Audit Committee member, in replacement of vacant position of Mr. Teerapol Pussadet who has resigned from the director position, with the effectiveness from 3 March 2020 onwards.

4.5 Relationship with investors

The Company has a policy on significant information, including general information, to be disclosed properly, completely, reliably, sufficiently, timely, and transparently, including general information that may affect the Company's share price, assigning the Company's representative to communicate with the institute and individual investors as well as analysts and concerned government agencies. The Company's website (www.gsteel.com) is used as a channel to distribute all information, such as the information regarding the Company, business, financial information, news that may affect investment decision, reports submitted to the SET, the Company's activities, and shareholders' meeting details, in order to enable shareholders to keep updated of the Company's movement and information.

The Company prepared a brief investor relation plan and the aforesaid plan is subject to the plan according to occasion and appropriateness. The details are as follows:

1. To arrange an activity for mass media meeting at least once per quarter in order to report on the operating results in every quarter.
2. To arrange an analyst meeting on a quarterly basis. In the event that the analyst wishes to inquire about other additional matters, the analysts are invited to meet the Company's investor relations on a case-by-case basis.
3. To arrange for investors to visit the Company's factory including to meet and ask questions to the management.
4. To arrange aboard road show at least once a year.

5. To participate in exhibition booths that is held to disseminate and provide information to investors by external organization, such as by the Stock Exchange of Thailand, the Securities Analysts Association, etc.

Part 5 The Board of Directors' Responsibilities

5.1 Policy on Good Corporate Governance

The Company's Board of Directors is committed to directing the business in compliance with the good corporate governance which is beneficial and important to promote efficiency and transparency of the Company's operation, helping increase competitive advantages, and add long-term value to the shareholders. The Board of Directors and the Management have formulated good corporate governance practice and made them the Company's policy in writing. The Board of Directors approved the policy the essences of which are as follows:

1. Respecting shareholders' right including allowing them to propose agenda in advance for the shareholders' meeting, and nominating in advance persons to be elected as directors, etc., the Company shall not take any action which may infringe or limit the rights of shareholders.
2. Equitably and fairly treating all shareholders, investors, stakeholders and related parties.
3. Accurately, adequately, equitably, and timely disclosing information to shareholders, investors, stakeholders and related parties through appropriate channels, including website, to enable shareholders and related parties to have easy access to the information.
4. Performing its duties and responsibility in supervising and directing the operations of the Company with integrity, ethics and prudence to achieve the Company's goal and for the best benefits of the Company and its shareholders, as well as preventing conflict of interest.
5. Managing the Company with transparency under sufficient internal control and audit system.
6. Controlling and managing risks at the appropriate level.
7. Operating the Company with integrity and in compliance with laws and business ethics.

5.2 Structure of the Board of Directors

The Company managed the Board of Directors through the system "Check and Balance" and the policy of "Board Diversity". The Board of Directors comprises 11 members that have different qualifications, skills, experience and specialization being benefit to the Company, and ability to contribute their time and efforts to perform a duty to reinforce the Board of Directors. The Board of Directors shall select and appoint the committees in order to share its works for specific issues, as specified in the annual report under Management Structure.

The Board of Directors gives priority to transparency and therefore stipulated that the Board of Directors Chairman is an independent director and shall not be the same person as the Chief Executive Officer or President. The Board of Directors approved the definition of independent directors which is stricter than that required by SEC, for example, an independent director shall hold the shares not exceeding 0.5% in the Company.

The Board of Directors stipulated a formal and transparent process of director nomination which is free from influence from shareholders who have controlling authority. The Nomination Committee shall nominate directors by considering education, capability, experience, etc. in accordance with the scope of responsibilities of the Board of Directors or committees. The list of nominees will be proposed to the Board of Directors for consideration and appointment.

The Board of Directors disclosed the list of the directors and committee members in terms of names, positions, age, education, shareholdings, work experience and relationship with the Company's executives in various channels, including the annual report and the Company's website. There is no director holding directorships more than 5 listed companies. At a meeting of the Board of Directors, there must not be less than one half of the total number of directors present to form a quorum. In addition, the meeting schedule for year was provided to directors in advance annually in order for the directors' attendance availability.

5.3 Leadership and vision

The Board of Directors has strong leadership, vision and independence in making decision for the best benefit of the Company and its shareholders. Roles and responsibilities of the Board of Directors and the Management are clearly separated, i.e. the Management is responsible for compiling necessary information for the Board of Directors' consideration.

With a goal to ensure stable business with long-term sustainability and success, the Board of Director, in cooperation with the Management in reviewing and ensuring that vision and mission best address the changing environment, the business goals, business plan and budget are prepared by taking into consideration the maximum added value and long-term stability of the Company and its shareholders. The Board of Directors also directs the business and ensures that the business operation is efficiently executed by the Management.

The Board of Directors encourages good corporate governance within the organization and formulates good corporate governance practice, code of ethics, measures and approval procedure of connected transactions between the Company and related parties or persons who may have conflict of interest, as well as clearly separates the authority of shareholders from that of the Board of Directors, also that between the Board of Directors and the executives and other committees, in order to balance the power, and each other shall be independently examined.

5.4 Conflict of interest

The Board of Directors shall consider connected transactions that may cause conflict of interest between shareholders, directors and the Management, with best prudence, integrity, reasonableness and independence within good business ethic framework. It also discloses complete information for the best benefit of the Company. The Board of Directors shall strictly conform to the criteria and procedures or regulations set by SET whereby the Audit Committee shall provide information about the necessity and appropriateness of such transaction.

The Board of Directors has formulated measures and approval procedure of connected transactions between the Company and its subsidiaries or persons who may have conflict of interest. The persons who may have direct or indirect conflict of interest shall not be allowed to make decision on the matter. The Audit Committee is required to participate in the consideration and provide opinions on the necessity and reasonableness of the items proposed for the best benefits of the Company. The connected transactions are also required to be

disclosed in the Notes to the Financial Statements prepared by using the generally accepted accounting principles published in the Annual Report.

5.5 Business ethics

The Board of Directors has prepared the Management and Employees' Code of Conduct for the Company's Management and employees to use as guideline in performing their duties and to strictly and consistently implement in terms of business operations, equitably with fair treatment towards stakeholders, including the matters related to conflict of interest, information confidentiality and possible fraudulent use of information, bribes, and gifts, including the anti-corruption. In this regard of the Code of Conduct, the Board of Directors assigned the Internal Audit Department to monitor and audit the implementation.

The Board of Directors itself shall monitor and ensure that the Company's business operation, directors' ability to perform their duties, the Management's operation, and employees' work are within ethical framework in addition to the Company's regulations and related laws.

The Board of Directors has also formulated a policy requiring directors, executives and employees who are involved with inside information to avoid or not trade the Company's shares 1 month before the significant information, such as financial information which may affect the Company's share prices, is disclosed to the public.

5.6 Power balance of non-executive directors

The structure of the Company's Board of Directors comprises the Chairman and independent director, executive directors totaling 6 persons, 1 non-executive director, and 3 independent directors, totaling 11 persons. The balance of power by independent directors is 36.36 percent.

5.7 Integration or segregation of positions for managerial balance of power

The Board of Directors clearly divides scopes of roles and responsibilities among the Board of Directors, Executive Committee, Audit Committee, Nomination and Remuneration Committee, Corporate Governance and Risk Management Committee, and the Strategic Steering Committee, as well as the Chief Executive Officer with a clear stipulation that the Chairman of the Board of Directors shall not be the same person as the Chairman of the Executive Committee or Chief Executive Officer and shall not have any relations with the Management, in order to prevent any executive to have unlimited power, and the managerial balance can be checked.

5.8 Committees

The Board of Directors appointed committees to assist it in monitoring and controlling the operations, as well as screening the assigned tasks. Roles, authorities, duties and responsibilities are clearly set. At present, there are 5 committees, each with different roles and scopes of responsibility, as specified in the Annual Report under Management Structure.

5.9 Roles and responsibilities of the Board of Directors

In the past year, the Board of Directors reviewed and approved significant operational matters and directed the Management to efficiently implement the policies and plans, including to effectively managing the budget.

Further to the Board of Directors having stipulated and approved the written good corporate governance policy, a review is to be made at least once a year.

The Board of Directors provided and distributed the Code of Conduct in writing to the new directors, executives and employees; and reviewed other ethics for the existing directors, executives and employees to understand ethical standards applied to its business operation. The Board of Directors assigned the Internal Audit Department to closely monitor the execution of such Code of Conduct.

The Board of Directors, having carefully studied and considered conflict of interest and connected transactions which may cause conflict of interest to the Company taking into account the shareholders' best benefits, found none of such items.

The Board of Directors provided a financial statement control and regulations implementation. The Internal Audit Department independently performed its duty in monitoring the implementation of these regulations as well as the control measures. It is at least once a year to review such control.

5.10 The Board of Directors' meeting

The Board of Directors convened at least 4 times a year and arranged the meeting in accordance with the Company's rules, the Public Limited Company Act B.E. 2535, and SET's regulations. The Chairman of the Board of Directors, in the capacity of the meeting chairman, would promote prudence in any consideration; provide sufficient time for the Management to present significant information and for directors to discuss the matter. Meeting minutes for every meeting was made for future reference and checking. It is the duty of the Board members to attend every meeting, except for a certain unavoidable case.

At the meeting of the Board of Directors of the beginning of the year 2019, the Company Secretary prepared meeting agenda and schedule for whole year for the Board of Directors to be able to schedule their time for the meetings.

In considering the number of meetings, the Board of Directors considered the duty and responsibility of the Board of Directors. The Company Secretary shall prepare the whole year meeting agenda and matters to be considered in each meeting in order to provide sufficient detailed information for the Board of Directors. For example, in the March meeting, the Board of Directors shall approve the annual financial statements, and schedule the annual general shareholders' meeting as well as set the date of the closing of the Company's registration book to suspend the share transfer, while the meetings in May, August and December are scheduled for reviewing and approving financial statements for the first, second and third quarters, then the December meeting is organized to consider budget for the following year.

In each meeting, the Company Secretary provided the agenda and related information and distributed them to the directors for average 7 days prior to the meeting.

The meetings were strictly held in compliance with the Company's rules and regulations, and the Public Limited Company Act B.E. 2535. The directors were given opportunity to discuss carefully the important problems. The Company Secretary and legal advisors attended the meeting and prepared the recording, so as for the minutes of the meeting, which included also the directors' questions and recommendation in the meeting.

In each meeting, the Chairman of the Board of Directors would conduct the meeting to last for 1-2 hours, which was sufficient for the Management to present the matters for consideration and for the directors to carefully and equally discuss the important issues. The Chairman of the Board of Directors encouraged the attending directors to use their best consideration. The Chairman also asked whether there was any question or other opinion on each issue of the agenda in every meeting.

5.11 Self-Assessment of the Board of Directors

For year 2019, the Company Secretary has prepared the “CG Self-Assessment”, and submitted to individual directors for considering his/her achievement and for resolving problems individually, as well as for the work efficiency improvement.

5.12 Remuneration for directors and executives

In 2019, The Nomination and Remuneration Committee resolved, in accordance with the scope of duty and responsibility assigned and at the same range as that offered to directors in listed companies of similar size and in the same industry, and also the Company’s performance, business environment and economy as a whole, to propose to the Board of Directors and to the Shareholders in the Annual General Shareholders’ Meeting to approve the total amount of the Directors’ remuneration 2019 same as rates 2018 year.

5.13 Directors and executives development

The Board of Directors encouraged and provided the training courses to develop and educate the Company’s directors and members of committees so as for the continuous improvement in performing their tasks.

The Company Secretary prepared Directors’ guidebook with criteria on information disclosure, profile, shareholdings, changes in shareholding of directors, etc. and distributed to new directors. The secretary shall also invite new directors to visit the Company’s plant to introduce to them the hot rolled coil business as well as the Company’s business operations.

The Board of Directors has stipulated that the Chief Executive Officer and Presidents prepare a regular report for the Board of Directors to update on the development and succession plans in case they could not perform their duties.

The Board of Directors, in parallel to the succession plan, implemented the executive development plan by assigning the Chief Executive Officer to report progress of executive development plan undertaken during the year.

In 2019, details of Directors and executive’ attendance of training are as follows:

No.	Name and Position	Course	By Organization
1	Mr. Chainarong Monthienvichienchai, Chairman of the Board of Directors	Roles and responsibilities of directors of the Board	Legal advisor, Hunton Andrews Kurth (Thailand) Limited
2	Prof. Paichitr Rojanavanich, Independent Director, and Chairman of the Audit Committee	Roles and responsibilities of directors of the Board	Legal advisor, Hunton Andrews Kurth (Thailand) Limited
3	Mr. Teerapol Pussadet, Independent Director, and Audit Committee Member	Roles and responsibilities of directors of the Board	Legal advisor, Hunton Andrews Kurth (Thailand) Limited
4	Asst. Prof. Dr. Teerachai Arunruangsirilert, Independent Director, and Audit Committee Member	• Advance Audit Committee Program (AACP 34/2019)	Thai Institute of Directors (IOD)
		• Roles and responsibilities of directors of the Board	Legal advisor, Hunton Andrews Kurth (Thailand) Limited
5	Mr. Yanyong Kurovat, Director	Roles and responsibilities of directors of the Board	Legal advisor, Hunton Andrews Kurth (Thailand) Limited
6	Mr. Somchai Leeswadtrakul, Director	Roles and responsibilities of directors of the Board	Legal advisor, Hunton Andrews Kurth (Thailand) Limited

No.	Name and Position	Course	By Organization
7	Ms. Soontareeya Wongsirikul, Director	• Risk Management Program for Corporate Leaders (RCL 18/2019)	Thai Institute of Directors (IOD)
		• Roles and responsibilities of directors of the Board	Legal advisor, Hunton Andrews Kurth (Thailand) Limited
8	Asst. Prof. Komol Wong-Apai, Director	Roles and responsibilities of directors of the Board	Legal advisor, Hunton Andrews Kurth (Thailand) Limited
9	Miss Methikan Chutipongsiri, Director	Roles and responsibilities of directors of the Board	Legal advisor, Hunton Andrews Kurth (Thailand) Limited
10	Mr. Amrendra Prasad Choudhary, Director and Chief Executive Officer	Roles and responsibilities of directors of the Board	Legal advisor, Hunton Andrews Kurth (Thailand) Limited
11	Mrs. Kwanjai Kasemlonnappa, Company Secretary	Related Party Transaction	Compliance Department
12	Mr. Sittisak Leeswadtrakul, Deputy Chief Executive Officer	Related Party Transaction	Compliance Department
13	Mr. Warawut Suwannasorn Chief Production Officer	Related Party Transaction	Compliance Department
14	Mr. Rajeev Jhavar Chief Financial Officer	E-learning CFO Orientation	The Stock Exchange of Thailand
15	Mr. Yotsakorn Srisuksawadi, Deputy Chief Financial Officer, and Deputy Chief Compliance and Legal Officer	Roles and responsibilities of directors of the Board	Legal advisor, Hunton Andrews Kurth (Thailand) Limited

Risk Factors

Risk factors to the Company's business that may materially affect its rates of return while its risk prevention guidelines can be summarized as follows:

Procurement Risk

Risk of Local Scrap Procurement

The scrap is the major raw materials for production and local scrap was consumed between 45 to 50% (Average 48.6%) of total RM consumption depending upon process requirement and its availability. The company has a plan to buy a good quality local scrap by expanding supplier base for supplying the local scrap continuously in all local scrap market situations. The company plans to optimize local scrap consumption in the range of 50 to 55 % in the metallic mix, with a view to achieve better metal margins and lowering the volatility risk factor. Several steps have been taken to mitigate the risks of fluctuation in weighment, quality and other fraudulent actions by the suppliers. The processes have been departmentalized to manage the metallic in yard.

Import Scrap and Pig Iron

Risk

- Price and quantity depend on the global market situations affecting cost of production at times mismatching with increase in sales price.
- Company has to order materials coming from far a place 2-3 months in advance to maintain consistency in availability. This causes heavy risks on price fluctuation at the time of cargo arrival at the mill.
- Late delivery in any shipment causes risk of throttling of production and also rise in local metallic price.
- There are possibilities of quality issues, weight loss, variance in specifications, etc. which gets found at the time of cargo arrival which leads to the claims/compensation.

Protective and Corrective the Risk

- Tracking of world scrap and pig iron market movements.
- Having optimum inventory for production.
- Sourcing new reliable suppliers continuously.
- Coordination with concerned agencies maintained in case of delayed delivery so that the readjustment of RM usage is done in order to avoid stop production.
- Sourcing from new suppliers in nearby counties to leverage the transportation duration and thereby can have less safety stock.
- Setting the safety stock level in order to avoid delay delivery or over stock.
- Specifying the claim conditions and compensation clearly in the sales/buying contracts.

Risk of logistics management

Our company is fully dependent on road transport for both inputs including from ports and finished goods. The availability of fleet and fuel price has been the major factors affecting transportation cost for input raw materials and delivery of the products to the customers. Therefore, the company has long term contracts with more transportation companies taking care of price fluctuation and volume both for any period including agreement on number of tracks/trailer with clean the compensation of accident during transportation. The cost of transportation of sea born material is also significant. To mitigate the shipping cost, overall cost of materials at plant gets evaluated.

Risk of Marketing and Distribution

Risk from product price volatility during the business downturn

Since the Company's products are used by related industries such as pipes and other infrastructure construction, the characteristics of which include upturn and downturn cycles, therefore, demands and prices of the Company's products will vary accordingly. Since this may affect the Company's future profit especially during the downturn, pricing volatility may affect its revenues in different periods and this could negatively affect its business, financial conditions, operation results, etc.

Large scale imports of alloy HR Coils which may increase after removal of safeguard Import Duty W.E.F 26th February 2019 is likely to affect the market of G Steel. Similarly, substitution of imported GI coils in certain construction related items may affect the sales of GSteel HR Coils.

Besides, the Company's hot rolled coil can be used in several other industries. For example, cold rolled steel can be used in an automobile industry while galvanized steel and plates are widely used in various industries. However, with the Company's production efficiency and competitiveness, it expects that during the downturn where demands are less, it will be able to produce wider range of value added steel and also part quantity for exports. Company has already developed its export markets and would be expanding further. In addition, the governmental supportive policies to enhance the domestic steel industry also is a welcome steps to mitigate part of the risks. These measure helps in reducing import of hot rolled coils and the gradual improvement on the domestic prices at optimum level. All efforts are made by the company to neutralize the impact of lowering in price due to volatility in the market by optimizing purchase cost of RM, reducing cost of production, etc.

Financial Risk

Risk on foreign exchange fluctuation

The fluctuation of foreign exchange directly affects the Company's profit and loss as most of main raw materials, scraps and pig irons, are imported from overseas and paid in US Dollar, while the income is in Thai Baht. This foreign exchange risk is deemed moderate even though the Company does not enter into hedging or forward contracts since the selling price in Thailand is referred to the world market price quoted in US Dollar. In addition, the Company is also looking for an opportunity to do export sales which can lower the exposure of foreign exchange risk as those sales are in US Dollar and being kept in the Foreign Currency Deposit account.

In 2019, the Thai Baht had been strong with more than 6% appreciation against US Dollar from the end of 2018. This appreciation of Thai Baht resulted in a high unrealized foreign exchange gains in the Company's financial statements since the liabilities of the Company are largely in US Dollar i.e. 5-year long term loan and imported raw materials. However, the foreign exchange fluctuation is reflected as "unrealized Gain and would affect the actual cash flow of the company only when the payment is made.

Risks Concerning Environment and Personal

Risks from possible polluting production

The Company runs an industrial business of hot-rolled steel production, consisting of melting, casting and hot-rolling processes, which may cause air pollutions, sound level in ambient, quality of water discharged from cooling tower system. The Company has pollution prevention system for air pollution for collecting dust before emitted to the ambient, water treatment for the cooling towers to treat effluents. The effluents been use for slag cooling then its evaporated into the ambient air without any discharged to environment, Trees have been grown in a zigzag pattern around the plant area as barriers to dust and noise. The countermeasures as mentioned have currently complied with the environmental laws and requirements.

Anyhow, the Company is exposed to the risk of missing detection of some pollutants that may damage the environment, thus may lead to the Company's increase in expense of improving the damaged environment, or the Company's may addition any pollution prevention systems to be compliant with the possibly more strict laws or requirements in the future, thus may cause higher expenses. These also include any possible expenses from prosecution(s) if the pollutions cannot be decreased. And finally it may impact to business, financial and operations in the future.

Moreover, the Company has appointed an environmental-specialized firm to conduct monitoring and measurement for environment quality every 6 months according to EIA requirements, and continuously presented the monitoring reports to Office of Natural Resources and Environmental Policy and Planning, Department of Industrial Works, and Department of Primary Industries and Mines. Moreover PM 2.5 and surface water quality near plant site were be monitored, thus the Company is confident that we will not face these problem as mentioned.

Risks from business operations that may cause harms to the employees

The Company has run a heavy industry business that may cause harms to its employees from the melting, casting and hot-rolling processes, and transportation of heavy materials, so these may incur the Company higher expenses in prosecutions on claims for the injured, including fines, which may impact the Company's business, financial position and performance in the future.

The Company, however, Occupational Health and Safety countermeasures for Workplace as accepted by the government agencies, as well as certified for OHSAS 18001 standard regarding hazard prevention and reduction as lead to accident related to work. Based on the past records, there has been no claim on infringement due to human injury accident case.

Risks related to public policy and the relevant regulations.

Risk management by using Safeguard Measures

Over the years, after the government has imposed anti-dumping measures, the domestic price of hot rolled steel flat products have been competitive for flat product producers like ours. However, the company is affected severely with the termination of Safeguard measure for HR steel flat products with alloy on February 26, 2019, resulting in the import of HR alloys steel products significant increase. This has thrown a big risk for the company since second quarter of 2019 as a result there has been resistance on increase in price in the domestic market thereby not recovering the cost of production. This has also affected volume of sales due to cheap import. The company has been pursuing with the Govt for imposition of Anti-Circumvention measure that came into effect on November 18, 2019. This may help mitigate damage from imports of hot-rolled alloys steel products for which domestic industry has filed a petition for circumvent products from China under anti-dumping measures for hot rolled steel flat products - alloy added originating in the People's Republic of China. Thus, this can mitigate the risk through reduction in the import of HRC alloy from China that circumvents the import tax and AD duty.

Importers and exporters have changed their import patterns by trying to find a way out of enforcing anti-dumping measures by imported other alloy steel instead by adding only a small portion of alloy on the surface that is possible to change the Harmonized Code for imported or imported hot rolled steel flat products with a width of more than 1,550 mm. This would result in the avoidance of current anti-dumping measures and also benefits from the reduction of import duties under the FTA as mentioned above. Imports of such products have increased steadily in recent years. This is a major cause of the impact on the domestic hot rolled steel manufacturers as well as the company. Therefore, the company has cooperated with other hot rolled steel manufacturers in the country filling a petition to The Ministry of Commerce, consider of such effect and consider introducing safeguard measures to protect against increased imports to address the problem.

At the moment, Ministry of Commerce has imposed safeguard measures for hot rolled steel flat products as follows; Safeguard measure for hot rolled steel flat products with non-alloy (Coil, Sheet, and Plate - Width > 1,550 mm.). Effective from June 2014 onwards for a period of 3 years, and extended the measure by end of June 2016 for another 3 years, it will continue to impose from June 7, 2017 - June 6, 2020.

Risks from Free Trade Agreement (FTA), which covers hot rolled steel products

Thailand is obliged to comply with the following steel trade agreements:

- The Japan-Thailand Economic Partnership Agreement (JTEPA) ended at the end of 2016 and import tariff has been reduced to zero since January 1, 2017 allowing Japan to export hot rolled steel products to Thailand without further quota restriction especially hot rolled steel products imported as raw material for cold rolled steel production for use in the automotive industry.
- In addition, the Free Trade Agreement “ASEAN and China”, “ASEAN and Hong Kong”, “ASEAN and South Korea” and other free trade agreements. Currently, there is a requirement to exempt import tariff (zero) for other alloy steel products, stainless steel, high-speed steel and silicon steel for electrical works in coil, sheet and plate (which are not sufficiently produced for domestic demand) from the partner countries since the end of 2009 resulted in the exemption of import tariffs favoring producers and exporters from the partner countries intend to export to Thailand increasingly.

The importation of other alloy steel products such as boron or chromium or other additives have increased steadily to compete with hot-rolled steel (Carbon steel) that can be produced domestically.

- Trade war between the United States and China, both countries have increased tariff on imported products especially steel products that the United States announced to increase import tariff from China by using Article 232 under the National Security Act to impose a 25% increase in import tariff in addition to the issuance of unfair trade measures, including the increase in retaliation duties in accordance with normal law. China, which is the largest steel producer in the world with a production capacity of more than 50% of the world's steel production or over 800 million tons per year, as well as exporting more than 100 million tons of steel products per year causing steel products from China that cannot be exported to the United States will flow into Southeast Asian countries especially Thailand which has a high risk of being a target of these cheap steel products from China.
- The risk of free trade agreements (FTAs), the risk from unfair trade including risks from the effects of the trade war between the United States and China covering hot rolled steel products can be managed, controlled and mitigated by requesting the government to apply trade interests and remedies measures. Currently, Thailand has two applicable laws as follows.

Risk management by using Anti-dumping and Countervailing measures under the Anti-Dumping and Countervailing Act, B.E. 1999 and (No.2) B.E. 2019

Hot Rolled Steel Industry is a basic commodity for the development of the country and there are many large manufacturers around the world. So, under intense competition in the free trade world especially during the ongoing economic downturn for many years, the producers are struggling to survive by export the excess products to other countries in forms of price-dumping (i.e., export selling price is cheaper than local selling price). As a result, the market price mechanism in importing countries has been distorted. It can be said that it destroys the market of domestic industry and leads to unfair competition. Therefore, anti-dumping policy is an important measure to alleviate the damage of the domestic steel industry and make fair trade to all parties.

In addition, the importers have been trying to circumvent from the anti-dumping measures to avoid paying additional anti-dumping duties on regular import tariffs. Make the measures ineffective and inefficient. Moreover, the countervailing measure is still lacking the sub-law so that cannot apply the measure at the moment.

Therefore, The Department of Foreign Trade has proposed the amendment of this law to be effective enforcement by:

- Expand the scope to cover and prevent the circumvention of anti-dumping and countervailing measures.
- Increased the measures to control and collect anti-dumping and countervailing duty to be more effective.
- Legislation of sub-law for countervailing measures.

In this regard, the revision of Anti-Dumping and Countervailing Act (No.2) B.E. 2019 has added the above provisions and was announced in the Government Gazette on May 22, 2019. Coming into effect on November 18, 2019 which will help prevent the import of hot rolled steel products that circumvent the Anti-dumping and countervailing measures and

will also help alleviate damage from termination of Safeguard measures for hot rolled steel flat products with alloy as well.

For Thailand, The Ministry of Commerce has implemented anti-dumping measures for hot rolled steel flat products as follows:

- Extension of Anti-dumping measure for hot rolled steel flat products originating from the People's Republic of China and Malaysia for further 5 years, effective from June 23, 2017 to June 22, 2022.
- Extension of Anti-dumping measure for hot rolled steel flat products - boron added originating from the People's Republic of China for a period of 5 years, effective from December 13, 2018 to December 12, 2023.
- Extension of the Anti-dumping measure for hot rolled steel flat products originating from 14 countries for a further 5 years, effective from May 23, 2015 to May 22, 2020.
- Anti-dumping measure for hot rolled steel flat products originating from the Federal Republic of Brazil, Islamic Republic of Iran and the Republic of Turkey for a period of 5 years, effective from May 16, 2017 to May 15, 2022.

Currently, the company has collaborated with the domestic industry to gather information for filing petition to Department of Foreign Trade, consisting of 2 measures, which are

1. Filing petition to the Department of Foreign Trade to consider extending the enforcement of anti-dumping measure for hot rolled steel flat products originating from 14 countries for a further 5 years (2021 - 2025).
2. Filing petition to the Department of Foreign Trade to consider enforcing Anti-dumping measure for hot rolled steel flat products originating from the Socialist Republic of Vietnam and the Arab Republic of Egypt.

The use of anti-dumping measures by the government has resulted in a significant reduction of trade problems caused by dumping. Therefore, it can also support and protect local hot rolled steel industry from unfair trade.

Meanwhile, the company continues to monitor the dumping situation or in other ways that may arise from other countries to prevent the unfair trade that may occur to the hot rolled steel market in Thailand.

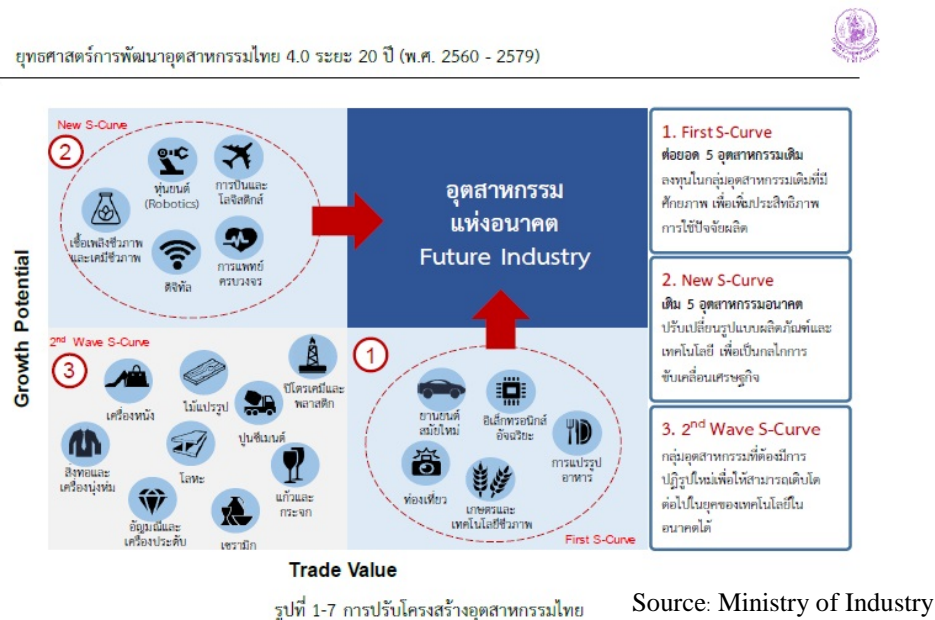
Risks from price control by the government

Throughout the year 2560, hot rolled steel product is one of many items controlled by the Ministry of Commerce. In practice, it tracks the volume and price movements of domestic products. The company also cooperated with the Department of Internal Trade to provide information on products and prices. In case of each hot rolled steel manufacturer including the company would like to adjust the price of the product, must informing the Department of Internal Trade and provide all the details as requested or in case of Ministry of Commerce applies price fixation measure for consumer goods or commodities. This may affect the ability to generate revenue and profit slightly sometime in the future. It can be said that the company has low risk in price control by the government.

However, when the company needs to raise prices to the required level, the details of raw material cost and production cost can be clarified in line with the actual sales price, which is reasonable and can be further increased.

Risks from government policies that affect business operations and revenues of the company

The Company operates in the steel industry, a major industrial base of the country. There is an enormous amount of investment and have hundreds of employment rates. Therefore, government policies may affect the operation or performance of the company.



In October 2016, the Government announced the Strategic Plan for Thai Industrial Development 4.0 for a period of 20 years (2017 - 2036), targeting the future development of Thailand's industry by focus on Group 1, First S-Curve and Group 2, New S-Curve. However, the steel industry is in the third group (industries that should be reformed) which are high investment and difficult to change technology in production.

Therefore, the company and other steel manufacturers are necessary to reduce the risk by joining with building materials cluster, Machine cluster and the automotive cluster because steel is the raw material of these target industries. In order to reduce the risk of business operations that may be affected by the policy and to allow the steel industry for further development.

However, the Company is promoted by the Board of Investment and protected under the anti-dumping measures and safeguard measures. Therefore, the company may have a risk from business operations that may be affected if the government changes its policy. The company expects that changes in the policy regarding the Board of Investment will not affect the business operations because the company has already received the promotional certificates and is currently effective.

For anti-dumping measures, it is a policy that the government may consider canceling if there is justifiable reason but Ministry of Commerce is focusing on the steel industry, which is the basic industry of the country and providing assistance when the industry is facing problems. Therefore, the company believes that there is no risk in cancellation of anti-dumping measures in the future. However, the company has the potential to produce

standardized products which able to compete with competitors in the market in case of fair trade competitive.

General Risks

Risks caused by disruption in operations due to uncontrollable factors

The Company might face the business risks caused by several uncontrollable factors, such as sabotage, natural disasters, industrial accidents, terrorism, technical problems and faults.

Though the said factors were uncontrollable, the Company was confident in protection and solution to restrain the problems from leveling up so much as to result in significant loss of revenue by, for instances, regular trainings for the employees to be skillful and specialized, continuous training for them with knowledge to safely operate the equipment and machines, as well as the security serviced by both the Company's employees and a hired professional security firm in charge and strictly monitor the entrances and exits 24 hours a day. Company also has been insured for the losses of or damages to the properties in case of specified reasons. In the Labor Relations Committee, the Company has involved committee members from the employees' side and the employer's side, as well as the Corporate and Social Responsibilities Committee, as representatives who have taken care of the employees' proper and fair working conditions and welfares.

Risk Regarding Corruption

The Company carries on the business of manufacturing and distributing Hot Rolled Coil both domestically and internationally, the factory located in Rayong Province. By the nature of operations causing the company to contact the government agencies, accordingly such contact may result in a risk regarding corruption, such as payment of facilitation charges, payment of moneys to or calls for moneys by government officials in the case where the Company might have acted improperly or needs urgency etc., or a risk that may result from dishonest acts relating to cash or property, purchases or procurement, payment of salaries or labor fees, revenues and expenses included the information technology system. The Company has set up a risk management committee to make assessments and analyses and formulate measures to manage the risk in terms of both business and corruption and has also made available an efficient and effective system of internal control and audit.

Moreover, the Company has been certified as a member of the Thailand's Private Sector Collective Action Coalition against Corruption (CAC) by the Thailand's Private Sector Collective Action Coalition against Corruption. This certification indicates its determination and intention to resist all forms of corruption and has prepared an anti-corruption policy, determining responsibilities and guidelines for appropriate action against corruption in all activities, and communicated the policy to directors, management, employees and both internal and external stakeholders so that it serves as guidelines for mutual practice of business with transparency.

Internal Control and Audit System

Internal Control

The Company have to provide the assessment of adequacy of internal control system, comprising the 5 sections: 1. Control Environment, 2. Risk Management, 3. Control Activities, 4. Information and Communication, and 5. Monitoring Activities. The Company's Board of Directors deems that the Company provides an adequacy of Internal Control. There is also has the Risk management Committee to review the system and evaluate the effectiveness of risk management throughout the year.

The Company not only has had sufficient internal control on its transactions related to the major shareholders, directors, executives or their related parties, but also its Board of Directors have encouraged the management to continuously improve the quality of the internal control to strengthen Good Corporate Governance.

The Risk Management Committee prepared an Assessment of Adequacy of Internal Control Questionnaire for the year 2019 to be responded by the Company's management, and was already reviewed by The Audit Committee.

Assessment of Adequacy of Internal Control System

The Board of Directors considered the assessment of the Company's adequacy of internal control for 2019, as described under of the following 5 sections:

Section 1 Control Environment

The Company's Board of Directors were responsible for directing the Company's business operations, setting business targets for short term (1 year), medium term (5 years) and long term (10 years), along with annual budgeting process, with periodical follow-ups, and also reviews or revisions on the business plan during the implementation in accordance with the situations over time, meanwhile brought to the Board of Directors for consideration and approval.

The Board of Directors has considered setting the target on the operations with circumspection and review that it can comply with the actual targets by analyzing the incentive and remuneration for its employees to be justified.

The Company has clearly defined its organizational structure, separating the administration into two parts, which are the production and maintenance functions, and the support functions, for the management's convenience and optimal efficiency in operations.

In 2018, the Company revised the Company's Business Code of Conduct, which laid out the ethical policy and business code of conduct and with regard to ethics for the management and employees to be prohibited from actions that would cause any conflicts of interest with the Company and its business partners, including establishing policies and practices guide in anti-corruption according to the company has adoption to the Thai Institute of Directors as a member of the Private Sector Collective Action Coalition against Corruption Program as well as the determination of penalties for violations.

The Company has made out the concise written policy and work procedures concerning financial transactions, procurement and general administration that have prevented frauds, also with authorization limits clearly stated.

The Company has continuously developed the information systems as a tool to control possible frauds as well.

To lay out the policy and action plans, the Company has taken fair treatment to the business partners into consideration, by stating the policy and practical principles in the Company's Business Code of Conduct for the management and employees to keep good relationship with all business partners, as well as a measure on treating the business partners honestly, equally, keep confidentiality, and prohibited to receive gifts from the business partners.

Section 2 Risk Management

The Company stipulated that the Management to have a meeting every week. Management of each area will present operation performance together with problem and risk facing in order to find solution and prevention

The Risk Management Committee will analyze and report progress of characteristics of risk and direction of risk management to maximize benefit to the Company.

