



GSteel

G Steel Public Company Limited

**Annual Registration Statement/
Annual Report**

2021

Form 56-1 One Report

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The One Report 2021 (Form 56-1 One Report) is based on information disclosed on the Company's website, which is part of Form 56-1 One Report and the Board of Directors is responsible for the accuracy and completeness of the referenced information, as well as bringing the information to appear in this 56-1 One Report form.

Message from the Chairman



Another year seems to have passed so quickly, but despite the significant advances made in vaccination and care programmes both locally and globally, the effect of the Covid pandemic is still impacting our personal lives, as well as the business environment both home and abroad.

How much longer we will face the insecurity and uncertainty created by this situation seems as impossible to predict as it was 12 months ago. Yet despite all the obstacles and hurdles, we are proud of and thankful to all our employees for their continued and unwavering commitment to driving the growth and profitability of the Company during 2021 off the back of the restructuring and business initiatives which gave rise to the cautious optimism I expressed last year.

During the year, production volume increased from 574k mt in 2020 to 594 k mt in 2021, an increase of 3.5% on the back of an increase of 14% in total domestic production in Thailand. The Thailand GDP is projected to grow by 3.4% as per Bank of Thailand and after the annual maintenance shutdown during the year, the company is well positioned to leverage on the growing demand of HRC in the domestic market.

As we close out 2021, the Company continues to closely monitor domestic and overseas markets in real time to determine the optimum strategies for the business such that growth and profitability can continue to be built on the platform of recent success.

On behalf of the Board of Directors, I would like to thank the Thai Government, Investors, and Business Partners for their kind support, and would also like to appreciate the Management Team, all the Employees, and the Board of Directors for their efforts and support during these challenging times.

Mr. Christopher Michael Nacson
Chairman of the Board of Directors

Message from Chief Executive Officer



The global and Thailand economy continued to be affected by the Covid-19 pandemic and overall economy remained subdued with Thai GDP growing at about 1% during 2021. While the Government is taking various steps to revive the economy but the emergence of variants of Covid-19 virus is acting as a constraint to all the efforts. The Bank of Thailand has projected the GDP growth of about 3-4% for 2022 with the expectation that the tourism sector will open up within the 1st half of the year.

Despite the gloomy economic situation, it has been one of the best years for the Steel Industry and especially the Flat Steel sector. The prices of Hot Rolled Coil (HRC) have been at our historic high levels which has helped the sector to overcome the severe financial difficulties it was facing for the last few years. According to ISIT, the HRC consumption in Thailand has increased by 31% in 2021 when compared to 2020. While we expect the sector to continue growing at 3-4% in the long run, we will need to overcome the near-term challenges in raw materials procurement and cost increase.

Our key focus areas in 2022 will remain on improving equipment health and acting upon various capex requirements, level up overall management and technology which will ensure quality of our products and reliability of our operations. This will form the backbone for future production increase and sales expansion against the uncertainty, volatility and cost-push inflation caused by geopolitical tension. We will also focus on rejuvenating the entire organization by implementing Total Productive Maintenance activities in all areas of the Company. This will help us strengthen all the processes and improve productivity, quality, cost, delivery and environment preservation. All actions taken will ensure strict compliance to highest standards of safety norms and governance practices.

We would like to express our sincere gratitude and thanks to our esteemed Customers, Employees, Suppliers, Investors, all other stakeholders and the Royal Thai Government for supporting us during these hard times and assure them of our best efforts to improve in all areas as we move ahead.

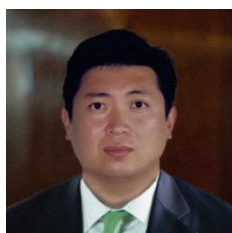
Mr. Bantoon Juicharern
Chief Executive Officer

Names of Directors and Executives

As at 28 February 2022



**Dr. Somsak
Leeswadtrakul**
Honorary Chairman



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



**Khunying Patama
Leeswadtrakul**
Director
Authorized Director



**Mr. Ichiro
Sato**
Director



**Mr. Kenichi
Hoshi**
Director
Authorized Director



**Ms. Arttaya
Sookto**
Company Secretary

**Mr. Christopher
Michael Nacson**
Chairman of the Board of Directors
Independent Director
and Audit Committee Member



**Mr. Chainarong
Monthienvichienchai**
Independent Director
Audit Committee Member



**Miss Kannikar
Yomchinda**
Director
Authorized Director



**Mr. Nobuo
Okochi**
Director
Authorized Director



**Mr. Bantoon
Juicharern**
Director and Chief Executive Officer
Authorized Director
Chairman of the Executive Committee



The Executives



**Mr. Bantoon
Juicharern**
Chief Executive Officer



**Mr. Yasuhiro
Sakamoto**
Chief Operating Officer



**Mr. Toshikazu
Mukaiyama**
Head of CEO Officer & Corporate Planning
Chief Marketing Officer



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



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



**Mr. Rajeev
Jhavar**
Chief Financial Officer

Management Committee



**Mr. Bantoon
Juicharern**
Chairman of the Management Committee



**Mr. Yasuhiro
Sakamoto**
Member



**Mr. Toshikazu
Mukaiyama**
Member



**Mr. Rajeev
Jhavar**
Member

Part 1

Business Operation and Operating Results

1. Organizational structure and operation of the group of companies

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 as per customers' orders. 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 Furnace (EAF), 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 EAF 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 1.58 million tons per year, and currently has an effective capacity of 1.3 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. Cooperate to Anti-Corruption

Business Objectives:

The overall global steel consumption during 2021 was estimated at 1,855.4 million mt which increased by 4.5% compared to 2020 due to the recovering trend of the economy after the Covid-19 outbreak. The ranking of the top 10 countries with the consumption of finished steel products in 2021, China remains the world's No. 1, with the use of finished steel products at 985.1 million mt, decline of 1% from 2020. Followed by India, with the consumption of finished steel products in 2021 at 104 million mt, an increase of 16.7 percent from 2020; and at the third place was the United States, with the consumption of finished steel products in 2021 at 92 million mt, an increase of 15.3 percent from the previous year. The global steel consumption is estimated to grow at 2.2% in 2022 to 1,896.4 million mt as per the World Steel Association. While China is expected to maintain its 2021 consumption levels.

Closer home, steel consumption in ASEAN increased by 6.6% from 70.1 million mt in 2020 to 74.8 million mt in 2021 and expected to grow by 5.4% to 78.8 mt in 2022 as per World Steel Association. Total steel consumption of Thailand increased by 13.95% from 16.45 million mt in 2020 to 18.75 million mt in 2021 and is expected to grow by 3.7% in 2022 as per Iron & Steel Institute of Thailand (ISIT). Demand for HRC also saw an increased by 31.11% from 5.38 million mt in 2020 to 7.05 million mt in 2021 due to the economic stimulus policy to revive the economy of each country after the lockdown measures.

Key Objectives of the Company are:

- Continue its focus on strategic and sustainable cost optimization to generate reasonable returns through various cycles
- To continue investment in improving the health of plant & machinery to ensure minimum breakdowns and continuous upgradation to newer technologies
- To improve the quality of products and new product development
- To continue working with various Steel Associations to seek Governmental support
- To strictly follow guidelines set up by the Collective Action against Corruption (CAC)

The significant change and development during the past 3 years

Key Events in 2021

- The Company recorded significant profits during the year due to global uptrend in HRC prices and improved raw material mix. The cashflows were mainly utilized in repayment of loans to Link Capital amounting to USD 37.1 million and reducing the several other liabilities.
- The Company has been following the strategy to reduce the pig iron (which is imported) and imported scrap and increase the percentage of Local Scrap. Through several process changes over last few years the Company has succeeded in increasing the local scrap percentage to 84% in 2021 compared to 32% in 2017. This not only helps to reduce the costs (since local scrap is cheaper) but also helps in reducing the risk of price and forex fluctuations.
- Following conversion of Debt to Equity since 2017 to 2019 of G J Steel Company Limited ("G J Steel"), the shareholding of the Company in G J Steel reduced from 25.70% to 18.72% in 2017, 17.28% in 2018 and 9.45% since 2019 (8.24% held directly by the Company and 1.21% held by its subsidiary, GS Securities). Based on these circumstances, the Securities and Exchange Commission and the Stock Exchange of Thailand considered that the management control over G J Steel was transferred to ACO I and the G Steel (Company) lost its control since 2017.

As a result, the Company has deconsolidated the accounts of G J Steel with itself and treated the investment in G J Steel under “Other long-term investment” and measured at fair value through other comprehensive income. Hence, the consolidated financial statements for the years ended December 31, 2021 and 2020 (restated), have been prepared based on loss of control of the Company over G J Steel after the incremental of share capital to ACO I in 2017. The treatment on this matter was approved by the Audit Committee’s meeting and the Board of Directors’ meeting held on February 25, 2022.

Please refer to note no 1.2, note no 4 and note no 11 of the Financial Statements for the year ended 31st December, 2021 for further details.

Key Events in 2020

- The Company increased its production to 574 k mt an increase of 68% over 2019 in order to regain the market share and several other cost saving measures have been made possible.
- On January 20, 2021, the Company entered into the Settlement Agreement and Termination Fee Restructuring Agreement with a creditor (former finance supporter) with the effective date on March 1, 2020. Under the agreements, the Company committed to pay quarterly installments of the settled debts of THB 283.1 million and termination fee of THB 100 million plus interest at the rate of 6% as specified in the agreements starting on June 1, 2021 and ending December 1, 2025. In this regard, the Company incurred loss on compromise debts of THB 30 million which was recorded in the consolidated and separate statements of comprehensive income for the year ended December 31, 2020. However, there are unsettled debts claimed from such creditor totaling THB 266.3 million and advance payment claimed by the Company to such creditor of THB 68 million. Both parties agreed to pay the unsettled amount through the Arbitration Process which the creditor should file a claim with the Thai Arbitration Institute, Office of the Judiciary within 60 days after the agreement date.
- The Subsidiary of the Company, G S Securities, decreased its Authorized share capital from THB 691.9 million (divided in 69.19 million ordinary shares at THB 10 par value) to THB 67.0 million (divided in 6.7 million ordinary shares at THB 10 par value) in two steps during the year.

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.

February 2022

- The Board of Directors' Meeting No. 2/2565 held on 25 February 2022, which resolved the following significant matters.
 - 1) Approved the change of the Company's organization chart with effect from 1 April 2022 onwards.
 - 2) Approved the appointment of the following names as a Company's Management and Management Committee members with effect from 1 April 2022 onwards.