The Risk Management Committee stipulated measures to appraise the efficiency of risk control in various areas and to reduce possible risks that may affect the Company's operation.

The Risk Management Committee has defined the Annual Risk Management Plan and assigned the Management to proceed with the actions in accordance with the Plan and then report back to the Risk Management Committee.

Section 3 Control Activities

The Company clearly separated the responsibilities of each function with work flow provided, clearly reviewed the regulation on approval authorization in financial and operational matters for the Management to manage the operations with most efficiency. The Company is aware of the importance of a good system of internal control because the good system will be well able to help prevent, administrate and manage a variety of risks or damages which may occur to the Company and its stakeholders.

The Company has determined the measure and procedure for related transactions, and the policy for conflicts of interest altogether in the codes of conduct for the management and employees, with assigning the internal audit department to continuously perform audits and report direct to Audit Committee. Moreover, the Company prohibits any interested parties from approving transactions that would lead to conflicts of interest. In decision making to approve any transactions, the Company mainly viewed the most benefits in a long run. If any transactions were likely to cause conflicts of interest, they had to be reported to Audit Committee or brought to Audit Committee for opinions, as the case may be.

The Company followed up the actions to be taken under the bound contracts and agreements continuously. The Company has had the measures to keep its operations in conformity to the laws to minimize its business risks by employing an external specialized legal counsel to help review documents and give consultation on several proceedings. The Company also has internal audit department to perform audits based on the rules, regulations and laws concerned.

Section 4 Information and Communication

The Company gives importance to the quality of information and communication systems that are crucial support to efficient internal control performance, with the following administrative guideline for information system:

In the Board of Directors' Meetings, Secretary to the Board and the management prepared documents and details of the important agenda for Board of Directors' consideration in advance as information for decision making. And if there were additional details afterwards, the Company provided them as supplemental meeting materials sent to the Board of Directors before or on the day of meeting.

The Company sent the Board of Directors' Meeting invitation letters and the minutes of the previous meetings together with the meeting materials to the Company's Directors for their information each meeting in advance, on average 7 days prior to the day of meeting.

The Company made out minutes of the Board of Directors' Meetings, recording the significant information as well as suggestions, comments and objections (if any), and brought the minutes to the Board of Directors for acceptance in the following meetings. Chairman of the Board gave chances to the Directors to independently rectify or add contents to the minutes.

The Company arranged storing places for accounting entries documents and important documents by category

The Company has applied the accounting policy of Generally Accepted Accounting Principles, under the control and audit by external certified auditors.

The Company has had proper internal communication systems and channels. In addition, the Company has provided the external interested parties with communication channels via its website and e-mail.

Section 5 Monitoring Activities

The management reported the performance results to Executive Committee and the Company's Board of Directors every quarter. In addition, the Company prepared the annual budget for the following year, and would use it as benchmark for the performance appraisal and make systematic comparative analysis report to the Board of Directors.

The Company arranged management meetings weekly to follow up operation results and comparison with the targets and discuss the ways for corrective actions in case the targets were not achieved. Moreover, the Project Committee was appointed to support the Company's targets aiming at development of the operational systems to control the operations as targeted.

The Company arranged for audits on conformity to the established internal control system regularly by the internal audit department making a yearly audit plan that covered finance, operations and the actions taken under the regulations and laws concerned to evaluate efficiency and effectiveness, and also to audit the conformity to the existing internal control system.

The audit result report and progress report. The internal audit department was assigned to report direct to the Audit Committee, follow up and evaluate the significant corrective actions in order to present to Audit Committee and the Board of Directors.

The Company has a policy that its management to have duty and responsibility to report to the Board of Directors regarding the decisions made that significantly affected or might affect the Company's reputation and financial position, including the problems found, such as frauds or illegal actions.

Related Transactions

Details of transactions between the company and parties which may have conflict of interest

Parties which may have conflict of interest	Type of relationship	Activity	Value in 2019 (Million Baht)	Ending balance 2019 (Million Baht)	Description, terms and conditions
Sukhumvit Inter Development Co., Ltd. <u>Type of business</u> Property development with concentration on office building, industrial estate and others	Having common shareholders with the company	Deposit monies - other related businesses	-	2	The cost of untreated water
SSP Place Co., Ltd.	Having common director with GJS	- Deposit - other related business - Other creditor and Accrued expense - other related business	- 10	2 20	Space rental and related services for Head Office
Arnoma Hotel Bangkok Co., Ltd. <u>Type of business</u> Hotel, food and drinks	A juristic entity with common directors and management member as GJS	Other creditor and Expense payable - related businesses	1	3	Fees for the privilege to use the facility to organize various meetings
Oriental Access Co., Ltd. ("OAC") <u>Type of business</u> Business consulting	A juristic entity whose shares are 99.97% indirectly owned via Siam Professional Holdings Co., Ltd. and having common directors with the company	- Debtor for consulting fee on behalf of a subsidiary - Provision for bad debt - (Reverse) provision for bad debt - Debtor (obligation from giving guarantee on behalf of a subsidiary) - Provision for bad debt - Loan to a subsidiary - Provision for bad debt - Interest receivable from a subsidiary - Provision for bad debt	- - (242) - - - - - -	1,053 (1,053) - 1,313 (1,313) 2,547 (2,547) 209 (209)	- Fee for consulting services provided by the company to OAC on managing production process and business consultation - Shareholders use the new shares as security to collateralize OAC's liabilities.

Parties which may have conflict of interest	Type of relationship	Activity	Value in 2019 (Million Baht)	Ending balance 2019 (Million Baht)	Description, terms and conditions
G J Steel PCL (“GJS”) <u>Type of Business</u> Produce hot rolled steel sheets	A juristic entity in which the company and subsidiary indirectly hold 18.72% shares and having common directors.	<ul style="list-style-type: none"> - Receivable from tolling service - Debtor for buying raw material and other items - Creditor of subsidiary - Short Term Loan - subsidiaries - Accrued interest - subsidiaries 	<p>274</p> <p>36</p> <p>311</p> <p>(94)</p> <p>17</p>	<p>6</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p>	<ul style="list-style-type: none"> - Tolling Service - Sale of scrap at the price based on the cost-plus method with the general business conditions, which was not higher than the price paid to other suppliers - Loan from GJS by issuance of Promissory note
Siam Professional Holdings Co., Ltd. (SPH)	A 99.99% subsidiary, having common directors	<ul style="list-style-type: none"> - Lend monies to subsidiary - Provision for bad debt - Interest receivable from subsidiary - Provision for bad debt 	<p>-</p> <p>-</p> <p>-</p> <p>-</p>	<p>7</p> <p>(7)</p> <p>1</p> <p>(1)</p>	For investment
GS Securities Holding Co., Ltd. (GS Securities)	A 99.99% subsidiary, having common directors	<ul style="list-style-type: none"> - Creditor of subsidiary - Short term loan - subsidiary - Long term loan - subsidiary - Other creditor and accrued expenses - other related - Interest payable - subsidiary 	<p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>41</p>	<p>4</p> <p>19</p> <p>313</p> <p>73</p> <p>314</p>	Special Purpose Vehicle for debt restructuring
Asia Metal PCL	A related company having common shareholder with a subsidiary	Advance received from customers - related business	-	1	Sale of hot rolled steel sheets at market price under normal trade terms similar to other customers which have good financial position and pay in line with the company’s payment terms.
Grand Asia Steel Processing Center Co., Ltd. (Formerly Asia Metal Fabrication Co., Ltd.)	A subsidiary of a related company	<ul style="list-style-type: none"> - Advance payment for land / building / equipment Purchase - Provision for bad debt - Creditor for machinery and construction works 	<p>-</p> <p>-</p> <p>-</p>	<p>8</p> <p>(8)</p> <p>2</p>	Construction contractor

Parties which may have conflict of interest	Type of relationship	Activity	Value in 2019 (Million Baht)	Ending balance 2019 (Million Baht)	Description, terms and conditions
Superior Overseas (Thailand) Co., Ltd.	Related business with the company's shareholders	<ul style="list-style-type: none"> - Liabilities from terminated rehabilitation plan and compromise - Accrued interest - other related business 	<ul style="list-style-type: none"> - 54 	<ul style="list-style-type: none"> 146 - 	<ul style="list-style-type: none"> Guaranteed Debt - Litigation from guarantees by OAC
Great Siam Steel Work Co., Ltd.	Common directors with GJS	<ul style="list-style-type: none"> - Other creditor and accrued expenses -other related 	1	1	Service
Mahachai Steel Center Co., Ltd.	Related business with the company's shareholders	<ul style="list-style-type: none"> - Creditor - other related business - Advanced Payment for scraps - Other creditor and accrued expenses - other related business - Accrued interest other related business - Debtor - related business 	<ul style="list-style-type: none"> - - - 41 - 	<ul style="list-style-type: none"> 196 81 39 92 - 	<ul style="list-style-type: none"> - Purchase of iron scraps for use in the production process. The purchase price is based on the cost plus normal profit under normal trade terms. The price is not higher than offered by other iron scraps suppliers. - Sale of hot rolled steel sheets at market price under normal trade terms similar to other customers which have good financial position and pay in line with the company's payment terms.
The Steel Public Company Limited	Related business with the company's shareholders	<ul style="list-style-type: none"> - Debtor - other related business 	140	-	<ul style="list-style-type: none"> - Sales of hot rolled steel sheet at market price in line with normal trade terms similar to other customers with good financial position and pay according to the company's payment terms.
Liberty Steel Siam Co., Ltd.	Related business with the company's shareholders	<ul style="list-style-type: none"> - Debtor - other related business - Creditor - other related business 	<ul style="list-style-type: none"> 147 - 	<ul style="list-style-type: none"> - - 	<ul style="list-style-type: none"> - Sales of hot rolled steel sheet at market price in line with normal trade terms similar to other customers with good financial position and pay according to the company's payment terms. - Purchase of iron scraps for use in the production process. The purchase price is based on the cost plus normal profit under normal trade terms. The price is not higher than offered by other iron scraps suppliers.

Parties which may have conflict of interest	Type of relationship	Activity	Value in 2019 (Million Baht)	Ending balance 2019 (Million Baht)	Description, terms and conditions
Asia Credit Opportunities I (Mauritius) Limited (ACO I)	GJS's Major shareholder (Since 21 September 2017)	<ul style="list-style-type: none"> - Other creditor and accrued expenses-other related business - Current portion of long-term loan from related party - Accrued interest -other related business 	<p>-</p> <p>-</p> <p>342</p>	<p>1,300</p> <p>314</p> <p>139</p>	<p>Transferring debt to new creditor</p> <p>Transfer from Mr. Nirum Ngamchammunrit as 18.12.2018 Amount 314 MB</p>
Link Capital I (Mauritius) Limited ("Link Capitla I")	Related party which is a wholly-owned subsidiary of SSG Capital Partners III, L.P. ("SSG III")	<ul style="list-style-type: none"> • Short term loan • Long term loan • Accrued Interest 	<p>811</p> <p>1,934</p> <p>481</p>	<p>⁸¹¹</p> <p>1,934</p> <p>⁶¹</p>	US 84.10 million credit facilities Interest rate of 12 percent per annum
SSG Capital Management (Mauritius) Limited ("SSG Capital Management")	Related party which is a wholly-owned subsidiary of SSG Capital Holdings Limited	- Other creditor and accrued expenses	67	³⁸	consultant fee to advise on business management and the company's performance
Synergy Strategic Solutions Management DMCC ("Synergy")	Common directors with the Company's and the Company's advisory	- Other creditor and accrued expenses	29	⁴⁴	Is a fee for business consultants to advise on how to improve production efficiency, profit and cash flow.
Ms. Nangnoi Triwut	A relative of subsidiary's director	<ul style="list-style-type: none"> - liabilities from terminated rehabilitation plan and compromise - Accrued Interest -other related person 	<p>-</p> <p>1</p>	<p>30</p> <p>8</p>	On 28 March 2012, the company entered into an agreement to borrow from Ms. Nangnoi Triwut amounting 30 million baht at the interest rate of 12% p.a. Under the terms of the agreement, the company offered shares of GJS held by the company
Mr. Nirum Ngarmchamnunridhi	A company's shareholder	<ul style="list-style-type: none"> - Long term loan from other related person, payable within 1 year - Long term loan from a related person - Accrued interest - other related person 	<p>-</p> <p>-</p> <p>-</p>	<p>-</p> <p>-</p> <p>-</p>	On 17 February 2014, the company's Board of Directors meeting approved the signing of a loan agreement with a customer who provides financial support by way of long term loan of 400 million baht with tenor of 5 years at interests rate of 12% p.a. (Transfer to ACO I as 18.12.2018 Amount 314 MB)
Mr. Veerachai Suteerachai	Director of related Company	<ul style="list-style-type: none"> - Other creditor and accrued expenses -other related person - Accrued interest 	<p>-</p> <p>3</p>	<p>48</p> <p>9</p>	Transferring Kwang SOGO debt to new creditor

Steps or measures for approval to enter into related transactions with related companies or individuals who may have conflict of interest.

The company has strict measures to protect every shareholder by setting standards to control transactions with related companies or individuals who may have conflict of interest, as follows:

1. In approving to enter into transactions with related company, business ally and individual who may have conflict of interest (together called “Parties which may have conflict of interest”), the Board of Directors and the Audit Committee shall consider and set a clear policy as follows:
 - The Board of Directors must abide by the laws stipulated by the Securities and Exchange Act, regulations, announcements, directives of the Securities Exchange Commission and the Stock Exchange of Thailand (SET) including abiding by the SET’s guidelines on declaration of information on connected transactions, the obtainment, distribution of the company’s key assets or its subsidiaries and to comply with the accounting standards set by the Accountants Association.
 - Set clear guidelines on the management and approval authority of managers at different levels.
 - In the event the chairman of the Management Committee or an individual who may have conflict of interest , gain or loss with the company, related companies or individual who may have conflict of interest, the chairman of the Management Committee cannot approve such transaction.
 - In the event a director or an individual who may have conflict of interest, gain or loss with the company, related companies or individuals who may have conflict of interest, the Management Committee must propose the said matter to the company’s Board of Directors for consideration and approve such transaction.
 - In the event a director or an individual who may have conflict of interest, gain or loss with the company, related companies or individuals who may have conflict of interest, such director cannot approve such transaction.
 - A shareholder who may have conflict of interest in any related transaction, such shareholder cannot approve the transaction.
2. In the case where the transaction is a normal trade transaction with a related company or individual who may have conflict of interest (e.g. in purchasing raw material or avail services, selling of products etc).
 - The internal audit department shall examine each of such transactions on monthly basis in order to check whether there is any reference price with the market and contains normal terms & conditions comparable to other external trade partners for the maximum benefits to the company and report the outcome to the Audit Committee for consideration each quarter.

- The Audit Committee shall consider and provide opinions on the necessity and reasonableness of the proposed transaction for the maximum benefit to the company by considering the price and trade terms relative to external trade partners for the same product or resembling the same product. In the case the Audit Committee discover any deviation from the given policy, the Audit Committee shall inform the Board of Directors or the chairman of the Management Committee and jointly find a solution.
3. In the case of other transactions such as lending or borrowing monies, obtainment and distribution of key assets or entering into agreements etc. the company will arrange for the Audit Committee to provide opinions on the appropriateness of the price including the necessity and reasonableness of such transaction. If the Audit Committee lacks the necessary expertise to consider such related transaction, the company shall arrange for an independent expert or the company's external auditor to consider and provide opinions on the said related transaction to enable a decision by the company's Board of Directors or the shareholders, whatever the case may be.

Policy on related transactions in the future

The company has a policy to enter into related transactions in future by setting various terms and conditions in line with normal trade transactions and at market price similar to those entered with external party for the maximum benefit to the company. In the circumstance, the company has no policy to provide financial assistance or provide guarantee to related companies or an individual who may have conflict of interest. For any related transaction in future with individual who may have such conflict of interest, the company shall request the Audit Committee or the company's external auditor or an independent expert, as the case may be, to consider and provide opinions with regards to the appropriateness of the price and the reasonableness in entering into such transaction. Moreover, the company shall abide by the measures or steps for approving related and connected transactions in line with the announcement of the Securities and Exchange Commission.

Corporate Social Responsibility

Overall Policy

The Company adheres to doing the operations on Corporate Social Responsibility (CSR) under the good governance principle and prioritization of the management of natural resources and the environment with sustainability. Khunying Patama Leeswadtrakul, chief CSR, is the responsible person to give support and promotion on the CSR operations for concrete continuity. She adheres to the policy on focusing the CSR from inside out. It means including taking care of the stakeholders such as the employees and their families, customers and creditors, shareholders, the surrounding communities, government agencies, suppliers and contractors, analysts, investors and financial institution, academics, educational institution and the media.

However, the Company has implemented the CSR is based on the guidelines of “Leader in global steel supply” and has the mission involved with responsibility towards society and the environment. It is “Conservation of the environment and return to the society”, “promotion of value to the stakeholders”, and “Cooperate to Anti Corruption” which is the important mission leading to sustainability.

Policy on the CSR and the Environment

The organization adheres to the business with transparency, accountability, ethics, and respect of human rights, fair treatment of labor, anti-corruption, equity marketing and consumer protection as well as considering the impact on the stakeholders. Also it has determination on the operations with the responsibility for various impacts from the operations, including giving priority to the environment and promotion of participation and sustainable community development.

Implementation

The company has designated the policy, business ethics and practical guidelines, as well as punishment in the case involving the fair operations, relations with the involved stakeholders and the operations with a conflict of interest, including anti-corruption.

1. Supervision of the organization

It has the guidelines that all the employees have to perform the duty with integrity, ethical working, adhering to the bylaws of the Company within the requirements, rules and various laws involved with its business operations strictly. It gives respect to the rights and interest of the stakeholders that it has relations. It also cooperates with a state agency or organizations that regulate the business of the Company. Also it has to perform with circumspection, prudence and management of various resources among the personnel, finance, natural resources to have cost effectiveness and optimum benefit to the Company and the public. Meanwhile, it can reveal information and review of the monitoring for transparency and accountability.

2. Human Rights

It has guidelines for all of its employees to respect and treat all the stakeholder groups with egalitarianism and equality based on the principle of respect to the human rights at the international level. They have the basic rights in livelihood and working, the right to expression and opinion, including the right to economics, society, culture,

religion and politics without discrimination on racism, religion and no violation of the various rights, as well as no exploitation of all the groups of the stakeholders, including the groups that need special care such as children, women, disable persons, the elderly, etc. Moreover, it has to avoid participation in the offence on violation of the human rights directly and indirectly towards the internal and external units as well.

3. Fair Competition

It has a policy on business competition with fair marketing and protection of the consumers considering the impact on the stakeholders. It includes countering market dumping, anti-corruption of all forms. It shall be the impetus to make the Company stronger and dynamic all the time. The management and all of its employees have to learn and develop themselves all the time and comply with the policy on fair competition strictly, no exploitation of the competitors by any means that is not fair and/or against the business ethical principle.

4. Relationship with its Employees

It has the policy to treat all of its employees with egalitarianism according to the principle of respect to the human rights at the international level. All of its employees shall treat their colleagues with respect and honor, dignity and the right to privacy. The Company shall collect and keep the personal background of all its employees only the part is necessary for working as a legal requirement. It is considered as confidential. A disclosure can be made only in the case of legal requirement only. It shall open the opportunity for the employees at all levels can develop their skills and training to have an opportunity for advancement in the occupation on the basis of equality and without bias.

The company's target for the development of skills, knowledge and abilities training is 70 percent of total employees. For year 2019, the Company has arranged for employee's training in an amount of 94.57 percent of total employees. The average hour of training is 18.03 hours per person per year.

Furthermore, the Company has measures on promotion of health, safety and the working environment with the management of the working environment to be safe, hygienic and fostering work with optimization. Also it shall provide knowledge to the employees on health and working safety, including providing a check-up for its employees annually.

5. Relationship with the Customers

The Company has a policy of focusing on the relations and cooperation in the long term with the customers, by requiring the management and all the employees to treat the customers based on integrity, reliability and mutual trust with the priority is building maximum satisfaction to our customers with responsibility, attention and prioritization of the problems and demands by the customers and the following guidelines:

1. Adheres to presentation and delivery of the products meeting the standards and the quality coincides with the demand of the customers.
2. Adheres to the various conditions agreed to the customers at the best.

3. Offers the price and the conditions to the customers in the same group must be with the same conditions.
4. Gives truthful information to the customers on the qualification and quality of the products for building confidence and equity to our customers.
5. Be ready to answer the questions of our customers, including implementation on the complaints, advice and follow-up on the progress in various issues received from the customers.

6. Relationship with the Trade Partners

The Company has a policy to build up good relationship with its suppliers/subcontractors by opening an opportunity to present goods/services with equal opportunity. The management and the relevant employees have to perform the job with honesty/loyalty, and the consideration and decision-making must be based on a comparison of quality of the goods/services, prices and conditions. It is based on the optimum benefit of the Company in the short-term and long-term. Also it is prohibited from taking a bribe or any commissions from the trade partners, as well as disclosing or offering information of one or multiple trade partners to another trade partners directly and indirectly.

7. Relationship with the Local Community

The Company has a policy of taking care of the locality, with the management and the employees to treat the local community nearby the plant with friendship and good relations with them by following these guidelines:

- 1) Treat the local community with respect on their right and has responsibility, open the opportunity for the local community to participate and the community development in various issues to have good livelihood as appropriate on education, culture, public health, economics, employment and income generation, etc. It includes no prejudice or hindrance on those groups that need special care such as children, women, the disabled persons, the elderly, etc.
- 2) Treat the local community with responsibility by solving their problems in case the consequential problems arise from the operations of the Company fairly and with equality. It includes participation in the local community in solving other problems arise but not related to the operations of the Company as appropriate.
- 3) Provide care and support activities with benefit on the society and cooperation with the public sector and various agencies in the locality with willingness and sacrifice for the benefit towards the locality.

8. Responsibility for the Environment

The Company has the policy on the responsibility for the environment with the management and the employees jointly are responsible for taking care and improving the production process and the waste treatment system. It is to make sure it has the minimum impact on the environment and has to resolve it promptly and seriously with urgency upon receiving a complaint on the environment. It includes management of natural resources and the environment to have optimum efficiency.

9. A Conflict of Interest

It has guidelines for all the employees to work considering the maximum benefit of the Company and the stakeholders, by not allowing the personal or family reason to influence the decision to distract the above principle. So it is not the characterization of seeking personal interest that is a conflict of interest of the Company and its customers.

10. Use of Insider Information for securities trading

It has guidelines that all of its employees have to adhere and keep the insider information as a secret, because it is an important factor that the investors have to use in making their decision. Regardless of being the information on the operation results, the plans on a business expansion or other data, which if a person receives insider information and uses it to trade on the shares of the Company, but it has not been revealed to the SET, it would be unfair to other investors, who do not know that information. So the Company has a policy to prohibit it from using the insider information that is not disseminated to the public for trading of its shares.

11. Anti-Corruption and Bribery

The Company places an importance on the business operation with honest, taking responsibility for society and its stakeholders. The Company also adheres to the principles of good governance, Code of Conduct of the Company (“Code of Conduct”) for its business operation, including in compliance with requirements of laws strictly.

In order to comply with the Good Corporate Governance and with the Good Corporate Governance Standard generally acceptable for the listed companies, on 13 November 2017 the Board of Directors has considered and unanimously resolved to approve the Anti-Corruption Policy, announced and communicated with all directors, executives and employees of the Company for enhancing their knowledge and understanding of the importance of Anti-Corruption policy. As a result, all directors, executives and employees of the Company have been involved and recognized of the implementation of imposed practices and relevant regulations in the Company’s business operation. In addition, the Company has been certified as a member of CAC. The certification will be valid for 3 years from the date of approval.

For year 2019, the company has arranged for training for all new employees and all current employees which is 100 percent. This includes outsources, who work within the Company’s area, such as contractors, so that employees and outsources are aware of various regulations, related to the Company’s Anti-Corruption policy, penalties and guidelines for corrective action.

In this connection, the internal audit of the Company has the duty/responsibility to follow up on the anti-corruption and bribery, and opens an opportunity for its employees to report such the incident via the comment box or email or by phone to it directly. Such implementation may be made with a precaution and confidentiality. It also shall be no disclosure on the accusing source and the whistle blower is given protection, and it shall be reported to the inspection committee for further consideration or implementation.

Business operation impact to Social Responsibility

- None -

Activities for Social Responsibility and Environment

G Steel Public Company Limited by Khunying Patama Leeswadtrakul our Chief of Corporate Social Responsibility has provided policy and fully support for social activities and environment every year both internal and external. During 2019, the Company has CSR activities as below,

Participating in social development

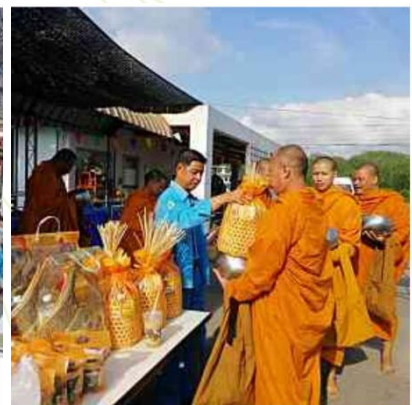
Blood donation to the Thai Red Cross Society

On 15 January 2019 and 17 September 2019, the Company arranged for 167 employees in participating in blood donation with the Thai Red Cross Society, totaling 74,300 cc.



Activities arranged for the Thai cultures and traditions conservation

Ceremonies regarding Songkran festival or Thai New Year were annually held in the Company's plant, i.e., offering food to monks. The Company also supported the budget and participated in Songkran festival related activities such as pouring water on the hands of senior citizens at the Nonglalog community, Bankhai District, Rayong Province, These activities also serve as a preservation of Thai culture.



Participating in Education Development

Internship program

In order to give opportunities to learn and practice in areas corresponding to their courses, the Company annually arranges for the internship program by selecting students from various educational institutions to be intern at the Company's factory in Rayong, In 2019, there were 13 interns, students from 7 institutions, details as listed below:

No.	University	Number of interns
1	King Mongkut's University of Technology North Bangkok	1
2	Suranaree University of Technology	4
3	Rajamangala University of Technology Thanyaburi	1
4	Ubon Ratchathani University	2
5	University of the Thai Chamber of Commerce	1
6	Bankhai Technical College	3
7	Thai Itoh Technological College (Pattaya)	1
Total interns		13

Job & CO-OP Fair

On 29 Mar 2019, the Company joined Suranaree University of Technology's job & Co-Op fair 2019 at Suranaree University of Technology, Nakhon Ratchasima Province to recruit for new employees and interns.



On 25 January 2019, the Company joined Rayong Technical College to recruit for new employees.



Children Day Activity

In order to support the Children Day activity, the Company on 12 January 2019, had cooperated with Sub district Administrative Organization of Nonglalog Bankhai District Rayong.



Participate in community economic development

The Company annually and continuously gave opportunities to farmers in the Nonglalog community to bring their products for sale to employees in the Company's factory, This would help the local community earning more income without expenses incurred.



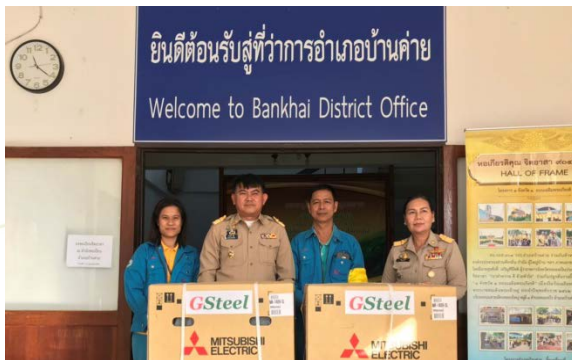
Open House Learning Project

The Company has a policy to “open opportunity for learning” to various groups, either government or private sector, to impart hot rolled coil sheet production knowledge including environmental management system. On 17 January 2019, the Republic of the 7 Group - Thai Metal Industry Entrepreneurs Association were invited to observe the production process and the environmental management system.



Providing financial support for local community activities

In addition to activities or various projects, the Company provided financial support and jointly participated in local communities activities at Nonglalog sub district, not only the third month cultural activities, Songkran festival, but also Red Cross fair in Rayong Province and supported football sports cup at Nonglalog, and etc.



Internal Activities by Inner CSR team

The Company arranged internal activities for employees on below detail,

Internal Activities by Inner CSR team

The Company provides yearly health checkup for employees on 6, 8, 14, 15 November 2019.



Knowledge Improvement on wellness

Apart from the above activities, the Company emphasized on employee's awareness on cause of disease, warnings and precaution by internally distributing leaflets via e-mail, folded sheets and as attachments to the bulletin boards as well as encouraging the inviting to “We love health” program”



G Fight Runner program

As awareness of employee's good health, “G Fight Runner”, this would be in accordance with the Company's health objectives and goals.



G Steel sport Day & Safety Day

The Company arranged the annual sport activities for employees to increase good relation, teamwork, unity and motivate the employees to have better health. In addition “Safety Day” for Safety Innovation Contest.



Activity CSR-DPIM Network

On 15 February 2019, The Company joined “1 decade of CSR-DPIM to create society” at Department of Primary Industries and Mines–DPIM.



The Company joined & learning with Department of Primary Industries and Mines–DPIM at Siam City Cement Public Company Limited (Suphanburi) on 25–26 April 2019.



On 19 September, the Company received “the Green Mining Awards 2019” that is the Green Mining Standard Award for the Metallurgy Factory, and “the CSR-DPIM Continuous Award 2019” for the factory that has continuous social responsibility operations from Mr. Dheerayut Varnitshang, Vice Minister for Industry, Ministry of Industry in the “Green Mining Award 2019” organized by the Department of Primary Industries and Mines, Ministry of Industry.



The Company joined & learning with Department of Primary Industries and Mines–DPIM at Asia Cement Public Company Limited (Phetchaburi) on 7-8 November 2019.





Management's Discussion and Analysis

Management Discussion and Analysis Yearly Ending 31 December 2019

Highlights

	Unit : million Baht	Y2019	Y2018
Group	Group Revenues	17,416	29,966
	Group Net Profit (Loss)	1,457	(2,358)
HRC	HRC Sales (k tons)	970	1,450
	HRC Production Volume (k tons)	1,024	2,066
	HRC Average Selling Price (Bht/Ton)	17,950	20,662
	Unit : million Baht	31-Dec-19	31-Dec-18
Group	Total Assets	26,400	30,632
	Total Liabilities	9,219	20,532
	Total Equity	7,014	172
	Minority	10,168	9,928

The Consolidated sale revenue posted stood at Baht 17,416 million decreased by Baht 12,549 million compared to last year since both sale volume and average selling price decreased considerably due to slowdown in Thai economy, strengthening of Thai Baht, and surge in imports of Alloy Steel and Galvanised HRC post expiry of safeguard duties. While total shipment volumes dropped by 33%, the selling prices dropped by 13%

The Company reported sale revenue of Baht 4,494 million which is an increase by Baht 4,438 million compared to Last Year since the Company resumed own production since May 2019 after Termination of Tolling Agreement by G J Steel Public Company Limited in February 2019.

The Company reported a net profit of Baht 3,345 million compared to loss of Baht 1,810 million last year mainly due to waiver of interest of Baht 5,506 from creditors consequent to conversion of the Debt to Equity, Gain from capital reduction in Subsidiary Baht 1,130 million and Foreign Exchange gain of Baht 684 million.

Significant events during the quarter are -

- Restructuring of Debt of Baht 4,195 million to Equity and waiver of interest as above, thereby increasing the Profit and Equity of the Company.
- Sale of Assets under construction to Free Zone in order to alleviate payment of import duty, VAT, Customs Duty & Penalty. This resulted in Loss from sale of fixed assets Baht 946million.
- Restructuring of SBLC into deemed loan of USD 12.8 million.

Performance

Revenue from sale and cost of sale

The Company reported sale revenue of Baht 4,494 million which is an increase by Baht 4,438 million compared to Last Year as explained above. The consolidated sale revenue of Baht 17,416 million decreased by Baht 12,549 million or 42% compared to last year due to the drop of 33% in sale volume and 13% in selling price.

Selling Expenses

The Company recorded selling expense of Baht 64 million, which increased by Baht 61 million compared to last year because the Company produced for its own sale in this year but under tolling contract last year.

Consolidated selling expenses for the year 2019 amounted to Baht 239 million which decreased by Baht 126 million compared to last year due to decrease in sales volume.

Administrative Expenses

The Company recorded administrative expenses of Baht 378 million for year 2019 and Baht 155 million for 2018. The increase by Baht 223 million, mainly came from the expenses allocated from administrative expense to tolling service expense for Baht 187 million last year, while the allocation reduced only to Baht 18 million in Year 2019 and the balance was charged to administration expenses. (The tolling service contract terminated on 31 January 2019). The Company also recorded expenses for fees of Baht 67 million in year 2019 according to Financial Advisory Services Agreement.

Total consolidated administrative expense for the year 2019 and 2018 amounting to Baht 940 million and Baht 843 million, respectively, increased by Baht 97 million.

Gain from debt restructuring

Consolidated gain from debt restructuring amounted to Baht 5,506 million which resulted from compromise agreements signed by the Company with many creditors whereby debt was converted to equity along with interest haircut from 8 creditors.

Net gain on foreign exchange rate

The consolidated financials recorded a net gain on foreign exchange amounting to Baht 976 million due to the appreciation of the Thai Baht versus the US dollar (Separate: Baht 684 million).

Financial position

Total Assets

As of 31 December 2019, the consolidated total assets amounted to Baht 26,400 million, which decreased by Baht 4,232 million or 14% from year ended 2018, totaling to Baht 30,632 million. Out of the total assets, Current Assets amounted to Baht 3,590 million, decreased 34% and non-current assets amounted to Baht 22,810 million, decreased 9% from year ended 2018. Current Assets reduction mainly on account of decrease in inventory of subsidiary, Non-current assets decreased mainly due to sale of Assets under Construction.

Cash and cash equivalent

As at 31 December 2019, the Consolidated cash and cash equivalent balance was Baht 464 million, which increased by Baht 206 million or 80% from year ended 2018. The Cash and Cash Equivalent for the Company decreased by Baht 17 million.

Cash Flow

- Net cash flows used in operating activities Baht 599 million
- Net cash flows used in investing activities Baht 134 million.
- Net cash flows provided by financing activities Baht 939 million.

(For further details please refer to the Statement of cash flows)

Inventories

Inventories of the consolidated Financial Statement amounted to Baht 2,632 million or 10% of total assets, which reduced by Baht 1,979 million from year ended 2018 mainly due to the decrease of the inventory of the Subsidiary. Inventory of the Company increase by Baht 603 million due to resumption of production for its own sale post termination of Tolling.

Total liabilities

Total liabilities of the consolidated Financial Statement as at 31 December 2019 amounted to Baht 9,219 million, which decreased by Baht 11,313 million or 55% from year ended 2018 since the Company converted debt to equity creditors according to debt to equity program in December 2019.

Current liabilities decreased Baht 13,408 million due to:

- Other payables and accrued expenses decreased by Baht 6,012 million mainly from the debt to equity conversion program and reclassify current liabilities to Non-current liabilities according to Debt Restructuring Agreement and Debt Amendment Agreement of the Company.
- Accrued interest expenses decreased by Baht 4,780 million mainly came from interest hair-cut according to compromise agreements and debt to equity conversion program.
- Trade accounts payable decreased by Baht 1,379 million, mainly due to the repayment of liabilities by the subsidiary. Trade accounts payable of the Company increased by Baht 315 million due to resumption of own operations.
- Short-term loan from related parties decreased by Baht 458 million. Mainly from subsidiary. The Company's short-term loan from related parties decreased by Baht 26 million due to the Company repayment some short term loan to subsidiary (GS Securities holdings company) amounting to Baht 714 million, remaining by Baht 313 million. And repayment loan to GJ Steel Baht 94 million (At year ended, no outstanding debt with GJS) and it had reclassified from current liability to non-current liability Baht 30 million according to compromise agreement. Nevertheless, debt increase from the Company as it entered into non-revolving USD short term loan facility 14.1 million with Link Capital I (Mauritius) Limited and Debt from Standby LC devolvement around USD 12.8 million.
- Short-term loan from financial institution decreased by Baht 213 million due to repayment of the debt by the Company as per the Debt Settlement Agreement.
- Liabilities from terminated rehabilitation plan and compromise decreased by Baht 171 million. Resulted from entered into compromise agreement with some creditors. The Company partly repaid some debt and converted balance debt to equity per the agreement.

Short-term loan from other parties decreased by Baht 107 million resulting from compromise agreement signed by the Company and part of this amounting to Baht 25 million was reclassified as Non-current liabilities and converted to equity amounting to Baht 82 million.

Non-current liabilities increased Baht 2,094 million derived from:

- Long-term loan from related party increased by Baht 817 million. The Company decreased by Baht 201 million since the Company repay long term loan to subsidiary (GS Securities holdings company) amounted to Baht 1,086 million, however, the Company had new non-revolving USD working capital facility 30.0 million USD with Link Capital I (Mauritius) Limited.
- Liabilities under rehabilitation plan and compromise agreement increase Baht 218 million due to Compromise Agreement signed with some creditors so the Company got extension for the repayment and the liabilities under Current Liabilities was reclassified to Non- Current Liabilities.
- Other payables and accrued expenses increased by Baht 1,019 million. Resulted from reclassified current liabilities to Non- current liabilities according to Debt Restructuring Agreement and Debt Amendment Agreement of the Company with one creditor.