• Mr. Yasuhiro	Sakamoto	Chief Operating Officer
• Mr. Toshikazu	Mukaiyama	Head of CEO Office & Corporate Planning and Chief Marketing Officer

The Management Committee shall comprise the following 4 members:

- | | | |
|-----------------|------------|--------------------------------------|
| • Mr. Bantoon | Juicharern | Chairman of the Management Committee |
| • Mr. Yasuhiro | Sakamoto | Management Committee Member |
| • Mr. Toshikazu | Mukaiyama | Management Committee Member |
| • Mr. Rajeev | Jhawar | Management Committee Member |
- The Company acknowledged the entry into the Sale and Purchase Agreement executed on 21 January 2022 between, amongst others, Kendrick Global Limited ("Shares Seller") and NIPPON STEEL CORPORATION ("Shares Purchaser"), a company whose shares are listed on the Tokyo Stock Exchange and Nagoya, Fukuoka and Sapporo Stock Exchanges and whose core business is steelmaking and steel fabrication, in order for the Shares Seller to sell, and the Shares Seller to purchase, 100 percent of the issued share capital of Asia Credit Opportunities I (Mauritius) Limited ("ACO I") ("Sale and Purchase of Shares in ACO I"). Currently, ACO I owns 49.99 percent of the total voting shares of the Company and is a major shareholder of the Company. The Sale and Purchase of Shares in ACO I has now been completed. As a result of the transaction, the shareholding structure of ACO I has been changed as follows:

Shareholders in ACO I	Prior to the Sale and Purchase of Shares in ACO I		After the Sale and Purchase of Shares in ACO I	
	No. of shares	Percentage of shares with voting rights of ACO I	No. of shares	Percentage of shares with voting rights of ACO I
Kendrick Global Limited	19,885,955	100	0	0

NIPPON STEEL CORPORATION	0	0	19,885,955	100
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- The Board of Directors' Meeting No. 1/2565 held on 16 February 2022, which resolved the following significant matters.
 - 1) Acknowledged the resignation of the directors, with effect from 17 February 2022 at 11.00 a.m. (Bangkok time).
 - Mr. Andreas Rizal Vourloumis Director and Nomination and Remuneration Committee Member
 - Mr. Sharad Bajpai Director and Corporate Governance and Risk Management Committee Member
 - Mr. Sudhir Maheshwari Director and Corporate Governance and Risk Management Committee Member
 - 2) Approved the Appointment of Directors in replacement of the Directors that have resigned, with effect from 17 February 2022 at 11.00 a.m. (Bangkok time).
 - Mr. Nobuo Okochi Director replacing Mr. Andreas Rizal Vourloumis, Nomination and Remuneration Committee Member and Corporate Governance and Risk Management Committee Member
 - Mr. Ichiro Sato Director replacing Mr. Sharad Bajpai
 - Mr. Kenichi Hoshi Director replacing Mr. Sudhir Maheshwari and Corporate Governance and Risk Management Committee Member
 - 3) Acknowledge the resignation of Mr. Kanit Sukonthaman as Director, Chief Executive Officer and Chairman of the Executive Committee of the Company, and approve the appointment of Mr. Bantoon Juicharern as a new Director and the new Chief Executive Officer of the Company replacing Mr. Kanit Sukonthaman, with effect from 17 February 2022 at 11.00 a.m. (Bangkok time).

January 2022

The entry into the Sale and Purchase Agreement executed on 21 January 2022 between, amongst others, Kendrick Global Limited ("Shares Seller") and NIPPON STEEL CORPORATION ("Shares Purchaser"), a company whose shares are listed on the Tokyo Stock Exchange and Nagoya, Fukuoka and Sapporo Stock Exchanges and whose core business is steelmaking and steel fabrication, in order for the Shares Seller to sell, and the Shares Seller to purchase, 100 percent of the issued share capital of Asia Credit Opportunities I (Mauritius) Limited ("ACO I") ("Sale and Purchase of Shares in ACO I"). Currently, ACO I owns 49.99 percent of the total voting shares of the Company and is a major shareholder of the Company.

Such Sale and Purchase of Shares in ACO I will not affect the number of shares which ACO I holds in the Company in any way but it will be the case of a change in the Company's indirect major shareholder and is the case where the Shares Purchaser acquires significant control over a juristic person who already owns shares in the business in accordance with the Chain Principle under the Notification of the Capital Market Supervisory Board No. TorJor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeover dated May 13, 2011 (including any amendments). Therefore, the Shares Purchaser will be required to conduct the mandatory tender offer in order to acquire all securities of the Company from all existing shareholders afterwards.

However, completion of the Sale and Purchase of Shares in ACO I and the mandatory tender offer will not happen until conditions precedent as set out under the SPA, which include, among others, the Company and G J Steel Public Company Limited having obtained the specified permissions from the relevant Thai government authorities, are satisfied or waived pursuant to the terms of the SPA, which is expected to be in February 2022.

February 2021

The Board of Directors' Meeting No. 2/2564 on 24 February 2021 has resolved to approve the termination of Strategic Steering Committee, with effect from 24 February 2021. The termination, however, have no impact on the business operation.

November 2020

The Board of Directors' Meeting No. 12/2563 on 10 November 2020 has resolved to approve the appointment of Ms. Arttaya Sookto to be the Company Secretary with the effect from 10 November 2020 onwards.

August 2020

- The meeting of the Board of Directors' Meeting No. 10/2563 held on 11 August 2020 has passed the following key resolutions:
 - 1) Approve the appointment of Mr. Christopher Michael Nacson as Chairman of the Board of Directors with the effect from 11 August 2020 onwards.
 - 2) Approve the appointment of Dr. Chainarong Monthienvichienchai as Audit Committee Member with the effect from 11 August 2020 onwards.

July 2020

The meeting of the 2020 Annual General Meeting of Shareholders on 27 July 2020 at 13.30 hrs. at the Mandarin AB, 1st Floor, Mandarin Hotel Bangkok, at No. 662 Rama IV Road, Bang Rak, Bangkok 10500, has approving the appointment of Mr. Apichart Sayasit, Certified Public Accountant License No. 4229, or Miss Wimolsri Jongudomsombut, Certified Public Accountant License No. 3899, or Miss Waleerat Akkarasrisawad, Certified Public Accountant License No. 4411 from Baker Tilly Audit And Advisory Services (Thailand) Limited to be the Company's auditor and to determine the auditor remuneration for the year 2020 ended 31 December 2020

April 2020

The Board of Directors' Meeting No. 4/2563 on 29 April 2020 has resolved to approve the appointment Mr. Kanit Sukonthaman as a director and Chief Executive Officer with the effect from 5 May 2020 onwards.

March 2020

The Board of Directors' Meeting No. 2/2563 on 2 March 2020 has resolved to approve the appointment Mr. Christopher Michael Nacson as an independent director and the Audit Committee member with the effect from 3 March 2020 onwards.

December 2019

- The meeting of the Board of Directors' Meeting No. 13/2562 held on 12 December 2019 has passed the following key resolutions:
 - 1) Acknowledged of the resignation of Mr. Yanyong Kurovat from being the Company's director with the effect from 13 December 2019 onwards.

- 2) 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.
- 3) Acknowledge the resignation of Mr. Tanu Visittigamonyotin from being the Company Secretary, and to unanimously resolve to appoint Mrs. Kwanjai Kasemlonnappa as the Company Secretary in replacement with effect from 13 December 2019 onwards.
- 4) 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
- 5) Approved the appointment of Miss Kannikar Yomchinda and Mr. Andreas Rizal Vourloumis as a Nomination and Remuneration Committee Member with effect from 13 December 2019 onwards.
- 6) 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:
 - 1) 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
 - 2) 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.
 - 3) Approved the appointment of Mr. Chainarong Monthienvichienchai as Chairman of the Board of Director of the Company with effect from 2 December 2019 onwards.
 - 4) 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:

- 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, totaling 1,404,967,782 shares at a par value of Baht 5.
- 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 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.
- 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 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.
- 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 Debt-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
- 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
- 6) 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

7) 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 |

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)	2021		2020		2019	
	Revenue	%	Revenue	%	Revenue	%
Local sales						
-Related companies ⁽¹⁾	48,888	0.30	239,438	2.45	281,338	2.52
- Other groups	15,467,656	96.29	9,074,443	92.90	4,484,350	40.17
Total local sales	15,516,544	96.60	9,313,881	95.35	4,765,688	42.69
Overseas	297,333	1.85	-	-	2,704	0.02
Total	15,813,877	98.45	9,313,881	95.35	4,768,392	42.72
Other income ⁽²⁾	249,078	1.55	454,355	4.65	6,394,825	57.28
<u>Grand total</u>	<u>16,062,955</u>	<u>100.00</u>	<u>9,768,235</u>	<u>100.00</u>	<u>11,163,217</u>	<u>100.00</u>

Remark:

1. Related companies consist of Asia Metal Public Co.,Ltd. and G J Steel Public Co.,Ltd.
2. Other income consists of interest income, dividend, sales of scraps, gains from write-off of net expired debt, gains from debt restructuring, gains from exchange rate and other income.

(Unit: tons)

Sales volume (Company only)	2021	2020	2019
Local sales			
- Related companies	2,808	14,493	48,056
- Other groups	574,516	562,884	259,322
Total local sales	577,324	577,377	307,378
Overseas	14,676	-	200
Total	<u>592,000</u>	<u>577,377</u>	<u>237,579</u>

Details on the ratio of local and overseas sales to total hot-rolled steel coil product sold during 2019 to 2021 are as the following:

(Unit: Million Baht)

Sales	2021		2020		2019	
	Revenues	%	Revenues	%	Revenues	%
Local	15,516	98.12%	9,314	100.00%	4,766	99.94%
Overseas	297	1.88%	-	-	3	0.06%
Total	<u>15,813</u>	<u>100.00%</u>	<u>9,314</u>	<u>100.00%</u>	<u>4,768</u>	<u>100.00%</u>

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 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 standards (EN, DIN, BS), the Indian standard (BIS) and the

Malaysian standard, 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	1.9 - 13 mm
Weight per length	8.3 - 18 kilograms / mm
Total Weight of Steel Coil	8 - 28 tons

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 by base on world steel market price and production cost that is suitable for the general steel grades to be able to compete with the competitors and still can maintain the market share. This is included a method of expanding 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. This strategy involves building an effective after-sales service.
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 2021 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 2021 totaled 7.66 million tons, increased 7.11% compared to the previous year (2020). If categorized by product groups, long steel products represent 4.69 million tons, increased 2.96% compared to the prior year whilst the production volume of flat steel products stood at 2.97 million tons, increased 14.39% compared to the prior year. The most produced product belongs to hot rolled sheet and coil where, in 2021, it totaled 2.83 million tons, increased 16.92%, followed by cold rolled sheet at 2.57 million tons, increased 50.35% year on year and coated steel, at 1.95 million tons, increased 25.90% year on year.

Total Apparent Finished Steel (Unit : Tons)	2020	2021	% Change
Production	7,155,786	7,664,713	7.11%
Import	10,406,758	12,490,670	20.02%
Export	1,110,990	1,409,201	26.84%
Consumption	16,451,554	18,746,182	13.95%

Long Product Finished Steel Consumption (Unit : Tons)	2020	2021	% Change
Production	4,555,165	4,689,852	2.96%
Import	2,332,375	2,612,847	12.03%
Export	602,463	828,082	37.45%
Consumption	6,285,077	6,474,617	3.02%

Flat Product Finished Steel Consumption (Unit : Tons)	2020	2021	% Change
Production	2,600,621	2,974,860	14.39%
Import	8,074,383	9,877,823	22.34%
Export	508,527	581,119	14.27%
Consumption	10,166,477	12,271,564	20.71%

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

The finished steel consumption in Thailand in 2021 stood at 18.75 million tons, increased 13.95% year on year. If categorized by product group, long steel products increased 3.02% compared to the prior year, to 6.47 million tons whereas the consumption of flat steel products increased 20.71% compared to the prior year, to 12.27 million tons. The most consumed steel category is hot rolled flat product, at 7.35 million tons followed by coated steel at 5.23 million tons and cold rolled at 4.19 million tons respectively.

Import of finished steel into Thailand in 2021 stood at 12.49 million tons, increased 20.02% over the prior year. The highest imported product is hot rolled steel flat product at 4.45 million tons followed by coated steel at 3.40 million tons and cold rolled steel at 1.79 million tons respectively. The ratio of imported steel consumption versus local steel consumption is at 66.63% against 33.37%, reflecting that Thailand still heavily relies on imported steel.

Thailand exported steel products 1.41 million tons in 2021, increased 26.84% year on year. The most exported steel products are structural steel, at 430,831 tons followed by welded pipe, at 207,286 tons.

Hot rolled steel flat product situation in Thailand in 2021

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, hot-rolled 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 2021 reveal the followings.

The local production volume of hot rolled steel, coil and non-coil, in 2021 totaled 2.97 million tons, increased 14.39% over the prior year. It consists of hot rolled sheet and coil at 2.83 million tons, increase 16.92% whereas the production of hot rolled plate increased by 19.47% year on year, to 145,373 tons.

Total Hot Roll (Unit : Tons) (Excluding Stainless Steel)	2020	2021	% Change
Production	2,600,621	2,974,860	14.39%
Import	2,794,082	4,127,313	47.72%
Export	18,733	53,953	188.01%
Consumption	5,375,970	7,048,220	31.11%

Total Hot Roll Plate Thickness > 3 mm. (Unit : Tons) (Excluding Stainless Steel)	2020	2021	% Change
Production	180,518	145,373	-19.47%
Import	262,367	284,410	8.40%
Export	2,049	2,653	29.48%
Consumption	440,836	427,130	-3.11%

Total Hot Roll Coil & Sheet Thickness < 3 mm. (Unit : Tons) (Excluding Stainless Steel)	2020	2021	% Change
Production	2,420,103	2,829,487	16.92%
Import	2,531,715	3,842,903	51.79%
Export	16,684	51,300	207.48%
Consumption	4,935,134	6,621,090	34.16%

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

The local consumption of hot rolled steel, both coil and sheet in 2021, stood at 7.05 million tons, increased 31.11% consisting of HR sheet and coil of 6.62 million tons, decreased 34.16% and HR plate 427,130 tons, decreased 3.11%.

Import of hot rolled steel in 2021, both coil and sheet, increased 47.72%, to 4.13 million tons divided into hot rolled sheet and coil of 3.84 million tons, increased 51.79% and hot rolled plate of 284,410 tons, increased 8.40%.

Export of hot rolled steel in 2021, both coil and sheet, stood at 53,953 tons, increased 188.01% compared to the prior year, divided into hot rolled sheet and coil of 51,300 tons, increased 207.48% from the same period last year and hot rolled plate of 2,653 tons, decreasing by 29.48% from last year.

Outlook of steel industry in Thailand in 2022

The steel market situation in the world in 2021 has been an upward trend. The upward direction has been started since mid-2020, after the Covid-19 outbreak in China and many other countries was under control together with the economic stimulus policy to revive the economy of each country after the lockdown measures to curb the spread of the virus. Especially the economic stimulus policy of China that focusing on domestic infrastructure investment, this resulted in a huge increase in steel demand. In

addition, in May 2021, China announced the abolition of VAT rebate on steel exports, as well as China's efforts to reduce carbon emission by reducing the production volume of steel in the country. As a result, the price of steel products increased significantly. Until in the 4th quarter of 2021, there is a begin the outbreak of the Omicron strain of covid. This is caused uncertainty situations in many countries around the world and including in Asia. As a result, various economic activities slowed down, resulting in a slowdown in steel demand causing steel prices at the end of 2021 have been decreased. Overall throughout 2021, the price of hot rolled coil and rebar price increased as demand increased during the quarter 1- 3 of the year and slowed down in the fourth quarter. The average price of hot rolled coil is about 829 USD per ton, increased 69.2% compared to the average price of 2020 and the rebar price averaged about 711 USD per ton, 55.4% compared to the average price of the previous year. And, for the price of raw materials, as steel prices rose again after the COVID-19 epidemic eased, the recovery of both the demand and supply side of the steel industry caused raw material prices to fluctuate. The price of scrap has been rising since the middle of 2020 and increase continuously. The average price of scrap in the Asian market in 2021 is around \$498 per ton. The price rose approximately 67% compared to the average price of the previous year.

And for the steel demand in the past 2021, the global demand for finished steel products was 1,855 million tons, an increase of 4.5% compared to 2020 that has the demand for finished steel products was 1,775 million tons. The region that have the most finished steel products demand was Asia and Oceania with a volume of 1,330 million tons, an increase of 1.9% compared to 2020, followed by Europe (27) including the United Kingdom that had a demand for steel products at 159 million tons, an increase of 12.7% from 2020, and the third is the USMCA country group that has a demand for finished steel products at 130 million tons in 2021, an increase of 13.7% compared to the previous year. Which the demand for finished steel products was increased according to the trend of the economy recovering from the Covid-19 outbreak. And in the ranking of the top 10 countries with the consumption of finished steel products in 2021, China remains the world's No. 1, with the use of finished steel products at 985 million tons, decline 1% from 2020. Followed by India, with the consumption of finished steel products in 2021 at 104 million tons, an increase of 16.7 percent from 2020; and the third place was the United States, with the consumption of finished steel products in 2021 at 92 million. tons, an increase of 15.3 percent from the previous year.

On outlook of steel industry, World Steel Association (WSA) anticipates the global demand for finished steel products in 2022 is expected to grow by 2.2% to 1,896 million tons. According to the forecast by the world steel demand for 2022 of various regions around the world are likely to increase compared to previous year such as the European region (27), including the United Kingdom forecasting demand for finished steel in 2022 will grow by 5.5 percent to 167 million tons. For Asia and Oceania region, it is forecasted that the demand for finished steel products in 2022 is to be 1,345 million tons, growing by 1.1%. And in the Asian country group, the finished steel products demand in 2022 is forecasted to be at 79 million tons, an increase of 5.4%. Which based on the forecasting, the positive viewpoint on steel product demand is likely to continue to grow followed the gradual economic trend recovering from the impact of the COVID-19 pandemic continuously

According to the National Economic and Social Development Board (NESDB), GDP growth for 2022 is projected at 3.5 to 4.5 percent, supported by

1. The recovery of domestic demand.
2. The recovery of tourism sector.
3. The continual recovery of the world economy and global trade volume.
4. The support from public investment both from the annual budget, state-owned enterprise, and the loan decree.

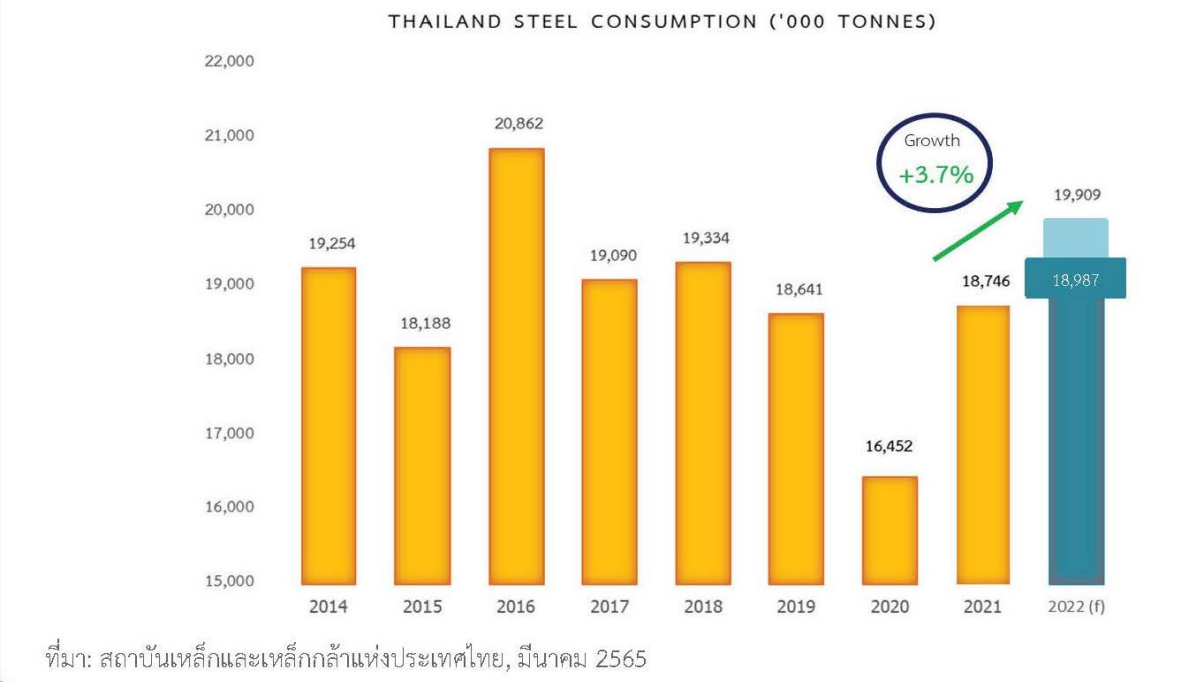
However, there are limitations and risks that may affect the economic recovery in 2022, consisting of:

1. The COVID-19 pandemic remains highly uncertain amid the viral mutations.
2. Heightened inflationary pressures following the rise of energy and commodity prices in the global market, may suppress domestic demand recovery.
3. Weakened financial conditions of the households and business sectors, especially through rising household and business debt burden, continue to be key limitation factor to domestic demand recovery.
4. The growth momentum from export and manufacturing sectors could be exacerbated by prolonged impacts from global supply chain and international logistics disruptions, as well as a shortage of foreign workers.
5. The volatility and uncertainty of the world economy and financial market may affect Thai economic growth and stability that need to be closely monitored and assessed as follows:
 - The uncertainty of the COVID-19 pandemic amid the viral mutations, which appears to be easily transmissible and tend to affect the effectiveness of current vaccines.
 - Increasing inflationary pressure in major countries to be persistently higher than the monetary policy target, such as the US, the UK, Australia, and South Korea.
 - The fluctuations of global financial market and international capital flow due to the uncertainty of the pandemic situation amid the viral mutations that affect the volatility of exchange rate and capital flow.
 - The policy direction of major economies, specifically the international trade policy of US and China, as well as the US, China, and Taiwan's positions on entering the Trans-Pacific Partnership's Comprehensive and Progressive Agreement (CPTPP).
 - Geopolitical conflicts such as the conflict between Russia, Ukraine and NATO, the conflicts within the Middle East which may cause the global economy and energy prices to be highly volatile.

For the steel industry in Thailand, The Iron and Steel Institute of Thailand (ISIT) predicts the demand for steel products in 2022 will increase by approximately 3.7% from 2021, with demand expected to be approximately 18.98 to 19.91 million tons. It is expected that in 2022, various economic activities will recover and almost resume to normal operations. Both domestic and international demand will be improved. The domestic downstream industries of steel industry such as the construction industry and automotive industry including other industrial sectors that use of steel products has begun to recover due to the better growth in demand because of the situation of the Covid-19 outbreak trend to be improved from the availability of vaccines. However, the situation that must be monitored further that will affect the demand for steel products is Covid-19 outbreak situation both domestically and internationally if there is a mutation, the policy direction of important countries like China both in the implementation of economic policies and the policies of the steel industry, oil price situation both domestically and internationally including the conflict between Ukraine and Russia. These will result in the slowdown of both the demand and supply of various industrial sectors that may affect the demand for steel products in the Thai steel manufacturing industry.

From the forecast that the demand for Thai steel in 2022 will return to growth, would inevitably support the Company's business operations as a producer of hot rolled coil. With the company focusing primarily on business fundamentals and having strategies to mitigate the impact from negative factors. By focusing on reducing production costs and increasing sales continuously. It will focus on the domestic market primarily with efficient production aimed at achieving operational excellence and able to deliver a wide range of value-added products to meet customer needs in order to reduce the import of flat steel products in the country.