Shareholders' equity

As of 31 December 2019, the Consolidated Financial Statement had the shareholders' equity of Baht 17,182 million which increased by Baht 7,081 million YoY. It came from both the Company and subsidiary. The Company had net profit by Baht 3,345 million which resulted from the creditor's debt reduction according to compromise agreement, gain from exchange rate etc.

Summary of significant financial ratio (consolidated financial statements)

Financial Ratio	2019	2018	2017
Liquidity ratio (time)	0.62	0.29	0.31
Debt-to-equity ratio (time)	0.54	2.03	1.60
Gross Profit margin (%)	(10.69)	(0.77)	2.83
Net profit margin to sales* (%)	15.19	(5.55)	(1.51)
Average return on equity** (%)	73.65	(154.97)	(18.81)
Average return on assets*** (%)	9.28	(5.29)	(1.20)
Net profit (loss) per share (Baht)	0.31	(0.24)	(0.06)
Net book value per share**** (Baht)	0.81	0.03	0.29

* Calculate from the profit (loss) of the parent company which excluding Non-controlling interests

** Calculate from the profit (loss) of the parent company divided by total shareholders' equity (Exclude Non-controlling interests)

*** Calculate from the profit (loss) of the parent company which excluding Non-controlling interests

**** Calculate from total shareholders' equity (Exclude Non-controlling interests)

Commitments and off-balance sheet liabilities management

The Company has disclosed as per details in the note No. 46 to the financial statement for the year 2019.

Factor effect to the future operation

As due to the Company and its subsidiaries has major imported raw materials for both scrap and pig iron from oversea, therefore there are major expenses in US dollar currency in which the exchange rate is uncontrollable factor. As a result, the exchange rate is the major factor effect to the future operation of both the Company and its subsidiaries. In case of Thai Baht is devalued as compared to US dollar, then the production cost will be increased. However, the Company and its subsidiaries manages the risk of exchange rate by benchmark the selling price with the world market selling price, which primary refers to US dollar. It likewise purchase and sell in the same currency which could reduce risk from exchange rate fluctuation in a certain level. Besides, the Company has the adaptation plan in respect of various projects aiming to reduce production cost in order to be able to competitive with the competitors and the importers. These projects are in the form of energy cost saving, increase efficiency as well as minimize loss in the production process, etc.

Audit Committee Report

- Unofficial Translation -

Audit Committee Report

To the Shareholders of G Steel Public Company Limited

G Steel Public Company Limited's Board of Directors has appointed the Audit Committee consisting of three independent directors as follows:

1.	Mr. Li Zhong	Yuan	Chairman of the Audit Committee
2.	Mr. Teerapol	Pussadet	Member of the Audit Committee
3.	Asst.Prof.Dr. Teerachai	Arunruangsirilert	Member of the Audit Committee

The Audit Committee has appointed Mr. Chuchai Ueasuksathaporn as secretary to the Audit Committee.

The Audit Committee of G Steel Public Company Limited is responsible for reviewing the internal control system, approve the report or disclose information, present matters to the Board of Directors for acknowledgment, consent or approval, including coordinate with the certified public accountant for acknowledgement of the audit results, notes and recommendation of such certified public accountant, together with the recommendation to the Board of Directors for the purpose of transparency, the adequate internal control system and to comply with relevant laws and regulations. In addition, the Audit Committee is responsible for the endorsement of the appointment and remuneration of the certified public accountant to the Board of Directors for further proposal for the general meeting of shareholders' approval.

In the fiscal year ended 31 December 2019, the Audit Committee verified the correctness and sufficiency in the essence according to the generally accepted accounting principles. It includes the consideration on the internal audit, risk rating and various job performances to comply with the legitimate requirements and the requirements of the Stock Exchange of Thailand. This verification did not verify all items, but use the method of testing on the items that deemed to have importance according to the work plan of the audit section.

The Audit Committee did not find any essential shortcomings in the internal audit with impact on the financial statement significantly and reports the result to the Board of Directors.

Audit Committee

-Li Zhong Yuan-	-Teerapol Pussadet-	-Teerachai Arunruangsirilert-
(Mr. Li Zhong Yuan)	(Mr. Teerapol Pussadet)	(Asst.Prof.Dr. Teerachai Arunruangsirilert)
Chairman of the Audit Committee	Audit Committee Member	Audit Committee Member

Financial Statements 2019

Financial Statements 2019

G STEEL PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
THAILAND

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
AND
INDEPENDENT AUDITOR'S REPORT

EXPRESSED IN
THAI BAHT



A. M. T. & Associates

สำนักงาน เอ. เอ็ม. ที. แอสโซซิเอท

Accounting Management & Tax Services

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INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of G Steel Public Company Limited

Opinion

I have audited the consolidated financial statements of G Steel Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of G Steel Public Company Limited. (the "Company") which comprise the consolidated and separate statements of financial position as of December 31, 2019, the related consolidated and separate statements of changes in equity, comprehensive income and cash flows for the year then ended, and notes to the 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 financial position of G Steel Public Company Limited and its subsidiaries and of G Steel Public Company Limited as of December 31, 2019, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). 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 under the royal Patronage of his Majesty the King's 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 Related to Going Concern

As described in note 1.2 to the financial statements, as of December 31, 2019 and 2018 part of financial position of the Group and the Company are as follows;

Risk effected to the going concern	Million Baht			
	The Group		Company	
	As of December 31,		As of December 31,	
	2019	2018	2019	2018
(1) Profit(Loss) for the years	1,457	(2,358)	3,345	(1,810)
(2) Deficit	22,253	24,900	24,304	27,649
(3) Current liabilities exceed current assets	2,154	13,691	3,467	15,265
(4) Equity attributable to owners of the Company (Capital deficiency)	7,014	172	4,963	(2,577)
(5) EBITDA	4,416	609	5,027	(256)

These were affected by various factors including the asset devaluation from partial assets appraisal, the default payment on the debt restructuring plan, the meeting of the Company's Shareholders has resolved the disapproval its business rehabilitation plan according to the Debts to Equity Conversion Plan by a way of allocation and offering of the newly issued ordinary shares of the Company according to the Debts to Equity Conversion Scheme as agreed with a new creditor, the fluctuation of global economics and the dumping of goods from foreign steel manufacturers. Subsequently during the year 2019, the Company has negotiating debt restructuring with new creditor by which of conversion debts-to-equity in successfully as described in note 1.3 and note 28 to the financial statements combination with the providing credit facility for additional working capital as described in note 17 to the financial statements. However as of December 31, 2019, the Group and the Company still have current liabilities exceeding current assets of Baht 2,154 million and of Baht 3,467 million respectively. These factors may cause the significant doubt on going concern of the Group and the Company.

However, my opinion is not modified in respect of this matter.

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. In addition to the matters described in the Material Uncertainty Related to Going Concern section, I have determined the matters described below to be the key audit matters to be communicated in my report.

Key Audit Matters included Audited Procedures are as follows:

Impairment of property, plant and equipment

As describe in notes 4(h), 4(k) and 13 to the financial statements, the Group's 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 verified 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.



(NATSARAK SAROCHANUNJEEN)

Certified Public Accountant

Registration No. 4563



A.M.T. & ASSOCIATES

Bangkok, Thailand

February 26, 2020

G Steel Public Company Limited and its Subsidiaries
Statements of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		As at 31 December		As at 31 December	
		2019	2018	2019	2018
		(in Baht)			
Current assets					
Cash and cash equivalents	7, 43	464,124,155	258,184,077	39,825,158	56,909,750
Temporary investment-trading security		4,940,906	11,495,626	4,940,906	11,495,626
Trade accounts receivable	5, 6, 8	35,971,335	13,804,613	29,774,823	5,764,325
Amounts receivable from related parties	5	-	-	3,872,050	3,871,100
Inventories	9	2,632,038,201	4,611,490,629	1,265,428,245	662,096,219
Other current assets	5, 6, 10	453,052,255	565,994,428	367,893,069	303,654,937
Total current assets		3,590,126,852	5,460,969,373	1,711,734,251	1,043,791,957
Non-current assets					
Investments in subsidiaries	11	-	-	1,543,962,782	3,111,541,427
Advance payment for purchases of property, plant and equipment	12	210,000,000	210,000,000	-	-
Property, plant and equipment	13	21,859,607,733	24,384,466,002	8,810,335,193	10,545,642,379
Intangible assets	14	9,188,016	11,539,972	2,693,946	4,405,238
Other non-current assets	5, 6, 16	731,533,456	565,467,084	391,348,111	235,401,846
Total non-current assets		22,810,329,205	25,171,473,058	10,748,340,032	13,896,990,890
Total assets		26,400,456,057	30,632,442,431	12,460,074,283	14,940,782,847

G Steel Public Company Limited and its Subsidiaries
Statements of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		As at 31 December		As at 31 December	
		2019	2018	2019	2018
		(in Baht)			
Current liabilities					
Current portion of Long-tenn loans from financial institution	18, 43	-	212,503,281	-	212,503,281
Trade accounts payable	5, 6, 18, 20, 43	960,912,393	2,339,818,594	627,587,833	312,488,990
Amount due to related parties	5	-	-	91,699,689	91,699,689
Current portion of liabilities from terminated					
rehabilitation plan and compromise	5, 18, 26	487,934,137	659,013,001	317,810,467	478,999,830
Current portion of long-term loan from related party	5, 18, 19	314,000,000	314,000,000	314,000,000	314,000,000
Current portion of bonds	18, 43	470,511,788	505,933,824	470,511,788	505,933,824
Short-term loan from related parties	5, 18, 19	811,362,306	1,269,363,868	1,124,319,573	1,150,508,935
Short-term loan from other parties	18	-	107,424,045	-	107,424,045
Loan from shareholder	5	3,850,000	3,850,000	3,850,000	3,850,000
Advances received from customers	5, 22, 44.4	130,671,595	42,665,704	110,871,828	9,983,207
Other payables and accrued expenses	5, 6, 18, 21	1,428,344,684	7,440,181,306	1,099,897,493	6,792,119,159
Accrued interest expenses	23	693,557,138	5,473,956,815	864,949,701	5,628,012,853
Provisions	24	106,292,596	434,458,440	87,117,283	636,159,564
Other current liabilities	5, 19, 25	336,961,618	348,858,799	66,349,852	65,250,408
Total current liabilities		5,744,398,255	19,152,027,677	5,178,965,507	16,308,933,785
Non-current liabilities					
Long-term loans from financial institution	18, 43	-	-	-	-
Liabilities from terminated rehabilitation plan and compromise	5, 18, 26	217,751,857	-	217,751,857	-
Long-tenn loan from related party	5, 18, 19	1,934,155,494	1,117,518,130	885,131,949	1,086,448,332
Other payables and accrued expenses	5, 18, 21	1,137,215,015	117,928,412	1,137,215,015	59,851,345
Employee benefit obligations	27	184,065,264	143,059,052	78,379,377	62,918,427
Other non-current liabilities		950,062	1,388,843	-	-
Total non-current liabilities		3,474,137,692	1,379,894,437	2,318,478,198	1,209,218,104
Total liabilities		9,218,535,947	20,531,922,114	7,497,443,705	17,518,151,889

G Steel Public Company Limited and its Subsidiaries
Statements of financial position

		Consolidated financial statements		Separate financial statements	
		As at 31 December		As at 31 December	
Liabilities and equity	Note	2019	2018	2019	2018
<i>(in Baht)</i>					
Equity					
Share capital	28				
Authorised share capital		158,059,755,140	48,775,743,730	158,059,755,140	48,775,743,730
Issued and paid-up share capital		144,643,827,160	34,250,904,820	144,643,827,160	34,250,904,820
Warrants	30	-	14,049,679	-	14,049,679
Additional (Discount) paid in capital:					
Share discount	28	(116,361,266,965)	(10,163,275,674)	(116,361,266,965)	(10,163,275,674)
Premium on capital reduction		206,307,094	206,307,094	206,307,094	206,307,094
Retained earnings (deficit)					
Appropriated:					
Legal reserve	29	763,976,886	763,976,886	763,976,886	763,976,886
Unappropriated		(22,253,294,756)	(24,899,544,506)	(24,304,263,276)	(27,649,331,847)
Other components of equity	29	14,049,679	-	14,049,679	-
Equity attributable to owners of the Company		7,013,599,098	172,418,299	4,962,630,578	(2,577,369,042)
Non-controlling interests		10,168,321,012	9,928,102,018	-	-
Total equity (Capital deficiency)		17,181,920,110	10,100,520,317	4,962,630,578	(2,577,369,042)
Total liabilities and equity		26,400,456,057	30,632,442,431	12,460,074,283	14,940,782,847

G Steel Public Company Limited and its Subsidiaries
Statements of comprehensive income

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2019	2018	2019	2018
<i>(in Baht)</i>					
Income					
Revenue from sale	5, 6, 31	17,416,417,795	29,965,744,118	4,494,156,853	55,981,953
Revenue from service - Tolling		-	-	274,235,241	3,870,924,615
Reversal of bad and doubtful debts expense	36	13,554,115	-	89,956,313	9,092,929
Reversal of provision for a guarantee of subsidiary	24	-	-	242,266,277	-
Net foreign exchange gains		976,030,090	197,030,561	683,702,192	83,374,885
Gain from debt restructuring	32	5,505,991,604	-	5,505,991,604	-
Gain from compromise debt		86,334,435	-	86,334,435	-
Gain from decreased capital of investment in subsidiary	11	-	-	1,130,110,336	-
Other incomes		118,537,891	178,555,798	33,914,617	12,761,234
Total income		24,116,865,930	30,341,330,477	12,540,667,868	4,032,135,616
Expenses					
Cost of sale					
- Cost of goods sold	5, 6	18,225,267,129	29,635,851,220	4,757,698,323	58,786,791
- Idle cost		1,031,503,026	400,183,219	789,651,230	274,818,859
- Loss on devaluation of inventories (Reversal of)	9	20,966,163	159,314,204	93,768,892	(1,159,236)
Total Cost of sale		19,277,736,318	30,195,348,643	5,641,118,445	332,446,414
Cost of services - Tolling		-	-	283,876,066	4,392,032,943
Selling expenses	33	238,841,441	365,224,430	64,466,422	3,628,946
Administrative expenses	5, 34	940,093,555	843,319,164	377,527,407	154,573,633
Provision for loss on purchase orders					
for undelivered raw material	24	65,727,443	40,565,153	87,117,283	-
Bad and doubtful debts expense	36	-	9,586,140	-	-
Loss from sale of fixed assets	13	946,468,146	-	946,468,146	-
Other expenses	38	51,359,987	144,047,447	958,182,130	277,642,865
Finance costs	40	1,139,327,842	1,101,535,144	836,843,398	682,122,679
Total expenses	39	22,659,554,732	32,699,626,121	9,195,599,297	5,842,447,480
Profit (loss) before income tax expense		1,457,311,198	(2,358,295,644)	3,345,068,571	(1,810,311,864)
Income tax expense	41	-	-	-	-
Profit (loss) for the years		1,457,311,198	(2,358,295,644)	3,345,068,571	(1,810,311,864)
Other comprehensive income (loss) for the years		-	-	-	-
Total comprehensive income (loss) for the years		1,457,311,198	(2,358,295,644)	3,345,068,571	(1,810,311,864)

G Steel Public Company Limited and its Subsidiaries
Statements of comprehensive income

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2019	2018	2019	2018
		<i>(in Baht)</i>			
Profit (loss) attributable to :					
Owners of the Company		2,646,249,750	(1,662,467,063)	3,345,068,571	(1,810,311,864)
Non-controlling interests		(1,188,938,552)	(695,828,581)	-	-
Profit (loss) for the years		<u>1,457,311,198</u>	<u>(2,358,295,644)</u>	<u>3,345,068,571</u>	<u>(1,810,311,864)</u>
Total comprehensive income (loss) attributable to:					
Owners of the Company		2,646,249,750	(1,662,467,063)	3,345,068,571	(1,810,311,864)
Non-controlling interests		(1,188,938,552)	(695,828,581)	-	-
Total comprehensive income (loss) for the years		<u>1,457,311,198</u>	<u>(2,358,295,644)</u>	<u>3,345,068,571</u>	<u>(1,810,311,864)</u>
Profit (loss) per share	42				
Basic profit (loss) per share		<u>0.31</u>	<u>(0.24)</u>	<u>0.39</u>	<u>(0.26)</u>

G Steel Public Company Limited and its subsidiaries
Statements of changes in equity

Consolidated financial statements

		Issued and paid-up share capital	Warrants	Additional (Discount) paid in capital		Retained earnings (deficit)		Other components of equity	Equity attributable to owners of the Company	Non- controlling interests	Total equity (Capital deficiency)
	Note			Share discount	Premium on capital reduction	Legal reserve	Unappropriated (in Baht)	Paid in capital from expire warrants			
For the Year ended 31 December 2019											
Balance as at 1 January 2019		34,250,904,820	14,049,679	(10,163,275,674)	206,307,094	763,976,886	(24,899,544,506)	-	172,418,299	9,928,102,018	10,100,520,317
Transactions with owners, recorded directly in equity											
Changes in ownership interests in subsidiaries											
Acquisition of non-controlling interests without a change in control		-	-	-	-	-	-	-	-	1,429,157,546	1,429,157,546
Issue of ordinary shares of subsidiary to non-controlling interests	11	-	-	-	-	-	-	-	-	1,429,157,546	1,429,157,546
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	-	-
Contributions by and distributions to owners of the Company											
Debt-to-equity conversion	28	110,392,922,340	-	(106,197,991,291)	-	-	-	-	4,194,931,049	-	4,194,931,049
Termination of warrants	29	-	(14,049,679)	-	-	-	-	14,049,679	-	-	-
Total contributions by and distributions to owners of the Company		110,392,922,340	(14,049,679)	(106,197,991,291)	-	-	-	14,049,679	4,194,931,049	-	4,194,931,049
Total transactions with owners, recorded directly in equity		110,392,922,340	(14,049,679)	(106,197,991,291)	-	-	-	14,049,679	4,194,931,049	1,429,157,546	5,624,088,595
Comprehensive income (loss) for the years											
Profit (loss) for the years		-	-	-	-	-	2,646,249,750	-	2,646,249,750	(1,188,938,552)	1,457,311,198
Other comprehensive income (loss)		-	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the years		-	-	-	-	-	2,646,249,750	-	2,646,249,750	(1,188,938,552)	1,457,311,198
Balance as at 31 December 2019		144,643,827,160	-	(116,361,266,965)	206,307,094	763,976,886	(22,253,294,756)	14,049,679	7,013,599,098	10,168,321,012	17,181,920,110

G Steel Public Company Limited and its subsidiaries
Statements of changes in equity

Consolidated financial statements

		Issued and paid-up share capital	Warrants	Additional (Discount) paid in capital		Retained earnings (deficit)		Other components of equity	Equity attributable to owners of the Company	Non- controlling interests	Total equity (Capital deficiency)
	Note			Share discount	Premium on capital reduction	Legal reserve	Unappropriated (in Baht)	Paid in capital from expire warrants			
For the Year ended 31 December 2018											
Balance as at 1 January 2018		34,250,904,820	14,049,679	(10,163,275,674)	206,307,094	763,976,886	(23,098,903,934)	-	1,973,058,871	10,417,757,090	12,390,815,961
Transactions with owners, recorded directly in equity											
Changes in ownership interests in subsidiaries											
Acquisition of non-controlling interests without a change in control		-	-	-	-	-	(138,173,509)	-	(138,173,509)	206,173,509	68,000,000
Sale of shares in subsidiary to non-controlling interests	11	-	-	-	-	-	(138,173,509)	-	(138,173,509)	206,173,509	68,000,000
Total changes in ownership interests in subsidiaries		-	-	-	-	-	(138,173,509)	-	(138,173,509)	206,173,509	68,000,000
Total transactions with owners, recorded directly in equity		-	-	-	-	-	(138,173,509)	-	(138,173,509)	206,173,509	68,000,000
Comprehensive income (loss) for the years											
Profit (loss) for the years		-	-	-	-	-	(1,662,467,063)	-	(1,662,467,063)	(695,828,581)	(2,358,295,644)
Other comprehensive income (loss)		-	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the years		-	-	-	-	-	(1,662,467,063)	-	(1,662,467,063)	(695,828,581)	(2,358,295,644)
Balance as at 31 December 2018		34,250,904,820	14,049,679	(10,163,275,674)	206,307,094	763,976,886	(24,899,544,506)	-	172,418,299	9,928,102,018	10,100,520,317

G Steel Public Company Limited and its subsidiaries
Statements of changes in equity

Separate financial statements									
		Issued and paid-up share capital	Warrants	Additional (Discount) paid in capital		Retained earnings (deficit)		Other components of equity	Total equity of the Company (Capital deficiency)
	Note			Share discount	Premium on capital reduction (in Baht)	Legal reserve	Unappropriated	Paid in capital from expire warrants	
For the Year ended 31 December 2019									
Balance at 1 January 2019		34,250,904,820	14,049,679	(10,163,275,674)	206,307,094	763,976,886	(27,649,331,847)	-	(2,577,369,042)
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the Company									
Debt-to-equity conversion	28	110,392,922,340	-	(106,197,991,291)	-	-	-	-	4,194,931,049
Termination of warrants	29	-	(14,049,679)	-	-	-	-	14,049,679	-
Total contributions by and distributions to owners of the Company		110,392,922,340	(14,049,679)	(106,197,991,291)	-	-	-	14,049,679	4,194,931,049
Total transactions with owners, recorded directly in equity		110,392,922,340	(14,049,679)	(106,197,991,291)	-	-	-	14,049,679	4,194,931,049
Comprehensive income (loss) for the years									
Income (loss) for the years		-	-	-	-	-	3,345,068,571	-	3,345,068,571
Other comprehensive income (loss)		-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the years		-	-	-	-	-	3,345,068,571	-	3,345,068,571
Balance at 31 December 2019		144,643,827,160	-	(116,361,266,965)	206,307,094	763,976,886	(24,304,263,276)	14,049,679	4,962,630,578

G Steel Public Company Limited and its subsidiaries
Statements of changes in equity

	Separate financial statements							
	Issued and paid-up share capital	Warrants	Additional (Discount) paid in capital		Retained earnings (deficit)		Other components of equity	Total equity of the Company
			Share discount	Premium on capital reduction	Legal reserve	Unappropriated	Paid in capital from expire warrants	(Capital deficiency)
				(in Baht)				
For the Year ended 31 December 2018								
Balance at 1 January 2018	34,250,904,820	14,049,679	(10,163,275,674)	206,307,094	763,976,886	(25,839,019,983)	-	(767,057,178)
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-
Comprehensive income (loss) for the years								
Income (loss) for the years	-	-	-	-	-	(1,810,311,864)	-	(1,810,311,864)
Other comprehensive income (loss)	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the years	-	-	-	-	-	(1,810,311,864)	-	(1,810,311,864)
Balance at 31 December 2018	34,250,904,820	14,049,679	(10,163,275,674)	206,307,094	763,976,886	(27,649,331,847)	-	(2,577,369,042)

G Steel Public Company Limited and its Subsidiaries
Statements of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2019	2018	2019	2018
	(in Baht)			
Cash flows from operating activities				
Profit (loss) for the years	1,457,311,198	(2,358,295,644)	3,345,068,571	(1,810,311,864)
Adjustments for				
Depreciation and amortisation	1,819,252,315	1,865,349,912	844,783,315	871,763,286
Unrealized gain on exchange rate	(617,072,813)	(96,321,391)	(453,232,519)	(58,325,114)
Gain on exchange rate from debt to equity conversion	(449,701,879)	-	(449,701,879)	-
Loss on adjustment in value of securities	6,137,766	927,299	6,137,766	927,299
Gain from compromise debt	(86,334,435)	-	(86,334,435)	-
Gain from decreased capital of investment in subsidiary	-	-	(1,130,110,336)	-
Gain from debt restructuring	(337,037,447)	(677,203)	(337,037,447)	-
Gain from debt to equity conversion	(5,168,954,157)	-	(5,168,954,157)	-
Gain from write-off the expired legal prescription of liabilities - net	(10,387,557)	(119,077,086)	-	-
Loss on devaluation of inventories (Reversal of)	20,966,163	159,314,204	93,768,892	(1,159,236)
Loss on confirmed purchase orders for raw material	65,727,443	40,565,153	87,117,283	-
Bad and doubtful debts expense (Reversal of)	(13,554,115)	9,586,140	(89,956,313)	(9,092,929)
Loss on impairment of assets	-	41,603,214	-	41,606,738
Loss on impairment of investment in subsidiaries	-	-	897,688,981	126,064,778
Loss on written off of assets	950,573,153	163,549	946,468,146	468
Provision for court case claim	34,822,207	99,878,465	34,822,207	99,878,465
Provision for a guarantee of subsidiary (Reversal of)	-	-	(242,266,277)	914,602
Withholding tax write-off	933	38,896,562	933	38,873,228
Finance costs	1,139,327,842	1,101,535,144	836,843,398	682,122,679
Interest income	(3,170,957)	(5,983,225)	(388,373)	(386,765)
Dividend income	-	-208,590	-	(208,590)
Employee benefit obligations	56,054,212	13,306,584	27,002,950	5,205,235
	(1,136,040,128)	790,563,087	(838,279,294)	(12,127,720)
Changes in operating assets and liabilities				
Trade accounts receivable	(22,198,069)	34,394,987	(24,041,845)	99,236,912
Amount due from related parties	-	-	(950)	24,715,253
Inventories	1,958,486,265	(660,628,983)	(697,100,918)	187,403,400
Other current assets	87,974,712	113,562,928	(88,948,441)	172,570,011
Other non-current assets	(271,570,688)	(141,589,028)	(187,037,559)	4,343,735
Trade accounts payable	(948,380,823)	1,200,110,419	728,816,522	(34,559,085)
Advances received from customers	88,005,892	(158,873,781)	100,888,622	(166,169,694)
Other payable and accrued expenses	(332,057,569)	(176,340,592)	61,924,475	(31,591,182)
Other current liabilities	(9,341,775)	8,944,454	2,804,094	(2,845,025)
Employee benefit paid	(4,754,000)	(595,200)	(1,248,000)	(480,000)
Income tax paid	(8,649,150)	(164,345,364)	(8,953,563)	(157,754,201)
Net cash flows provided by (used in) operating activities	(598,525,333)	845,202,927	(951,176,857)	82,742,404

G Steel Public Company Limited and its Subsidiaries
Statements of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	3,170,957	5,983,225	388,373	386,765
Purchase of property, plant and equipment	(155,404,904)	(115,739,762)	(42,936,667)	(34,798,762)
Purchase of intangible assets	(1,617,100)	(3,402,311)	(116,100)	(557,000)
Proceeds from disposal of property, plant and equipment	19,911,079	-	19,911,079	-
Proceeds from disposal of temporary investment	416,954	22,945	416,954	22,945
Proceeds from disposal of investment in subsidiary	-	68,000,000	-	-
Proceeds from decreased capital of investment in subsidiary	-	-	1,800,000,000	-
Net cash flows provided by (used in) investing activities	(133,523,014)	(45,135,903)	1,777,663,639	(34,946,052)
<i>Cash flows from financing activities</i>				
Receive from non-controlling interests from increase capital of subsidiary	1,429,157,546	-	-	-
Finance costs paid	(460,832,915)	(534,305,036)	(177,519,998)	(2,284,600)
Repayment of liabilities from terminated rehabilitation plan and compromise	(62,663,021)	(6,568,141)	(60,058,875)	-
Proceeds(Repayment)of long-term loans from financial institution	(106,251,641)	-	(106,251,641)	-
Proceeds(Repayment) of short-term loans from related parties	(826,582,703)	(229,928,932)	(379,880,338)	-
Proceeds(Repayment) of short-term loans from other parties	-	(54,731)	-	(54,731)
Proceeds(Repayment)from long-term loans from related parties	966,587,810	(361,319,200)	(119,860,522)	-
Payment for financial lease liabilities	(501,600)	(501,600)	-	-
Net cash flows provided by (used in) financing activities	938,913,476	(1,132,677,640)	(843,571,374)	(2,339,331)
Net increase (decrease) in cash and cash equivalents	206,865,129	(332,610,616)	(17,084,592)	45,457,021
Cash and cash equivalents at 1 January	258,184,077	590,829,674	56,909,750	11,452,729
Effect from exchange rate changes on balances held in foreign currencies	(925,051)	(34,981)	-	-
Cash and cash equivalents at 31 December	464,124,155	258,184,077	39,825,158	56,909,750

G Steel Public Company Limited and its Subsidiaries
Statements of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2019	2018	2019	2018
	(in Baht)			
Non-cash transactions				
From write-off the expired legal prescription of liabilities				
Increase (decrease) in other current assets	47,262	(4,240,853)	-	-
Increase (decrease) in other non - current assets	-	(17,397,414)	-	-
Decrease in trade accounts payable	16,754,450	12,531,371	-	-
Decrease in other payables and accrued expenses	6,414,155	92,680,271	-	-
Decrease in accrued interest expenses	-	2,122,100	-	-
Decrease in liabilities from terminated rehabilitation plan and compromise	-	16,000,382	-	-
Decrease in other current liabilities	-	17,381,229	-	-
From debt-to-equity conversion				
Decrease in liabilities from terminated rehabilitation plan and compromise	183,095,340	-	183,095,340	-
Decrease in short-term loan from other parties	31,900,000	-	31,900,000	-
Decrease in other payables and accrued expenses	3,979,935,710	-	3,979,935,710	-
Decrease in accrued interest expenses	4,842,228,437	-	4,842,228,437	-
Decrease in provision for court case claim	326,725,720	-	326,725,720	-
Transfer short-term loan from related party to				
liabilities from terminated rehabilitation plan and compromise	30,000,000	-	30,000,000	-
Transfer employee benefit obligations to other payables and accrued expenses	7,725,000	-	7,725,000	-
Transfer trade account payables to short-term loans from related party	399,141,817	-	399,141,817	-
Transfer trade accounts payable to other payables and accrued expenses	-	162,542,934	-	230,542,934
Transfer advances received from customers to trade accounts payable	-	1,780,672	-	1,780,672
Transfer other current assets to amounts receivable from related parties	-	-	-	3,871,100

G Steel Public Company Limited and its Subsidiaries
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For the year ended 31 December 2019

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G Steel Public Company Limited and its Subsidiaries
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For the year ended 31 December 2019

The financial statements were approved and authorised for issue by the Board of Directors on February 26, 2020.

1 General information, material uncertainty related to going concern the debt restructuring and the Company's requesting for entering into business rehabilitation plan

1.1 General information

G Steel Public Company Limited, the "Company", is incorporated in Thailand and has its registered office as follows:

Head office : 88, Paso Tower, 18th Floor, Silom Road, Suriyawong, Bangrak, Bangkok

Factory : 55 Moo 5, SSP Industrial Estate, Tambol Nonglalog, Amphur Bankhai, Rayong

The Company was listed on the Stock Exchange of Thailand (the "SET") on 25 January 2006

The Company's major shareholders are as follows:

	(%)
	Shareholding proportion
	As at 30 December 2019
ASIA CREDIT OPPORTUNITIES I (MAURITIUS) LIMITED	49.99
M-POWER TT LTD.	15.80
SUPERIOR OVERSEAS (THAILAND) COMPANY LIMITED.	7.00
NEW WORLD INTERMETAL CO.,LTD	1.96
D-SINCHAI COMPANY LIMITED.	1.96

The principal activities of the Company are the manufacturing and distribution of hot rolled coil steel products.

G Steel Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2019

Details of the Company's subsidiaries as at 31 December 2019 and 2018 were as follows:

Name of the entity	Type of business	Country of incorporation	The Group Ownership interest (%)	
			As of 2019	As of 2018
Direct subsidiaries				
Siam Professional Holdings Co., Ltd. (“SPH”)	Investment holdings company	Thailand	99.99	99.99
GS Securities Holdings Co., Ltd. (“GS Securities”)	Special-purpose restructuring entity	Thailand	99.99	99.99
G J Steel Public Co., Ltd. (“G J Steel”) (held by the Company 8.24% (31 December 2018 : 15.08%) and GS Securities 1.21% (31 December 2018 : 2.20%))	Manufacture and distribution of hot rolled coil steel products	Thailand	9.45	17.28
GS Notes Holding Co., Ltd.* (“GS Notes”)	Special-purpose restructuring entity	Thailand	-	-
GS Notes Holdings 2 Co., Ltd. * (“GS Notes 2”)	Special-purpose restructuring entity	Thailand	-	-
Indirect subsidiaries				
Oriental Access Co., Ltd. (“OAC”) (held by SPH 99.97%)	Consulting service and investing	Thailand	99.97	99.97

* Two subsidiaries, GS Notes and GS Notes 2 were registered to dissolve the Companies with the Ministry of Commerce on 22 September 2017 as approved by the special resolution of the shareholders at the extra ordinary shareholders' meeting on 20 September 2017. and are under liquidation process.

The Company and its subsidiaries shareholding in G J Steel as at 31 December 2019 was 9.45% (31 December 2018: 17.28% Shareholding), and the Company consolidates G J Steel because the Company retains the power to govern G J Steel through its appointed representatives.

The Company and its subsidiaries are hereafter referred to as "the Group".

G Steel Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2019

1.2 Material Uncertainty Related to Going Concern

As at 31 December 2019 and 2018, part of financial position of the Group and the Company are as follows :

Risk effected to the going concern	Million Baht			
	The Group		Company	
	As at 31 December		As at 31 December	
	2019	2018	2019	2018
(1) Profit (Loss) for the years	1,457	(2,358)	3,345	(1,810)
(2) Deficit	22,253	24,900	24,304	27,649
(3) Current liabilities exceed current assets	2,154	13,691	3,467	15,265
(4) Equity attributable to owners of the Company (Capital Deficiency)	7,014	172	4,963	(2,577)
(5) EBITDA	4,416	609	5,027	(256)

These were affected by various factors including the asset devaluation from partial assets appraisal, the default payment on the debt restructuring plan, the meeting of the Company's Shareholders has resolved the disapproval its business rehabilitation plan according to the Debts to Equity Conversion Plan by a way of allocation and offering of the newly issued ordinary shares of the Company according to the Debts to Equity Conversion Scheme as agreed with a new creditor, the fluctuation of global economics and the dumping of goods from foreign steel manufacturers. Subsequently during the year 2019, the Company has negotiating debt restructuring with new creditor by which of conversion debts-to-equity in successfully as described in note 1.3 and note 28 to the financial statements combination with the providing credit facility for additional working capital as described in note 17 to the financial statements. However as of December 31, 2019, the Group and the Company still have current liabilities exceeding current assets of Baht 2,154 million and of Baht 3,467 million respectively. These factors may cause the significant doubt on going concern of the Group and the Company. However, the management believes that the preparation of the financial statements on going concern basis is justified . This is due to the Group and the Company have plans as described in a) to e).

However, as at 31 December 2019 and 2018 G J Steel was no factors that may cause significant doubt on going concern since G J Steel has accomplished its plan by negotiating debt restructuring with major creditors by repaying partial debt and conversion of debts-to-equity successfully in year 2017 and obtained credit facility for additional working capital as described in Note 17 to the financial statements. Furthermore, the capital restructuring plan as approved by the Extraordinary Shareholders' Meeting No. 1/2019 on 14 January 2019 combined with increase in additional paid-up capital registered with the Ministry of Commerce on 3 May 2019 from the allocation of new ordinary shares to the existing shareholders of G J Steel in the proportion to their respective shareholdings (Rights Offering) as described in Note 28 to the financial statements. G J Steel still has various plans to increase the profitability in future as described in b) and e).

G Steel Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2019

a) Source of funding

The Group and the Company has implementing various funding plans to support the operations. This includes.

1. Increasing of the cash flow through sale by manufacturing and selling the hot rolled coil
2. Reach agreements with several companies to in support financing of Imported scrap, Pig Iron and domestic scrap
3. Negotiating the credit facilities with the financial institutions and other source of funds
4. Accelerating the debt collection from its debtor
5. Selling through the method of advance payment

b) The production

The Company and G J Steel has the production during the off-peak period (which has lower demand for electricity and hence lower tariff rate).

In year 2018, G J Steel increase production to nearly full capacity for off-peak and in the 2nd half of year 2018, G J Steel did a test run to extend the 24 hours production capacity for 6 days a week in order to ensure that the machinery is a good condition for running the 24 hours production capacity in next opportunity, in order to reduce production unit cost. In addition, the Company has adjustment plan in respect of various projects aiming to reduce production cost in order to be competitive with the competitors and the importers. Various projects in the form of energy reduction, increase efficiency as well as minimize loss in the production process, etc., are under progress.

The Company starts doing tolling service for G J Steel which begins since mid of November 2017 until 31 January 2019. After that, the Company temporary stop production from February to April 2019. During the said period, the Company proceed sourcing for working capital for production and can be to resumed production in early May 2019.

c) Cooperation with trading partners

The Group and the Company had reached agreement with many long and good relation customers. After agree on debt restructuring, many major customers commit to purchase products from The Group and the Company. This enables the Group and the Company to effectively manage the production on a regular basis.

d) Credit facilities for operation

The Company and G J Steel get collaboration from various raw material suppliers both local and oversea with Supplier Credit in term of Collateral Management Agreement ("CMA"). In addition the Company and G J Steel also get another source of Credit facilities as described in note 17 and note 19 to the financial statements.