Thailand Apparent Steel Outlook in 2022



Source : Iron and Steel Institute of Thailand

Products and Services

Production Capacity

The Company's hot rolled coil mill is located on approximately 429 Rai Nonglalog, Bankhai, Rayong, which the melting, casting and rolling processes are all efficiently integrated into one mill called Compact Mini Mill. Its designed maximum capacity of production is 1.58 million tons per annum while its current effective capacity is 1.3 million tons per annum. The Company's hot rolled coil mill was designed to be able to expand the production capacity to reach 3.4 million tons per annum providing some additional machines and equipments.

The entire production process takes approximately 3.5 hours. The Company's mill operates 24 hours during the weekend where the production operators are divided into 2 shifts and 3 sets of workers alternating current operations. The Company's mill has the annual shutdown for maintenance once a year with 7-10 days per period. The maintenance is carried out and controlled by the Company's engineers.

Important Utilities and Raw Materials used in production

The main raw materials used for the Company's production are scrap and pig iron, including the scrap derived from the production process. In addition, the mixture of the burnt lime and alloy compounds must be added in the manufacturing process to obtain the product features as required.

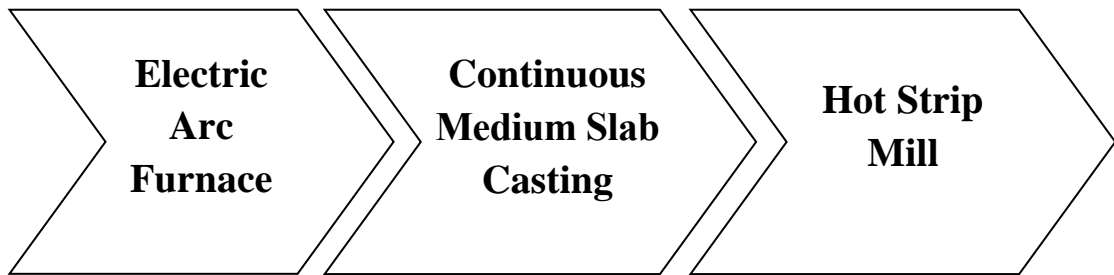
Regarding the utilities that are used in the production process are electricity, natural gas, oxygen and other gases, as well as, water, for instance.

The main raw materials that become 70 % (2020) of the total cost of production, consists of scrap, pig iron, admixtures and additives such as lime, alloy and so on.

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 1.7 million tons per annum.



2. Technology of Continuous Casting Machine. This technology came from Sumitomo Heavy Industries, Japan. This Caster can produce slab since 80-100 millimeters which production capacity is 1.58 million tons per year.



3. Technology of Hot Strip Mill is to reduce the size of Slab to be thinner. The technology came from Mitsubishi Heavy Industry of Japan. It is can be reduced steel's thickness from 100 mm to 1-13 mm. The production has capacity of 3.4 million tons per annum.



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. thickness and will be kept in the down coiler for further transporting to store in the coil yard.

Raw Materials procurement

The demand for raw materials (pig iron and scrap) is high. The local raw materials are insufficient to meet the production demand. Therefore, many raw materials must be imported.

In the past year, the Company procured raw materials as follows:

- Procurement of pig iron and import scrap approximately 20-30%
- Procurement of local scrap approximately 70-80%.

Asset used in the business

Main fixed assets of the Company can be summarized as below.

unit : Million Baht

Category	Ownership	Net book value* as at 31 December 2021	Obligation
Land and land improvement	Own	430	Yes
Building and building improvement	Own	751	Yes
Machinery and equipment for production	Own	5,309	Partial
Spare parts and other supplies	Own	84	No
Office supplies, furniture and fixture	Own	7	No
Vehicles	Right of use	2	No
Asset under construction and installation	Own	1,540	No
Total		<u>8,123</u>	

Important intangible assets used in the operation is

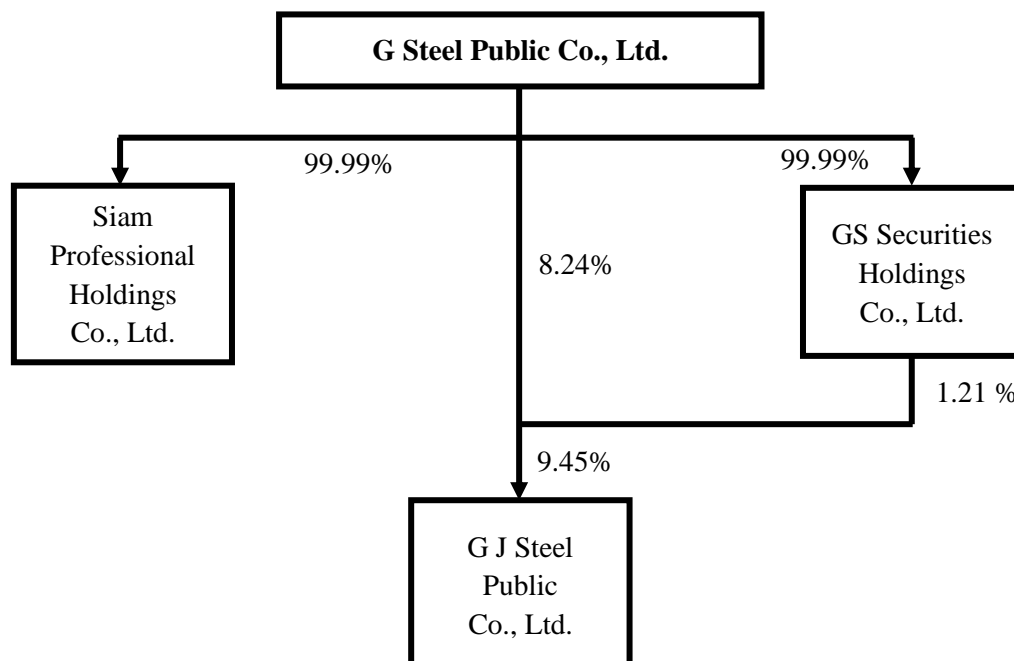
unit : Million Baht		
Category	Net book value* as at 31 December 2021	Obligation
Software package	1	No

Remark * Net book value means net book value after deducting accumulated depreciation and allowance for impairment of assets

For the details of assets used in the business, please see attachment no.4 Asset used in the business

Shareholding structure of the Company's group

as at 31 December 2021

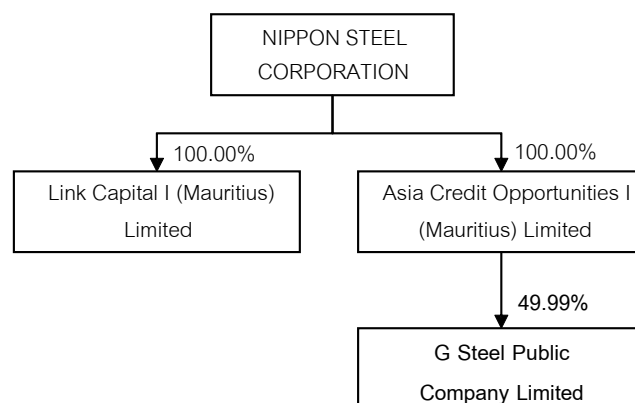


In order to increase the Company's competitive capability and to reduce its production cost, the Company has invested in subsidiaries by held shares in target subsidiaries and type of business as at 31 December 2021 detail are as follows:

Subsidiaries	Location	Type of business	Type and number of shares	Total holding
Siam Professional Holdings Co., Ltd.	88 PASO Tower, Silom Road, Suriyawong, Bangrak, Bangkok 10500	Investment holdings company	Ordinary shares 3,410,000 shares	99.99 %
GS Securities Holdings Co., Ltd.	88 PASO Tower, 18 th Floor, Silom Road, Suriyawong, Bangrak, Bangkok 10500	Special-purpose restructuring entity	Ordinary shares 6,703,410 shares	99.99 %
G J Steel Public Co., Ltd.	88 PASO Tower, 24 th Floor, Silom Road, Suriyawong, Bangrak, Bangkok 10500	Manufacture and distribution of hot rolled coil steel products	Ordinary shares 25,487,134,896 shares	9.45 % (held by the Company 8.24% and GS Securities Holdings Co., Ltd. 1.21%)

Relationship with major shareholders' business

Diagram showing Structure as of 28 February 2022



Conflict of interest between NIPPON STEEL CORPORATION (“Major shareholder”) and the Company

The Major shareholder’s business operations in Thailand and the Company conduct different businesses while the Major shareholder’s business operations in Thailand focuses on (1) rerolling hot-rolled coil for automobiles, cans, and building and construction, (2) pickled and oiled hot-rolled coil for automobiles and (3) other hot-rolled coil for automobiles, the Business focuses on hot-rolled coil for general use.

Because of the differences in product applications and customers as well as product characteristics, the Major shareholder’s business operations in Thailand has no conflict of interest with the Company.

Conflict of interest between the Company and the G J Steel Public Company Limited (“GJS”)

In order to prevent the conflict of interest in the future between the Company and GJS, GJS has set guideline of measurements for conflict of interest between the Company and GJS with details as shown below;

1) Reduction of chance of the business competition between the Company and GJS: The management of the Company and of GJS shall plan and prepare the guidelines on future business expansion on the principle of its respective expertise, production process, the present customer target group, avoid the redundant investment and encourage the economies of scale in terms of both production and purchase of raw materials

2) Independence of the board of directors and the management: The Company and GJS have its own independent boards and audit committees to maintain the interest of minority shareholders on both sides, and

each company’s management has their own business policy to maintain an independent management approach

3) Making related transaction between the Company and GJS: GJS has a policy to maintain the commercial arm’s length basis in making any related party transaction between the Company and GJS. In case there is a related transaction between the two companies, GJS shall have transparent reviewing procedure with the auditor in order to be able to verify and comment on such related transactions and make sufficient disclosure in GJS financial statements.

Name list of Shareholders

As of 31 December 2021, 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.	SUPERIOR OVERSEAS (THAILAND) CO., LTD.	2,025,246,897	7.00
3.	M-POWER TT LTD.	1,783,223,286	6.16
4.	UOB KAY HIAN PRIVATE LIMITED	1,524,232,236	5.27
5.	APEX PRIME CAPITAL LTD.	1,005,641,300	3.48
6.	NEW WORLD INTERMETAL CO., LTD.	567,312,699	1.96
7.	D-SINCHAI CO., LTD.	566,056,684	1.96
8.	MR. NIRUM NGAMCHAMNANRITH	444,682,520	1.54
9.	MR. TAWEECHAT JURANGKUL	432,208,900	1.49
10.	KHUNYING PATAMA LEESWADTRAKUL	403,412,980	1.39
11.	Minor shareholders	5,715,258,457	19.76
Total		28,928,765,432	100.00

Remark:

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

No.	Name of shareholders	% of paid-up capital
1.	Khunying Patama Leeswadtrakul	54.81
2.	Ms. Methikan Chutipongsiri	19.81
3.	Mr. Manit Chiachuabsilp	15.38
4.	Mrs. Patum Chiachuabsilp	10.00

Other Securities

For the year 2021, the Company does not issue other securities.

As of 31 December 2021, the Company has securities namely debentures which are issued and offered to overseas investors. Details are as follows;

Amount	USD 15.51 million
Type of debenture	Senior unsecured notes
Interest Rate	3% per annum
Term	5 years
	Mature in October 2015
Purpose	For investing in project of expansion of production capacity of hot rolled steel.

Right of debentures holders in redemption	Debentures holders has right to redeem the debentures before maturity at the rate of 101% of the principal plus accrued interest until the maturity date If there is a significant change in the Company's shareholding structure
Underwriter	UBS Investment Bank
Secondary market for debentures trading	Singapore Exchange Limited
Registrar and debenture holder representatives	The Hong Kong and Shanghai Banking Corporation Limited Level 30, HSBC Main Building, 1 Queen's Road Central, Hong Kong

This was due to the global economic crisis in the year 2008 resulted in a significant fluctuation of raw material and steel prices which had an severely impact on the performance of the Company. As a result, the Company defaulted on the payment of debentures interest since 30 December 2011. This debt needs to be restructured as per the available cash flows of the Company as and when the bondholders present themselves and make the claim.

1.6 Dividend Policy

The Company has a policy in relation to dividend payment to the shareholders. As a normal practice which the Company does not require to use the fund for additional investment or expansion project and have sufficient cash flow, the Company has its policy in relation to dividend payment the rate of approximately 50 percent of the net profit from operations after corporate income tax and legal reserves. However, the Board of Directors may determine the dividend payment to be differed from the aforesaid policy as the Company's appropriateness and necessity, such as in the case that the Company requires fund for investment or business expansion, or in the event of changing in economic or market conditions or any other events that impact to the Company's liquidity

2. Risk management

Risk Management Plan and Policy

G Steel Public Company Limited has confidence and is aware of the importance of management including effective risk management and in accordance with the principles of good corporate governance. Therefore, risk management plays an important role in promoting the stable operation of the Company. It helps to increase the chances of success for the company as much as possible and reduce losses to an acceptable risk level. There is a management process to prevent risks, events or uncertainties that may occur and cause damages which may clearly affect the achievement of the Company's objectives.

The Company is; therefore, determined to carry out risk management tasks that cover the entire organization and in accordance with good and international practice. The framework for internal control practices according to international standards of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) was used to improve and develop in conjunction with the Enterprise Risk Management (ERM) framework to be a tool in developing internal controls and managing risks which will increase the chances of success in business, minimize failures including losses and uncertainty in the Company's performance.

For clarity in risk management, the Company's Risk Management Committee has established a policy framework for risk management including the guidelines for operation and the Company's risk management plan as follows:

1. Conducting risk management in the most efficient way, at an acceptable level and involve all employees in the risk management process.
2. Establishing measures to assess the effectiveness of risk control in various fields as well as determine methods to mitigate risks that will cause losses to the organization.
3. Determining an annual risk management plan and following up on the operations along with reporting on various progress to the Audit Committee.
4. Encouraging employees throughout the organization to be aware and help prevent risks that may arise as well as campaigning for risk management to be part of the culture that leads to creating value for the organization.

Risk Assessment

It is an assessment to determine the level of risk by considering the likelihood of an event, risks and impacts to the Company as well as assessing how likely such risks are to occur; and what level of severity it will be if it happens. This is in order to be prioritized using criteria set by the Company or criteria set by the segment within the context of the segment but should be consistent with the criteria of the Company. The risk assessment uses a combination of historical data and future forecasts to be considered together.

In the Company's risk assessment process, these two components will be considered:

1. Likelihood means the likelihood or frequency of risk events that are likely to occur.

Likelihood	Description	Risk Rating
Almost Certain	Happening now or will occur at least monthly	5
Likely	May occur every 6-12 months	4
Possible	May occur every 1-5 years	3
Unlikely	May occur every 5-10 years	2
Rare	May occur every 10 or more years	1

- Severity of the impact of risks (Consequence) means the severity of a risk event that, if it occurs, will affect various aspects. The Consequence can be both quantitative impacts such as financial damage or operational impact; and qualitative impacts such as the impact on the reputation and image of the Company, impact of safety on life and property of personnel and the effectiveness of work.

Consequence	Description	Risk Rating
Catastrophic	Wide damage, lasting weeks, impact high	5
Major	Requires urgent attention, impact days	4
Moderate	Requires attention, inconvenience	3
Minor	Isolated case, some small disruptions	2
Insignificant	Minor issue of little concern to community	1

Risk Rating

Risk rating is the process to consider risks under the dimension of likelihood and impact. The impact assessment must consider the impact in all aspects. Then, choose the impact that is consistent with the objectives of the Company to prioritize and to decide what risk(s) should be addressed first.

Ranking		Consequence				
		1-Insignificant	2-Minor	3-Moderate	4-Major	5-Catastrophic
Likelihood	5-Almost Certain	(5)	(10)	(15)	(20)	(25)
	4-Likely	(4)	(8)	(12)	(16)	(20)
	3-Possible	(3)	(6)	(9)	(12)	(15)
	2-Unlikely	(2)	(4)	(6)	(8)	(10)
	1-Rare	(1)	(2)	(3)	(4)	(5)

A risk ranking table is a tool that is used during the risk rating process. It defines the level of each risk by considering the probability or likelihood of an event against the severity of the consequence to the business if it was to occur.

The risk ranking table is calculated by multiplying the score level between the chance and the damage. The risk ranking table will show the extent of the severity that the company can accept in order to set a goal that must be achieved until the level of severity is reduced.

Acceptable risk (Risk Appetite) is an event of uncertainty that the Company accepted to occur and remain with the Company's business operations Still going and achieving goals. All units are assigned to determine the cause and effect of the risk. including assessing measures to manage such risks

Rating Scales –The definition and risk level of each performance score

This process is an interpretation of the score obtained so as to consider the course of action that takes into consideration the acceptable risks and costs incurred and compare with the benefits that the Company will obtain by reducing the likelihood of impact or limiting the potential losses. In this regard, the Company has set acceptable risk boundaries at various levels as follows:

Risk Level	Score	Color	Meaning (recommendation)
Low Risk	1-2	Green	Acceptable risk without risk control and no additional management
Medium Risk	3-6	Yellow	Acceptable risk without risk control and prevented to move into unacceptable level
High Risk	7-12	Orange	Unacceptable level and next we must manage the risk into the acceptable level
Extreme Risk	13-25	Red	Risk Level is unacceptable and need to manage the risk and accelerate into acceptable level

Risk responses can be implemented based on the following guidelines:

1. Risk avoidance is to avoid chances, including risk-prone events, by stopping, canceling, changing, modifying, reducing the size of the activity or project to be undertaken or choosing another activity or project that is more acceptable.
2. Risk diversification is the distribution or transfer of all or part of the risks to others who are confident that they can control them such as insurance, contracts, outsourcing, etc.
3. Risk reduction and control is to reduce the likelihood of a risk or the severity of its impact by using additional methods to manage risk such as internal audits and controls, performance tracking, contingency plans, personnel training to develop skills, etc.
4. Risk acceptance is to accept the risks that will occur which is the risk that the organization can accept. However, the Company must have measures to monitor such operations closely.

Monitoring and Evaluation

In the risk management process, the Company's Risk Management Committee has a follow-up evaluation to ensure that operations are appropriate and within acceptable risk limits. In this regard, the risk management plan is used to analyze the risks of the operation process. Moreover, the Company has reviewed and evaluated the existing risk management plan in order to correct any deficiencies and supervise the risk management plan to be consistent with the ever-changing situation.

Risk Factors

Risk factors involved in the Company's business that may have a significant effect on the return on investment and ways to prevent risks can be summarized as follows.

Risks arising from Production, Transportation and Scrap Purchasing

Production risks involving procurement and repair of spare machinery to replace worn out machinery.

Due to unique characteristics of large machines, the risk factors occur when the plant carries out repair arrangements or orders a replacement machine as time is extremely important. Therefore, the maintenance schedule and plan on procuring the new replacement machine must be on time so that the production is not interrupted. If it is necessary to stop the production, it must be for the shortest period of time.

Risks arising from domestic scrap procurement

Domestic scrap is the main raw material for production. It accounts for 68% of all major raw materials used in the production. The proportion of its use depends on the scrap procurement process and the amount of scrap available in the country. The company has planned to supply more good quality scrap by continuously expanding the domestic scrap distributors and procurement base. In addition, the company plans to increase the proportion of domestic scrap to 70-80% of the main raw materials so that

there is a regular supply for production. Purchasing foreign scrap would take a longer time to process and there is a price uncertainty from foreign exchange rates causing the production cost to fluctuate. Therefore, the use of more domestic scrap increases the certainty in terms of quantity and price.

The risks of goods delivery to customers

To deliver the goods to customers, the Company employs third-party transportation services. In order to have a sufficient volume of transport vehicles and be able to deliver the products to customers in full as scheduled with a higher delivery rate and can control the shipping cost, the company then entered into a long-term contract with transportation agencies by specifying transportation rates for each period of oil prices that have fluctuated. If the transportation company is unable to deliver the goods to the customer or the product is damaged during transportation, the Company shall be entitled to reimburse the value of damage from the transportation company.

Purchasing of scrap and raw iron from abroad (Import Scrap and Pig Iron)

The main raw material for production is pig iron purchased from abroad and steel scrap procured both domestically and internationally. In the purchase of raw materials from abroad, the company must plan for orders carefully to avoid insufficiency of raw materials for use in production. Since 2020, the COVID-19 situation has caused uncertainty in the global transportation including the volume and the prices of raw materials that are constantly moving according to the world market conditions. Therefore, the company closely follows the movements of the world iron and steel market and coordinates with the production department in order to plan for the procurement to ensure sufficient raw materials for continuous production.

In addition, the company has specified appropriate and concise conditions for the claim and compensation in the raw material purchase agreement in the event that the Company is receiving inferior raw materials or the quality of the raw materials does not meet the agreed condition in order to minimize the damage.

Marketing and Distribution Risks

Risk from market share gain by imported products

Statistics of imports of flat steel products from neighboring countries; especially Japan, South Korea and China, in the past year (2021) have grown significantly. That is, hot-rolled thin steel sheets (Carbon Steel P&O) grew by 576.1%, followed by hot-rolled thin sheets (Alloy Steel) with a growth of 261.1%, and hot-rolled thin sheets (Carbon Steel) with a growth of 214.5% (reference: <https://www.mreport.co.th/news/statistic-and-ranking/304-iron-and-steel-industry-2021-Q3-Q4>), It is, therefore, a challenge for the company to bring back the market share that foreign substitutes dominate.

Risks from the fluctuation of product demand and price arising from a downward business cycle

Some downstream industries using the Company's products such as steel pipe industry and construction industry, such as infrastructure construction projects, are characterized by fluctuations in the business cycle. As a result, the demand and product prices of the company fluctuate accordingly. This could affect the company's future profits during business downturns.

Hot-rolled coils are widely used in other downstream industries such as cold-rolled steel industry, automobile industry, galvanized steel and steel plates used in various industries. Therefore, the Company expects to be able to produce other types of value-added products with support from the parent company abroad. The Company plans to develop higher quality product, diversify and expand its customer base and increase the volume of exports to foreign countries.

The company supports government policies that promote the domestic steel industry which will help reduce the company's risks at the same time. As a result, there should be less hot-rolled steel coils imported. As a result, the price of hot-rolled steel coils has been improved at an appropriate level.

In addition, the Company has control over the difference between the selling price and the cost of production by monitoring the raw material costs, both in terms of quantity and pricing in accordance with the orders received from customers. The Company also take into consideration the impact of rising world oil prices in the middle of 2021 which will inevitably affect the cost of hot-rolled steel production in 2022.

Financial Risks

Foreign exchange volatility risks

Foreign exchange rate fluctuation can affect the profit and loss of the Company since it purchases main raw materials, both steel scrap and pig iron, from abroad causing expenditures in foreign currency while it earns most of its sales in Baht currency.