The Company and G J Steel have used the supplier credit facilities as working capital for many years to purchase of scrap which is the main raw material of the production.

In April 2019, the Company receives credit facility for operation from a foreign company as described in Note 17 to the financial statements.

G Steel Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2019

e) The Governmental support

The Group and the Company have cooperated with the other hot-rolled flat steel producers (collectively called “the domestic industry”), filed the petitions for trade remedies to the Thai government, led by Ministry of Commerce, as consequences to serious injuries caused by unfair trade practice in the forms of dumping import hot-rolled steel flat products and import surges to Thailand that also have dampened the stability of Thailand’s economy. Up to the present, Ministry of Commerce has made several determinations and notifications of antidumping measures and safeguard measures in order to help the domestic industry to stand and compete with the import goods on a fair trade basis and to adjust themselves to further stand for increasing competition with the import goods in the domestic market as follows:

Antidumping Measures (5-year term)

	Import Goods	Origin	AD Duty Rate	Effective
1	Hot-rolled steel flat products in coil and not in coil	14 countries	Various rate 0 up to 128.11% of C.I.F. value	23 May 2015 to 22 May 2020
2	Hot-rolled steel flat products in coil and not in coil	China and Malaysia	China 30.91% of C.I.F. value Malaysia 23.57 - 42.51% of C.I.F. value	23 Jun 2017 to 22 Jun 2022
3	Hot-rolled steel flat products in coil and not in coil	Brazil, Iran and Turkey	Brazil 34.40% of C.I.F. value Iran 7.25 - 38.27% of C.I.F. value Turkey 6.88 - 38.23% of C.I.F. value	16 May 2017 to 15 May 2022
4	Boron-added steel hot rolled flat products in coil and not in coil	China	14.28 - 19.47% of C.I.F. value	13 Dec 2018 to 12 Dec 2023 *

* The domestic industry filed petition to Department of Foreign Trade along with the evident information concerned requesting for continuation review of the imposition of antidumping measure for the next 5 years. The Department later issued on 30 November 2017 (published on the royal gazette on 13 December 2017) the “Notification for Initiation of Necessity Review for Continuation of the Antidumping Measure on Boron-added Steel Hot Rolled Flat Products Originated from the People’s Republic of China”, as the start of the antidumping measure continuation review procedure, in which several interested parties were participating. And the existing antidumping duties have been imposed continuously for within another one year after the previous expiry date 25 December 2017. And then the antidumping continuation review procedure was finished when Thailand’s Antidumping and Countervailing Committee issued the “Notification of Determination for the Necessity of Continuation of the Antidumping Measure”, dated 11 December 2018, as published on the royal gazette on 12 December 2018 that determine to impose the antidumping duties, at the rate unchanged, on Boron-added Steel Hot Rolled Flat Products Originated from the People’s Republic of China for the next 5 years, with effect from 13 December 2018 through 12 December 2023.

G Steel Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2019

Safeguard Measures (3-year term)

	Import Goods	Origin	SG Duty Rate	Effective
1	Other-alloy steel hot-rolled flat products in coil and not in coil	any countries (except the developing countries that account for less than 3% of share in total import volume to Thailand)	Imported 27 Feb 2016 - 26 Feb 2017 41.67% of C.I.F. value Imported 27 Feb 2017 - 26 Feb 2018 40.42% of C.I.F. value Imported 27 Feb 2018 - 26 Feb 2019 39.21% of C.I.F. value	27 Feb 2016 to 26 Feb 2019*
2	Non-alloy steel hot-rolled flat products in coil and not in coil	any countries (except the developing countries that account for less than 3% of share in total import volume to Thailand)	Imported 7 Jun 2017 - 6 Jun 2018 21.00% of C.I.F. value Imported 7 Jun 2018 - 6 Jun 2019 20.87% of C.I.F. value Imported 7 Jun 2019 - 6 Jun 2020 20.74% of C.I.F. value	7 Jun 2017 to 6 Jun 2020

*The Safeguard Measure on Other-Alloy Steel Hot-Rolled Flat Products has ended on 26 February 2019.

f) **Local demand of Hot - Rolled Steel Flat Products (Source: Iron and Steel Institute of Thailand)**

Hot Rolled Steel (million metric ton)	Year 2018 (1 Year)	Year 2019 (1 Year)	Increase / (Decrease)
Production	2.63	3.20	(0.57)
Import	4.04	3.96	0.08
Export	0.008	0.074	(0.066)
Consumption	6.66	7.09	(0.43)

For the trend of the steel industry, World Steel Association forecasts that the demand of ASEAN steel consumption in the year 2020 will increase by 1.8% per annum. For Thailand, local demand for steel consumption is expected to increase around 0.7% per annum following the demand from local downstream industry.

Therefore, the financial statements of The Group and the Company have been prepared on going concern basis with the assumption that the operation plans as mentioned above will be successfully implemented.

G Steel Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2019

1.3 Creditors Restructuring

New Creditors Restructuring

The Company

Previously, the Company has five Major Trade Creditors with aggregated claims of USD 167 million (Baht 5,999 million) as at 31 December 2016 which the Company has defaulted on the compromise agreement.

On 31 January 2017 and 16 February 2017, the Company received the notice of assignment to debtor from such five Major Trade Creditors and other two creditors including all amount payable under the contracts to new foreign company (hereinafter referred to as "New Creditor") and the Company reclassified the said creditor to other payable.

On 15 March 2017, the New Creditor sent a letter to the Company to confirm an outstanding claims as at 28 February 2017 of USD 226 million (USD 128 million of principal and USD 98 million of accrued interest).

The Company has the plan of the debt restructuring with the New Creditor together with debts-to-equity scheme under to the allocation and offering of the newly issued ordinary shares of the Company.

Therefore, the Extraordinary General Meeting of Shareholders of the Company on 30 August 2017, disapproved the debt to equity conversion scheme and major investor cannot precede the debt restructuring of the Company.

On 7 August 2019, the Company enters into Memorandum of Understanding with the New Creditor group, significant issues are

1. The New Creditor wish to provide a waiver on the interest of USD 124 million representing the interest portion of the Trade Claims up to 30 September 2019 to the Company on a condition that the repayment of a certain amount of the outstanding principal forming part of the principal portion of the Trade Claims shall be made by way of a debt to equity conversion within the Completion Date. If the D/E Conversion does not occur within the Completion Date, then the Waiver shall terminate, and all interest shall continue to accrue as if there had been no Waiver granted.
2. The Company wishes to repay the Conversion Debt to the New Creditor by way of a debt to equity conversion. After the D/E conversion, the New Creditor will hold 49.99 percent of the total paid-up share capital of the Company. The final Conversion Debt and the final conversion price shall (a) be determined by the financial advisor(s) of the New Creditor and (b) be finalized and agreed between the New Creditor and the Company.
3. Any remaining portion of the outstanding principal forming part of the principal portion of the Trade Claims, which has not been converted into equity shall remain on the Company's balance sheet. The New Creditor wish to restructure this Remaining Conversion Debt into a 9-year tenor debt, with 3-year grace period on cash payments of principal and interest, charging an interest of MLR - 2.00% p.a., with amortization schedules and excess cash flow sweep as to be agreed between the New Creditor and the Company.

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For the year ended 31 December 2019

On 28 November 2019, the Company entered into a Debt Restructuring Agreement and a Debt Amendment Agreement with the above creditor group refer to certain indicative terms of the transactions in the Memorandum of Understanding dated 7 August 2019, significant issues are as follow :

1. The Company acknowledges and agrees that, as of 29 November 2019, the Company is indebted to the Creditor in the amount of USD 252.57 million (consisting of principal of USD 127.88 million with the interest of USD 124.69 million).
2. The Company and the creditor have jointly determined and agreed that the total amount of the Conversion Debt shall be USD 88.8 million. The total amount of the Outstanding Interest USD 124.69 million shall be waived.
3. The remaining portion of the outstanding principal USD 39.08 million which has not been converted into equity, the Company shall repay to the Creditor in one bullet payment on the Final Repayment Date (the date falling the 9th anniversary of the date of the Agreement) with 3-year grace period on cash payments of interest, charging an interest of LIBOR + 2.10% p.a.

The Company allocates the newly issued ordinary shares of the Company under the Debt-to-Equity Conversion Scheme to the creditor and registered the additional paid-up capital with Department of Business Development, Ministry of Commerce on 2 December 2019.(as described in note 28 to the financial statements).

As at 31 December 2019, the outstanding debt of the New Creditor is USD 37.64 million (Baht 1,141.53 million).The principal is recorded in non-current liabilities under account other payables of USD 37.50 million (Baht 1,137.22 million) and interest is recorded under accrued interest of USD 0.14 million (Baht 4.31 million).

The movement of liabilities under debt restructuring for the year ended 31 December 2019 is as follow:

	<i>Note</i>	New Creditor	Other Creditors	Total
		(in million Baht)		
As at 31 December 2018		-	-	-
Transfer from Other payables and accrued expenses		3,888	868	4,756
Transfer from Liabilities from terminated rehabilitation plan and compromise		-	666	666
Transfer from accrued interest		4,503	638	5,141
Total liabilities as at 2 December 2019		8,391	2,172	10,563
Less Debt-to-equity conversion	28	(2,748)	(1,447)	(4,195)
Less Gain from the Debt-to-equity conversion	32	(4,503)	(666)	(5,169)
Balance of liabilities as at 2 December 2019		1,140	59	1,199
Effect of exchange rate		(3)	-	(3)
Balance of liabilities under debt restructuring As at 31 December 2019		1,137	59	1,196

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1.4 The Company's requesting for entering into business rehabilitation plan

On 13 November 2017, the Board of Directors meeting approved the submission of the petition requesting for entering into business rehabilitation plan. This is for the Company to negotiate as well as finding solution with creditors and can proceed necessary actions in order to continue its business as normal. The Company, then, submits the petition requesting for entering into business rehabilitation plan to the Central Bankruptcy Court on 14 November 2017 and the Court will have preliminary hearing during year 2018.

Subsequently, on 8 December 2017, while waiting for the court approval of the rehabilitation plan in order to have working capital and continual operation, the Company submits the petition requesting for the approval of emergency working capital in the form of loan from other related party amounting USD 65 million which the court did not approve.

However, to temporarily alleviate the financial crisis for the Company and to reserve and maintain its assets for business operations as well as to provide opportunity and a period of time for the Company to find solutions and conclusion with the creditor without legal execution by creditors for debt repayment. So after the Central Bankruptcy Court has accepted the petition requesting for entering into business rehabilitation, the Company then get protection from civil legal execution and the suspension of services by utilities provider under the term and condition by law. Also, the Company is forbidden to repay debt or create indebtedness or any actions that will create encumbrance of its assets except necessary actions for normal business operation.

Later, on 24 December 2018, the Central Bankruptcy Court is of the view that as at 14 November 2017, the date the Company had filed the petition requesting for entering into business rehabilitation plan, the financial position of the interim financial statement for the 3rd quarter of year 2017 ended 30 September 2017 as reviewed by the auditor showed that total assets was more than total liabilities of Baht 373 million. Under section 90/3 of the Bankruptcy Act, B.E. 2483, in force at the date of filing the rehabilitation petition, the Company is not insolvent, as a result the rehabilitation cannot be granted. Therefore, the Court hereby ordered the petition to be dismissed.

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

During the year, the Company have adopted accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations which issued and revised by the TFAC which are effective for financial statement year beginning on or after 1 January 2019. However, the adoptions of said financial reporting standards in the current year does not have material effect on the financial statements.

In addition to the above new and revised TFRS, during the year, the TFAC has issued a number of other new and revised accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretation which are effective for financial statements beginning on or after 1 January 2020 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Company's operations are disclosed to the financial statement in Note 3.

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict of difference in understanding, the financial statements in Thai language shall prevail.

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For the year ended 31 December 2019

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as stated in the accounting policies.

(c) Functional and presentation currency

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

(d) Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 8 and 10	Allowance for doubtful accounts and allowance for impairment of advance for purchases of goods and service
Note 9	Allowance for devaluation of inventories
Note 11	Allowance for impairment of investments in subsidiaries
Note 12	Appraisal valuations and allowance for impairment of advance payment for purchase of property, plant and equipment
Note 13	Appraisal valuations and allowance for impairment of property, plant and equipment
Note 14	Appraisal valuations and allowance for impairment of intangible asset
Note 13	Appraisal valuations and allowance for impairment of suspended construction in progress
Note 24	Provision
Note 27	Measurement of defined benefit obligations
Note 43	Appraisal valuations of financial instruments
Note 45	Litigation

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Notes to financial statements
For the year ended 31 December 2019

3 Financial reporting standards which are not effective for the current year

The Federation of Accounting Professions has issued the new accounting standard, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, which is effective for financial statements period beginning on or after January 1, 2020 as follows:

Accounting Standard

TAS	1	Presentation of Financial Statements
TAS	2	Inventories
TAS	7	Statement of Cash Flows
TAS	8	Accounting Policies, Changes in Accounting Estimates and Errors
TAS	10	Events after the Reporting Period
TAS	12	Income Taxes
TAS	16	Property, Plant and Equipment
TAS	19	Employee Benefits
TAS	20	Accounting for Government Grants and Disclosure of Government Assistance
TAS	21	The Effects of Changes in Foreign Exchange Rates
TAS	23	Borrowing Costs
TAS	24	Related Party Disclosures
TAS	26	Accounting and Reporting by Retirement Benefit Plans
TAS	27	Separate Financial Statements
TAS	28	Investments in Associates and Joint Ventures
TAS	29	Financial Reporting in Hyperinflationary Economies
TAS	32	Financial Instruments: Presentation
TAS	33	Earnings per Share
TAS	34	Interim Financial Reporting
TAS	36	Impairment of Assets
TAS	37	Provisions, Contingent Liabilities and Contingent Assets
TAS	38	Intangible Assets
TAS	40	Investment Property
TAS	41	Agriculture

Financial Reporting Standard

TFRS	1	First-time Adoption of International Financial Reporting Standards
TFRS	2	Share - based Payment
TFRS	3	Business Combinations
TFRS	4	Insurance Contract
TFRS	5	Non - current Assets Held for Sale and Discontinued Operations
TFRS	6	Exploration for and Evaluation of Mineral Resources
TFRS	7	Financial Instruments: Disclosures
TFRS	8	Operating Segments
TFRS	9	Financial Instruments
TFRS	10	Consolidated Financial Statements
TFRS	11	Joint Arrangements
TFRS	12	Disclosure of Interests in Other Entities
TFRS	13	Fair Value Measurement
TFRS	15	Revenue from Contracts with Customers
TFRS	16	Leases

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Accounting Standard Interpretations

- TSIC 10 Government Assistance - No Specific Relation to Operating Activities
- TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
- TSIC 29 Service Concession Arrangements: Disclosures
- TSIC 32 Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations

- TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities
- TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- TFRIC 7 Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
- TFRIC 10 Interim Financial Reporting and Impairment
- TFRIC 12 Service Concession Arrangements
- TFRIC 14 TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- TFRIC 16 Hedges of a Net Investment in a Foreign Operation
- TFRIC 17 Distributions of Non - Cash Assets to Owners
- TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine
- TFRIC 21 Levies
- TFRIC 22 Foreign Currency Transactions and Advance Consideration
- TFRIC 23 Uncertainty over Income Tax Treatments

The management of the Group and the Company has assessed TAS, TFRS, TSIC and TFRIC which are effective for financial statement year beginning on or after January 1, 2020 as follows:

- 1) TAS 1, TAS 2, TAS 7, TAS 8, TAS 10, TAS 12, TAS 16, TAS 19, TAS 21, TAS 24, TAS 27, TAS 33, TAS 34, TAS 36, TAS 37, TAS 38, TFRS 8, TFRS 10, TFRS 13, TFRS 15 and TFRIC 22 will not have material impact on the financial statements when they are applied.
- 2) The management of the Group and the Company is currently evaluating the impact of TAS 32, TFRS 7, TFRS 9, TFRS 16 and TFRIC 19 to the financial statements when they are adopted.
- 3) The other TAS, TFRS, TSIC and TFRIC which have not been stated in No.1) and 2) are not relevant to the Group and the Company business, therefore they do not have impact on the financial statement when they are applied.

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For the year ended 31 December 2019

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except for the change in the accounting policies due to the adoption of the Thai Financial Reporting Standard No. 15 “Revenue from Contracts with Customers”.

4 (a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as “the Group”)

Business combinations

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

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. 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 acquire, 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 acquire, 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 acquire 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 acquire, 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.

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

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquire.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

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Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

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 associates and jointly-controlled entities 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

4 (b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in profit or loss.

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

Foreign currency differences arising on retranslation are generally recognized in profit or loss.

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4 (c) Cash and cash equivalents

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

4 (d) Temporary investment

Investment in trading security is stated at fair value. Gains or losses arising from changes in the value of security are included in statement of comprehensive income.

The weighted average method is used for computation of the cost of investment

4 (e) Trade and other accounts receivable

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

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

4 (f) Inventories

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

Cost is calculated using the weighted average method cost principle, 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 finished goods and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

The Company recognises an asset and corresponding liability in respect of consignment inventories once the Company obtains the rights and responsibilities of legal and economic ownership.

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Notes to financial statements
For the year ended 31 December 2019

4 (g) Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method.

Disposal of investments

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

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

4 (h) Property, plant and equipment

Owned assets

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. 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 and 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.

Cost for changing components will realized as a part of book value of property, plant and equipment if it has contain possibility that the Group will receive economic benefit in the future from this transaction and can measure cost of the transaction with reliable. Component which has been changed will be amortize per book value cost that usually happen for maintenance of property, plant and equipment will be realize in profit or loss when occur.

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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 Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on the straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	5- 20 years
Buildings	5 - 50 years
Machinery and equipment	5 - 30 years
Furniture - fixtures and Office equipment	2 - 5 years
Vehicles	5 years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

4 (h) Intangible assets

Intangible assets represent the cost of computer software and a production license. These intangible assets that are acquired by the Company and have finite useful live are measured at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

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

Amortisation

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

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

Computer software licences	10 years
Production licences	25 years

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

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4 (i) Deferred costs of rolls

Deferred costs of rolls are stated at cost less accumulated amortisation.
Amortisation is based on consumption.

4 (j) Impairment

The carrying amounts of the Company's assets 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.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of non-financial assets is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the losses have decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4 (k) Interest-bearing liabilities

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

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4 (l) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

4 (m) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating 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. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date of the government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service costs and 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. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Company. An economic benefit is available to the Company if it is realisable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

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4 (n) Provisions

A provision is recognised if, as a result of a past event, the Company 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.

Provision for 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 Company'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.

4 (o) Revenue

Sale of goods

Revenue is recognized in profit and loss at the point in time when control of goods is transferred to the customer, generally on delivery of the goods, except for sale transaction related to "Contract for special product" which are recognized as revenue by reference of the stage of completion.

Tolling service

Revenue from service- tolling hire of work are recognised as revenue when goods are delivered or invoices are issued.

Interest income

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

From the company Has adopted Thai Financial Reporting Standard No. 15 Revenue from contracts made with customers. There is no significant effect to the Group's financial statements

4 (p) Finance costs

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

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

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4 (q) Lease payments

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

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

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company 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 Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Company 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 Company 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 Company's incremental borrowing rate.

4 (r) Income tax

Income tax expense for the year comprises current 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 jointly-controlled entities 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 Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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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 tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company 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 Company 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.

4 (s) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its ordinary shares. Basic earnings (loss) per share is calculated by dividing the profit (loss) attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted earnings (loss) per share is determined by adjusting the profit (loss) attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

4 (t) 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.

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5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company 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 Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

Name of entities	Country of incorporation / nationality	Type of business	Nature of relationships
SPH	Thailand	Investment holdings company	Subsidiary, common directors, 99.99% shareholding
G J Steel	Thailand	Manufacture and sale of hot rolled coil steel products	Subsidiary, common directors, 9.45% shareholding by the Company and its subsidiaries (2018: 17.28%)
OAC	Thailand	Consulting service and investing	Indirect subsidiary, common directors
GS Securities	Thailand	Special-purpose restructuring entity	Subsidiary, common directors, 99.99% shareholding
GS Notes	Thailand	Special-purpose restructuring entity	Subsidiary, common directors, 99.99% shareholding (registered the dissolution of the company on 22 September 2017)
GS Notes 2	Thailand	Special-purpose restructuring entity	Subsidiary, common directors, 99.99% shareholding (registered the dissolution of the company on 22 September 2017)
Asia Credit Opportunities I (Mauritius) Limited ("ACO I")	Mauritius	Special-purpose for investment	Major shareholder which is a wholly-owned subsidiary of SSG Capital Partners III, L.P. ("SSG III")
Link Capital I (Mauritius) Limited ("Link Capital I")	Mauritius	Special-purpose for investment	Related party which is a wholly-owned subsidiary of SSG Capital Partners III, L.P. ("SSG III")
SSG Capital Management (Mauritius) Limited ("SSG Capital Management")	Mauritius	Collective Investment Scheme Manager and holds an investment advisor (restricted) license	Related party which is a wholly-owned subsidiary of SSG Capital Holdings Limited

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Name of entities	Country of incorporation / nationality	Type of business	Nature of relationships
Synergy Strategic Solutions Management DMCC (“Synergy”)	United Arab Emirates	Business advisory	Common directors with the Company’s and the Company’s advisory
Sukhumvit Inter Development Co., Ltd.	Thailand	Trading of raw water	Common Shareholder with the Company
Million Miles Co., Ltd.	Thailand	Transportation	Director related to major shareholder of the Company
Great Siam Steel Works Co., Ltd.	Thailand	Trading of rolled steel	Common directors with G J Steel
Advance Metal Fabrications Co., Ltd.	Thailand	Trading of steel	Director related to major shareholder of the Company
SSP Place Co., Ltd.	Thailand	Office rental	Common directors with G J Steel
Asia Metal PCL.	Thailand	Manufacture and sale of steel	Common Shareholder and directors with the Company
Arnoma Hotel Bangkok Co., Ltd.	Thailand	Hotel, food and beverage	Common directors with the Company and common Executive with G J Steel
Grand Asia Steel Processing Center Co.,Ltd. (Formerly Asia Metal Fabrication Co., Ltd.)	Thailand	Factory construction service	Subsidiary of related party with whom the Company
Panich Sawad Co.,Ltd.	Thailand	Sale of steel	Director related to major shareholder of the Company
Felix River Kwai Resort (Kanchanaburi) Co.,Ltd.	Thailand	Hotel, food and beverage	Common directors with G J Steel
Superior Overseas (Thailand) Co., Ltd.	Thailand	Management Advisory	Related party of the shareholder of the Company

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Name of entities	Country of incorporation / nationality	Type of business	Nature of relationships
Mahachai Steel Center Co., Ltd.	Thailand	Sale of steel	Related party of the shareholder of the Company
Metal Inter Co., Ltd.	Thailand	Sale of steel	Related party of the shareholder of the Company
M & L Steel Co., Ltd.	Thailand	Sale of steel	Related party of the shareholder of the Company (registered the dissolution of the company on 23 April 2018)
The Steel Public Co.,Ltd.	Thailand	Manufacture and sale of steel	Related party of the shareholder of the Company
Liberty Steel Siam Co.,Ltd	Thailand	Sale of steel	Related party of the shareholder of the Company
Mrs. Naengnoi Trivuth	Thailand	-	Relative of subsidiary's director
Mr. Veerachai Suteerachai	Thailand	-	Director of related Company
Key management personnel	Thailand	-	Persons having authority and responsibility for planning, activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group

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The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sale of finished goods	Agreed-upon basis based on market price
Sales of raw material and other	Cost plus margin and agreed price
Revenue from service-tolling	Contractual rate
Operating and labor management service income	Contractual prices based on contract rate and actual hours
Interest income	Contractual rate
Purchase of finished goods	Agreed-upon basis based on market price
Purchase of raw material	Cost plus margin and agreed price
Purchase of raw water	Contractual prices
Rental and service expenses	Contractual prices
Business advisory services	Contractual prices
Sales agent fee	Contractual rate
Finance costs	Contractual rate

Significant transactions for the year ended 31 December 2019 and 2018 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
Year ended 31 December	2019	2018	2019	2018
	(in million Baht)			
Subsidiaries				
Sale of raw material and finished goods	-	-	36	670
Revenue from hire of work	-	-	274	3,871
Purchase of raw material and finished goods	-	-	309	273
Financial costs	-	-	45	59
Related parties				
Sale raw material and finished goods	286	977	912	-
Purchase of raw material and finished goods	-	624	-	608
Rental and service expenses	11	12	6	8
Business advisory services	97	-	83	-
Finance costs	1,012	954	708	515
Key management personnel				
Key management personnel compensation				
Salary and bonus	43	46	16	17
Meeting allowance and other benefits	8	8	4	4
Total key management personal compensation	51	54	20	21

G Steel Public Company Limited and its Subsidiaries
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Balances as at 31 December 2019 and 2018 with related parties were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		(in million Baht)			
Trade accounts receivable	8				
Subsidiary					
G J Steel		-	-	-	6
Total		<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>
Account Receivable - Related Party					
Receivable from operating service income					
Subsidiary					
OAC		-	-	1,053	1,129
Less allowance for doubtful account		<u>-</u>	<u>-</u>	<u>(1,053)</u>	<u>(1,129)</u>
Net		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Receivable from guarantee obligation					
Subsidiary					
OAC		-	-	1,313	1,313
Less allowance for doubtful account		<u>-</u>	<u>-</u>	<u>(1,313)</u>	<u>(1,313)</u>
Net		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Account receivable from decreased capital of investment in subsidiary		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Advances					
Subsidiary					
GS Securities		<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
Total		<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
Received in advance					
Other related party					
Mahachai Steel Center Co., Ltd.		<u>81</u>	<u>81</u>	<u>73</u>	<u>73</u>

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		Separate financial statements	
	Note	2019	2018
		(in million Baht)	
Advance payment for purchases of property, plant and equipment	12		
Other related parties			
Grand Asia Steel Processing Center Co.,Ltd. (Formerly Asia Metal Fabrication Co., Ltd.)		8	8
Less allowance for impairment asset		<u>(8)</u>	<u>(8)</u>
Net		<u>-</u>	<u>-</u>
Other non - current assets			
Loans to and interest receivable from related parties			
Subsidiaries			
Loans to related parties			
OAC		2,547	2,547
SPH		<u>7</u>	<u>7</u>
		2,554	2,554
Less allowance for doubtful accounts		<u>(2,554)</u>	<u>(2,554)</u>
Net		<u>-</u>	<u>-</u>
Accrued Interest Income from related parties			
OAC		209	209
SPH		<u>1</u>	<u>1</u>
		210	210
Less allowance for doubtful accounts		<u>(210)</u>	<u>(210)</u>
Net		<u>-</u>	<u>-</u>

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Movements of loans to related parties for year ended 31 December 2019 and 2018 was as follows:

		Consolidated and Separate financial statements			
		2019	2018		
		(in million Baht)			
Loans to related parties					
As at 1 January		2,554	2,554		
Increase (Decrease)		-	-		
As at 31 December		2,554	2,554		

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
(in million Baht)					
Deposit - other related parties					
Sukhumvit Inter Development Co., Ltd.		2	2	2	2
SSP Place Co., Ltd.		2	1	1	1
Total		4	3	3	3
Trade accounts payable 20					
Other related party					
Mahachai Steel Center Co., Ltd		196	200	196	200
Current portion of long-term loan from related party					
Other related party	19,5(d)				
ACO I		314	314	314	314

G Steel Public Company Limited and its Subsidiaries
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		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		(in million Baht)			
Advance received from customer					
Other related party					
Asia Metal PCL.		<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Other payables and accrued expenses	21				
Other related parties					
Mr.Veerachai Suteerachai		-	78	-	78
Arnoma Hotel Bangkok Co., Ltd.		3	3	3	3
Great Siam Steel Works Co.,Ltd.		1	1	1	1
SSP Place Co., Ltd.		20	22	19	21
Mahachai Steel Center Co., Ltd.		39	38	39	38
Superior Overseas (Thailand) Co., Ltd		-	479	-	479
ACOI		1,300	4,334	1,300	4,334
Synergy		44	-	43	-
SSG Capital Management		38	-	38	-
Total		<u>1,445</u>	<u>4,955</u>	<u>1,443</u>	<u>4,954</u>
Liabilities from terminated rehabilitation plan and compromise	26				
Other related person					
Mr.Veerachai Suteerachai		<u>32</u>	<u>-</u>	<u>32</u>	<u>-</u>

G Steel Public Company Limited and its Subsidiaries
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	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
(in million Baht)					
Amount due to related party					
Subsidiaries					
GS Securities		-	-	92	92
Accrued interest expense	23				
Subsidiaries					
G J Steel		-	-	-	19
GS Securities		-	-	314	273
Other related parties					
Mrs. Naengnoi Trivuth		8	13	8	13
Mr. Veerachai Suteerachai		9	6	9	6
Mahachai Steel Center Co., Ltd.		92	51	92	51
Superior Overseas (Thailand) Co., Ltd.		-	260	-	260
Link Capital I		61	34	36	-
ACOI		139	4,558	139	4,558
Total		309	4,922	598	5,180
Machinery and construction payables					
Other related party					
Grand Asia Steel Processing Center Co.,Ltd. (Formerly Asia Metal Fabrication Co., Ltd.)		2	2	2	2

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		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		<i>(in million Baht)</i>			
Short-term loans from related parties	19				
Subsidiaries					
G J Steel		-	-	-	94
GS Securities		-	-	313	1,027
		<u>-</u>	<u>-</u>	<u>313</u>	<u>1,121</u>
Other related parties					
Mrs. Naengnoi Trivuth		-	30	-	30
Link capital 1		811	1,239	811	-
Total		<u>811</u>	<u>1,269</u>	<u>1,124</u>	<u>1,151</u>

Movements of short-term loans from related parties for the year ended 31 December 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Short-term loans from related parties				
As at 1 January	1,269	1,506	1,151	1,151
Increase	811	-	811	-
Decrease	(1,269)	(237)	(838)	-
As at 31 December	<u>811</u>	<u>1,269</u>	<u>1,124</u>	<u>1,151</u>

Short-term loans from related person and related parties

Related person

On 28 March 2012, the Company entered into a loan agreement with Mrs. Naengnoi Trivuth in the amount of Baht 30 million, which bears interest at the rate of 12% per annum. Under the terms of this loan, the Company pledged 500 million shares of G J Steel (Equivalent to 50 million shares after the change in the par value of shares) held by the Company as collateral for the benefit of the lender.

On 6 March 2019, the said creditor has filed a case to the South Civil Court requests the Company to repay outstanding debts totaling Baht 41.79 Million, (Principal of Baht 30 Million, and interest rate at 12.0% per annum of principal till the filing date of Baht 11.79 Million.)

On 24 April 2019, the Company has entered in to the memorandum of compromise with that person regarding installment payment in order to use as a negotiation framework for compromising in the court.

On 6 June 2019, Bangkok South Civil Court has the judgment as per the compromise agreement which define the Company to pay debt to the said person principal Baht 30 million and interest Baht 5 million, interest Baht 5 million will be paid within 30 December 2019 and principal pay in 36 monthly installments at the amount of Baht 0.83 million each. First installment will be at the end of May 2021 until final installment at the end of April 2024.

On 18 December 2019, the company has already paid interest of 5 million baht.

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Related Parties

Loan from GS Securities as of 31 December 2019, amount of Baht 313 million (31 December 2018: Baht 1,027 million) are upon demand promissory note bears interest at the rate of 1.25% per annum. (31 December 2018: rate of 1.25% per annum)

During the 4th quarter of 2019, GS Securities pays Baht 1,800 million (as described in note 11 to the financial statements) from capital reduction to the Company meanwhile the Company repays loan both short term and long term to GS Securities amounted to Baht 1,800 million. Therefore, the remaining balance of short term loan from GS Securities as at 31 December 2019 is Baht 313 million

In year 2017 The Company has entered to short-term loan agreement from G J Steel in the credit facilities of Baht 94 million by which the principal and interest are to be repaid within the period of 6 months with interest rate at 12.5% p.a.

On 22 September 2017, the Company had made the memorandum of amendment to revise repayment within 15 November 2017.

Later on 14 January 2019, the Company had made the memorandum of amendment to revise repayment within 15 May 2019.

In April 2019, the Company repays all principal including interest up to 30 April 2019

Long-term loans from related parties

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		(in million Baht)			
Long-term loans from related parties					
Subsidiary					
GS Securities (See Note 3(a) and 3(e))		-	-	-	1,086
Other Related party					
Link capital 1	19	1,934	1,118	885	-
Total		1,934	1,118	885	1,086

G Steel Public Company Limited and its Subsidiaries
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Loans from shareholders

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
Loans from Shareholder 1	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

Movements of Loans from shareholders for year ended 31 December 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
<i>Loans from shareholders</i>				
As at 1 January	4	4	4	4
Decrease	-	-	-	-
As at 31 December	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
Liabilities from terminated rehabilitation plan an compromise				
Related person and Related parties				
Mr. Veerachai Suteerachai	16	-	16	-
Mrs. Naengnoi Trivuth	30	-	30	-
Superior Overseas	146	-	146	-
Total	<u>192</u>	<u>-</u>	<u>192</u>	<u>-</u>

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G Steel Public Company Limited and its Subsidiaries
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Other significant agreements with related parties

- 5(a) On 15 January 2013, the Company borrowed an amount of Baht 683 million, bearing interest at 3% per annum, by entering into a loan agreement with GS Securities with the first repayment on 30 December 2013 and will pay every last working day of each year until the principal is repaid in full. The principal is schedule to be repaid within 30 December 2017.

On 26 December 2016, the Company had made the memorandum to extend the repayment to within 30 December 2019.

On 28 December 2018, the Company had made the memorandum to extend the repayment to within 30 December 2021.

On 21 February 2013, G J Steel partially redeemed its debentures from GS Securities for a net amount of Baht 403 million and in the meantime the Company borrowed from GS Securities amounting to Baht 403 million and then provided a loan to OAC for an amount of Baht 403 million in order for OAC to repay debt to its financial institution creditor, with interest at 8% per annum with the first repayment on 30 December 2013 and will pay every last working day of each year until the principal is repaid in full. The principal is scheduled to be repaid within 30 December 2017.

On 30 May 2016, the Company had made the memorandum to revise interest rate from 8% per annum to 3.25 % per annum since 1 June 2016.

On 26 December 2016, the Company had made the memorandum to extend the repayment to within 30 December 2019.

On 28 December 2018, the Company had made the memorandum to extend the repayment to within 30 December 2021.

During the 4th quarter of 2019, GS Securities pays Baht 1,800 million as described in note 11 to the financial statements from capital reduction to the Company meanwhile the Company repays loan both short term and long term to GS Securities amounted to Baht 1,800 million. Therefore, the remaining balance of long term loan from GS Securities as at 31 December 2019 is fully paid.

- 5(b) In year 2013, G J Steel entered into an agreement with OAC in which OAC accepts liabilities arising from the compromise agreement with Master Steel Company Limited amounting to Baht 17.91 million in exchange for the transfer of 35.82 million shares of the Company held by OAC at the agreed price of Baht 0.50 per share to Master Steel Company Limited.

In addition, G J Steel settled a labour case with a former employee at the Central Labour Court. Under this agreement, G J Steel agreed to transfer the Company's shares of 33 million shares which held by OAC to the former employee at an agreed price of Baht 0.45 per share, amounting to Baht 14.85 million and OAC agreed to guarantee the share price at Baht 0.45 per share in 90 days from the transferred share date ("guarantee period").

Therefore, G J Steel entered into a memorandum with OAC to accept the liabilities arising from the compromised debt agreement in amounting of Baht 32.76 million. The said debt shall be mature on 30 June 2014. On 5 June 2015, G J Steel paid to OAC for the amount of Baht 29.54 million which the outstanding debts remained at Baht 3.22 million.

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- 5(c) On 13 January 2014, OAC deposited 102.3 million shares of the Company with Deposit Office, Legal Execution Department as a guarantor under the compromise OAC agreed G J Steel to transfer additional 102.3 million shares of the Company held by OAC at Baht 0.10 per share (the market price at the end of guarantee period) to the employee.

And the same date, G J Steel entered into an memorandum with OAC to accept additional liabilities of Baht 10.23 million. This said liabilities due within 30 June 2014. At present this liabilities is in the process of negotiations to extend the repayment schedule.

- 5(d) On 17 February 2014, the Company's Board of Directors approved the Company's execution of financial support agreements in the aggregate amount of Baht 4,610 million, comprising a long-term loan in the amount of Baht 400 million the period of 5 years which bears interest at 12% per annum repayment in 48 installments. Bank guarantee facilities in the aggregate amount of Baht 210 million and trade credit facilities for purchase of raw material and spare parts for production in the amount of Baht 4,000 million with a Supporting Customer. To reciprocate the support, the Company has appointed the supporting customer to be the distributor for the hot rolled coil steel products produced by the Company and the Company is entitled to certain percentage of sales for the period of 5 years. Moreover, the supporting customer and a group of other customers have agreed to purchase all of the hot rolled coil steel products which the Company is able to produce for a period of 2 years. Under the conditions of financial support agreements, the Company pledged G J Steel's shares in the amount of 12,000 million shares and the Heavy Gauge Shearing Line as collateral in favour of Supporting Customer. On 2 May 2014, the Company already registered the mortgage with the central registration office, Department of Industrial Works.