The Company does not expect to suffer much although it does not have a hedge agreement. This is because the Company has a reduced policy of purchasing raw materials from abroad. In addition, the Company has exported its products abroad in foreign currency as well.

Risks in providing credit to customers

The Company analyzes the performance and financial status of new customers before granting a credit limit. Also, the financial status of each customer is reviewed at least once a year to confirm their credit limit.

Financial liquidity risks

The Company has maintained and reviewed its monthly financial projection and its cash flow projection to regularly monitor the financial status.

Risks of default on payment of debt, fee, interest under the loan agreement with creditors

The Company has negotiated various debt settlement plans with creditors including installments, debt conversion and moratoriums so as to avoid prosecution problems.

Environmental and personnel risks

Production risks that may cause pollution

The Company engages in the production of hot-rolled coils including melting, casting and rolling processes which may cause pollution in terms of dust contaminants in the air, heavy metals that may contaminate the water, the temperature of the processed water and the noise level that may exceed the standard value. However, the Company has provided an air pollution prevention system to trap the dust before releasing into the atmosphere. In addition, there is a cooling tower water treatment system to treat heavy metals that may contaminate the cooling tower system effluent. Nonetheless, the company has used the wastewater to spray over the hot steel slag where the water would evaporate into the atmosphere. Moreover, it has planted tree fences to prevent dust and noise around the factory which is in line with current environmental laws and regulations.

Besides, the Company still has the risk of the machinery related to the pollution treatment system deteriorating over time where the efficiency of work is reduced which may cause pollution to escape to external environment and causing damage or impact to the community or the environment. This will increase the company's cost due to environmental and community rehabilitation; or the company may need to add pollution monitoring and control systems to meet more stringent laws or requirements in the future causing additional costs. This includes the costs that may arise from litigation

if the company fails to reduce the pollution. Ultimately, it may affect the business, financial position and operating results of the Company in the future.

Therefore, the company hires a company that specializes in the environmental issues to conduct factory environmental quality audits every six months according to the EIA measures and presented the audit report to the Office of Natural Resources and Environmental Policy and Planning, Department of Industrial Works, The Industrial Estate Authority of Thailand and the Department of Primary Industries and Mines on an ongoing basis. Therefore, the Company believes that it will not face any problems in this matter.

Business operation risks that may cause insecurity to employees

The Company operates in a heavy industry. As a result, the employees of the company may be exposed to hazards arising from the forging, casting, rolling processes and handling of heavy materials. This may result in the Company being burdened with increased costs from litigation with the injured persons, including the expenses incurred from fines which may affect the business financial status and future performance of the Company.

However, the company has prepared an emergency plan and safety measures while working that meet the standards accepted by government agencies and related private sectors. It is also certified to the Standard Occupational Health Management (ISO 45001) to prevent or reduce the risk of accidents and impact on the health of workers while working. From historical data, it was found that the accident statistics of the company since the establishment of the factory are low. Moreover, there has never been a case of complaint or claim for compensation or reimbursement under employee violation at all.

Risks related to public policy and the relevant regulations.

Risk management by using Anti-dumping and Countervailing measures under the Anti-Dumping and Countervailing Act, B.E. 2542 and (No.2) B.E. 2562

Hot Rolled Steel Industry is a basic commodity for the development of the country and there are many large manufacturers around the world. Therefore, under intense competition in the free trade world especially during the ongoing economic downturn for many years, the producers are struggling to survive by exporting the excess products to foreign 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. In other words, it destroys the market of domestic industry and leads to unfair competition. Therefore, anti-dumping policy is an important measure to help mitigate the damage of the domestic steel industry and create fair trade for all parties.

In addition, it is found that importers have made efforts to evade the anti-dumping measures to avoid having to pay anti-dumping duties in addition to regular import duties which makes the enforcement measures ineffective and inefficient. Moreover, the countervailing measures are still lacking the sub-laws, making them unable to apply for counter-subsidy measures at the moment.

For this reason, the Government by the Department of Foreign Trade has proposed the following amendments of this law to be more efficient and effective in enforcing it.

- Expand the scope and prevent the circumvention of anti-dumping and countervailing measures.
- Increase measures to control the collection of anti-dumping duties and countervailing measures to be more effective.
- Legislation on adoption of sub-laws for countervailing measures.

In this regard, the revision of Anti-Dumping and Countervailing Act (No.2) B.E. 2562 has added the above provisions and was announced in the Government Gazette on 22 May 2019 and

coming into effect on 18 November 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 Government by the Ministry of Commerce has implemented anti-dumping measures for hot-rolled steel flat products as follows:

- Anti-dumping measures for hot-rolled coils and non-rolled steel 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.
- Extension for enforcement of Anti-dumping measures for hot-rolled steel flat products originating from the People's Republic of China and Malaysia for a further period of 5 years, effective from June 23, 2017 to June 22, 2022.
- Extension for enforcement of Anti-dumping measures for boron-added hot-rolled steel products originating from the People's Republic of China for a further period of 5 years, effective from December 13, 2018 to December 12, 2023.
- Extension for enforcement of Anti-dumping measures for hot-rolled steel products imported from 14 countries for a period of 5 years, effective from June 9, 2021 to June 8, 2026.
- Anti-dumping measures for hot-rolled steel products originating from the Socialist Republic of Vietnam and the Arab Republic of Egypt for a period of 5 years, effective from December 1, 2021 to November 30, 2026.

The implementation of such Anti-dumping measures by the Government can help alleviate the trade problems arising from the Anti-dumping actions by the countries applying such measures. As a result, the hot-rolled steel industry still can continue to move forward. In addition, the company has cooperated with other domestic manufacturers in following up on the dumping situation that may occur from other countries or in other ways continually to deter or prevent unfair trade from dumping that may occur on the hot-rolled steel market in Thailand.

Risks from price control by the government

Throughout the year 2021, 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 that each hot-rolled steel manufacturer including the Company would like to adjust the price of the product, it must inform the Department of Internal Trade and provide all the details as requested. Therefore, the company has low risk that the price increase may be inhibited if the domestic selling price rises rapidly. In case that the Ministry of Commerce applies price fixation measure for consumer goods or commodities, it 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.

General Risks

The risks of inability to operate due to uncontrollable factors

The Company's business may be exposed to risks from several uncontrollable factors such as sabotage, natural disasters, industrial accidents, terrorism, machinery malfunctions and other technical problems.

Although each of the factors mentioned above may be uncontrollable, the company has confidence in prevention and correction of these problems from causing significant loss of income by providing regularly trainings and knowledge on how to safely operate the machine tools to its employees. In addition, the company has a security system running by its own staff and it also employs an efficient security company to supervise and patrol the entrance and exit strictly 24 hours a day. Moreover, the company has an insurance policy that covers loss or damage of property in specific cases. In terms of labor relations, the Company has set up a committee comprising members from employees and the employer. Apart from this, the Corporate Social Responsibility Committee, CSR, will be the representative to take care of the welfare of employees in a proper and fair manner.

Corruption Risks

The Company has announced an anti-corruption policy on November 13, 2017 with an emphasis on anti-corruption actions as well as supporting and promoting personnel at all levels to have an awareness of anti-corruption and all forms of corruption. The Board of Directors has established a policy on prevention and anti-corruption (Anti-Corruption and Anti-Bribery Policy) to supervise operations in accordance with the law and regulations (Corporate Compliance Policy) which is in line with the practices set out in the business ethics for executives and employees.

Moreover, the company has joined the Thai Private Sector Collective Action Coalition Against Corruption (CAC) project and has been certified by the Thai Private Sector Collective Action Coalition against Corruption Committee as a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) project which demonstrates its commitment and determination to combat all forms of corruption. In this regard, the anti-corruption policy has been established by defining the responsibility and appropriate practice guidelines for the prevention of corruption in all activities. The policy has been communicated to directors, executives, employees as well as internal and external stakeholders to be a common practice guideline for conducting business with transparency and fairness.

In addition, the Company has assigned the Risk Management Committee to assess, analyze and define measures for managing the risks of the business and corruption, including a good internal control system and regular effective audits.

3. Business sustainability development

3. Business Sustainability Development

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 Corporate Social Responsibility Officer, 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.

However, the Company has implemented the CSR is based on the guidelines of “To be the leader in the regional steel industry” 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.

3.1 Policy and objectives of sustainable management

The Board of Directors realizes the ability of the organization to grow stably and sustainably by striving to meet the needs of stakeholders in a balanced and sustainable coexistence as well as controls the operational safety, occupational health and environment, in parallel with strengthening social and local development by defining the code of ethics to stakeholder which emphasizing the policy of stakeholders treatment, social and community responsibility practices, occupational health and environmental safety, as detailed in “Attachment 5 Code of Conduct”.

3.2 Stakeholder management in value chain

3.2.1 Value chain

The Company recognizes and places importance on sustainable value chain management in order to respond to the stakeholder’s expectations involved in each business process activity which has been stated as follows:

Value Chain		Stakeholders
<u>Primary activities</u>		
Inputs management and Inbound logistics	<ul style="list-style-type: none"> • Supplying of inputs and funds • Supplying of ore and raw materials for steel production • Quality and on-time delivery of raw materials • Raw material storage and quality control 	<ul style="list-style-type: none"> • Shareholders • Purchasing employees • Warehouse employees • Occupational health and environmental safety employees • Business partners and/or contract parties of raw material supplying • Business partners and/or contract parties of raw material logistics • Business partners and/or contract parties of inputs supplying • Business partners and/or contract parties of inputs logistics • Community around the factory areas and transport routes • Financial institutions

Value Chain		Stakeholders
Operations	<ul style="list-style-type: none"> Efficient and safe production Standard testing and quality control Production development with modern technology Efficient use of resources and raw materials Waste management and environmental impact reduction. 	<ul style="list-style-type: none"> Production employees, Maintenance employees, Professional safety officer Quality control employees, Customer, Quality testing company Production Engineer, Customer, Technology Supplier Production Engineer, Customer, Community around the factory area Waste recycling partners, Community around the factory areas
Product distribution and Outbound logistics	<ul style="list-style-type: none"> Warehouse safety and transport convenience On-time and safe delivery 	<ul style="list-style-type: none"> Warehouse employees Sales and marketing employees Occupational health and environmental safety employees Customers Business partners and/or contract parties of transportation Community around the factory areas and transport routes
Marketing and Sales	<ul style="list-style-type: none"> Communicating and providing information about the product accurately and completely Product pricing 	<ul style="list-style-type: none"> Sales and marketing employees Warehouse employees Customers Business partners and/or contract parties Competitors
Customer services	<ul style="list-style-type: none"> Complaint or suggestion service center about product usage Product warranty or satisfaction 	<ul style="list-style-type: none"> Sales and marketing employees Customers Business partners and/or contract parties
<u>Support activities</u>		
<ul style="list-style-type: none"> Potential development and human resource management. Management of buildings, premises and utilities. Infrastructure (Accounting, Finance, Information Technology) Organization management 		<ul style="list-style-type: none"> Supportive activities employees Business partners and/or contract parties of buildings and utilities

3.2.2 Value chain stakeholders analysis

There are both internal and external key stakeholders related to the business value chain.

Stakeholders	Stakeholder expectation	Guidelines for meeting stakeholder expectation
<u>Internal stakeholders</u>		
Employees	<ul style="list-style-type: none"> Compensation and benefits Safe working environment Potential development in duties Stability and advancement in duties. 	<ul style="list-style-type: none"> Support employees training for potential development enhance advancement in duties. Treat employees equally in accordance with the employee treatment policy

Stakeholders	Stakeholder expectation	Guidelines for meeting stakeholder expectation
	<ul style="list-style-type: none"> Infrastructure system for operational supports Fair and equal treat 	
Shareholders	<ul style="list-style-type: none"> Good performance and dividend payment Facilitated the exercise of rights and the supervision of rights. Business direction and strategy, good corporate governance Disclosure of information accurately, completely, transparently, quickly and sufficiently for decision-making. 	<ul style="list-style-type: none"> Transparent business operation Effective organizational management
Partners and Outsource staffs	<ul style="list-style-type: none"> Fair and transparent procurement. Complete and on-time payment Compliance with the terms and conditions of the contract. Business relationship, long-term growth and progress Safety according to standard Fair and equal treat Obtaining accurate and complete information 	<ul style="list-style-type: none"> Support employees training for potential development enhance safety in duties. Treat employees equally in accordance with the employee treatment policy
External stakeholders		
Business partners and Contract parties	<ul style="list-style-type: none"> Fair and transparent procurement Complete and on-time payment Compliance with the terms and conditions of the contract. Long-term business relationship Certification on business standard Obtaining accurate and complete information 	<ul style="list-style-type: none"> Comply with code of business conduct and ethics Develop and improve process according to partner's feedback
Customers	<ul style="list-style-type: none"> Receive quality products according to standards. Safe and on-time delivery of goods 	<ul style="list-style-type: none"> Comply with code of business conduct and ethics Develop and improve process according to customer's feedback
Government agencies	<ul style="list-style-type: none"> Cooperation and support Fees and taxes payment Compliance with applicable laws and agreements. 	<ul style="list-style-type: none"> Provide cooperation and support Comply with applicable laws and agreements.
Local community, Society and Environment	<ul style="list-style-type: none"> Providing opportunity to work with the company Participation in community and social development 	<ul style="list-style-type: none"> Participate in community and social development Support activities and provide assistance to local community
Competitors	<ul style="list-style-type: none"> Fair competition 	<ul style="list-style-type: none"> Comply with the law and the code of business conduct and ethics Fair product pricing according to industry and market conditions

3.3 Management of environmental sustainability

3.3.1 Environmental Policy and guidelines

The Company is committed to operate the business basis on safety, health, and good environment under the guideline “business trust” to promote the company. There is a process that is friendly to the environment and staff with the practices as follows:

- 1.1 The Company shall comply with the safety, health and environment laws and rules.
- 1.2 The Company shall comply with ISO 14001.
- 1.3 The Company shall utilize resources efficiently and worthily with energy saving and resources recycling promotion measures.
- 1.4 The Company shall provide an operation system focusing on appropriate measures for safety and health in workplace such as providing the system to counter probable pollutions arising during operation, arranging workplaces to be clean and hygienic etc. for the employees and visitors to be safe from accidents and diseases.
- 1.5 Executives and staff shall be truly attentive to the activities for the quality of safety, health and environment and perform works with realization to safety and concern to environment always.
- 1.6 The Company shall disclose the information on the operations in connection with safety, health, and environment.

3.3.2 Environmental operating results

CSR-DPIM Network Activity

G Steel Public Company Limited has received the CSR-DPIM Continuous and Green Mining Award for the year 2020 from the Department of Primary Industries and Mines - DPIM. On Wednesday, March 31st, 2021 at the Department of Primary Industries and Mines - DPIM Bangkok



3.4 Social sustainability management

3.4.1 Social policy and guidelines

The Company is committed to the community and society coexist happily with the theme. “Growth Society” to help each other and contribute to the development of a strong community on its own. The process works with a community focus. And promotional activities Communities near and far, according to company policy and consistent with the development of the sector. To improve the quality of life and economic sustainability of the community as follows:

- 1.7 The Company will operate the business to consider the benefits and sustainability of communities and society are important.
- 1.8 The Company shall regularly attend meetings exchange opinions and cooperate with local agencies for the communities’ living developments.
- 1.9 The Company shall adopt the preventive and corrective measures when effects to environment and communities arise due to operation.
- 1.10 The Company shall launch the activities for society with the employees’ participation including shall support employees’ opportunities to do good to develop the mind of volunteering
- 1.11 The Company aims to develop the knowledge and education of young Thailand-based potential of the Company.
- 1.12 The Company shall cooperate with the local government to develop the entities for schools’ religious places’ infrastructures’ and youths’ and disadvantaged people’s hygiene including the community environment developments.

- 1.13 The Company shall support the local cultures, customs and traditions conversation.
- 1.14 The Company shall support the activities to strengthen the local community enterprises and provide the opportunity to be the Company's suppliers.
- 1.15 Create revenue and promoting the community. By recruiting and supporting employment and the community. As well as support activities that focus on providing the community with knowledge for the profession and the knowledge to create or encourage families and communities
- 1.16 The Company shall contact with communities constantly, publicize and report the social responsibility activities achievement to all groups of stakeholders.

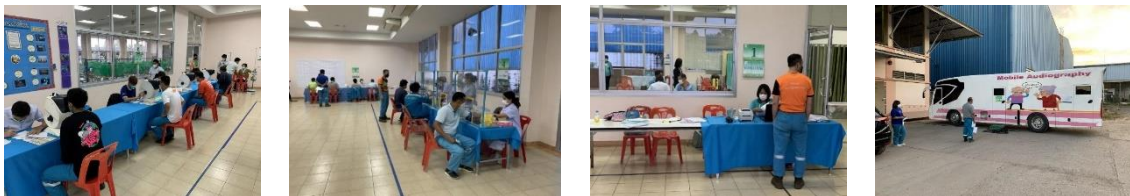
3.4.2 Social operating results

Inner CSR activity

Apart from activities or projects the company has involved in with an outside organization, there were many activities for employees to participate in such as

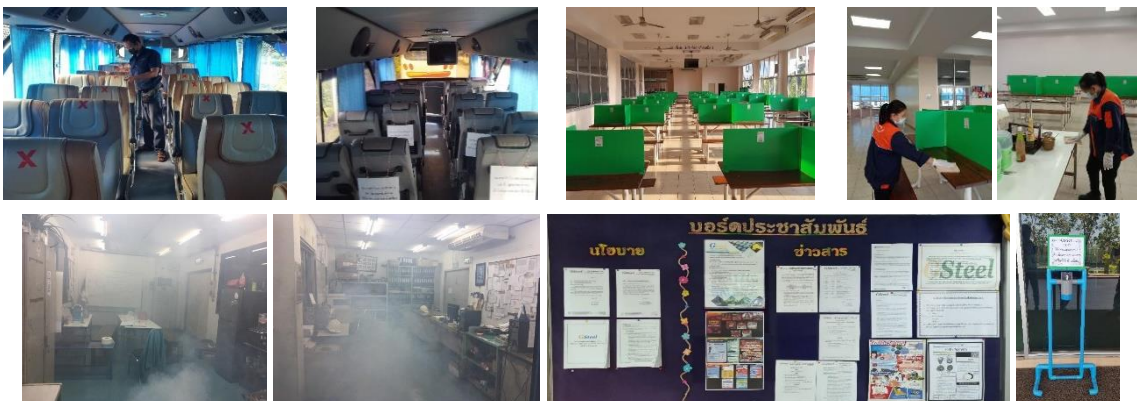
Medical Health Check-Up yearly:

The company realized and recognized the importance of employees' health so that such activity occurred to the benefits of employees on 19th November, 2nd, 8th, 9th, 17th December 2021.



Good health care for employees (during COVID-19 pandemic):

In addition to organizing medical health check-ups, the company also has the campaign to educate the cause of this pandemic, precautions and prevention guidelines by publishing leaflets via E-mail within the company, brochure and posting on announcement board and to raise awareness. In 2020, the company has emphasized the pandemic of COVID-19 as well as practicing social distancing, creating board about COVID-19, body temperature check, hand sanitizing and spraying disinfectants in the working area, Shuttle Bus, Van, Giving hand alcohol gel, Face mask to employees



The Participating in social development

Blood Donation for the Thai Red Cross Society:

The Company arranged to participate in blood donation with the Thai Red Cross Society annually, which in 2021, activities were canceled due to the pandemic of the COVID-19

Arranged Muban Phaendin Tham Phaendin Thong Activity (Ban YuYen)

The company supported the budget for the development of the community, moo. 3, NongLalok Sub-district, Ban Khai District, Rayong, which has been selected to be the Phaendin Thong (Ban YuYen) at the district level to be a model of Ban Khai District on June 18th, 2021.



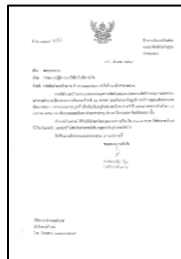
Supporting Thai culture

Arranging conserve activity for Thai culture

Ceremonies regarding offering food to monks in Songkran Festival or Thai New Year was annually held in the Company. 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, Ban Khai District, Rayong Province, These activities also serve as a preservation of Thai culture, which in 2020 - 2021, activities were canceled due to the pandemic of the COVID-19

Arranging activity of the legend storytelling Muang Rayong

The company supported budget of the legend storytelling Muang Rayong for commemorating the 66th Birthday Anniversary of Her Royal Highness Princess Maha Chakri Sirindhorn On the occasion of Thai Heritage Conservation Day 2021 on March 31st, 2021



Participation in Educational Development

Open-house Learning Project

The company has regularly policies scheduled open-house learning for private and public sectors in order to showcase the production technology of Hot Rolled Coil including environmental management system in annually, which is 2020 - 2021, activities were canceled due to the pandemic of the COVID-19

Internship Program:

The company continues to support students from various educational institutions for an internship at the plantation in Rayong annually. To offer opportunities for students to learn and practice in the field of their studies both at the level of High Vocational Certificate and Bachelor's Degree. In 2020, the company accepted students from 2 institutions in a total of 3 people as follows:

NO.	University	Number interns
1	Rayong Technical College	2
2	IRPC technological college	1
Total interns		3

Internship and Graduate Recruitment Program:

The Company joined Suranaree University of Technology's SUT Job & Co-op Fair at Suranaree University of Technology, Nakhon Ratchasima, which in 2020 - 2021, activities were canceled due to the pandemic of the COVID-19

National Children's Day:

The company supported and cooperated "National Children's Day" with local school and with Sub-district Administrative Organization of Nonglalog Ban Khai District Rayong annually, which in 2020 - 2021, activities were canceled due to the pandemic of the COVID-19

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, to help the local community earning more income without expenses incurred, which in 2020 - 2021, activities were canceled due to the pandemic of the COVID-19

Budgeting Support for Local Activities

In addition to activities or various projects, the Company provided budgeting support and jointly participated in local community's activities at the Nonglalog sub-district with several activities such as Support for the procurement of bulletproof vests and second belts for police officers to be safe in duties, with the Ban Khai Police Station



Participate in making public benefits for the community

Amid of the spread of COVID-19, G Steel Public Company Limited is still working on G Steel Joining together to fight COVID-19. By helping and looking after public health in the area, in which the company arranged public service and create a campaign to prevent COVID-19 by supporting community projects as follows:

Consumer goods donation project to help, alleviate people were affected by the epidemic of Covid-19 by donating masks to the Ban Khai District on January 11, 2021



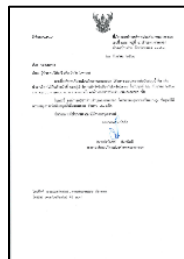
Consumer goods donation project to help, alleviate people were affected by the Covid-19 epidemic by supporting the "Have and Share" activity for Ban Khai District on July 19, 2021.