On 17 February 2014, the loan of Baht 400 million was drawn down by the Company.

On 29 February 2016, the Company entered into additional short - term secured loan agreement of Baht 30 million with the above related person, bears interest at the rate of 12% per annum, repayment in monthly installment of Baht 1 million commencing in January 2017 and guarantee by assets of a related person of the Company.

On 27 March 2017, the Company had made the memorandum of amendment to revise repayment period to be 38 equal monthly installment of Baht 8 million commencing in September 2017.

On 22 November 2017, there was a Board of Director's meeting to approve in principle the termination of financial support agreement with Mahachai Steel Center Co.,Ltd. dated 17 February 2014. This is to comply with the Company submission for rehabilitation plan with the Central Bankruptcy Court on 14 November 2017.

On 17 December 2018, the said related party transferred the loan dated 17 February 2014 and 29 February 2016 which had outstanding balance of Baht 304 million and Baht 10 million respectively including all rights and commitments to the New Creditor.

- 5(e) On 28 February 2014, GS Securities entered into a mortgage agreement of 2,000 million shares of G J Steel held by GS Securities and the supporting customers (Pledgee) to secure the repayment of loans the Company has with the Pledgee.

On 26 May 2015, GJ Steel's par value has been changed from Baht 0.69 per share to Baht 6.90 per share. This cause a reduction to the said 2,000 million shares to be 200 million shares.

Subsequently, during 5-9 March 2018 and during 12-16 March 2018, the supporting customer (Pledgee) has enforced the pledged share totaling 200 million shares.

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- 5(f) On 7 May 2014, OAC enters into a Transfer of assets for debt repayment contract with Shareholder 2 of the Company agreeing to partially pay the debts by transferring ownership of assets value Baht 303 million which composes of 4,125 million of GJS shares, 274 million units of GJS-W2, 413 million units of GJS-W4 and 209 million of the Company shares. Besides, at the same date, the Company and Shareholder 2 agreed to extend the payment of debts to 30 June 2016, provided that OAC has complied to debt payment in according to the Transfer of assets for debt repayment contract. OAC transfers the aforementioned assets to Shareholder 2 on 18 June 2014. Thus the Company classifies the outstanding balance of loans to non-current liabilities since the 2nd quarter of 2014.

Then the Lenders of OAC's loan complaint case to OAC and the Company as guarantor to repay the outstanding debt of OAC's loan and OAC has other obligations with third parties. Based on the current financial position of OAC, OAC was unable to meet its obligations. The Company was guarantor of OAC's loan and as its parent company has obligations making it jointly liable for OAC's obligations.

Later on 29 May 2015, the Southern Bangkok Civil Court have made a judgment to the Company to pay the above shareholder amounted to Baht 592 million including interest 7.5% p.a. of Principal at Baht 392 million since 8 May 2015. Later the Company had enter into a memorandum with the shareholder that the Company will instalment within 9 months Since 10 August 2015 and the Shareholder will release OAC's obligations. Therefore, the Company transfer provision for guarantee subsidiary amount of Baht 522 million to other payable and accrued expenses and accrued interest.

On 4 May 2016, the Company had made the memorandum to extend the repayment period to within 28 February 2017.

On 28 February 2017, the Company had made the memorandum to extend the repayment period of shareholder 2 to within 31 August 2018.

On 31 July 2019, the Company enters into a compromise agreement with Shareholder 2. The Company will repay debt by

1. Partially convert principal amounting Baht 332 million into ordinary share of the Company. Shareholder 2 agrees to waive all accrued interest up to 02 December 2019 as well as interest until the date of newly issued shares.
2. Pay by installment for the Remaining debt Bath 146 million within 9 years from the date of shareholder 2 is issued new shares. Interest will be calculated on remaining principal Baht 59 million with the rate of MLR-2.00% per annum. The Company will received grace period for 3 years and start repay principal and interest from the 4th year. However, the Company has to pay all principal and interest within the 9th years.

The Company allocates the newly issued ordinary shares of the Company under the Debt-to-Equity Conversion Scheme to the creditor and registered the additional paid-up capital with Department of Business Development, Ministry of Commerce on 2 December 2019. (as described in note 28 to the financial statements)

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5 (g) On 14 November 2017 the Company entered into Tolling Agreement with G Steel whereby the Company (the metallic owner) shall supply the primary metallic and delivery to the plant and G Steel (the operator) shall process and convert metallic to Hot Roll Coils (HRC) extend to deliver such HRC to the Company's customers in according to the Company's sale order. Tolling agreement is valid one year from the contract date and automatically renew for another year if there is no notice of termination prior to expiration of 90 days. Its service fee shall be charged based on contractual prices. Later on 17 December 2018, GJ Steel made a notice of cancellation of the contract in advance. With the agreement effective until 31 January 2019.

6 Transactions with business alliances

Since its inception, the Group has had significant business transactions with its business alliances. Business alliances are companies with whom the Company formerly had shareholders and/or directors in common or had directors who have relationships with the Company's directors. The business transactions are conducted on an arm's length basis with commercial terms agreed upon in the ordinary course of business between the Group and the business alliances. Below is a summary of those transactions.

Transactions	Pricing policies
Purchase of raw material	Agreed-upon basis based on market price
Transportation expenses and other services	Agreed-upon basis and contractual price
Rental and service expenses	Contractual prices
Financial Cost	Contractual prices

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Cash at bank - current accounts	-	-	-	-
Cash at bank - saving accounts	464	258	40	57
Total	464	258	40	57

The currency denomination of cash and cash equivalents as at 31 December 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Thai Baht (THB)	450	253	39	56
United States Dollar (USD)	14	5	1	1
Total	464	258	40	57

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8 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		<i>(in million Baht)</i>			
Related parties	5	-	-	-	6
Business alliances	6	363	363	363	363
Other parties		628	678	270	247
		991	1,041	633	616
Less allowance for doubtful accounts		(955)	(1,027)	(603)	(610)
Net		36	14	30	6

Bad and doubtful debts

expense (Reversal of) for the year:	36	(7)	(1)	7	(1)
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Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Related parties				
Overdue:				
Less than 3 months	-	-	-	6
Total	-	-	-	6
Business alliances				
Overdue:				
Over 12 months	363	363	363	363
Less allowance for doubtful accounts	(363)	(363)	(363)	(363)
Net	-	-	-	-
Other parties				
Overdue:				
Less than 3 months	36	14	30	-
Over 12 months	592	664	240	247
	628	678	270	247
Less allowance for doubtful accounts	(592)	(664)	(240)	(247)
Net	36	14	30	-
Total	36	14	30	6

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Customer credit terms

The normal credit terms granted by the Company are by cash and not over 2 - 3 working days and G J Steel by cash and not over 7 working days for domestic sales, and letters of credit at sight for export sales.

As such, full provision for receivables of Non-Performing customer have been set by the Group and the Company.

No sales transactions for the year ended December 31, 2019 and 2018 with the customers with whom the Group and the Company have set aside provisions but are still engaged in business as a means of debt collection.

The Company

According to the Company filed a complaint against a domestic customer (the "Non-Performing Customer") for the alleged breach of dis-honored cheque. Currently, which the company has already fully set up allowance for doubtful accounts, the Civil Court made its final award and ordered that the Non-Performing Customer pay Baht 146 million with interest at the rate of 7.5% per annum. Under the repayment agreement, the Non-Performing Customer had to make the payments to the Company within July 2013. Currently, the Company not yet received repayment. Therefore, the Company record fully allowance for doubtful account.

The Company follows up for the debt payment with the Non-Performing Customer and also has outside lawyer checked property of the Non-Performing Customer for legal enforcement. However, no property founded for seize and/or sequester to be enforced. Therefore, on 28 September 2018, the Company filed a petition to the Central Bankruptcy Court requesting the Non-Performing Customer to be bankrupt.

On 17 June 2019, the Central Bankruptcy Court has judgment that the Non-Performing Customer was bankrupt

G J Steel

In year 2013, G J Steel filed complaints against the Non-performing domestic Customers with Civil Court for breach of sale and purchase agreements.

On 21 October 2013 the Civil Court ordered the Customer 1 to pay the amount of Baht 423 million and interest at 7.5% p.a. of the principal of Baht 352 million since filing date until the settlement date. However the Customer 1 could not paid as per the judgment debt. On 17 November 2016, the Customer 1 had a registration for dissolution. G J Steel has been sent the first notice of debt repayment on 29 June 2018 and the second notice of debt repayment on 7 August 2018. Later on 24 August 2018 G J Steel filed the a lawsuit to the Customer 1 against the Central Bankruptcy Court to ask the court to order and seize the Customer 1's asset and request the Customer 1 is bankruptcy. On 1 November 2018 the Court had ordered to seize the Customer 1's asset, which on 28 December 2018, G J Steel has already filed an application for payment of debt and the Official Receiver has ordered an appointment to inspect the application of payment on 25 February 2019 and make the first appointment with creditors on 28 May 2019. It appears that Customer no.1 did not come to the creditors meeting as per the official receiver appointment and the officers who submit application for debt repayment has voted requesting the court ruled the debtor to be bankrupt. Currently, it is pending for judgement that Customer no.1 is bankrupt from Bankruptcy court. Currently, the verdict is pending with the Central Bankruptcy Court that Customer 1 is bankrupt.

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On 3 March 2014, G J Steel had made the compromise agreement with Customer 2 to pay the amount of Baht 78 million (principal amount of Baht 65 million and interest amount of Baht 13 million) by installation payment commencing on 25 March 2014 to 25 August 2016. However, the Customer 2 was defaulted the payments. However from year 2015 to the present G J Steel traced the land of the Customer 2 with Land Department, and not found their property. On 27 October 2017, G J Steel filed a lawsuit to Customer 2 against the Bankruptcy Court to ask Customer 2 to pay the debts to G J Steel in the amount of Baht 78 million and interest at 7.5% p.a. of the principal from the date of 25 March 2014. On 18 December 2017, the Court has ordered to seize the Customer 2's asset. On 24 January 2018, G J Steel has filed a request for payment with the Official Receiver and the official debt investigation was completed on 8 May 2018, and the Customer 2 did not come to the meeting of the creditor as informed by the Official Receiver. And the creditors who filed an application for payment of debt have voted to request the Court to adjudge the debtor to be bankrupt. Subsequently, on 17 April 2019, the Central Bankruptcy Court has the judgment that the second customer was bankrupt.

On 28 May 2019, G J Steel Board of Directors meeting has approved for write-off trade account receivable - Customer 2 and allowance for doubtful account of Baht 65 million according to the Court ordered this trade account receivable - Customer 2 to be bankrupt.

The currency denomination of accounts receivable as at 31 December 2019 and 2018 was as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(in million Baht)		
Thai Baht (THB)	897	940	539	515
United States Dollar (USD)	94	101	94	101
Total	991	1,041	633	616

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(in million Baht)		
Finished goods	880	1,225	534	1
Raw materials	862	1,774	444	267
Spare parts	874	1,138	411	417
Consumables	73	85	73	85
Others	268	693	9	4
	2,957	4,915	1,471	774
Less Allowance for devaluation of inventories	(233)	(212)	(114)	(20)
Less Allowance for raw material left	(92)	(92)	(92)	(92)
Net	2,632	4,611	1,265	662
Carrying value of inventories pledged to secure liabilities	-	327	-	-

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As at 31 December 2019 and 2018, the Company entered into the guarantee agreement by pledging the machinery spare parts which owned by the Company in the amount of Baht 36 million to secure the amount of Baht 36 million loan to one lender. On 4 June 2019, the Company had already redeem that collateral.

Lost on raw materials

In the 3rd quarter of 2017, the Company has raw materials (scrap steel) left which may be considered misappropriate, fraud or stolen. Estimated preliminary damage cost is approximate Baht 88 million of which the Company set fully provision Later, in the 4th quarter of 2017, the Company prepared yearly stock count of its goods and raw materials as at 31 December 2017 and found that quantity of the Company's raw materials (scarp) has lost from the stock total amount of Baht 92 million. Therefore, the Company set up increasing allowance for loss on raw materials amounting to Baht 4 million in the 4th quarter of 2017. Presently, the matter is under the investigation process of police officers in order to conclude the final offence and damage. And will further file a legal lawsuit. However, the Company's management assured that the Company does not have any more damage.

On 1 and 6 November 2017, the Company had to pay USD 2 million (approximate Baht 68 million) to a supporter but raw material (scarp steel) has not been transferred as usually from control yard which the Company has recorded as advance payment for raw material at transaction date. At the present, the Company is in the recalling process.

10 Other current assets

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		<i>(in million Baht)</i>			
Other receivables		6	15	6	15
Less allowance for doubtful accounts		-	(7)	-	(7)
		<u>6</u>	<u>8</u>	<u>6</u>	<u>8</u>
Advance for purchases of goods and service	9	203	189	134	128
Less allowance for impairment		(11)	(11)	-	-
		<u>192</u>	<u>178</u>	<u>134</u>	<u>128</u>
Suspense value added tax		78	133	69	133
Revenue Department Receivable		147	188	147	20
Others		30	59	12	15
		<u>255</u>	<u>380</u>	<u>228</u>	<u>168</u>
Net		<u>453</u>	<u>566</u>	<u>368</u>	<u>304</u>
Bad and doubtful debts expense (Reversal of) for the year:		<u>-</u>	<u>(89)</u>	<u>-</u>	<u>-</u>

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On 13 September 2019 GJ Steel filed a lawsuit against a local company representative to the Southern Bangkok Criminal Court due to the defendant counterfeited the bank account in such sale and purchase documents of a foreign company which is a manufacturer of electrode for an amount of Baht 2.3 million together with the interest 7.5% p.a. from the date the defendant had committed the offense. Currently this matter is under Court proceedings and the Court has started the order of reconciliation session on 13 November 2019. But the parties cannot agree The court therefore ordered the investigation of the data on the 9 March 2020.

The currency denomination of other current assets as at 31 December 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Thai Baht (THB)	308	442	256	216
United States Dollar (USD)	105	116	96	80
Others	51	26	16	15
	<u>464</u>	<u>584</u>	<u>368</u>	<u>311</u>
<u>Less</u> doubtful and allowance for impairment	<u>(11)</u>	<u>(18)</u>	<u>-</u>	<u>(7)</u>
Total	<u>453</u>	<u>566</u>	<u>368</u>	<u>304</u>

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11 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2019 and 2018 were as follows:

	Ownership interest		Paid-up capital		Separate financial statements Cost		Impairment		At cost - net	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(%)		(in million Baht)				(in million Baht)			
Subsidiaries										
Ordinary shares:										
SPH	99.99	99.99	341	341	341	341	(341)	(341)	-	-
G J Steel	8.24	15.08	96,104	96,104	3,776	3,776	(2,680)	(1,783)	1,096	1,993
GS Securities	99.99	99.99	692	2,492	446	1,608	-	(491)	446	1,117
GS Notes*	99.99	99.99	2,722	2,722	1	1	-	-	1	1
GS Notes 2*	99.99	99.99	473	473	1	1	-	-	1	1
Total					4,565	5,727	(3,021)	(2,615)	1,544	3,112

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* Two subsidiaries, GS Notes and GS Notes 2 were registered to dissolve the Companies with the Ministry of Commerce on 22 September 2017 as approved by the special resolution of the shareholders at the extra ordinary shareholders' meeting on 20 September 2017.

The Company does not write-off those investments due to they are not yet complete of the liquidation.

The movement of investments in subsidiaries during year ended 31 December 2019 and 2018 is as follow:

	<i>Separate financial statements</i>	
	2019	2018
	<i>(in million Baht)</i>	
<i>Cost method</i>		
At 1 January	5,727	5,727
Deductions	(1,162)	-
At 31 December	4,565	5,727
<i>Impairment</i>		
At 1 January	(2,615)	(2,489)
Reversal of impairment	491	-
Increase	(897)	(126)
At 31 December	(3,021)	(2,615)
Net	1,544	3,112

G J Steel

On 7 May 2014, OAC enters into a transfer of assets for debt repayment contract with Shareholder of the Company to agree for partial debt repayment against with the transferring ownership of G J Steel shares of 4,125 million shares and G J Steel warrants of 687 million units which were held by OAC. In September 2014, the Company had transferred ownership of G J Steel shares of 1,500 million shares to other non-related company, resulting to G Steel held 20.79% shareholding in G J Steel.

Later in June and July 2017, the Company sold the shares held in G J Steel of 100 million shares as a result the Company shareholding in G J Steel reduced to 20.05% before the share capital increase as a result of this transaction, the Company recorded loss on the disposal of sale of shares in the statement of comprehensive income of Baht 125 million.

As at 31 December 2017, the Company and GS Securities hold 18.72% in G J Steel.

Later in March 2018, the Company's financial supporter compulsory pledge shares held in G J Steel of 200 million shares by GS Securities to guarantee G J Steel to repay the Company liabilities. After the forced sale of shares, as at 31 December 2018 the percentage of shareholding in the Company of the Company and GS Securities is 17.28 %.

As at 31 December 2019, the market price of ordinary shares of G J Steel was Baht 0.13 per share (31 December 2018: Baht 0.12 per share), equivalent to a valuation of the investment of Baht 273 million (31 December 2018: Baht 252 million).

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For the year ended 31 December 2019

As at 31 December 2019, the Company's investment in G J Steel at cost amounted to Baht 3,776 million (31 December 2018: Baht 3,776 million) where as the book value of G J Steel shareholders' equity proportion in the percentage that the Company held according to its financial statement as at 31 December 2019 amounted to Baht 1,096 million (31 December 2018 : Baht 2,119 million).

GS Securities

On 4 September 2019, GS Securities registered the capital decrease with Department of Business Development, hence the share capital reduced from Baht 2,491.9 million (Ordinary share 249.19 million shares at par Baht 10 per share) to Baht 691.9 million (Ordinary share 69.19 million shares at par Baht 10 per share). From the said transaction, the Company recorded the decrease of investment in GS Securities in portion, recognized gain from decrease capital in investment in subsidiary amounted to Baht 1,130.11 million, recorded account receivable from decreased capital in investment in subsidiary amounted to Baht 1,800 million in the separate financial statements.

During the 4th quarter of 2019, GS Securities pays Baht 1,800 million from capital reduction to the Company meanwhile the Company repays loan both short term and long term to GS Securities amounted to Baht 1,800 million.(as described in note 5 to the financial statements).

G J Steel's shares and G J Steel's warrants as collateral for the benefit

The Company

As at 31 December 2019 and 2018 the Company pledged its G J Steel's shares and G J Steel's warrants as collateral for the benefit of creditors as follows:

	Separate financial statements	
	2019	2018
	Number of shares (in million share)	
G J Steel's shares		
Short-term loan from other party	60	60
Short-term loan from related party	50	50
Working capital lines of credit with related party	1,900	1,900
Working capital lines of credit with a Supporting customer no.3	-	18
Total	2,010	2,028

On 1 May 2014, the Company entered into a loan agreement in the amount of Baht 36 million with the supporter company to replace the financial support agreement dated 16 January 2013, the interest shall be at 7.75% per annum from the signing date. The principal together with the interest shall be paid monthly and to be completed within 2 years. And for securing of the loan, the Company had pledged 102 million of the G J Steel share (Equivalent to 10 million shares after the change in the par value of shares) as collateral for the repayment of the loan.

On 29 April 2016, the Company had made the memorandum to extend the repayment period within 30 April 2017.

On 28 April 2017, the Company had made the memorandum to extend the repayment period within 30 April 2018.

On 12 March 2019, the supporter company has filed a case to the South Civil Court requests the Company to repay outstanding debts totaling Baht 27.78 million; (principal of Baht 25.52 million, and interest rate at 7.75% per annum of principal till the filing date of Baht 2.26 million.)

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On 24 April 2019, the Company has entered into the memorandum of compromise, with that person regarding installment payment in order to use as a negotiation framework for compromising in the court.

Subsequently, on 4 June 2019, the Court has the judgment as per the compromise agreement which define the Company to pay only principal Baht 25.52 million in 36 monthly installments at the amount of Baht 0.71 million each. First installment will be at the end of May 2021 until final installment at the end of April 2024.

On 12 September 2014, the Company entered into a loan agreement with a lender in the amount of Baht 10 million, which bears interest 8% per annum and to be due on 30 January 2015. Under the terms of this loan, the Company pledged 500 million shares of G J Steel (Equivalent to 50 million shares after the change in the par value of shares) held by the Company as collateral for the benefit of the lender. Later the Company had made the memorandum to extend the repayment period within 30 June 2016.

On 23 June 2016, the Company had made the memorandum to extend the repayment period within 30 June 2017.

On 30 June 2017, the Company had made the memorandum to extend the repayment period within 30 June 2018.

On 26 February 2019, the above lender has filed a case to the South Civil Court requests the Company to repay outstanding debts totaling Baht 13.57 Million; divided into principal of Baht 10 Million, and interest rate at 8.0% per annum of principal till the filing date of Baht 3.57 Million.

On 24 April 2019, the Company has entered into the memorandum of compromise with that company regarding installment payment in order to use as a negotiation framework for compromising in the court.

on 5 June 2019, the Court has the judgment as per the compromise agreement which define the Company to pay only principal Baht 10 million in 36 monthly installments at the amount of Baht 0.28 million each. First installment will be at the end of May 2021 until final installment at the end of April 2024

Subsequently, on 31 July 2019 the Company entered into a compromise agreement to convert principal Baht 10 million into ordinary share of the Company with the same price for major creditors and the Company will propose to the 2nd /2019 EGM of the Company for approval of debt to equity conversion program. However, if the debt to equity conversion is not success, the Company will pay in 36 monthly installments at the amount of Baht 0.28 million each. First installment will be at the end of May 2021 until final installment at the end of April 2024.

And in the Extraordinary General Meeting of the Shareholders No. 2/2019 on 11 October 2019, the meeting has approved the Debt to Equity Conversion Scheme by the allocation and offering of the newly-issued ordinary shares of the Company with the same offering price to other creditors totaling 8 creditors in order to repay the debt which will be converted to the equity. The Company will complete this within the 4th quarter of 2019.

The Company allocates the newly issued ordinary shares of the Company under the Debt-to-Equity Conversion Scheme to the creditor and registered the additional paid-up capital with Department of Business Development, Ministry of Commerce on 2 December 2019. (as described in note 28 to the financial statements)

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GS Securities

On 28 February 2014, GS Securities entered into an agreement to pledge 2,000 million G J Steel shares (Equivalent to 200 million shares after the change in the par value of shares) held by GS Securities to supporting customer of the Company (Pledgee) as collateral for loan repayment of the Company. Subsequently, the said shares has been forced sold for debt settlement with pledgee in March 2018 totaling 200 million shares. After the aforementioned forced sold, as at 31 March 2018, the Company and GS Securities has the percentage of shareholding in G J Steel equal to 17.28%.

On July 27, 2015, GS Securities entered into an agreement to pledge 3,200 million G J Steel shares (Equivalent to 320 million shares after the change in the par value of shares) held by GS Securities to supporting customer no.3 of the Company and G J Steel (Pledgee) as replaced collateral for debt repayment of the Company and G J Steel.

Later on November 2017, the Company repay debt to the said supporter no.3 has forced sold the said share totaling 13 million shares, therefore, as at December 31, 2017 there was 307 million shares remain. And the Company did the letter cancelling the collateral borrowing agreement dated 20 February 2018 already.

12 Advance payment for purchases of property, plant and equipment

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Advance payment for :				
Land	210	210	-	-
Hot rolled coil expansion project	1,308	1,308	1308	1,308
Coil conditioning line project	692	692	692	692
Others	-	55	-	-
	<u>2,210</u>	<u>2,265</u>	<u>2,000</u>	<u>2,000</u>
Less allowance for loss on impairment	<u>(2,000)</u>	<u>(2,055)</u>	<u>(2,000)</u>	<u>(2,000)</u>
Net	<u>210</u>	<u>210</u>	<u>-</u>	<u>-</u>

G J Steel

On 29 September 2015 G J Steel and the land seller agreed to mortgaged the 5 land title deeds which are presented as past of advances for purchases of property, plant and equipment amounted to Baht 210 million as collateral to Revenue Department, as security of tax instalment for both of the Company and G J Steel amounted to Baht 330 million (G J Steel Baht 206 million) (as described in Note 21 to the financial statements).

On 28 May 2019, G J Steel Board of Directors meeting has approved for write-off the advance for purchase of machinery and allowance for impairment of Baht 54 million because G J Steel entered to Settlement Agreement and Release Agreement in which it agree to release all liabilities and commitments under all existing agreements, resulting to G J Steel cannot claim any right on such advance for purchase machinery.

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13 Property, plant and equipment

The movement of property, plant and equipment during the year ended 31 December 2019 and 2018 is as follow :

	Consolidated financial statements						
	Land	Building and improvement	Machinery and equipment	Office equipment furniture	Vehicles	Assets under construction and installation	Total
	(in million Baht)						
<i>Cost</i>							
As at 31 December 2018	1,602	9,485	39,246	338	14	15,432	66,117
Additions	-	-	47	14	-	93	154
Disposals / Write off	-	-	(1,944)	(4)	(3)	(3,637)	(5,588)
Transfers	-	-	27	1	-	(28)	-
As at 31 December 2019	1,602	9,485	37,376	349	11	11,860	60,683
<i>Accumulated depreciation</i>							
As at 31 December 2018	43	5,567	21,338	291	11	-	27,250
Depreciation charge for the year	5	128	1,563	13	1	-	1,710
Disposals / Write off	-	-	(294)	(4)	(3)	-	(301)
As at 31 December 2019	48	5,695	22,607	300	9	-	28,659

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	Land	Building and improvement	Machinery and equipment	Office equipment furniture (in million Baht)	Vehicles	Assets under construction and installation	Total
<i>Allowance for loss on impairment</i>							
As at 31 December 2018	329	1,147	3,075	6	-	9,925	14,482
Disposals / Write off	-	-	(980)	-	-	(3,338)	(4,318)
As at 31 December 2019	<u>329</u>	<u>1,147</u>	<u>2,095</u>	<u>6</u>	<u>-</u>	<u>6,587</u>	<u>10,164</u>
<i>Net book value</i>							
As at 31 December 2018	<u>1,230</u>	<u>2,771</u>	<u>14,833</u>	<u>41</u>	<u>3</u>	<u>5,507</u>	<u>24,385</u>
As at 31 December 2019	<u>1,225</u>	<u>2,643</u>	<u>12,674</u>	<u>43</u>	<u>2</u>	<u>5,273</u>	<u>21,860</u>

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			Separate financial statements				
	Land	Building and improvement	Machinery and equipment	Office equipment furniture	Vehicles	Assets under construction and installation	Total
	<i>(in million Baht)</i>						
<i>Cost</i>							
As at 31 December 2018	736	3,238	21,314	159	9	8,616	34,072
Additions	-	-	36	5	-	1	42
Disposals / Write off	-	-	(1,926)	-	(3)	(3,637)	(5,566)
As at 31 December 2019	<u>736</u>	<u>3,238</u>	<u>19,424</u>	<u>164</u>	<u>6</u>	<u>4,980</u>	<u>28,549</u>
<i>Accumulated depreciation</i>							
As at 31 December 2018	-	1,297	11,203	142	9	-	12,654
Depreciation charge for the year	-	36	772	4	-	-	812
Disposals / Write off	-	-	(280)	-	(3)	-	(283)
As at 31 December 2019	<u>-</u>	<u>1,333</u>	<u>11,698</u>	<u>146</u>	<u>6</u>	<u>-</u>	<u>13,183</u>

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	Separate financial statements						
	Land	Building and improvement	Machinery and equipment	Office equipment furniture (in million Baht)	Vehicles	Assets under construction and installation	Total
<i>Allowance for loss on impairment</i>							
As at 31 December 2018	306	1,071	2,686	6	-	6,804	10,872
Disposals / Write off	-	-	(980)	-		(3,338)	(4,317)
As at 31 December 2019	306	1,071	1,706	6	-	3,466	6,555
Net book value					-		
As at 31 December 2018	430	870	7,422	11	-	1,812	10,546
As at 31 December 2019	430	834	6,020	12	-	1,514	8,810

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Assets under construction and installation

Details of assets under construction and installation as at 31 December 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
Hot rolled coil expansion	513	1,541	513	1,541
Coil conditioning line	4,430	6,273	4,430	6,273
Galvanizing line	5,038	5,038	-	-
Reversing Mill line	1,525	1,525	-	-
Others	354	1,055	37	802
Total	11,860	15,432	4,980	8,616

Impairment evaluation

The Company

In determination of assets impairment, the management of the Company has verified various factors and concluded that there is no factor indicated the value of land, buildings and equipment as at 31 December 2019 and 2018 may be impaired. However, for the sake of certainty, December 2019, the management of the Company has retained an independent appraisers to evaluate the value of the land, buildings and equipment as of 31 December 2019 of the Company. Together with the assessing value in use of the assets by the Company's management, with the discounted rate (before tax) of 11.74% p.a. in year 2019 and 11.16% p.a. in year 2018, as at 31 December 2019 and 2018 there are no factor indicated that the book value of the land, buildings and equipment may be impaired.

For a part of assets under construction and installation at cost of Baht 1,385 million which the Company has policy to terminate the project due to capital investment problem detailed as follows :

- Refer to the privilege received from the Board of Investment (BOI) under promotional certificate no.1579 (2)/2548 dated 29 June 2005, the Company got waived of import duty tax of machineries approved by the committee (BOI) and has to complete and start operation within 36 months from the certificate issued date. Nevertheless, the Company has capital investment problem during that period and the Company has continually requested for extension and the latest request is to extend from 29 June 2017 to be 29 June 2019. However, at present, the Company has not received approval from BOI yet. If the Company does not receive the said approval from BOI, this may lead to the revocation of the privilege and the Company may have import duty tax, VAT and penalty burden around Baht 850 million to pay to the Custom Department and Revenue Department. Therefore, to alleviate the aforementioned burden, the Company then has policy to sell the said assets (BOI) to Free Zone in order to received exemption of the said tax burden. The Company also hires the independent appraiser to appraise the fair value net of cost to sell of the asset under construction, the result of the appraisal indicate that the allowance for loss on impairment increase from Baht 349 million to Baht 1,347 million. The Company records impairment of the said assets amounting Baht 998 million in the 4th quarter of 2017.
- Subsequently, during February, March and May 2019, the Company has sold the aforementioned assets, with loss from the sale of assets in the amount of Baht 41.61 million which the Company has recorded allowance for impairment in the amount equal to the loss in 2018.

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Subsequently, the Company's Board of Director meeting on 18 November 2019 approved to re-exporting of the 4 machines under BOI which remains from the process of re-export at the beginning of year 2019 from the Kingdom, i.e. Skin Pass, Slitting Coil, Cut to Length, and Heavy Gauge since it is not supported by the extension or included in the former Investment Promotion Certificate. As the machine is considered to be used for coil center business, which is not under the investment promotion from the BOI. The Company has sold the aforementioned 4 assets to Free Zone and recorded the loss from the sale of assets in the amount of Baht 946 million in year 2019.

G J Steel

In determination of assets impairment, the management of G J Steel has verified various factors and concluded that there is no factor indicated the value of property, plant and equipment as at 31 December 2019 and 2018 may be impaired. And in December 2019, the management of G J Steel has retained an independent appraiser to evaluate the value of the land, buildings and equipment as at 31 December 2019 together with the assessing value in use of the assets by G J Steel's management with the discounted rate (before tax) of 8.22% p.a. in year 2019 and 10.50% p.a. in year 2018. It concluded that as at 31 December 2019 and 2018 there is no factor indicated that the book value of the land, buildings and equipment may be impaired.

Mortgage transaction

The Company

Security for short-term loan from a financial institution

The Company had mortgaged machinery which are Skin pass Mill as collateral for short-term loan from a financial institution not over Baht 510 million. (as described in note 17 to the financial statements)

On 20 August 2019 the said financial institution released the collateral to the Company and the Company already redeemed the collateral with the central registration office, Department of Industrial Works on 24 September 2019.

Security for tax liabilities

The Company had mortgaged machinery (Pickle and Oil Line) with a net book value of baht 1,503 million as at 31 December 2019 (31 December 2018: Baht 3,326 million) with the Revenue Department to secure tax liabilities amounting to baht 599 million. (as described in note 21 to the financial statements)

Security for working capital line with a foreign company

The Company had mortgaged property, plant and equipment with a net book value of Baht 7,308 million as at 31 December 2019 as collateral for working capital lines of credit. (as described in note 17. to the financial statements)

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G J Steel

Liabilities from terminated the rehabilitation plan and loan from a foreign company

As at 31 December 2019, G J Steel's property, plant and equipment, with a net book value of Baht 7,695 million, were mortgaged under the rehabilitation plan (31 December 2018: Baht 8,451 million)

G J Steel filed a lawsuit to Southern Bangkok Civil Court against three defendants, in their capacities of bondholder trustee and security agent, to release the lien and security interests on G J Steel's property, plant and equipment which were held by them to secure payment of the bond issued by G J Steel in the past, which had been fully paid. On 28 October 2013, the Southern Bangkok Civil Court ruled in favour of G J Steel ordering the defendants to release the mortgaged assets. One of the defendants negotiated for make compromise agreement with G J Steel to release of the mortgaged assets and appealed to Southern Bangkok Civil Court to compromise the case.

Later on 6 May 2014, the Appeals Court has ruled the compromise agreement between G J Steel and one defendant that the defendant shall release the mortgaged collateral to G J Steel. At present G J Steel is in the process of redemption the collateral.

Currently, two defendants of them have released the mortgaged assets.

As described in Note 17 to the financial statement on 6 January 2017, G J Steel's Board of Directors meeting had approved the mortgaged most of land, plant and machinery for second ranking secure from facility of long-term loan from a foreign company for facility amount of USD 71 million in mortgage amount of Baht 4,022 million. Later on 13 November 2017, the Company's Board of Directors meeting has approved to increase the total mortgage amount to Baht 6,619 million.

Security for tax liabilities

On 14 May 2013, G J Steel's Board of Directors approved to mortgage its machinery (Pickle and oil line), with a net book value of Baht 659 million as at 31 December 2019 (31 December 2018 : Baht 695 million), as security in the facilities amount of Baht 1,043 million with the Revenue Department for its tax liabilities and G J Steel registered this mortgage transaction with the Central Office for Machinery Registration, Department of Industrial Works on 10 October 2013.

On 9 July 2015, the G J Steel's Board of Directors approved the letter to the Revenue Department to approve the instalment including. Accept for additional collateral and on 29 September 2015, G J Steel has already registered the mortgage of land together with buildings with the Revenue Department (as describe in note 12 to the financial statements).

Security for joint credit facility with the Company from a local bank.

On November 13, 2014, the G J Steel's Board of Directors approved to mortgage its machineries of G J Steel (Recoil Temper Mill (RTM) and the Acid Regeneration Plant (ARP)) with a net book value of Baht 605 million as at 31 December 2019 (31 December 2018 : Baht 650 million) to secure the joint credit facility in total amount of Baht 602 million between G J Steel and the company from a local bank. On 3 March 2015, the G J Steel has mortgaged the machineries with The Central Office Equipment DIW.in amount of Baht 480 million. Subsequently, on 20 August 2019 the said financial institution released the collateral to the Company and the Company already redeemed the collateral with the central registration office, Department of Industrial Works on 24 September 2019.

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14 Intangible assets

	Consolidated financial statements		
	Computer software licence	Production licence (in million Baht)	Total
<i>Cost</i>			
As at 31 December 2018	224	41	265
Increase	1	-	1
As at 31 December 2019	225	41	266
<i>Accumulated amortisation</i>			
As at 31 December 2018	212	34	246
Amortisation charge for the year	4	-	4
As at 31 December 2019	216	34	250
<i>Allowance loss on impairment</i>			
As at 31 December 2018	-	7	7
Increase (decrease)	-	-	-
As at 31 December 2019	-	7	7
<i>Net book value</i>			
As at 31 December 2018	12	-	12
As at 31 December 2019	9	-	9

G Steel Public Company Limited and its Subsidiaries
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	Separate financial statements Software (in million Baht)
<i>Cost</i>	
As at 31 December 2018	18
Increase	-
	<hr/>
As at 31 December 2019	18
	<hr/>
<i>Accumulated amortisation</i>	
As at 31 December 2018	14
Amortisation charge for the year	2
	<hr/>
As at 31 December 2019	16
	<hr/>
<i>Net book value</i>	
As at 31 December 2018	4
	<hr/>
As at 31 December 2019	2
	<hr/>

G Steel Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2019

15 Deferred tax

Deferred tax assets arising from temporary differences and unused tax losses that have not been recognised in the financial statements were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
Deductible temporary differences				
• Allowance for doubtful accounts				
- trade accounts receivable	191	205	121	122
• Allowance for devaluation of				
- inventories	47	42	23	4
• Allowance for doubtful accounts				
- other current assets	476	492	474	490
• Allowance for impairment losses on				
Investment	715	641	604	523
• Allowance for impairment losses on				
property, plant and equipment	2,033	2,896	1,311	2,174
• Allowance for impairment losses on				
Intangible assets	2	1	-	-
• Allowance for doubtful account				
- amount receivable from related party	112	112	-	-
• Allowance for doubtful account				
- loan to subsidiaries	553	553	553	553
• Allowance for impairment				
- other non-current assets	811	822	400	400
• Depreciation gap	1,452	1,323	929	894
• Provision for guarantee subsidiary	-	48	-	48
• Provision for court case claim	28	86	-	86
• Provision for deferred difference				
from debt restructuring	-	20	-	20
• Employee benefits obligations	37	29	16	13
• Provision loss from purchase order	21	8	17	-
	<u>6,478</u>	<u>7,278</u>	<u>4,448</u>	<u>5,327</u>
Loss carry forward	<u>1,035</u>	<u>1,192</u>	<u>395</u>	<u>515</u>
Total	<u>7,513</u>	<u>8,470</u>	<u>4,843</u>	<u>5,842</u>

The tax losses expire in year 2019 to year 2023. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in the financial statements of the Group and the Company in respect of these items because it is not certain that future taxable profit will be generated against which the Group and the Company can utilise the benefits there from.

G Steel Public Company Limited and its Subsidiaries
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16 Other non-current assets

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		(in million Baht)			
Suspended construction in progress		2,086	2,086	-	-
Less allowance for impairment		(2,053)	(2,053)	-	-
		<u>33</u>	<u>33</u>	<u>-</u>	<u>-</u>
Deposit-related party	5	4	3	3	3
Other deposits		6	42	6	9
Cash Guarantee for electricity usage		109	33	109	-
Cash Guarantee for purchase natural Gas		98	-	53	-
Deferred cost of rolls		432	408	201	209
Rolls in transit		4	19	4	-
Others		46	27	15	14
Total		<u>732</u>	<u>565</u>	<u>391</u>	<u>235</u>

G J Steel

Suspended construction in progress

Suspended construction in progress represented the Direct Reduced Iron plant ("DRI Facility"). The management of G J Steel decided to suspend this project in 1999. The carrying value of this investment was written down to its independently appraised forced sale value based on the market price of steel scrap of Baht 44 million. On 29 July, 2014 the Board of investment ("BOI") had ordered the revocation of privilege in the production of Direct Reduced Iron. However there is no burden of import duty on machinery and raw materials.

In year 2015, the management has reconsidered the estimated recoverable amount of assets that the recoverable amount is lower than the net book value in the amount of Baht 11 million which was recorded as loss on impairment in the statement of income.

G Steel Public Company Limited and its Subsidiaries
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17 Working capital facilities for operation

The Group and the Company has working capital facilities from various sources as follow:

17.1 G J Steel get collaboration from various raw material suppliers oversea with supplier Credit in term of Collateral Management Agreement ("CMA"), G J Steel gets CMA from 2 oversea raw material suppliers amounting to USD 30 - 120 million.

G J Steel have used this kind of supplier credit for many years as working capital for imported and usage of scrap which is the main raw material of the production.

17.2 On 9 February 2015, the Company and G J Steel had entered into enter the Facilities Agreement with a local bank as following details:

17.2.1 Original loans and the existing accrued interest, has been restructured as follow:

- Loan amounting Baht 237.80 million.
 - Trust receipt (T/R) amounting approximately Baht 200 million.
 - Accrued interest expenses recorded in the system of the Company is approximately Baht 176 million. The Bank is in the process of adjusting the said accrued interest down by calculated default interest rate from 15% to 8% per annum.
- The Company has to pay all loans as specified the agreement.

17.2.2 New facilities in the amount of Baht 602 million as follow :

17.2.2.1 Letter of Credit (L/C) in the amount of Baht 350 million which is the joint credit facilities between the Company and G J Steel.

17.2.2.2 Letter of guarantee (LG) in the amount of Baht 252 million for G J Steel.

The Company and G J Steel will provide securities under the aforementioned facilities as below:

- The Company will increase the mortgaged amount of the existing mortgaged machine from formerly Baht 475.6 million to the new mortgage of Baht 510 million.
- G J Steel will mortgage the machinery in 2 items; the Recoil Temper Mill (RTM) and the Acid Regeneration Plant (ARP) for the mortgaged amount of Baht 480 million.

The Company and G J Steel negotiate to revise some condition of the contract, which has been agreed by the bank and enter into new contract on 25 February 2016 as the following matter:

1. Re-scheduling monthly installments by extension loan repayment for another year, the end of the repayment schedule would be ended in August 2017. Moreover, the bank is allowing to sell some amount of pledged shares being collateral under the Facilities Agreement in order to decrease the debts and interests amount.
2. Canceled the Letter of Credit Facility (L/C as sight) which unutilized.
3. Reducing the interest rate 1% from the primary rate. The reducing interest amount will be accrued through the repayment period and such accrued interest payment will be forgiven after full repayment.
4. Request for an approval of a waiver of default status and a consent to allow G J Steel to be able to mortgage some of its assets.

Later, the Company paid some loan request for re-scheduling monthly installments by extension loan repayment.

G Steel Public Company Limited and its Subsidiaries
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As at 31 December 2018, G J Steel has utilized the bank guarantee in amounting of Baht 145 million.
As at 31 December 2018, the company's loans are as follow :

- Loan amounting Baht 118.15 million
- Trust receipt amounting Baht 44.36 million

On 19 June 2019, the Company sent proposal letter for debt settlement to the bank for their consideration.

On 22 July 2019 the Bank sent letter to the Company which agrees in principle to the debt settlement as proposed by the Company.

On 19 August 2019, the Company repaid the principal of the loan amounted to Baht 106.25 million (50% of total principal), this is from the negotiation with the bank and have mutual agreement. The Company has to pay only principal by 50% of total principal Baht 212.50 million, therefore ,the remaining principle of Baht 106.25 million , provision for defend from debt restructuring of Baht 77.75 million and accrued interest of Baht 152.97 million will be forgiven which the Company recorded as gain from the debt restructuring in the statement of comprehensive income in the year 2019.

On 20 August 2019 the said financial institution released the collateral to the Company and G J Steel and the Company already redeemed the collateral with the central registration office, Department of Industrial Works on 24 September 2019.

17.3 G J Steel's Board of Directors Meeting has resolved as follows :

On 6 January 2017, had approved G J Steel to enter into a long-term loan agreements in the facilities amount not exceeding of USD 111 million not only to solve the default long outstanding debt since in year 2012 but also to spend for working capital.

On 6 November 2017 had approved G J Steel to enter the loan agreements in the period not over 2 years which revised the existing facilities loan from original contract to the total loan facility not exceeding USD 121 million in the purpose of increasing working capital for operation and purchasing of raw material, and increasing the capacity of G J Steel.

On 26 February 2019 had approved G J Steel to enter into additional short-term loan agreement of USD 20 million which the total loan facility not exceeding USD 141 million in the purpose of working capital.

On 29 April 2019 had approved to ratify for entering the additional loan agreement which the total loan facility not exceeding USD 145 million.

Currently G J Steel has total facilities loan in amount of USD 75 million which consisted of:

	USD million
The first loan facility	30
The second loan facility	45
Total	75

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Details of credit facilities in accordance with the above meeting resolution can be summarized details as follows:

17.3.1 On 22 January 2017, G J Steel (borrower) has entered the long term loan agreement in the facilities amount of USD 71 million with Link Capital I (Mauritius) Limited (lender) with the fixed interest rate at 12 p.a., in a period of 5 years and collateral with second ranking in mortgage most of land, plant and machinery. The loan facilities are separately in 2 groups as described below.

17.3.1.1 The first loan facility of USD 41 million for the purpose of repayment of new creditor and includes all reimbursement expenses from lender such as due diligence expenses and other expenses related the processes to ensure the long term loan agreement completed. On 1 February 2017, G J Steel had drawn down the loan of USD 41 million in order to repayment principal and interest payable to new creditor.

Later on 7 March 2018 there was an amendment of the loan agreement for the first loan facility and the second loan facility on that G J Steel may prepay the loan before the first anniversary of the first draw down in which G J Steel must give the lender not less than 30 days' written notice of the prepayment, or after the first anniversary of the first draw down. After repaid of the first loan facility, the outstanding available of the first loan facility allow to transfer and increase in the second loan facility. By the way, the time frame that can proceed to increase the second loan facility must be done no later than 7 June 2018 for the purpose of working capital (Non-Tolling) and no later than 28 February 2019 for the purpose of Non-Tolling Standby Letter of Credit for Metallic Purchase Contract.

On 28 March 2018 and 4 April 2018, G J Steel had repaid the first loan facility in total amount of USD 11 million and it transfers and increases in the second loan facility for the purpose of Non-Tolling Standby Letter of Credit for Metallic Purchase Contract.

Presently, the first loan facility has the credit line of USD 30 million.

17.3.1.2. The second loan facility of USD 30 million for the purpose of working capital and capital expenditure. On 10 October 2017, G J Steel had drawn down the loan of USD 5 million. Subsequent on 19 December 2017, the new loan had an additional the purpose of draw down as described in Note 17.4.2 Moreover, as described in Note 17.4.1.1 there was an amendment of the loan agreement for the prepayment of the loan before the first anniversary of the first draw down in which G J Steel must give the lender not less than 30 days' written notice of the prepayment, or after the first anniversary of the first draw down.

On 1 April 2019, G J Steel has entered the amendment loan agreements by increasing the second loan facility of another USD 4 million for the purpose of as a guarantee of Standby Letter of Credit for bank guarantee to Provincial Electricity Authority of Thailand from a local bank. Then on 29 April 2019, G J Steel Board of Directors meeting had approved to ratify for such amendment loan agreements.

At 31 December 2019, G J Steel has drawdown the second loan facility in the purpose of Non-Tolling Standby Letter of Credit and Metallics Purchase Contract of USD 13.1 million and utilized the bank guarantee for Provincial Electricity Authority of Thailand of USD 4.7 million.

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17.3.2 For another credit facility of USD 40 million on 6 November 2017, G J Steel Board of Directors meeting had approved for entering the loan agreements in the period not over 2 years which revised the existing facilities to USD 50 million for the purpose of increasing working capital for operation and purchasing of raw material, and increasing the capacity of G J Steel with the interest rate in between 2% - 12% p.a. depend on the loan facilities. On 13 November 2017 and 19 December 2017, G J Steel entered to amend the loan agreement from original contract as mentioned in Note 17.4.1 to revise the total loan facility not exceeding USD 121 million by applied the same collateral as mentioned in Note 17.4.1 with the followings:

17.3.2.1. Second loan facility reduced to USD 25 million (and later as mentioned in Note 17.4.2.3 after G J Steel repaid the fourth loan of USD 5 million, the second loan facility has revert to USD 30 million) and additional the purpose of drawdown for Metallic Purchase Contract and for Non-Tolling Standby Letter of Credit.

17.3.2.2. Third loan facility of USD 50 million as short-term period of one year, interest rate of 12% p.a. for the purpose of supporting to tolling with G Steel, Metallic Purchase Contract and Tolling Standby Letter of Credit. During in November 2017, the Company had drawdown the loan of USD 40 million and during year 2018 until 24 July 2019, GJ Steel has fully repaid the third loan facility and has completely repaid credit facility of Tolling Standby Letter of Credit.

17.3.2.3. Fourth loan facility of USD 5 million as short-term period of three-month, interest rate of 12% p.a. for the purpose of purchase of raw material. If there is a fully repaid of fourth loan facility, then the fourth loan facility shall be closed and divert to the second loan facility. On 20 December 2017, the Company had drawdown the loan of USD 5 million.

Later on there was a fully repaid of fourth loan facility on 9 March 2018, as a result the fourth loan facility had been closed and divert to the second loan facility.

17.3.3 On 26 February 2019, G J Steel's Board of Directors meeting had approved for entering the additional loan agreements (Fifth loan facility) of USD 20 million for the purpose of repayment of liabilities under Standby Letter of Credit and working capital, interest rate 12% p.a. and full repayment is schedule in 3 months. On 28 February 2019, G J Steel had drawdown the loan of USD 20 million.

Subsequently, on 7 and 10 May 2019, G J Steel has repaid the principle loan of fifth loan facility in full amount.

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- 17.4 On March 30, 2017, the Company has entered to short-term loan agreement to G J Steel in the credit facilities of Baht 94 million by which the principal and interest are to be repaid within the period of 6 months with interest rate at 12.5% p.a. On 22 September 2017, the Company agreed to extend repayment period for principal and interest within 15 November 2017.

On 14 November 2017, the Company has filed a petition for business rehabilitation with the Central Bankruptcy Court to prevent the Company from falling into bankruptcy due to the Company has been in default since the economic crisis in 2008 and there is a risk of being sued or bankrupt by judgment of the creditor. The Central Bankruptcy Court accepted the petition for business rehabilitation on 15 November 2017. Later on 24 December 2018 the Court ordered the dismissal of the request for rehabilitation of the Company. At present, the Company is in the process of procuring external sources of funds. the Company therefore wishes to extend the term of the new loan to 15 May 2019. Subsequently, on 14 January 2019, G J Steel agreed to extend the repayment period with interest within 15 May 2019. For such financial assistance to the Company by extending the term of the original loan is according to the resolution of G J Steel Board of Directors meeting on 14 January 2019 and 29 April the G J Steel annual shareholder's meeting has approved for such financial assistance transaction to the Company. By the way, as at 31 December 2018, the management believes that the Company will be able to repay the loan back to G J Steel. Therefore, G J Steel does not consider the allowance for doubtful accounts. However, G J Steel still ceases to recognize interest income since 15 November 2017, where by G J Steel will recognize interest income only when G J Steel receives interest payments from the Company.

Subsequently, on 26 and 30 April 2019, the Company repays all principal including interest up to 30 April 2019.

- 17.5 On 2 April 2019, the Company entered into loan Agreement with Link Capital I for the amount of USD 70 million which consist of two tranches of facility as below:

17.5.1 Facility A, a non-revolving working capital facility USD 30 million with a front-end fee of 3% of the drawdown amount, which such front end fee will be deducted from the loan proceeds of utilization. Interest rate is charged at 12% per annum payable at each quarter end. The loan repayment schedule is 30% at the fifth anniversary of the agreement date and the remaining 70% on final maturity date. The Company gradually utilized the loan in April 2019 for full amount.

17.5.2 Facility B, a standby letter of credit facility USD 40 million. Such standby letter of credit is being issued to secure the payment obligations of the Company for imported raw materials from suppliers or is being issued as collateral for any bank or financial institution issuing or providing any bank guarantee to secure the obligations of the Company for utilities usages . Fees with respect to facility B are

1. commitment fee 3% per annum on the undrawn available commitment under facility B
2. utilisation fee 8% per annum on the aggregate undrawn face amount of all outstanding standby letters of credit procured by the Lender

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The Company's Board of Director meeting on 17 July 2019 approves the obtaining of the short term loan in the amount of up to USD 14.10 million from the Lender. On 22 July 2019, the Company entered into Amendment and Restatement Agreement with Link Capital I (Mauritius) Limited, summary details are as follow;

1. Change loan amount from USD 70 million
2. Add Facility C, a short term non-revolving loan USD 14.1 million, with a front-end fee of 3% of the drawdown amount, which such front end fee will be deducted from the loan proceeds of utilization. Interest rate is charged at 12% per annum payable at each quarter end. The loan repayment schedule is bullet repayment which is nine months from the Amendment and Restatement date.

The Company utilizes the loan from Facility C full amount in 24 July 2019. Securities for the aforementioned agreement are mortgaged of land, building and machinery of the Company in the mortgaged amount of Baht 5,564 million and also personal assets of Company's director and third party.

On 20 December 2019, the Company entered into the Second Amendment and Restatement Agreement with Link Capital I, summary details are as follow;

1. Remove the claimed SBLC from the Events of Default
2. Add the clause to treat the claimed SBLC as a Deemed Loan under Facility B, the deemed loan will be charged until it is fully repaid at 3% credit backstop administration fee (onetime fee) and 12% p.a. interest rate + 3% p.a. default interest rate, payable in quarterly basis, on the last day of each quarter.

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18 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Current				
Short-term loans from financial institutions				
Secured	-	213	-	213
Current portion of long-term loan from related parties				
Secured	314	314	314	314
Bonds				
Unsecured	471	506	471	506
Trade account payables				
Secured	367	398	196	204
Unsecured	42	47	42	47
	409	445	238	251
Other payables and accrued expenses				
Secured	96	-	-	-
Unsecured	252	5,935	239	5,922
	348	5,935	239	5,922
Liabilities under rehabilitation plan				
Unsecured	455	234	285	234
Other current liabilities				
Unsecured	3	3	3	3
Short-term loans from related parties				
Secured	811	1,269	811	30
Unsecured	-	-	313	1,121
	811	1,269	1,124	1,151
Short-term loans from other parties				
Secured	-	50	-	50
Unsecured	-	57	-	57
	-	107	-	107
Total Current	2,811	9,026	2,674	8,701

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	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Non-current				
Other payables and accrued expenses				
Unsecured	1,137	-	1,137	-
Liabilities under rehabilitation plan				
Unsecured	146	-	146	-
Long-term loan from related party				
Secured	1,934	1,118	885	-
Unsecured	-	-	-	1,086
Total Non-Current	3,217	1,118	2,168	1,086
Total	6,028	10,144	4,842	9,787

The periods to maturity of interest-bearing liabilities as at 31 December 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Within one year	2,811	9,026	2,674	8,701
After one year but within five years	3,217	1,118	2,168	1,086
Total	6,028	10,144	4,842	9,787

Short-term loans from financial institution

On 25 February 2016, the Company had entered into new contract to extension loan repayment for another year, to be due in August 2017 (as described in note 17 to the financial statement).

	Consolidate and Separate financial statements	
	2019	2018
	<i>(in million Baht)</i>	
Liabilities under trust receipts (Bear interest at MLR% per annum).	-	95
Less current portion	-	(95)
Net	-	-
Liabilities from bank guarantee of the electronic capacity charge (Bear interest at MLR% per annum).	-	118
Less current portion	-	(118)
Net	-	-
Current portion of long-term loans from financial institution	-	213
Long-term loans from financial institution-net	-	-

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As described in note 13 to the financial statements, Property, plant and equipment, Security for short-term loan from a financial institution.

Short-term loan from other parties

Loan from an individual

- **Case 1**

On 9 December 2010, the Company entered into a loan agreement with an individual No. 1 in the amount of Baht 15 million, which bears interest at the rate of 15% per annum. Under the terms of this loan, the Company pledged 500 million units of its G J Steel second tranche of warrants as collateral for the benefit of the lender. The Company shall repay the principal and interest to the said individual within 30 June 2014. Later, the Company had made the memorandum to extend the repayment period within 30 June 2016. On 23 June 2016, the Company had made the memorandum to extend the repayment within 30 June 2017. On 30 June 2017, the Company had made the memorandum to extend the repayment within 30 June 2018

On 6 March 2019, an individual No.1 filed a case to the South Civil Court requests the Company to repay outstanding debts totaling Baht 33.55 Million; divided into principal of Baht 15 Million, and interest rate at 15% per annum of principal till the filing date of Baht 18.55 Million.

On 24 April 2019, the Company has entered into the memorandum of compromise. with that person regarding installment payment in order to use as a negotiation framework for compromising in the court.

On 6 June 2019, the Court has the judgment as per the compromise agreement which define the Company to pay only principal Baht 15 million in 36 monthly installments at the amount of Baht 0.42 million each. First installment will be at the end of May 2021 until final installment at the end of April 2024.

Subsequently, on 31 July 2019 the Company entered into a compromise agreement to convert principal Baht 15 million into ordinary share of the Company with the same price for major creditors and the Company will propose to the 2nd /2019 EGM of the Company for approval of debt to equity conversion program. However, if the debt to equity conversion is not success, the Company will pay in 36 monthly installments at the amount of Baht 0.42 million each. First installment will be at the end of May 2021 until final installment at the end of April 2024.

And in the Extraordinary General Meeting of the Shareholders No. 2/2019 on 11 October 2019, the meeting has approved the Debt to Equity Conversion Scheme by the allocation and offering of the newly-issued ordinary shares of the Company with the same offering price to other creditors totaling 8 creditors in order to repay the debt which will be converted to the equity. The Company will complete this within the 4th quarter of 2019.

The Company allocates the newly issued ordinary shares of the Company under the Debt-to-Equity Conversion Scheme to the creditor and registered the additional paid-up capital with Department of Business Development, Ministry of Commerce on 2 December 2019. (as described in note 28 to the financial statements)

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- **Case 2**

On 12 September 2014, the Company entered into a loan agreement with an individual No. 2 in the amount of Baht 10 million, which bears interest 8% per annum and to be due on 30 January 2015. Under the terms of this loan, the Company pledged 500 million shares of G J Steel (Equivalent to 50 million shares after the change in the par value of shares) held by the Company as collateral for the benefit of the lender. Later the Company had made the memorandum to extend the repayment period within 30 June 2016. On 23 June 2016, the Company had made the memorandum to extend the repayment within 30 June 2017. On 30 June 2017, the Company had made the memorandum to extend the repayment within 30 June 2018.

On 26 February 2019, an individual No.2 has filed a case to the South Civil Court requests the Company to repay outstanding debts totaling Baht 13.57 million; divided into principal of Baht 10 Million, and interest rate at 8% per annum of principal till the filing date of Baht 3.57 million.

On 24 April 2019, the Company has entered into the memorandum of compromise. with that person regarding installment payment in order to use as a negotiation framework for compromising in the court.

Subsequently, on 5 June 2019, the Court has the judgment as per the compromise agreement which define the Company to pay only principal Baht 10 million in 36 monthly installments at the amount of Baht 0.28 million each. First installment will be at the end of May 2021 until final installment at the end of April 2024.

Subsequently, on 31 July 2019 the Company entered into a compromise agreement to convert principal Baht 10 million into ordinary share of the Company with the same price for major creditors and the Company will propose to the 2nd /2019 EGM of the Company for approval of debt to equity conversion program. However, if the debt to equity conversion is not success, the Company will pay in 36 monthly installments at the amount of Baht 0.28 million each. First installment will be at the end of May 2021 until final installment at the end of April 2024.

And in the Extraordinary General Meeting of the Shareholders No. 2/2019 on 11 October 2019, the meeting has approved the Debt to Equity Conversion Scheme by the allocation and offering of the newly-issued ordinary shares of the Company with the same offering price to other creditors totaling 8 creditors in order to repay the debt which will be converted to the equity. The Company will complete this within the 4th quarter of 2019.

The Company allocates the newly issued ordinary shares of the Company under the Debt-to-Equity Conversion Scheme to the creditor and registered the additional paid-up capital with Department of Business Development, Ministry of Commerce on 2 December 2019 (as described in note 28 to the financial statements)

- **Case 3**

On 6 November 2014, the Company entered into the loan agreement with an individual No. 3 in the amount of Baht 6 million, which bears interest at the rate of 8% per annum. The Company shall repay the principal and interest to the said individual within 5 May 2015. Later, the Company had made the memorandum to extend the repayment period within 30 June 2016. On 23 June 2016, the Company had made the memorandum to extend the repayment within 30 June 2017. On 30 June 2017, the Company had made the memorandum to extend the repayment within 30 June 2018.

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On 26 February 2019, a debt creditor has filed a case to the South Civil Court requests the Company to repay outstanding debts totaling Baht 8.07 million; divided into principal of Baht 6 Million, and interest rate at 8% per annum of principal till the filing date of Baht 2.07 million.

On 24 April 2019, the Company has entered into the memorandum of compromise. with that person regarding installment payment in order to use as a negotiation framework for compromising in the Court.

On 5 June 2019, the Court has the judgment as per the compromise agreement which define the Company to pay only principal Baht 6 million in 36 monthly installments at the amount of Baht 0.17 million each. First installment will be at the end of May 2021 until final installment at the end of April 2024.

Subsequently, on 31 July 2019 the Company entered into a compromise agreement to convert principal Baht 6 million into ordinary share of the Company with the same price for major creditors and the Company will propose to the 2nd /2019 EGM of the Company for approval of debt to equity conversion program. However, if the debt to equity conversion is not success, the Company will pay in 36 monthly installments at the amount of Baht 0.17 million each. First installment will be at the end of May 2021 until final installment at the end of April 2024.

And in the Extraordinary General Meeting of the Shareholders No. 2/2019 on 11 October 2019, the meeting has approved the Debt to Equity Conversion Scheme by the allocation and offering of the newly-issued ordinary shares of the Company with the same offering price to other creditors totaling 8 creditors in order to repay the debt which will be converted to the equity. The Company will complete this within the 4th quarter of 2019.

The Company allocates the newly issued ordinary shares of the Company under the Debt-to-Equity Conversion Scheme to the creditor and registered the additional paid-up capital with Department of Business Development, Ministry of Commerce on 2 December 2019. (as described in note 28 to the financial statements)

- **Case 4**

On 16 November 2015, the Company entered into a loan agreement with another party for an amount up to Baht 30 million with interest rate at 8% per annum. The Company gradually receives the loan and the loan will be due in 1 year from the withdrawn date of each amount. The 1st loan will be paid on 11 November 2016.

On 16 November 2016, the Company had made the memorandum to extend the repayment will be due in 2 years from the withdrawn date of each amount. The 1st loan will be paid on 11 November 2017.

On 9 March 2016, the Company enters into another loan agreement with another party for an amount up to Baht 20.9 million with interest rate at 8% per annum. The Company gradually receives the loan and the loan will be due in 1 year from the withdrawn date of each amount. Under this loan agreement, the Company will provide a certain 3 land deeds as the collateral for the lender.

On 16 November 2016, the Company had made the memorandum to extend the repayment to be within 16 November 2017.

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The above other party, apart from a creditor of loan Baht 50.9 million, it also bought debt under rehabilitation plan from a creditor amounted to Baht 75.54 million and from another creditor amounted to Baht 31.34 million. So, total debt the Company owed to this party was Baht 157.79 million.

On 30 March 2019, the Company entered into a compromise agreement with a creditor. The Company agree to repay debt as per the loan agreement, liabilities under rehabilitation plan and liabilities as per the Court judgment only principal amounted to Baht 157.79 million as follows;

- First payment Baht 20 million within 31 May 2019
- Second payment Baht 30 million within 31 December 2019
- Remaining portion the Company has to pay in 60 monthly installments at the amount of Baht 1.80 million each. First installment will be at the end of July 2020 onward.

Subsequently, on 31 July 2019, the Company entered into a compromise agreement to repay debt Baht 30 million within 31 December 2019 and convert the remaining principal Baht 107.79 million into ordinary share of the Company with the same price for major creditors and the Company will propose to the 2nd /2019 EGM of the Company for approval of debt to equity conversion program. However, if the debt to equity conversion is not success, the Company will repay as per the previous compromise agreement.

And in the Extraordinary General Meeting of the Shareholders No. 2/2019 on 11 October 2019, the meeting has approved the Debt to Equity Conversion Scheme by the allocation and offering of the newly-issued ordinary shares of the Company with the same offering price to other creditors totaling 8 creditors in order to repay the debt which will be converted to the equity. The Company will complete this within the 4th quarter of 2019.

The Company allocates the newly issued ordinary shares of the Company under the Debt-to-Equity Conversion Scheme to the creditor and registered the additional paid-up capital with Department of Business Development, Ministry of Commerce on 2 December 2019. (as described in note 28 to the financial statements)

Loan from the Supporter

On 16 January 2013, the Company entered into a financial assistance agreement with a company ("the Supporter"). The Supporter agreed to provide financial assistance for an amount not more than Baht 50 million as an advance from customers. The Company agreed that after the Company resumes the production, the Company will provide a discount of Baht 300 per ton of HRC by deducting this discount from the advance amount until the full amount is repaid. The Company agreed to provide 800 million shares of G J Steel as collateral for this first advance. In year 2013, the Supporter has already made the first advance of Baht 36 million. However, the company has not yet deliver share of G J Steel amounted 800 million shares to the supporter and the company cannot provide and deliver goods in according to the supporter's order. On 1 May 2014, the Company enters into a loan agreement amounting Baht 36 million with the Supporter in order to replace the financial support agreement dated 16 January 2013. Interest rate is 7.75% per annum calculate from the date of the loan agreement. Principal and interest will be paid to the lender every month until full and finish within 2 years and the Company pledges 102 million shares of G J Steel (Equivalent to 10.2 million shares after the change in the par value of shares) as collateral to the lender.

On 29 April 2016, the Company had made the memorandum to extend the repayment period within 30 April 2017.

On 28 April 2017, the Company had made the memorandum to extend the repayment period within 30 April 2018.

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On 12 March 2019, the above lender has filed a case to the South Civil Court requests the Company to repay outstanding debts totaling Baht 27.78 Million divided into principal of Baht 25.52 Million, and interest rate at 7.75% per annum of principal till the filing date of Baht 2.26 Million.

On 24 April 2019, the Company has entered into the memorandum of compromise. with that Company regarding installment payment in order to use as a negotiation framework for compromising in the court.

Subsequently, on 4 June 2019, the Court has the judgment as per the compromise agreement which define the Company to pay only principal Baht 25.52 million in 36 monthly installments at the amount of Baht 0.31 million each. First installment will be at the end of May 2021 until final installment at the end of April 2024

As at 31 December 2019, the Company has one short term loan contract with a supporter totaling amount Baht 26 million (31 December 2018 : Baht 26 million)

The payment to the Lenders of OAC's loan by the Company

On 21 February 2013, G J Steel partially redeemed its debentures from GS Securities for a net amount of Baht 403 million and in the meantime the Company borrowed from GS Securities amounting to Baht 403 million and then provided a loan to OAC for an amount of Baht 403 million in order for OAC to repay debt to its financial institution creditor. The loan to OAC carries interest at 8% per annum with the first repayment scheduled on 30 December 2013 and subsequently on every last working day of each year until the principal is repaid in full. The principal is scheduled to be repaid within 30 December 2017.

On 30 May 2016, the Company had made the memorandum to revise interest rate from 8% per annum to 3.25 % per annum since 1 June 2016.

On 26 December 2016, the Company had made the memorandum to extend the repayment to within 30 December 2019

On 28 December 2018, the Company had made the memorandum to extend the repayment to within 30 December 2021.

During the 4th quarter of 2019, GS Securities pays Baht 1,800 million from capital reduction to the Company meanwhile the Company repays loan both short term and long term to GS Securities amounted to Baht 1,800 million. Therefore, the remaining balance of long term loan from GS Securities as at 31 December 2019 is fully paid.

Bonds

As at 31 December 2019 and 31 December 2018 the balance of the Company's bonds is amounting to USD 15.51 million, with 3% interest rate per annum, and no collateral which mature in October 2015. Which on 9 January 2012, The Company had been received notice from bond holder's representative that due to unable to pay the bonds' interest on 30 December 2011, caused the Company default to the bonds.

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However, till present, the Company had not been call to redeem the bonds. The movement during the year are as follow;

	Consolidated and Separate financial statements	
	2019	2018
	<i>(in million Baht)</i>	
Balance - beginning of the year	506	510
Effect of exchange rate	(35)	(4)
Balance - end of the year	471	506
Less Current portion of bonds	(471)	(506)
Total of bonds - net of current portion	-	-

19 Loans from related parties

		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	2019	2018	2019	2018
		(in million Baht)			
Link Capital I					
G J Steel					
Loan 1 st USD 30 million	<i>17.3.1</i>	910	979	-	-
Loan 2 nd USD 5 million	<i>17.3.1</i>	152	163	-	-
Loan 3 rd	<i>17.3.2</i>	-	1,239	-	-
(31 December 2018: USD 38 million)					
Loan 4 th	<i>17.3.2</i>	-	-	-	-
Loan 5 th	<i>17.3.3</i>	-	-	-	-
G Steel					
Loan A USD 30 million	<i>17.5.1</i>	910	-	910	-
Loan B USD 12.84 million	<i>17.5.2</i>	389	-	389	-
Loan C USD 14.10 million	<i>17.5.2</i>	428	-	428	-
		<u>2,789</u>	<u>2,381</u>	<u>1,727</u>	<u>-</u>
G Steel					
GS Securities Holdings Co., Ltd.	<i>5</i>	-	-	313	2,113
	<i>5</i>	-	-	-	94
Mrs. Naengnoi Trivuth	<i>5</i>	-	-	-	30
ACOI	<i>5</i>	314	314	314	314
Total		<u>3,103</u>	<u>2,695</u>	<u>2,354</u>	<u>2,551</u>

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		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		<i>(in million Baht)</i>			
	<i>Note</i>				
Shot-term loan from related party	17.3.2, 17.3.3,17.3.5,17.5.2	817	1,269	1,130	1,151
<u>Deduct</u> Deferred cost of financing loan		(6)	-	(6)	-
Total	5	811	1,269	1,124	1,151
Long-term loan from related party	5,17.3.1,17.5.1	2,286	1,456	1,224	1,400
<u>Deduct</u> Deferred cost of financing loan		(38)	(24)	(25)	-
		2,248	1,432	1,199	1,400
<u>Deduct</u> Current -Portion of long - term loan from related parties	5	(314)	(314)	(314)	(314)
Total	5	1,934	1,118	885	1,086

The movement of loan from related party for year ended 31 December 2019 was as follow;

		Consolidated financial statements	Separate financial statements
		<i>(in million Baht)</i>	
At 31 December 2018		2,695	2,427
<u>Additional</u> Receive loan during the year		2,408	1,784
<u>Deduct</u> Paid principle		(1,864)	(1,800)
Effect of exchange rate during the year		(136)	(57)
Total loan from related party		3,103	2,354
<u>Deduct</u> Deferred cost of financing loan		(44)	(31)
Loan from related party - Net			
At 31 December 2019		3,059	2,323

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The currency denomination of loan from related party as at 31 December 2019 were as follows:

	Consolidated	Separate
	(in million Baht)	
United States Bath	314	627
United States Dollars (USD)	2,789	1,727
Total	3,103	2,354

On 2 April 2019, the Company entered into loan Agreement with Link Capital I (Mauritius) Limited for the amount of USD 70 million which consist of two tranches of facility as below:

1. Facility A, a non-revolving working capital facility USD 30 million with a front-end fee of 3% of the drawdown amount, which such front end fee will be deducted from the loan proceeds of utilization. Interest rate is charged at 12% per annum payable at each quarter end. The loan repayment schedule is 30% at the fourth anniversary of the agreement date and the remaining 70% on final maturity date. The Company gradually utilized the loan in April 2019 for full amount.
2. Facility B, a standby letter of credit facility USD 40 million. Such standby letter of credit is being issued to secure the payment obligations of the Company for imported raw materials from suppliers or is being issued as collateral for any bank or financial institution issuing or providing any bank guarantee to secure the obligations of the Company for utilities usages . Fees with respect to facility B are
 - 2.1 commitment fee 3% per annum on the undrawn available commitment under facility B
 - 2.2 utilisation fee 8% per annum on the aggregate undrawn face amount of all outstanding standby letters of credit procured by the Lender

The Company's Board of Director meeting on 17 July 2019 approves the obtaining of the short-term loan in the amount of up to USD 14.10 million from the Lender. On 22 July 2019, the Company entered into Amendment and Restatement Agreement with Link Capital I (Mauritius) Limited, summary details are as follow;

Change loan amount from USD 70 million to USD 84.10 million by Add Facility C, a short term non-revolving loan USD 14.10 million, with a front-end fee of 3% of the drawdown amount, which such front end fee will be deducted from the loan proceeds of utilization. Interest rate is charged at 12% per annum payable at each quarter end. The loan repayment schedule is bullet repayment which is nine months from the Amendment and Restatement date.

The Company utilizes the loan from Facility C amounted to USD 5 million on 24 July 2019 and USD 9.10 million on July 2019. Securities for the aforementioned agreement are mortgaged of land, building and machinery of the Company in the mortgaged amount of Baht 7,308 million and also personal assets of Company's director and third party.

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On 20 December 2019, the Company entered into the Second Amendment and Restatement Agreement with Link Capital I (Mauritius) Limited, summary details are as follow;

1. Remove the claimed SBLC from the Events of Default
2. Add the clause to treat the claimed SBLC as a Deemed Loan under Facility B, the deemed loan will be charged until it is fully repaid at 3% credit backstop administration fee (onetime fee) and 12% p.a. interest rate + 3% p.a. default interest rate, payable in quarterly basis, on the last day of each quarter.

On 20 and 23 December 2019, the Company received three Form of Election Notice from SSG, the claimed amount of SBLC USD 12.84 million has been paid to the raw material suppliers by SSG. The Company then classified this amount to be short term loan from related party in the financial statement for the year ended date 31 December 2019.

20 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		<i>(in million Baht)</i>			
Related parties	5	196	200	196	200
Business alliances	4	4	5	4	5
Other parties		761	2,135	428	107
		<u>961</u>	<u>2,340</u>	<u>628</u>	<u>312</u>

The Company has agreements to purchase raw materials from various suppliers. The Company had taken delivery of raw materials under consignment agreement and the accrual as at 31 December 2019 are amounted to Baht 196 million and has to pay interest at the rate at 3.26% to 3.38% per annum on the accrual balance on the credit facility (LC). (31 December 2018 : Baht 203 million, interest rate at 3.12% to 3.38% per annum)

As at 31 December 2019 G J Steel had agreements to purchase raw materials from various suppliers. G J Steel had taken delivery of raw materials under consignment agreements totaling Baht 313 million and pays interest from 3.00% to 6.00% per annum on the payables balance

The currency denomination of trade accounts payable as at 31 December 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Thai Baht (THB)	243	1,228	151	170
United States Dollars (USD)	671	1,078	444	108
Others	47	34	33	34
Total	<u>961</u>	<u>2,340</u>	<u>628</u>	<u>312</u>

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21 Other payables and accrued expenses

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		(in million Baht)			
Current					
Related parties	5	308	4,955	306	4,954
Business alliances	4	26	22	26	22
Tax installments payable		312	548	254	374
Electricity payable and energy service payable		351	338	255	223
Others		431	1,577	259	1,219
		<u>1,428</u>	<u>7,440</u>	<u>1,100</u>	<u>6,792</u>
Non-Current					
Related parties	5	1,137	-	1,137	-
Tax installments payable		-	118	-	60
		<u>1,137</u>	<u>118</u>	<u>1,137</u>	<u>60</u>
Total		2,565	7,558	2,237	6,852

The currency denomination of other payables and accrued expenses as at 31 December 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
(in million Baht)				
Thai Baht (THB)	1,312	3,220	1,007	2,597
United States Dollars (USD)	1,250	4,327	1,230	4,255
Others	3	11	-	-
Total	<u>2,565</u>	<u>7,558</u>	<u>2,237</u>	<u>6,852</u>

Tax installments payable

As at 31 December 2019, the Group and the Company have outstanding balance of tax installment payable amounting to Baht 312 million and Baht 254 million, respectively (included the additional surcharge up to 31 December 2019 amounting to Baht 304 million and Baht 88 million, respectively) By the Group and the company presented as current liabilities amounted to Baht 312 million and Baht 254 million under this repayment schedule, the Company and G J Steel mortgaged their 1 plot of land and construction, pickle and oil line as collateral together with the guaranteed by a company.

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As at 31 December 2019 the company and G J Steel have to pay the above tax installments as follow:

The Company: to pay the tax in 17 installments at the amount of Baht 14.96 million each until May 2021.

G J Steel: to pay the tax in 4 installments at the amount of Baht 14.52 million each until April 2020.

Other payable

On 18 April 2019, the Company as receivable per the adjudication has entered into a debt repayment agreement with a creditor. The term and condition for the repayment of debt amounted to Baht 77.5 million are as follow;

- Pay with cheque dated 19 April 2019 amounting Baht 2 million
- Pay within May 2019 amounting Baht 8 million
- The remaining Baht 67.5 million will pay in 25 monthly installments at the amount of Baht 2.7 million each. First installment will be at the end of June 2019 until final installment at the end of June 2021.

It the Company paid all above instalments, without events of default the creditor agree to release all debts in the court case to the Company.

From the above agreement, the Company recorded reversal of provision from debt restructuring amounted to Baht 24.24 million in the 3rd quarter of 2019. The Company reclassified the said creditor to be liabilities from terminated rehabilitation plan and compromise.

On 5 August 2019, the Company enters into a Memorandum of Understanding with an electricity supply company. The Company has outstanding debts of Baht 156.14 million and the penalty for late payment of Baht 24.93 million. The Company agrees to pay debt in the amount of Baht 156.14 million in 33 monthly installments, details are as below;

- 12 installments at the amount of Baht 3 million each from December 2019 to May 2020
- 14 installments at the amount of Baht 5 million each from June 2020 to December 2020
- 6 installments at the amount of Baht 7 million each from January 2021 to March 2021
- Final installments at the amount of Baht 8.14 million in April 2021

If the Company can make outstanding payment without events of default in any other installments according to this MOU, the creditor agrees that the penalty for late payment Baht 24.93 million shall not be charged.

On 10 January 2020, the Company entered into Memorandum of temporary suspension of installment payment with the aforementioned creditor of which a temporary extension of time to make the 1st installment payment and the rest of them for 7 months commencing from 15 December 2019. The first installment Baht 3 million will be divided into 2 amounts for Baht 1.5 million each and will be repay on 15 June and 15 July 2020. The rest of installments will be repaid as follow;

- 2nd - 12th at the amount of Baht 3 million each from July to December 2020
- 13th - 26th at the amount of Baht 5 million each from January to July 2021
- 27th - 32nd at the amount of Baht 7 million each from August to October 2021
- 33th at the amount of Baht 8.14 million in November 2021

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22 Advances received from customers

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		(in million Baht)			
Subsidiaries and related parties	5	1	1	1	1
Other parties		130	42	110	9
Total		131	43	111	10

Advances received from customers of the Group and the Company as at 31 December 2019 and 2018 were denominated entirely in Thai Baht.

23 Accrued interest expenses

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		(in million Baht)			
Bonds		150	144	150	144
Financial institutions		-	133	-	133
Compromise agreement		243	4,986	142	4,893
Others		616	211	573	458
Total -	5	1,009	5,474	865	5,628

The currency denomination of accrued interest expenses as 31 December 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
Thai Baht (THB)	650	684	599	925
United States Dollars (USD)	321	4,760	242	4,679
Others	38	30	24	24
Total	1,009	5,474	865	5,628

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24 Provisions

	Consolidated financial statements			
	Purchase orders for undelivered raw material (See Note 44.3)	Court case claim (See Note 45)	Deferred difference from debt restructuring	Total
	(in million Baht)			
As at 31 December 2018	40	292	102	434
Provisions made	87	45	-	132
Provisions decreased	(21)	(10)	(102)	(133)
Provisions decreased from debt-to-equity conversion	-	(327)	-	(327)
As at 31 December 2019	106	-	-	106
As at 31 December 2018				
Current	40	292	102	434
Non-Current	-	-	-	-
Total	40	292	102	434
As at 31 December 2019				
Current	106	-	-	106
Non-Current	-	-	-	-
Total	106	-	-	106

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	Separate financial statements				Total
	Purchase orders for undelivered raw material (See Note 44.3)	Court case claim (See Note 45)	Deferred difference from debt restructuring	Guarantee subsidiary	
			(in million Baht)		
As at 31 December 2018	-	292	102	242	636
Provisions made	87	45	-	-	132
Provisions decreased	-	(10)	(102)	(242)	(354)
Provisions decreased from debt-to-equity conversion	-	(327)	-	-	(327)
As at 31 December 2019	87	-	-	-	87
As at 31 December 2018	-				
Current	-	292	102	242	636
Non-Current	-	-	-	-	-
Total	-	292	102	242	636
As at 31 December 2019					
Current	87	-	-	-	87
Non-Current	-	-	-	-	-
Total	87	-	-	-	87

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Provision for guarantee subsidiaries

Based on the financial position of OAC, OAC was unable to meet its obligations. The Company as its parent company has obligations making it jointly liable for OAC's obligations. Accordingly, the Company has recorded its assessment of the obligation as provision for guarantee to subsidiary in the amount of Baht 242 million in the separate financial statement.

Subsequently the said transaction was complete. This transaction is from loan from bank to use for the acquisition of GJ Steel. However, the Company cannot create new debt within one year, therefore, the Company borrow via OAC. After completely repay debt to bank, it deems appropriate to write off the provision for guarantee subsidiary from the financial statement and realized as revenue from the reversal in the statement of comprehensive income for the 3rd quarter of 2019.

25 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
Tax-related liabilities	272	285	13	14
Machinery and construction payables	54	57	43	45
Others	11	7	10	6
Total	337	349	66	65

The currency denomination of other current liabilities as at 31 December 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
Thai Baht (THB)	303	312	43	41
United States Dollars (USD)	32	34	23	24
Others	2	3	-	-
Total	337	349	66	65

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26 Liabilities from terminated rehabilitation plan and compromise

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
Balance - beginning of the year	659	683	479	479
Transfer from short - term loan from other parties	107	-	107	-
Transfer from short term from related parties	30	-	30	-
Transfer from other payables and accrued expenses	587	-	587	-
Less Convert debt into equity during the year	(579)	-	(579)	-
Less Repayment and adjust exchange rate during the year	(99)	(24)	(89)	-
Balance - end of the year	705	659	535	479
Less Current portion of liabilities included under the liabilities from terminated rehabilitation plan and compromise	(488)	(659)	(318)	(479)
Total liabilities which were included under the rehabilitation and compromise plan - net of current portion	217	-	217	-

The currency denomination of Liabilities from terminated rehabilitation plan and compromise which were included the liabilities from terminated rehabilitation plan as at 31 December 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
Thai Baht (THB)	610	557	535	479
United States Dollars (USD)	84	90	-	-
Others	11	12	-	-
Total	705	659	535	479

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The Company

On 30 March 2019, the Company entered into a compromise agreement with a creditor. The Company agree to repay debt as per the loan agreement, liabilities under rehabilitation plan and liabilities as per the Court judgment only principal amounted to Baht 157.79 million as follows;

- First payment Baht 20 million within 31 May 2019
- Second payment Baht 30 million within 31 December 2019
- Remaining portion the Company has to pay in 60 monthly installments at the amount of Baht 1.80 million each. First installment will be at the end of July 2020 onward.

From the aforementioned agreement, the Company has recorded the reversal of accrued interest to be gain from compromise amounted to Baht 44.40 million.

On 31 July 2019, the Company entered into a compromise agreement to repay debt Baht 30 million within 31 December 2019 and convert the remaining principal Baht 107.79 million into ordinary share of the Company with the same price for major creditors and the Company will propose to the 2nd /2019 EGM of the Company for approval of debt to equity conversion program. However, if the debt to equity conversion is not success, the Company will pay in 60 monthly installments at the amount of Baht 1.80 million each. First installment will be at the end of July 2020 onward.

And in the Extraordinary General Meeting of the Shareholders No. 2/2019 on 11 October 2019, the meeting has approved the Debt to Equity Conversion Scheme by the allocation and offering of the newly-issued ordinary shares of the Company with the same offering price to other creditors totaling 8 creditors in order to repay the debt which will be converted to the equity. The Company will complete this within the 4th quarter of 2019.

The Company allocates the newly issued ordinary shares of the Company under the Debt-to-Equity Conversion Scheme to the creditor and registered the additional paid-up capital with Department of Business Development, Ministry of Commerce on 2 December 2019 (as described to the financial statement in Note 1.3 and 28).

On 30 March 2019, the Company entered into a compromise agreement with a creditor. The Company agrees to repay debt only principal amounted to Baht 117.55 million as follows;

- First payment Baht 10 million within 31 December 2019
- Remaining portion the Company has to pay in 60 monthly installments at the amount of Baht 1.79 million each. First installment will be at the end of July 2020 onward

From the above agreement The Company recorded a reversal of accrued interest which was recorded as a gain from a compromise of Baht 15.98 million.

On 31 July 2019 The Company entered into a compromise agreement to repay debt Baht 10 million within 31 December 2019 and convert the remaining principal Baht 107.55 million into ordinary share of the Company with the same price for major creditors and the Company will propose to the 2nd /2019 EGM of the Company for approval of debt to equity conversion program. However, if the debt to equity conversion is not success, the Company will pay in 60 monthly installments at the amount of Baht 1.79 million each. First installment will be at the end of July 2020 onward.

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And in the Extraordinary General Meeting of the Shareholders No. 2/2019 on 11 October 2019, the meeting has approved the Debt to Equity Conversion Scheme by the allocation and offering of the newly-issued ordinary shares of the Company with the same offering price to other creditors totaling 8 creditors in order to repay the debt which will be converted to the equity. The Company will complete this within the 4th quarter of 2019.

The Company allocates the newly issued ordinary shares of the Company under the Debt-to-Equity Conversion Scheme to the creditor and registered the additional paid-up capital with Department of Business Development, Ministry of Commerce on 2 December 2019 (as described to the financial statement in Note 1.3 and 28).

Other payable

On 18 April 2019, the Company as receivable per the adjudication has entered into a debt repayment agreement with a creditor. The term and condition for the repayment of debt amounted to Baht 77.5 million are as follow;

- Pay with cheque dated 19 April 2019 amounting Baht 2 million
- Pay within May 2019 amounting Baht 8 million
- The remaining Baht 67.5 million will pay in 25 monthly installments at the amount of Baht 2.7 million each. First installment will be at the end of June 2019 until final installment at the end of June 2021.

It the Company paid all above instalments, without events of default the creditor agree to release all debts in the court case to the Company.

From the above agreement, the Company recorded a reversal of provision of Baht 24.24 million.

Gain from compromise debt

During year 2019 the company enter into compromise agreement with various creditors while the company has to pay only principal then has to reverse accrued interest to gain from compromise debt at that to agreement date

G J Steel

In 1998 the Company faced the financial problems from financial crisis causing the Company to be unable to repay the existing debt. And in April 2000 the Company entered into the business rehabilitation process administered by the Central Bankruptcy Court. In 2002 the Central Bankruptcy Court approved the business rehabilitation plan. Later on 28 November 2008 the Company filed a petition to terminate the business rehabilitation with the Central Bankruptcy Court and on 2 March 2009 the Central Bankruptcy Court issued an order to terminate the rehabilitation proceeding of the Company.

G J Steel's rehabilitation plan liabilities were duly on 31 October 2011 but fell into default. G J Steel entered into negotiations with the creditors to extend the payment period. Accordingly, G J Steel presented the outstanding liabilities under rehabilitation plan as at 30 September 2019 and 2018 as current liabilities in G J Steel's statement of financial position. As a consequence of this default, the outstanding balances are payable on demand and accrue interest at a rate of 7.5% per annum from the date of default.

Since year 2018 to the date of the report, 1 supplier filed a complaint against G J Steel for breach of the rehabilitation plan, 1 supplier with the litigation amount of Baht 1 million together with interest at the rate of 7.5% per annum from the date of filing the complaint until the date of full repayment. Currently, it is pending at the Court.

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27 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Statement of financial position obligations for:				
Post-employment benefits	184	143	78	63
	<u>184</u>	<u>143</u>	<u>78</u>	<u>63</u>

	Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits	54	13	24	5
	<u>54</u>	<u>13</u>	<u>24</u>	<u>5</u>

An unfunded plan based on Thai labor law

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 statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Present value of unfunded obligations	184	143	78	63
Statement of financial position obligation	<u>184</u>	<u>143</u>	<u>78</u>	<u>63</u>

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Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2017	2018
	<i>(in million Baht)</i>			
Defined benefit obligations at 1 January	143	130	63	58
Benefit paid	(13)	-	(9)	-
Current service costs and interest	17	13	7	5
Past service cost	37	-	17	-
Defined benefit obligations as at 31 December	184	143	78	63

Expense recognised in profit or loss:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Current service costs	15	12	5	4
Past service costs	37	-	17	-
Interest on obligation	2	1	2	1
Total	54	13	24	5

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The expense is recognized in the following line items in the statement of income:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Cost of sales and administrative expenses	54	13	24	5
Total	54	13	24	5

No actuarial gains and losses were recognized in the other comprehensive income in the consolidate and Separate financial statements for the year ended 31 December 2019 and 2018.

Principal actuarial assumptions at the reporting date:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(%)</i>			
Discount rate	2.80 p.a	2.80 p.a	2.80 p.a	2.80 p.a
Future salary increases rate	3.0-7.0	3.0-7.0	3.0-7.0	3.0-7.0
Employee turnover rate	4.0-15.0*	4.0-15.0*	4.0-15.0*	4.0-15.0*
Mortality rate	TMO17**	TMO17**	TMO17**	TMO17**

* Based on the weighted average by age group of employees

** Reference from TMO17 : Thai Mortality Ordinary Table 2017

Sensitivity analysis of significant actuarial assumptions

Significant actuarial assumptions for sensitivity analysis are discount rate, salary increase rate and employee turnover, while holding all other assumptions constant. The sensitivity analysis of change in the relevant actuarial assumption that were reasonably possible as of December 31, 2019 as follows:

- If the discount rate increases (decreases) by 1%, the employee benefit obligation in Consolidated financial statements would decrease Baht 17.68 million (increase Baht 20.66 million) and Separate financial statements would decrease Baht 6.92 million (increase Baht 7.97 million).
- If the salary increase rate increases (decreases) by 1%, the employee benefit obligation in Consolidated financial statements would increase Baht 20.12 million (decrease Baht 17.59 million) and Separate financial statements would increase Baht 7.85 million (decrease Baht 6.96 million).

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- If the employee turnover rate increases (decreases) by 10.0%, the employee benefit obligation in Consolidated financial statements would decrease Baht 9.63 million (increase Baht 10.38 million) and Separate financial statements would decrease Baht 3.55 million (increase Baht 3.80 million).

-If the life expectancy increases by one year for all employees, the employee benefit obligation in Consolidated financial statements would increase Baht 0.48 million and Separate financial statements would increase Baht 0.33 million.

In presenting the above sensitivity analysis, the present value of the employee benefit obligation has been calculated by using the same method that applied in calculating the employee benefit obligation recognized in the statement of financial position.

Labour Protection Act has announced in the Government Gazette on April 5, 2019, which is effective dated May 5, 2019. The main point is increasing the rate of benefit of an employee who has past service 20 years or more from 300 days to 400 days. The provisions for employee benefits of the Group and the Company which calculated up to 31 December 2019 will be increased in approximately amount of Baht 38.96 million and Baht 17.82 million respectively. The Group and the Company has recorded the whole amount as expense in the statement of income in for the year ended 31 December 2019.

28 Share capital

The movements of share capital for the year ended 31 December 2019 and 2018 were as follows:

	Consolidated and Separate financial statements				
	Par value per share (in Baht)	2019 Number	Baht (million shares / million Baht)	2018 Number	Baht
Authorised					
As at 1 January					
- ordinary shares	5.00	9,755	48,776	9,755	48,776
- Decrease share capital	5.00	(1,405)	(7,025)	-	-
- Increase share capital	5.00	23,262	116,309	-	-
As at 31 December					
- ordinary shares	5.00	31,612	158,060	9,755	48,776
Issued and paid up					
As at 1 January					
- ordinary shares	5.00	6,850	34,251	6,850	34,251
- Increase from debt to equity conversion	5.00	22,079	110,393	-	-
As at 31 December					
- ordinary shares	5.00	28,929	144,644	6,850	34,251

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Discount ordinary shares

Movement of discount ordinary shares during the year ended 31 December 2019 and 2018 as follow :

	2019	2018
	(in million Baht)	
Discount ordinary shares		
As at 1 January	(10,163)	(10,163)
Debt to equity conversion	<u>(106,198)</u>	<u>-</u>
As at 31 December	<u>(116,361)</u>	<u>(10,163)</u>

28.1 The allocation and offering of the newly issued ordinary shares of the Company under to the debt-to-equity conversion scheme

The Company

At the Extraordinary General Meeting of Shareholders No.2/2019 on 11 October 2019, the meeting has important resolution as follows;

1. Approved the decrease of registered capital of the Company of Baht 7,024,838,910 from the existing registered capital of Baht 48,775,743,730 to Baht 41,750,904,820 by decreasing the number of unissued shares of the Company which were issued to accommodate GSTEEL-W1 in the number of 1,135,237,165 shares and GSTEEL-W2 in the number of 269,730,617 shares, totalling 1,404,967,782 shares at a par value of Baht 5.

On 18 October 2019, the Company approved the decrease of the Company's registered capital with The Ministry of Commerce

2. Approved the Debt-to-Equity Conversion Scheme by allocating and offering 22,078,584,468 ordinary shares of the Company at a par value of Baht 5 to Group 1 Creditors who were the judgment creditors consisting of (1) M-Power TT Limited ("M-Power") (2) D-Sinchai Steel Company Limited ("D-Sinchai") (3) Mrs. Vanida Yomjinda ("Mrs. Vanida") (4) Mrs. Benjamas Phitaktham ("Mrs. Benjamas") (5) New World Intermetal Company Limited ("New World Intermetal") (6) Mr. Thanuchai Vesarutchanon ("Mr. Thanuchai") (7) Superior Oversea (Thailand) Company Limited ("Superior") and Group 2 Creditor who was a commercial creditor according to the Memorandum of Understanding, i.e. Asia Credit Opportunities I (Mauritius) Limited ("ACO I") by way of debt to equity conversion. The total number of M-Power's debt, D-Sinchai's debt, Mrs. Vanida's debt, Mrs. Benjamas's debt, New World Intermetal's debt, Mr. Thanuchai's debt, Superior's debt and ACO I's debt which shall be converted to equity ("Debts to be Converted to Equity") was Baht 4,194,931,048.92 (the "Amount of Debts to be Converted to Equity").

The Company intended to repay Debts to be Converted to Equity in the total amount of Baht 4,194,931,048.92 by the ordinary shares of the Company, by which the Company shall determine the Debt-to-Equity price at Baht 0.19 per share, totalling up to Baht 110,392,922,340 in order to repay the Amount of Debts to be Converted to Equity.

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3. Approved the increase of the Company's registered capital in the amount up to Baht 116,308,850,320 from the existing registered capital of Baht 41,750,904,820 to Baht 158,059,755,140, by issuing up to 23,261,770,064 new ordinary shares at a par value of Baht 5 per share to (1) accommodate the allocation and the offering of the newly issued shares of the Company under the Debt-to-Equity Conversion Scheme in the number of 22,078,584,468 shares and (2) accommodate the right adjustment to exercise the right to purchase the newly issued ordinary shares of the Company for GSTEEL-W3 in the number up to 1,183,185,596 shares.

On 2 December 2019, the Company approved the increase of the Company's registered capital with The Ministry of Commerce

4. Approved the allocation of the newly issued ordinary shares of the Company in the number of 22,078,584,468 shares at a par value of Baht 5 per share in order to offer to specific persons (Private Placement) under the Deb-to-Equity Conversion Scheme as follows:
 - 4.1 Approved the allocation of the newly issued ordinary shares of the Company in the amount of 4,571,096,822 shares, at the par value of Baht 5 per share, to M-Power under the Debt-to-Equity Conversion Scheme, where the Company shall determine the Debt-to-Equity price at Baht 0.19 per share, totalling Baht 868,508,396.18, to repay M-Powers principal debt in the amount of Baht 868,508,396.18 under the Debt-to-Equity Conversion Scheme.
 - 4.2 Approved the allocation of the newly issued ordinary shares of the Company in the amount of 566,056,684 shares, at the par value of Baht 5 per share, to D-Sinchai under the Debt-to-Equity Conversion Scheme, where the Company shall determine the Debt-to-Equity price at Baht 0.19 per share, totalling Baht 107,550,769.96, to repay D-Sinchai's principal debt in the amount of Baht 107,550,769.96 under the Debt-to-Equity Conversion Scheme.
 - 4.3 Approved the allocation of the newly issued ordinary shares of the Company in the amount of 52,631,578 shares, at the par value of Baht 5 per share, to Mrs. Vanida under the Debt-to-Equity Conversion Scheme, where the Company shall determine the Debt-to-Equity price at Baht 0.19 per share, totalling Baht 9,999,999.82 under the Debt-to-Equity Conversion Scheme, to repay Mrs. Vanida's Debt in the amount of Baht 9,999,999.82 under the Debt-to-Equity Conversion Scheme.
 - 4.4 Approved the allocation of the newly issued ordinary shares of the Company in the amount of 78,947,368 shares, at the par value of Baht 5 per share, to Mrs. Benjamas under the Debt-to-Equity Conversion Scheme, where the Company shall determine the Debt-to-Equity price at Baht 0.19 per share, totalling Baht 14,999,999.92, to repay Mrs. Benjamas's principal debt in the amount of Baht 14,999,999.92 under the Debt-to-Equity Conversion Scheme.

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- 4.5 Approved the allocation of the newly issued ordinary shares of the Company in the amount of 567,312,699 shares, at the par value of Baht 5 per share, to New World Intermetal Company Limited under the Debt-to-Equity Conversion Scheme, where the Company shall determine the Debt-to-Equity price at Baht 0.19 per share, totalling Baht 107,789,412.81 to repay New World Intermetal's Debt in the amount of Baht 107,789,412.81 under the Debt-to-Equity Conversion Scheme.
- 4.6 Approved the allocation of the newly issued ordinary shares of the Company in the amount of 31,578,947 shares, at the par value of Baht 5 per share, to Mr. Thanuchai under the Debt-to-Equity Conversion Scheme, where the Company shall determine the Debt-to-Equity price at Baht 0.19 per share, totalling Baht 5,999,999.93, to repay Mr. Thanuchai's principal debt in the amount of Baht 5,999,999.93 under the Debt-to-Equity Conversion Scheme.
- 4.7 Approved the allocation of the newly issued ordinary shares of the Company in the amount of 1,749,470,897 shares, at the par value of Baht 5 per share, to Superior under the Debt-to-Equity Conversion Scheme, where the Company shall determine the Debt-to-Equity price at Baht 0.19 per share, totalling Baht 332,399,470.43, to repay Superior's principal debt of Baht 332,399,470.43.
- 4.8 Approved the allocation of the newly issued ordinary shares of the Company in the amount of 14,461,489,473 shares, at the par value of Baht 5 per share, to ACO I under the Debt-to-Equity Conversion Scheme, where the Company shall determine the Debt-to-Equity conversion price at price of Baht 0.19 per share, totalling Baht 2,747,682,999.87, to repay the ACO I's principal debt in the total amount of Baht 2,747,682,999.87.
- 5 Approved the allocation of the newly issued ordinary shares of the Company up to 1,183,185,596 shares, at the par value of Baht 5 per share to accommodate the right adjustment of GSTEEL-W3 up to 1,183,185,596 shares according to conditions of the right adjustment specified in the Terms and Conditions Governing the Rights and Obligations of the Issuer of GSTEEL-W3.

28.2 Conversion debt-to-equity

The Company

On 2 December 2019 the Company has registered increase share capital by conversion debt of USD 90.39 million or equivalent to Baht 2,747.68 million and share capital by conversion debt of Baht 1,447.25 million to share capital of Baht 110,392.92 million (ordinary shares of 22,078,584,468 shares at par value Baht 6.90 per share) to new creditor as described to the financial statement in Note 1.3.

Under conversion debt-to-equity, the Company fix the price at Baht 0.19 per share as the fair value for conversion debt-to-equity which this price is agreed by both parties together. Resulting to the Company has a discounted on ordinary share amounted to Baht 106,198 million and has loss from conversion debt-to-equity of Baht 5,169 million. (as described to the financial statement in Note 32).

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G J Steel

The capital restructuring of G J Steel

On 14 January 2019, the Extraordinary Shareholders' Meeting No. 1/2019 had approved as the following issues:

- 1 Approved the transfer of legal reserve in the amount of Baht 18,507,421.67 to compensate the retained losses.

In 1st quarter of year 2019, G J Steel has transfer of legal reserve to compensate the retained losses.

- 2 Approved the reduction of G J Steel registered capital from Baht 6.90 to Baht 0.96 to compensate G J Steel retained losses resulting to G J Steel registered capital decreased from the original amount Baht 129,298,350,418.50 to Baht 17,989,335,710.40 and G J Steel paid-up capital shall reduce from Baht 96,104,091,707.70 to Baht 13,371,004,063.68, in which G J Steel shall apply the reduced paid-up capital to clear the discount on share capital of Baht 61,757,357,060.14 and the retained losses of Baht 20,975,730,583.88, respectively. And approved the amendment of clause 4 of G J Steel memorandum of association to be in line with the reduction of registered capital by reducing the par value to compensate G J Steel retained losses.

On 18 March 2019, G J Steel had reduced the registered share capital with Ministry of Commerce from Baht 6.90 to Baht 0.96 resulting to G J Steel registered capital decreased from the original amount Baht 129,298,350,418.50 to Baht 17,989,335,710.40 and G J Steel paid-up capital shall reduce from Baht 96,104,091,707.70 to Baht 13,371,004,063.68, in which on 1st quarter of year 2019 G J Steel has apply the reduced paid-up capital to clear the discount on share capital of Baht 61,757,357,060.14 and the retained losses of Baht 20,975,730,583.88, respectively.

- 3 Approved the reduction in the registered capital of G J Steel in the amount of 1,957,748,965 shares, with a par value of Baht 0.96 per share, from the existing registered capital of Baht 17,989,335,710.40 to Baht 16,109,896,704 by cancelling G J Steel authorized but unissued shares, prior to the increase of G J Steel registered capital, and approve the amendment clause 4 of G J Steel memorandum of association to be in line with the reduction of registered capital by cancelling G J Steel authorized but unissued shares.

Such cancelling of authorized but unissued shares does not include the ordinary shares of G J Steel allocated to accommodate the exercise of the warrants to purchase the ordinary share no. 3 ("GJS-W3"), in the amount of 1,606,677,915 shares which was approved by the Extraordinary General Meeting of the Shareholders No. 1/2017 which was held on 30 August 2017 and the warrants to purchase the ordinary share no. 4 ("GJS-W4"), in the amount of 1,246,335,252 shares which was approved by the Extraordinary General Meeting of the Shareholders no. 1/2017 which was held on 30 August 2017.

On 19 March 2019, G J Steel had reduced the registered share capital with Ministry of Commerce by cancelling G J Steel authorized but unissued shares, in the amount of 1,957,748,965 shares, with a par value of Baht 0.96 per share, from the existing registered capital of Baht 17,989,335,710.40 to Baht 16,109,896,704.

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- 4 Approved the increase in registered capital by the amount of Baht 11,490,928,047.36 from the existing registered capital of Baht 16,109,896,704 to Baht 27,600,824,751.36 by issuing 11,969,716,716 newly issued ordinary shares with a par value of Baht 0.96 per share to accommodate the allocation and offering of newly-issued shares to existing shareholders of G J Steel in proportion to their respective shareholding (Right Offering) and accommodate the adjustment of right under GJS-W3 and GJS-W4 and approve the amendment of clause 4 of G J Steel memorandum of association to be in line with the increase in G J Steel registered capital.

On 20 March 2019, G J Steel had increased the registered share capital with the Ministry of Commerce by the amount of Baht 11,490,928,047.36 from the existing registered capital of Baht 16,109,896,704 to Baht 27,600,824,751.36 by issuing 11,969,716,716 newly issued ordinary shares with a par value of Baht 0.96 per share.

- 5 Approved the allocation of G J Steel newly-issued shares in the amount of not exceeding 11,969,716,716 shares, at a par value of Baht 0.96 per share to accommodate:
- 5.1 The allocation of the newly-issued ordinary shares of G J Steel in the amount of not exceeding 11,560,347,263 shares, with a par value of Baht 0.96 per share to the existing shareholders of G J Steel in proportion to their respective shareholding (Right Offering) with the price of Baht 0.13 per share, in the allocation ratio of 1 existing shares per 0.83 new shares where the fraction of shares shall be discarded.

In this regard, since G J Steel has accumulated losses in the statement of financial position and the profit and loss statements for the three-month and nine-month periods ended 30 September 2018, G J Steel is able to determine the offering price of newly-issued ordinary share with the price of Baht 0.13 per share, at a price lower than the par value, and as such require G J Steel to comply with Section 52 of the PLC Act (as amended). This issuance and offering of newly-issued ordinary shares of G J Steel will be the offering of newly-issued ordinary shares in proportion to the respective shareholding. In case there are decimals arisen from the calculation, such decimals shall be rounded down. The existing shareholders are entitled to subscribe for the shares exceeding their shareholding proportion. In case there are ordinary shares left from the allocation to the existing shareholders in accordance with their shareholding proportion, G J Steel will allocate such remaining shares to the shareholders who intend to subscribe for the newly-issued ordinary shares in excess of their shareholding proportion, at the same price. Such allocation of shares shall be proceeded until there is no ordinary shares left or there is no more shareholder who intends to subscribe for the newly-issued ordinary shares. In case there are ordinary shares left from this increase of capital, such remaining ordinary shares will be cancelled.

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In case any shareholder intends to subscribe the newly-issued ordinary shares in the amount exceeding his shareholding proportion and such subscription causes the total holding of G J Steel's shares by such a shareholder and his related persons under Section 258 of the PLC Act to exceed 25 percent of the total voting shares of G J Steel, such a shareholder is obliged to proceed the tender offer of the total securities of G J Steel according to the Notification of the Capital Market Supervisory Board No. ThorJor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (the "Notification on Acquisition of Securities for Business Takeovers"), unless such a shareholder is granted the exception to proceed the tender offer of all the securities of G J Steel, as prescribed in the Notification on Acquisition of Securities for Business Takeovers.

In this regard, the date specified for determining the names of shareholders entitled to the allocation of newly-issued ordinary shares to existing shareholders in proportion to their respective shareholding (Right Offering) (Record Date) shall be 27 March 2019.

On 3 May 2019, G J Steel has registered additional paid-up capital with the Ministry of Commerce from the allocation of new ordinary shares to the existing shareholders of G J Steel in the proportion to their respective shareholdings (Rights Offering) of 11,559,004,163 shares combines with the existing paid-up capital shall be 25,487,133,396 shares, at the par value of Baht 0.96 per share. In this regard, such capital increase will result in the Company having an increasing in discount on ordinary shares in amount of Baht 9,594 million with the cost of issuing new shares in amount of Baht 73.50 million which record under discount on ordinary shares.

The allocation of the newly issued ordinary shares as mentioned above, Asia Credit Opportunities I (Mauritius) Limited ("ACO I") which is a company in SSG Group exercises the right to purchase 7,499,978,175 shares in excess of rights offering, resulting that the shareholding structure of ACO I in G J Steel increase from 24 percent to 42.54 percent of total voting shares of G J Steel. Therefore, ACO I is obliged to conduct a tender offer to acquire all remaining securities of G J Steel pursuant to the Notification of the Capital Market Supervisory Board No. Tor Jor 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers dated 13 May 2011 (as amended).

The Offer Price of the ordinary shares has been determined by ACO I to be equal to Baht 0.13 per share. ACO I is not obliged to make an offer to purchase GJS-W3 and GJS-W4 since these warrants have exercise price of Baht 0.1668 per share and Baht 0.1668 per share respectively, which are higher than the Offer Price of Baht 0.13 per share and ACO I has not acquired any such warrants for consideration during a period of 90 days prior to the date on which tender offer document is submitted to the SEC. Therefore, the Offeror is not obliged to make an offer to purchase these warrants in pursuant with Clause 7(2) of the Notification of Capital Market Supervisory Board No. TorJor 12/2554.

In addition, ACO I does not have an intention to delist the Business from the Stock Exchange of Thailand (SET) during the 12 months period after the end of Offer Period. In addition, Tender Offer for the Securities (Form 247-4) shall be submitted by 15 May 2019.

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In this regard, G J Steel has been informed by ACO I that ACO I does not have plan to change the business objectives of G J Steel and will maintain current business direction and operation as a producer of various grades of hot rolled coil (HRC). In addition, ACO I does not have plan to change the board of structures of G J Steel, such as Board of Directors, Audit Committee and Executive Committee and others. Also, ACO I does not have intention to change the organization structure, management or staff members of G J Steel.

However, if necessary, ACO I, may, together with G J Steel, consider to have mutual discussion and revision of the business and operation policies, organization structure, human resources, sales and marketing strategy, dividend policy, financial structure or any other necessary change as appropriate under future business operation and industry situation at that time with an objective to enhance the efficiency of the business and ensure growth of the business to create the joint benefit for G J Steel and shareholder of G J Steel.

5.2 The allocation of newly-issued shares from capital increase to accommodate the rights adjustment of GJS-W3 Warrant and GJS-W4 Warrant as follows:

- 1) The allocation of newly-issued shares from capital increase to accommodate the rights adjustment of GJS-W3 Warrant in the amount of 230,536,917 shares at the par value of Baht 0.96.
- 2) The allocation of newly-issued shares from capital increase to accommodate the rights adjustment of GJS-W4 Warrant in the amount of 178,832,536 shares at the par value of Baht 0.96.

29 Reserves

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account until this account reaches an amount not less than 10% of the registered authorized capital. The Legal Reserve is not available for dividend distribution.

Other components of equity

The movements of other components of equity for the year ended 31 December 2019 and 2018 were as follows:

	<i>Note</i>	2019	2018
		(in million Baht)	
Other components			
Cash received from expired warrants			
At 1 January		-	-
- First Warrants (GSTEL-W1)	30	11	-
- Second Warrants (GSTEL-W2)	30	3	-
At 31 December		14	-

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30 Warrants

Transactions of the warrants during the year ended 31 December 2019 and 2018 are as follows:

	Offering price of warrant per unit (in Baht)	Consolidated and Separate financial statements			
		2019	2018		
		Unit	Amount	Unit	Amount
		(million units / in million Baht)			
Warrants					
At 1 January (audited)					
- First Warrants (GSTEL-W1)	0.002	5,676	11	5,676	11
- Second Warrants (GSTEL-W2)	0.002	1,349	3	1,349	3
- Third Warrants (GSTEL-W3)	0.000	7,500	-	7,500	-
		14,525	14	14,525	14
Movement in the year					
Warrants expired		(7,025)	(14)	-	-
		(7,025)	(14)	-	-
At 31 December					
- First Warrants (GSTEL-W1)	0.002	-	-	5,676	11
- Second Warrants (GSTEL-W2)	0.002	-	-	1,349	3
- Third Warrants (GSTEL-W3)	0.000	7,500	-	7,500	-
Total		7,500	-	14,525	14

The Company

Detail of warrants were as follows :

	<u>GSTEL - W1 (a) and (C)</u>	<u>GSTEL - W2 (a) and (C)</u>	<u>GSTEL - W3 (b)</u>
Exercise ratio (Unit : Share)	1 : 0.200	1 : 0.200	1 : 0.200
Price of exercise to one Common Share (Baht)	2.75	2.75	2.15
The first day of exercise	December 28, 2012	June 28, 2013	May 17, 2015
The last day of exercise	September 26, 2019	September 26, 2019	May 17, 2020

- (a) Listed in The Stock Exchange of Thailand
- (b) Non-listed in The Stock Exchange of Thailand
- (c) On 26 September 2019, warrants amounted to 7,025 million units has not been exercised by the holders and this was cancelled from the Stock Exchange of Thailand on the next day.

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From the cancellation on 26 September 2019 of warrants amounted to 7,025 million units which has book value of Baht 0.002 per unit, this was transferred from warrants to be other component of equity amounted to Baht 14 million.

G J Steel

The Extraordinary Shareholders' Meeting No. 1/2019 which was held on 14 January 2019 had approved the adjustment of exercise price and exercise ratio of the warrant to purchase an ordinary share GJS-W3 and GJS-W4 details are as follow:

30.1 Approved the rights adjustment of GJS-W3 Warrant and GJS-W4 Warrant according to the rate and price of rights adjustment are as follows:

30.1.1 Adjustment of rights in case there is a change in the par value of G J Steel ordinary shares.

	Before adjustment	Adjustment from capital reduction
<i>GJS-W3And GJS-W4 Warrants</i>		
- Exercise Price	1.3722 Baht/Share	0.1909 Baht/Share
- Exercise Ratio	1 Unit : 0.437 Share	1 Unit : 0.437 Share

30.1.2 Adjustment of rights in case G J Steel allocates the newly-issued ordinary shares of G J Steel share to the existing shareholders of G J Steel in proportion to their respective shareholding (Right Offering) at the calculated net price for newly issued stock below 90 percent of the Market Price for Ordinary Share of G J Steel.

	Adjustment from capital reduction	Adjustment from issued newly shares to existing shareholders
<i>GJS- W3And GJS-W4 Warrants</i>		
- Exercise Ratio	1 Unit : 0.437 Share	1 Unit : 0.500 Share
- Exercise Price	0.1909 Baht/Share	0.1668 Baht/Share

Detail of warrants as at 31 December 2019 is as follow:

	<u>GJS- W3 (a) and (c)</u>	<u>GJS- W4 (b) and (d)</u>
Exercise ratio (Unit : Share)	1 : 0.500	1 : 0.500
Price of exercise to one Common Share (Baht)	0.1668	0.1668
The first day of exercise	28 June 2013	28 June 2013
The last day of exercise	7 February 2020	11 February 2020

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- (a) Listed in The Stock Exchange of Thailand
- (b) Non-listed in The Stock Exchange of Thailand
- (c) On 7 February 2020 third warrants of 3,674 million units there was only 3,000 warrants were exercised and the remaining warrants are canceled by the Stock Exchange of Thailand the following day.
- (d) On 11 February 2020 fourth warrants of 2,754 million units there was no warrant holders exercise and it was canceled the following day.

31 Segment information

Segment information is presented in respect of the Group's business segments and geographic segments based on the Group's management and internal reporting structure.

Business segments

Management considers that the Group operates in a single line of business, namely the production and distribution of hot rolled coils, and has, therefore, only one major business segment.

Geographic segments

In presenting information on the basis of geographic segments, segment revenue is based on the geographic location of customers.

The followings are the main geographic locations:

Segment 1	Domestic
Segment 2	Export

Revenue and results, based on business segments and geographic segments of the Group for the years ended 31 December 2019 and 2018 were as follows::

	Consolidated financial statements	
	2019	2018
	(in million Baht)	
Segment revenue		
Domestic	17,416	28,942
Export	-	1,023
Total	17,416	29,965
 Segment result - gross profit (loss)	 (1,861)	 (230)

Information about major customers

For the year ended 31 December 2019 and 2018, the Group's revenues from domestic sales 3 customer and 1 customers, respectively is amount Baht 7,360 million and Baht 4,291 million, respectively.

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32 Gain from debt restructuring

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in million Baht)</i>			
Gain from creditor reducing debt		337	-	337	-
Gain from debt to equity conversion	1.3,28	5,169	-	5,169	-
Total		5,506	-	5,506	-

33 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Domestic shipping expenses	234	360	64	4
Packing expenses	4	5	-	-
Total	238	365	64	4

34 Administrative expenses

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in million Baht)</i>			
Idle cost - Depreciation and amortisation expenses	39	65	52	-	-
Depreciation and amortisation expenses	39	40	38	1	2
Employee benefit expenses	39	474	440	166	5
Professional and consultant fees		82	102	50	19
Others		279	211	161	129
Total		940	843	378	155

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35 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
	<i>Note</i>	<i>(in million Baht)</i>			
Management					
Wages and salaries		43	46	16	17
Welfare		7	7	4	4
Contribution to provident fund		1	1	-	-
	5	51	54	20	21
Other employees					
Wages and salaries		740	736	335	354
Welfare		223	204	68	49
Contribution to provident fund		41	40	17	18
		1,004	980	420	421
Total	39	1,055	1,034	440	442

Defined benefit plans

Details of the defined benefit plans are given in Note 27 Employee benefit obligations.

Defined contribution plans

The defined contribution plan comprises a provident fund established by the Group for its employees. Membership in the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2% to 10% of their basic salaries and by the Group at rates ranging from 3% to 10% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

36 (Reversal of) bad and doubtful debt expenses

		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
	<i>Note</i>	<i>(in million Baht)</i>			
Amount receivable from related parties	5	-	-	(76)	(8)
Trade account receivable	8	(7)	(1)	(7)	(1)
Other current assets	11	(7)	11	(7)	-
Total		(14)	10	(90)	(9)

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37 Losses on impairment of assets

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in million Baht)</i>			
Investment in subsidiaries	12	-	-	898	126
Property, Plant and equipment	12	-	42	-	42
Total	38	<u>-</u>	<u>42</u>	<u>898</u>	<u>168</u>

38 Other expenses

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in million Baht)</i>			
Provision for guarantee subsidiary	24	-	1	-	1
Provision for court case claim	24	45	100	45	100
Loss on impairment of assets	37	-	42	898	168
Others		6	1	15	9
Total		<u>51</u>	<u>144</u>	<u>958</u>	<u>278</u>

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39 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2019	2018	2019	2018
		(in million Baht)			
<i>Included in cost of sales of goods and cost of service-tolling:</i>					
Raw material and consumable used		13,632	14,217	4,059	1,310
Changes in inventories of finished goods					
decrease (increase)		253	409	(533)	30
Depreciation and amortization		1,059	1,723	811	814
Employee benefit expenses	35	581	594	274	437
Utility expenses		1,938	2,840	103	1,281
Natural gas expense		543	740	248	372
<i>Included in administrative expenses:</i>					
Depreciation and amortization	34	105	90	1	2
Employee benefit expenses	34, 35	474	440	166	5
Operating lease expense		24	22	6	10
Utility expenses		5	7	2	4

40 Finance costs

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in million Baht)</i>			
Finance costs:					
Related parties	5	1,012	954	753	574
Bonds		18	18	18	18
Financial institutions		20	35	20	35
Other parties		89	95	46	55
Total		1,139	1,102	837	682

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41 Income tax expense

The Group and the Company did not record income tax expense in the statement of comprehensive income because the Company incurred losses in the current year and has significant losses brought forward from prior years. Deferred tax assets have not been recognised in respect of these losses as disclosed in Note 16.

The Group has applied the tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2019 and 2018.

42 Profit (loss) per share

Basic Profit (loss) per share

The calculation of basic profit (loss) per share for year ended 31 December 2019 and 2018 were based on the profit (loss) for the period attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the period as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht /million shares)			
Profit (loss) for the year attributable to equity holders of the Company (basic)	<u>2,646</u>	<u>(1,621)</u>	<u>3,345</u>	<u>(1,810)</u>
Number of ordinary shares outstanding at 1 January	6,850	6,850	6,850	6,850
Effect of change debt-to-equity conversion	<u>1,815</u>	<u>-</u>	<u>1,815</u>	<u>-</u>
Weighted average number of ordinary shares outstanding (basic)	<u>8,665</u>	<u>6,850</u>	<u>8,665</u>	<u>6,850</u>
Earnings (loss) per share (basic) (in Baht)	<u>0.31</u>	<u>(0.24)</u>	<u>0.39</u>	<u>(0.26)</u>

The company has not presented diluted profit(loss) per share for the year end 31 December 2019 and 2018 because the exercise price of the Company's warrants was higher than the market price of the Company's ordinary shares.

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43 Financial instruments

As at 31 December 2019 and 2018, the Group had not entered into any derivative contracts to hedge its exposure to foreign currency exchange risk.

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.

Capital management

The Board's intention is to return to a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board is presently seeking additional capital investment in order to secure the on-going viability of the Group and the Company.

Interest rate risk

Interest rate risk is the uncertainty in value of financial assets and liabilities or net interest income as a result of the fluctuation of the market interest rate. Most of the interest rates of financial assets and liabilities of the Group and the Company are fixed rates, which are based on contract rates.

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The effective interest rates of financial assets and financial liabilities as at 31 December 2019 and 2018 and the periods to maturity or re-pricing were as follows:

	Effective Interest rate (% per annum)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
2019					
<i>Financial assets :</i>					
Cash and cash equivalents	0.25-0.625	464	-	-	464
Deposits at financial institution	1.375	46	-	-	46
Total		<u>510</u>	<u>-</u>	<u>-</u>	<u>510</u>
<i>Financial liabilities:</i>					
Short-term loans from related party	12.0	811	-	-	811
Long-term loans from related party	12.0	314	1,934	-	2,248
Bonds	3.0	471	-	-	471
Trade accounts payable	1.0 - 8	409	-	-	409
Other payables and accrued expense	5-8 , MLR+3,MLR+5	348	1,137	-	1,485
Liabilities from terminated rehabilitation plan and compromise	0.5-7.5	455	146	-	601
Finance lease obligations	5.28	-	1	-	1
Other current liabilities	7.5,12	3	-	-	3
Total		<u>2,811</u>	<u>3,218</u>	<u>-</u>	<u>6,029</u>

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		Consolidated financial statements			
	Effective Interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
2018					
<i>Financial assets :</i>					
Cash and cash equivalents	0.25-0.625	258	-	-	258
Deposits at financial institution	1.375	1	-	-	1
Total		259	-	-	259
<i>Financial liabilities:</i>					
Short term loans from financial institutions	MLR	213	-	-	213
Short-term loans from related party	12.0	1,269	-	-	1,269
Short-term loans from other parties	7.75 - 15.0	107	-	-	107
Long-term loans from related party	12.0	314	1,118	-	1,432
Bonds	3.0	506	-	-	506
Trade accounts payable	1.0 - 7.5	445	-	-	445
Other payables and accrued expense	7.5 , MLR+3,MLR+5	5,935	-	-	5,935
Liabilities from terminated rehabilitation plan and compromise	0.5 – 7.5	234	-	-	234
Other current liabilities	7.5	3	-	-	3
Total		9,026	1,118	-	10,144

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	Effective Interest rate (% per annum)	Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
2019					
<i>Financial assets :</i>					
Cash and cash equivalents	0.25-0.625	40	-	-	40
Total		40	-	-	40
<i>Financial liabilities :</i>					
Short-term loans from related parties	1.25,12.00,18.00	1,124	-	-	1,124
Long-term loans from related party	12.00,15.00	314	885	-	1,199
Bonds	3.0	471	-	-	471
Trade accounts payable	7.5,15.00	238	-	-	238
Other payables and accrued expense	7.0,7.5,12.0	239	1,137	-	1,376
Liabilities from terminated rehabilitation plan and compromise	0.5,MLR - 2	285	146	-	431
Other current liabilities	7.5	3	-	-	3
Total		2,674	2,168	-	4,842

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	Effective Interest rate (% per annum)	Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
2018					
<i>Financial assets :</i>					
Cash and cash equivalents	0.25-0.625	57	-	-	57
Total		<u>57</u>	<u>-</u>	<u>-</u>	<u>57</u>
<i>Financial liabilities :</i>					
Short-term loans from financial institutions	MLR	213	-	-	213
Short-term loans from related parties	1.25-12.00	1,151	-	-	1,151
Short-term loans from other parties	7.75 - 15.0	107	-	-	107
Long-term loans from related party	3.0 - 12.0	314	1,086	-	1,400
Bonds	3.0	506	-	-	506
Trade accounts payable	5.0 - 7.5	251	-	-	251
Other payables and accrued expense	7.5,MLR+3,MLR+5	5,922	-	-	5,922
Liabilities from terminated rehabilitation plan and compromise	0.5 - 7.5	234	-	-	234
Other current liabilities	7.5	3	-	-	3
Total		<u>8,701</u>	<u>1,086</u>	<u>-</u>	<u>9,787</u>

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Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies.

At 31 December 2019 and 2018, the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		(in million Baht)			
United States Dollars					
Cash and cash equivalents	7	19	5	1	1
Trade accounts receivable	8	94	101	94	101
Other current assets	10	105	116	96	80
Bonds	18	(471)	(506)	(471)	(506)
Trade accounts payable	20	(671)	(1,078)	(444)	(108)
Loan from related parties	19	(2,789)	-	(1,727)	-
Other payables and accrued expenses	21	(1,250)	(4,327)	(1,230)	(4,255)
Accrued interest expenses	23	(321)	(4,760)	(242)	(4,679)
Other current liabilities	25	(32)	(34)	(23)	(24)
Liabilities from terminated rehabilitation plan and compromise	26	(84)	(90)	-	-
Gross exposure in statements of financial position		(5,400)	(10,573)	(3,946)	9,390
Estimated forecast purchases		(1,062)	(1,192)	(841)	-
Gross exposure		(6,462)	(11,765)	(4,787)	(9,390)
Others					
Other current assets	10	51	26	16	8
Trade accounts payable	20	(47)	(34)	(33)	(34)
Other payables and accrued expenses	21	(3)	(11)	-	-
Accrued interest expenses	23	(38)	(30)	(24)	(24)
Other current liabilities	25	(2)	(3)	-	-
Liabilities from terminated rehabilitation plan and compromise	26	(11)	(12)	-	-
Gross exposure in statements of financial position		(50)	(64)	(41)	(43)
Estimated forecast purchases		(1,239)	(330)	-	-
Gross exposure		(1,289)	(394)	(41)	(43)

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

At the reporting date there were no significant concentrations of credit risk. Due to the normal credit term granted by the Group and the Company are by cash and not over 5-7 working date (as described in note 8 to the financial statements)

The maximum exposure to credit risk is represented by the carry amount of each financial asset in the statement of financial position.

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Liquidity risk

Liquidity risk arises from the difficulty in mobilising funds for timely and adequately meeting of commitments under financial obligations. Liquidity risk may arise from failure to sell financial assets at a price close to the fair value.

The Group and the Company have liquidity risk as the Group and Company need to generate sufficient operating cash flows to meet both their working capital requirements and their operating obligations, including obligations under negotiated compromise agreements and the rehabilitation plan.

Determination of fair values

A number of the Group's and the Company'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 financial assets and liabilities is close to the carrying value in the statements of financial positions as at 31 December 2019 and 2018.

Maturities of financial assets and liabilities

Details of the maturities of financial assets and liabilities have been provided in the relevant notes to the financial statements.

44 Commitments with non-related parties

44.1 Commitments

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
Capital commitment				
Purchase Assets	<u>135</u>	<u>133</u>	<u>26</u>	<u>26</u>
Lease and service agreement commitments				
Within one year	13	9	6	3
After one year but within five years	<u>14</u>	<u>4</u>	<u>9</u>	<u>-</u>
Total	<u>27</u>	<u>13</u>	<u>15</u>	<u>3</u>
Other commitments				
Bank guarantees	<u>170</u>	<u>179</u>	<u>-</u>	<u>-</u>

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44.2 Lease and service agreements commitments

The Company

- a) The Company has entered into agreements for the provision of raw materials, raw water and water supply management. The Company is to pay service fees related to raw materials management, raw water and water supply management based on the quantity used.
- b) The Company has entered into agreements to purchase natural gas. The Company is required to pay service fees under these agreements at variable rates based on the quantity of gas consumed.
- c) On 1 January 1999, the Company entered into a twenty-year take-or-pay agreement to purchase oxygen, argon and nitrogen. Minimum payments under the agreement amount to approximately Baht 9.5 million per month.

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in million Baht)			
Long-term agreement commitments of the Company				
Within one year	71	99	-	28
After one year but within five years	271	282	-	-
After five years	6	59	-	-
Total	342	440	-	28

- d) On 26 October 2006, the Company's Board of Directors approved the Company's entry into the "Energy Service Agreement" with an electricity supply company, and later amended and restated the contract on 19 August 2008, in order to have an alternate source of electricity supply. Electricity is the primary utility input in the Company's flat rolled coil production process. Details of the Energy Service Agreement are as follows:

- The term of the agreement is 25 years from the substantial completion date. The Company started commercial use of electricity from this supply company in January 2011.
- The capacity for the electricity supply under the agreement is 70 MW at 230KV.
- The purchase price, computed from the combined factors of the capacity charge and the energy charge, is directly proportionate to the Thai Baht - USD exchange rate and market price of natural gas.
- The contract contains a minimum "Take or Pay" clause.
- The Company is subject to a substation and transmission facilities fee of Baht 0.8 million each month for 120 months starting from the substantial completion date.
- The Company needs to provide payment security of at least Baht 270 million.

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On 1 April 2014, the Company enters into the Interim Power Purchase Agreement with the electricity supply company to temporary replace the 19 August 2008 contract. Summary of the contract are as follow:

- Agreement shall continue in force and effect for a period of six months and may be extended for one additional period of six months
- All expenses referring to the previous contract will be suspended and temporarily cease to have effect and all electricity charges that may be imposed by PEA will be charged by the electricity supply company
- The Company shall make a deposit with the electricity supply company a payment security in the amount of Baht 40 million

The company has to comply with the temporary Power Purchase Agreement date April 1, 2014 .

On 16 July 2015, the Company enters into an amended and restated energy services agreement (“ESA”) with the electricity supply company in order to replace the previous ESA dated 19 August 2008. Details of the Energy Service Agreement are summarize as follows:

the agreement shall continue in effect until the earliest of 29 December 2035 and a termination of the agreement by mutual agreement

- all electricity charges that may be imposed by PEA will be charged by the electricity supply company
- the contract contains a minimum “Take or Pay” clause
- the Company needs to provide payment security of Baht 60 million
- “Take or Pay” and payment security shall not apply during the period of one year from the effective date

On 16 September 2016, the Company has a memorandum that “Take or pay” and payment security shall not apply is extended for a further period from 17 July 2016 to 31 December 2016. This extension shall be extended automatically on a rolling 3 months basis for a maximum of 3 extensions and is automatically terminated immediately upon any default of payment.

- e) On 3 April 2019, the Company entered into Financial Advisory Services Agreement with SSG Capital Management (Mauritius) Limited (the Advisor), the Advisor shall make available to the Company an experienced advisory team to review the Company’s financial and business performance on a monthly basis or more regularly as the Advisor may deem appropriate. The Advisor shall ensure that the advisory team will deal with and advise on any major issues or crises that may arise concerning the management and financial performance of the Business and recommend any steps needed to be taken by the Company to rectify any instances of cash or credit liquidity shortfall. The Company shall pay to Advisor a recurring fee equal to 1.5% of its operating revenues. This agreement shall expire on the earlier to occur of (i) the fifth anniversary of the commencement date, or (ii) the date upon which the Company has first paid down its indebtedness in an amount, in aggregate, at least equal to USD 30 million.

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- f) On 12 May 2017, the Company entered into agreement for business advisory and review with the foreign company for consultancy service in aspect of the capacity utilization efficiency, EBITDA and maximized the cash flow with a monthly service fee of USD 41,667. This agreement has not specified the termination period but the Company can cancel this agreement with the prior written consent from the lender, or the Company can terminate this agreement with immediate effect if requested by the lender in writing to the Company and the Advisor, or this agreement can be terminated upon the discharge of all the obligations of the Company under the Credit Agreement to be satisfaction of the lender.

On 8 January 2020, the Company has made a letter of termination of the business advisory and review agreement to the lender and business advisory company, which will be effective on 1 January 2020 onwards.

- g) On 1 June 2019, the Company entered into a Service Agreement with a company to render service for Slag Handling and Processed Scrap. Contract period is 5 years. The service fee is as follow;
1. Processed Scrap from Slag Baht 2,700 per ton of Scrap
 2. Slag Handling Fee Baht 84 per ton of Hot Rolled Coil production

The price of Slag Handling services and Processed Scrap are reviewed and adjusted every twelve months.

Slag waste management services from such agreement for the year ended 31 December 2019 in amount of Baht 29 million was included in the statement of income.

G J Steel

- a) G J Steel entered into agreement to purchase natural gas. This agreement is effective on 1 July 2006 and is terminated after the Company has purchased natural gas for ten years since supplier has already transferred and the Company has already received natural gas. Natural gas rate depend on monthly charges based on consumption. Subsequently, on 1 February 2017, it was renewed for another 2 years. it has been renewed for another 2 years. On 1 July 2019, it is extend for another 5 years.
- b) On 1 November 2004, G J Steel entered into a twenty-years take-or-pay agreement to purchase oxygen, argon and nitrogen. Minimum payments under the agreement amount to approximately Baht 6 million per month.

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	Consolidated financial statements	
	2019	2018
	(in million Baht)	
Long-term agreement commitments of G J Steel		
Within one year	71	71
After one year but within five years	271	282
After five years	-	59
Total	342	412

- c) On 20 January 2017, G J Steel entered into agreement for business advisory and review with the foreign company for consultancy service in aspect of the capacity utilization efficiency, EBITDA and maximized the cash flow with a monthly service fee of USD 41,667. This agreement has not specified the termination period but G J Steel can cancel this agreement with immediate effect if given in a written.

On 8 January 2020, G J Steel has made a letter of termination of the business advisory and review agreement to the lender and business advisory company, which will be effective on 1 January 2020 onwards.

- d) On 1 May 2018, G J Steel entered into a service agreement for the transportation in the country from the company's factory to deliver products to customers, with two domestic companies, in a term of agreement for 3 years starting from May 2018, whereby the freight charge will be paid as specified in the contract

Service fee from such agreements for the year ended 31 December 2019 and 2018 in the amount of Baht 152 million and 187 million, respectively, which have been included in the income statement.

- e) On 1 August 2018, G J Steel entered into agreement for slag waste management service arising which resulting from steelmaking and casting to recover ferrous scrap with the local company with term of agreement for 7 years commencing from August 2018 and shall be automatically renewed for further periods of one year unless written notice of its intention not to renew this agreement at least 6 months prior to the expiry of this agreement which must pay the waste management service fee as specified in the contract.

Slag waste management services from such agreement for the year ended 31 December 2019 and 2018 in amount of Baht 73 million and Baht 48 million was included in the statement of income.

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44.3 Raw material purchase orders

The Company

As at 31 December 2019, the Company had outstanding purchase orders for raw materials that have not been delivered to the Company totaling Baht 953 million (31 December 2018 : Baht 211 million).

Formerly the Company has estimated the provision for loss in respect of outstanding purchase orders for raw materials that have not been delivered based on comparison with the economic benefits expected to be received in the form of estimated sales prices and the conversion costs of finished products and estimated (as described in note 24 to the financial statements).

Formerly the Company has agreements to purchase raw materials from various suppliers by utilize the credit facility of the Supporting Customer 1 under consignment agreements, which the ownership of unreleased raw material belongs to the suppliers. G J Steel has to pay interest at the rate that the bank, charges to the Supporting Customer 1 at the rate of 3.12 - 3.38 per annum on the accrual balance on the credit facility (LC) (31 December 2018 : 1.5 - 3.0 per annum).

G J Steel

As at 31 December 2019, G J STEEL had outstanding purchase orders for raw materials that have not been delivered to G J STEEL totalling Baht 819 million (31 December 2018: Baht 1,333 million). G J STEEL has recorded the provision for loss in respect of outstanding purchase orders for raw materials that have not been delivered amount of Baht 19 million (31 December 2018: Baht 40 million) based on comparison with the economic benefits expected to be received in the form of estimated sales prices and the conversion costs of finished products, there was loss to be recognized in the statement of income for the year ended 31 December 2018 amount of Baht 40 million and loss amount of Baht 21 million had been reversed in the statement of income for the year ended 31 December 2019 (as described in note 24 to the financial statements).

As at 31 December 2019, the Company had agreements to purchase raw materials with various suppliers under consignment agreements, under which the ownership of unreleased raw material belongs to the suppliers. The Company has to pay interest of 3 - 6% per annum on the unreleased raw materials in addition to the payables balance (31 December 2018: 3 - 6% per annum).

44.4 Customer advances

As of 31 December 2019, the Company had advances received from customers totaling Baht 111 million (31 December 2018: Baht 10 million) and had the obligation to deliver goods to the customers in the future. G J Steel had similar advances received totaling Baht 20 million as at 31 December 2019 (31 December 2018: Baht 33 million).

44.5 Financial advisory agreement

The Company

The Company entered into an agreement with an advisor for debt refinancing and fund-raising process. The fees paid by the Company are payable based on the rate specified in the agreement

G J Steel

G J Steel has entered into a financial advisory agreement with third party for advice on sourcing additional credit facilities and refinancing existing debt from financial institutions. The fees paid by G J Steel are payable based on the rate specified in the agreement.

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45 Litigation

The Company and G J Steel have complaint cases as follows :

The Company

Case No. 1

On 3 November 2017, a debt creditor has filed a case to the Bangkok South Civil Court requests the Company to repay outstanding debts totaling Baht 988.06 Million; divided into principal of Baht 868.51 Million, and interest rate at 8.0% per annum of principal from default date till the filling date of Baht 119.55 Million. Currently, it is pending at South Civil Court.

Subsequently, on 5 February 2018, the court ordered to suspend the trial and appoint litigant to hear the result of rehabilitation case of the Company.

On 4 February 2019, defensive lawyer proclaim to the Court that the case which defendant submit for rehabilitation plan to the Central Bankruptcy Court, the Court hereby ordered the petition to be dismissed. Therefore, this case has to be processed at the preceding court as it was.

And on 14 June 2019, the Court has the judgment as per the compromise agreement which define the Company to pay only principal Baht 868.51 million by way of debt to equity conversion within 31 December 2019. If the Company cannot convert debt to equity, the Company has to pay in 108 monthly installments at the amount of Baht 8.04 million each. First installment will be at the end of July 2020 until final installment at the end of June 2029.

And in the Extraordinary General Meeting of the Shareholders No. 2/2019 on 11 October 2019, the meeting has approved the Debt to Equity Conversion Scheme by the allocation and offering of the newly-issued ordinary shares of the Company with the same offering price to other creditors totaling 8 creditors in order to repay the debt which will be converted to the equity. The Company will complete this within the 4th quarter of 2019.

The Company allocates the newly issued ordinary shares of the Company under the Debt-to-Equity Conversion Scheme to the creditor and registered the additional paid-up capital with Department of Business Development, Ministry of Commerce on 2 December 2019. (as described in note 28 to the financial statements)

Case No. 2

On 26 February 2019, a creditor filed petition to the Bangkok South Civil Court requesting the Company to pay outstanding debt amounted to Baht 8.06 million with the principal amount of Baht 6 million together with interest at the rate of 8.0% per annum from the default date until the date of filing amounted to Baht 2.06 million.

Subsequently, on 5 June 2019, the Court has the judgment as per the compromise agreement which define the Company to pay only principal Baht 6 million in 36 monthly installments at the amount of Baht 0.17 million each. First installment will be at the end of May 2021 until final installment at the end of April 2024.

On 31 July 2019, the Company entered into a compromise agreement to convert principal Baht 6 million into ordinary share of the Company with the same price for major creditors and the Company will propose to the 2nd /2019 EGM of the Company for approval of debt to equity conversion program. However, if the debt to equity conversion is not success, the Company will pay in 36 monthly installments at the amount of Baht 0.17 million each. First installment will be at the end of May 2021 until final installment at the end of April 2024.

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And in the Extraordinary General Meeting of the Shareholders No. 2/2019 on 11 October 2019, the meeting has approved the Debt to Equity Conversion Scheme by the allocation and offering of the newly-issued ordinary shares of the Company with the same offering price to other creditors totaling 8 creditors in order to repay the debt which will be converted to the equity. The Company will complete this within the 4th quarter of 2019.

The Company allocates the newly issued ordinary shares of the Company under the Debt-to-Equity Conversion Scheme to the creditor and registered the additional paid-up capital with Department of Business Development, Ministry of Commerce on 2 December 2019. (as described in note 28 to the financial statements)

Case No.3

On 6 March 2019, a debt creditor has filed a case to the South Civil Court requests the Company to repay outstanding debts totaling Baht 41.79 Million; divided into principal of Baht 30 Million, and interest rate at 12.0% per annum of principal till the filing date of Baht 12 Million from the default date until the date of filing amounted to Baht 11.79 million.

Subsequently, on 6 June 2019, the Court has the judgment as per the compromise agreement which define the Company to pay principal Baht 30 million and interest Baht 5 million in 36 monthly installments at the amount of Baht 0.83 million each. First installment will be at the end of May 2021 until final installment at the end of April 2024.

Case No.4

On 6 March 2019, a debt creditor has filed a case to the South Civil Court requests the Company to repay outstanding debts totaling Baht 33.55 Million; divided into principal of Baht 15 Million, and interest rate at 15.00% per annum of principal from the default date until the date of filing amounted to Baht 18.55 million.

Subsequently, on 6 June 2019, the Court has the judgment as per the compromise agreement which define the Company to pay only principal Baht 15 million in 36 monthly installments at the amount of Baht 0.42 million each. First installment will be at the end of May 2021 until final installment at the end of April 2024.

On 31 July 2019, the Company entered into a compromise agreement to convert principal Baht 15 million into ordinary share of the Company with the same price for major creditors and the Company will propose to the 2nd /2019 EGM of the Company for approval of debt to equity conversion program. However, if the debt to equity conversion is not success, the Company will pay in 36 monthly installments at the amount of Baht 0.42 million each. First installment will be at the end of May 2021 until final installment at the end of April 2024.

And in the Extraordinary General Meeting of the Shareholders No. 2/2019 on 11 October 2019, the meeting has approved the Debt to Equity Conversion Scheme by the allocation and offering of the newly-issued ordinary shares of the Company with the same offering price to other creditors totaling 8 creditors in order to repay the debt which will be converted to the equity. The Company will complete this within the 4th quarter of 2019.

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The Company allocates the newly issued ordinary shares of the Company under the Debt-to-Equity Conversion Scheme to the creditor and registered the additional paid-up capital with Department of Business Development, Ministry of Commerce on 2 December 2019. (as described in note 28 to the financial statements)

Case No.5

On 26 February 2019, a debt creditor has filed a case to the South Civil Court requests the Company to repay outstanding debts totaling Baht 13.57 Million; divided into principal of Baht 10 Million, and interest rate at 8.0% per annum of principal from the default date until the date of filing amounted to Baht 3.57 million.

Subsequently, on 5 June 2019, the Court has the judgment as per the compromise agreement which define the Company to pay only principal Baht 10 million in 36 monthly installments at the amount of Baht 0.28 million each. First installment will be at the end of May 2021 until final installment at the end of April 2024.

On 31 July 2019, the Company entered into a compromise agreement to convert principal Baht 10 million into ordinary share of the Company with the same price for major creditors and the Company will propose to the 2nd /2019 EGM of the Company for approval of debt to equity conversion program. However, if the debt to equity conversion is not success, the Company will pay in 36 monthly installments at the amount of Baht 0.28 million each. First installment will be at the end of May 2021 until final installment at the end of April 2024.

And in the Extraordinary General Meeting of the Shareholders No. 2/2019 on 11 October 2019, the meeting has approved the Debt to Equity Conversion Scheme by the allocation and offering of the newly-issued ordinary shares of the Company with the same offering price to other creditors totaling 8 creditors in order to repay the debt which will be converted to the equity. The Company will complete this within the 4th quarter of 2019.

The Company allocates the newly issued ordinary shares of the Company under the Debt-to-Equity Conversion Scheme to the creditor and registered the additional paid-up capital with Department of Business Development, Ministry of Commerce on 2 December 2019. (as described in note 28 to the financial statements)

Case No.6

On 12 March 2019, a debt creditor has filed a case to the South Civil Court requests the Company to repay outstanding debts totaling Baht 27.78 Million; divided into principal of Baht 25.52 Million, and interest rate at 7.75% per annum of principal from the default date until the date of filing amounted to Baht 2.26 million Which during consider of the South Bangkok Civil Court.

Subsequently, on 4 June 2019, the Court has the judgment as per the compromise agreement which define the Company to pay only principal Baht 25.52 million in 36 monthly installments at the amount of Baht 0.71 million each. First installment will be at the end of May 2021 until final installment at the end of April 2024.

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Case No.7

On 24 July 2019, Provincial Electricity Authority, a payable, files a civil lawsuit in connection with bankruptcy case to the Central Bankruptcy Court requesting the court to have a judgment for the Company to repay the debt as per the rehabilitation plan. The Company shall pay the 16th installment amounted to Baht 207.84 million which was due on 18 June 2018 and the defaulted interest 0.5% as stipulate in the rehabilitation plan of the outstanding debt from the date 19 June 2018 until the filing date 24 July 2019 amounted to Baht 1.14 million, totaling Baht 208.98 million together with defaulted interest 0.5% from the filing date until the payment was made in full.

On 25 February 2020, the court issued a judgment allowing the compromise agreement to deduct the remaining electricity deposit in the amount of Baht 23.89 million. from the principal amount of 209.59 million baht on the date of this agreement Outstanding balance of 185.70 million baht agreed to pay back 36 installments. Each installment is paid at 5.19 million baht and the 36th installment is the last installment, with 5.16 million baht being paid. The first installment payment starts at the end of July 2020 onwards and the next installment is paid at the end of every month until the last installment at the end of June 2023.

G J Steel

- 45.1 One supplier filed a complaint against G J Steel for breach of the rehabilitation plan, with the litigation amount of Baht 1 million together with interest at the rate of 7.5% per annum from the date of filing G J Steel until the date of full repayment are on the Court process.
- 45.2 A former employee filed a G J Steel to the Central Labour Court against G J Steel for the unfair lay-off effective from 10 December 2019 and requested the Company to pay him Baht 23 million. The Court ordered G J Steel of the defendant's witness examination and the plaintiff witness on 1 and 2 April 2020, respectively.

46 Contingent liabilities

OAC

On 28 June 2016, OAC received the notice to pay tax liabilities from the Revenue Department. Then OAC has issued a requested letter dated 12 July 2016, to the Revenue Department for attenuation of tax payment.

Later, on 23 August 2016, the Revenue Department reply that OAC cannot extend for tax payment.

On 7 January 2019, Area Revenue issued notice letter reminding OAC to pay overdue tax liabilities. OAC has meeting with the officer at the Area Revenue but not yet has final conclusion.

On 17 October 2019, Revenue Department files a bankruptcy case of OAC, as a defendant, to the Central Bankruptcy Court according to the outstanding tax liabilities as per the plaint totaling Baht 174.92 million. The trial at the Central Bankruptcy Court will be held on 13 January 2020.

On January 13, 2020, the Central Bankruptcy Court ordered absolute receivership. In Oriental Access Company Limited.

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47 Events after the reporting period

- 47.1 As described in note 44 to the financial statements, on 8 January 2020, the Company and G J Steel have made a letter of termination of the business advisory and review agreement to the lender and business advisory company, which will be effective on 1 January 2020 onwards. As present, the contract is waiting for signing.
- 47.2 As described in note 21 to the financial statements, on 10 January 2020, the Company entered into Memorandum of temporary suspension of installment payment with an electricity supply company of which a temporary extension of time to make the 1st installment payment and the rest of them for 7 months commencing from 15 December 2019. The first installment Baht 3 million will be divided into 2 amounts for Baht 1.5 million each and will be repay on 15 June and 15 July 2020. The rest of installments will be repaid as follow;
- 2nd - 12th at the amount of Baht 3 million each from July to December 2020
 - 13th - 26th at the amount of Baht 5 million each from January to July 2021
 - 27th - 32nd at the amount of Baht 7 million each from August to October 2021
 - 33th at the amount of Baht 8.14 million in November 2021
- 47.3 As described in note 45 to the financial statements Case no.7, on 25 February 2020, the Court issued a judgment allowing the compromise agreement to deduct the remaining electricity deposit in the amount of Baht 23.89 million. from the principal amount of 209.59 million baht on the date of this agreement Outstanding balance of 185.70 million baht agreed to pay back 36 installments. Each installment is paid at 5.19 million baht and the 36th installment is the last installment, with 5.16 million baht being paid. The first installment payment starts at the end of July 2020 onwards and the next installment is paid at the end of every month until the last installment at the end of June 2023.

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