Consumer goods donation project to help alleviate people were affected by the epidemic of Covid-19 by supporting the activity "Sharing Kindness for a Bag of Happiness" to NongLalok Sub-district Administrative Organization on August 3, 2021



Consumer goods donation project to help alleviate people were affected by the Covid-19 epidemic by supporting drinking water for NongLalok Sub-district Administrative Organization for officers and people's received the vaccine on September 21, 2021



Consumer goods donation project to help, alleviate people affected by the COVID-19 epidemic by supporting drinking water for Ban Khai District for officers and people's received vaccines at Phai Lom Temple, Ban Khai District, Rayong Province on November 16, 2021,



4. Management discussion and analysis (MD&A)

Management Discussion and Analysis Yearly Ending 31 December 2021

1. Highlights

	Unit : million Baht	Y2021	Y2020 Restate
Performance	Total Revenues	15,814	9,314
	Total Gross Profit (Loss)	2,751	11
	Total Net Profit (Loss)	1,325	(600)
HRC	HRC Sales (k tons)	592	577
	HRC Production Volume (k tons)	595	574
	HRC Average Selling Price (Bht/Ton)	26,713	16,131
	Unit : million Baht	31-Dec-21	31-Dec-20 Restate
Financial Status	Total Assets	12,340	10,989
	Total Liabilities	6,561	7,330
	Equity Attributable to Owners of the Parent	5,779	3,659
	Non-controlling interests	0	0

2. Business Outlook

The overall HRC and sheets consumption saw an increase of 31% during 2021 when compared to 2020. However, the domestic production grew only by 14% and larger portion of the increase was captured by imports which grew at 48%.

Total Hot Roll (Unit: Million Tons) Excluding Stainless Steel	Year 2021	Year 2020	% Change
Production	2.97	2.60	14%
Import	4.13	2.79	48%
Export	0.05	0.02	188%
Consumption	7.05	5.37	31%

3. Deconsolidation of Subsidiary – Retrospective Adjustment

Following conversion of Debt to Equity since 2017 to 2019 of G J Steel Company Limited (“G J Steel”), the shareholding of the Company in G J Steel reduced from 25.70% to 18.72% in 2017, 17.28% in 2018 and 9.45% since 2019 (8.24% held directly by the Company and 1.21% held by its subsidiary, GS Securities). Based on these circumstances, the Securities and Exchange Commission and the Stock Exchange of Thailand considered that the management control over G J Steel was transferred to ACO I and the G Steel (Company) lost its control since 2017.

As a result, the Company has deconsolidated the accounts of G J Steel with itself and treated the investment in G J Steel under “Other long-term investment” and measured at fair value through other comprehensive income. Hence, the consolidated financial statements for the years ended December 31, 2021 and 2020 (restated), have been prepared based on loss of control of the Company over G J Steel after the incremental of share capital to ACO I in 2017. The treatment on this matter was approved by the Audit Committee’s meeting and the Board of Directors’ meeting held on February 25, 2022.

Please refer to note no 1.2, note no 4 and note no 11 of the Financial Statements for the year ended 31st December, 2021 for further details.

4. Performance of the Company

• Revenue from sale

The Company reported revenue from sales of Baht 15,814 million which increased by Baht 6,500 million mainly due to increase in selling price by 10,581 Baht per ton or 66% while sales volume increase by 15 k Mt or 3% compared to last year.

• Operating Results

The Company reported a gross profit of Baht 2,751 million, significantly improving from last year which saw a gross profit of Baht 11 million. This resulted mainly due to the increase in selling price resulting from a global uptrend in the HRC prices and improvement in Raw Material mix.

The Company reported a net profit of Baht 1,323 million compared to net loss of Baht 551 million last year, an increase by Baht 1,874 million. The consolidated net profit for the year 2021 was recorded at Baht 1,325 million compared to the reported net loss of Baht 600 million last year, an increase by Baht 1,925 million mainly due to the increase in selling price.

Real Operating Profit/(loss) – Excluding Non-Recurring Items

Unit: Million Baht

	For the year 2021		For the year 2020		For the year 2019	
	Consolidated	Separated	Consolidated (Restated)	Separated (Restated)	Consolidated (Restated)	Separated (Restated)
PROFIT (LOSS) FOR THE YEAR - as per Financial Statement	1,325	1,323	(600)	(551)	2,912	4,243
(Less) Non-Recurring Item						
Gain from write-back the expired legal prescription of liabilities	(197)	(197)	-	-	-	-
Income from forgiveness of other payables to subsidiary	-	-	-	(293)	-	-
Gain on write-off and deconsolidation of subsidiary	-	-	(241)	-	-	-
Gain from debts restructuring	(9)	(9)	-	-	(5,506)	(5,506)
Reversal of Provision for a guarantee of subsidiary	-	-	-	-	-	(242)
Gain from repayment of liabilities from compromise	(9)	(9)	-	-	(86)	(86)
Gain from write-back other payables and accrued expense and advance received from customers	-	-	(12)	(12)	-	-
Gain from decreased capital of investment in subsidiary	-	-	-	-	-	(1,130)
(Plus) Non-Recurring Item						
Loss on compromise debts	-	-	30	30	-	-
Loss on sales of fixed assets	-	-	22	22	946	946
PROFIT (LOSS) FOR THE YEAR - Excluding Non-Recurring Items	1,110	1,108	(801)	(804)	(1,734)	(1,775)

• Selling Expenses

The Company recorded selling expense of Baht 164 million, which increased by Baht 16 million compared to last year due to increase in sales volume and increased transportation cost resulting from the increase of oil prices.

- **Administrative Expenses**

Separated FS	2021	2020	2019
Administrative expense (Unit: Million Baht)	403	235	378

Administrative expenses of 2021 increase by Baht 168 million from 2020 mainly due to higher charges on account of incentive program while 2020 decrease from 2019 by Baht 143 million mainly came from the termination of Financial Advisory fees and several cost reduction initiatives taken to make the Company more competitive in the long run.

- **Net loss on foreign exchange rate**

The Company reported a net loss on foreign exchange of Baht 523 million due to the depreciation of the Thai Baht versus the US dollar from 30.2068 THB/USD on 30 December 2020 to 33.5929 THB/USD on 30 December 2021.

- **Profit and Loss from others non-recurring items**

Gain from write-back the expired legal prescription of liabilities

The Company has recorded a write off of the unclaimed liabilities that have expired the legal prescription timeline by law and recorded as gain from write-back the expired legal prescription of liabilities by Baht 197 million.

- **Finance cost**

The Company recorded finance cost of Baht 478 million for year 2021 and Baht 623 million for 2020, a decrease of Baht 145 million due to write-off of the accrued interest that exceeded the time limit of the legal prescription of debts. The Company also repaid short term loan USD 37.1 million which helped in the reduction in interest expense.

5. **Statement of financial positions**

- **Total Assets**

As of 31 December 2021, the consolidated total assets amounted to Baht 12,340 million, which increased by Baht 1,351 million or 12% from year ended 2020.

Out of the total assets, Current Assets amounted to Baht 2,668 million or 22% of total assets, which increased by Baht 847 million or 47% mainly due to increase in Inventory by Baht 715 million and Cash and cash equivalents by Baht 88 million. Non-current assets amounted to Baht 9,672 million or 78% of total assets, which increased by Baht 503 million or 5% from year ended 2020 mainly due to the increase in Other long-term investment due to changes in the fair value of security in GJ Steel as explained above and decreased in Machinery & Equipment from depreciation.

- **Inventories**

Value of Inventories in the consolidated Financial Statement amounted to Baht 1,949 million or 16% of total assets, which increased by Baht 715 million or 58% from year ended 2020 due to the increase in raw materials and finished goods.

On November 1 and 6, 2017, the Company paid USD 2 million (approximately Baht 68 million) to a financial supporter. However, the raw materials (scrap steel) have not been transferred as yet from control yard and the Company has recorded the payment as advance payment for raw materials at transaction date.

On January 20, 2021, the Company has entered into Settlement Agreement with the Financial Supporter, whereby such advance payment, which had outstanding balance as at December 31, 2021 and 2020 of Baht 68 million will be settled through the Arbitration Process. The Thai Arbitration Institute and both parties have determined the date of investigation creditors' witness on March 14, 18, 23 and 28, 2022 and determined the date for investigation of the Company's witness on March 31, April 1, 4 and 8, 2022.

- **Total liabilities**

Total liabilities in the consolidated Financial Statement as at 31 December 2021 amounted to Baht 6,561 million, which decreased by Baht 769 million or 10% from year ended 2020 mainly due to decrease in short-term borrowings from related parties and Other payables and accrued expenses.

Consolidated Current liabilities decreased Baht 1,416 million due to:

- Short-term borrowings from related parties decreased by Baht 1,086 million due to the repayment by the Company.
- Other payables and accrued expenses decreased by Baht 443 million due to the repayment and restructuring of debts with a creditor and reclassification of part of the liabilities to non-current liabilities.
- Current portion of long-term borrowings from related parties decreased by Baht 267 million due to the repayment and restructuring of debts with a creditor and reclassification of part of the liabilities to non-current liabilities.

Consolidated Non-current liabilities increased Baht 648 million derived from:

- Long-term borrowings from related parties increased by Baht 359 million due to reclassification from current liabilities as explained above and depreciation of THB leading to increase in the USD denominated liabilities.
- Liabilities under rehabilitation plan and compromise agreement decreased Baht 139 million mainly due to repayment.
- Other payables and accrued expenses increased Baht 301 million due to reclassification from current liabilities as explained above and depreciation of THB leading to increase in the USD denominated liabilities.

Shareholders' equity

As of 31 December 2021, the Consolidated Financial Statement recorded shareholders' equity of Baht 5,779 million which increased by Baht 2,120 million from last year due to net profit Baht 1,325 million and Gain on change in fair value of equity security designated at fair value through other comprehensive income Baht 794 million on account of GJ Steel investment.

6. Asset Management Efficiency

- **Liquidity and the adequacy of capital**

As at 31 December 2021, the Consolidated cash and cash equivalent balance was Baht 419 million, which increased by Baht 88 million from year ended 2020. Cash flow of each activity of year 2021 is as follow:

Consolidated Cash Flow

- Net cash flows provided by operating activities Baht 1,655 million was higher than last year which posted cash flow provided by operating activities of Baht 403 million.

- Net cash flows used in investing activities was Baht 188 million. This mainly came from Cash flow used in Purchases of property, plant and equipment of the Company.
- Net cash flows used in financing activities Baht 1,381 million. Mainly from the loan repayment, finance costs paid and repayment of liabilities from terminated rehabilitation plan and compromise.

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

The Company tries to manage liquidity to ensure adequate turnover of cash flows by maintaining a policy of maximizing sales on advance received terms and accelerating the debt collection from its receivables.

7. Summary of significant financial ratio (consolidated financial statements)

Financial Ratio		2021	2020 (Restated)	2019***** (Restated)
<u>Liquidity Ratio</u>				
Current Ratio	times	0.85	0.40	0.37
Quick Ratio	times	0.23	0.13	0.10
Receivable collection period(DSO)	days	0.09	0.67	2.28
Inventory conversion period	days	44.47	49.04	77.95
Payable deferral period	days	4.72	16.27	38.66
Cash Conversion Cycle	days	39.84	33.43	41.57
<u>Profitability Ratio</u>				
Sale Growth Rate	%	69.79	95.33	21.43
Gross Profit Margin	%	17.40	0.12	(24.26)
Operating Profit Margin	%	13.82	(3.98)	(33.54)
Other Profit Margin	%	(1.71)	4.01	47.54
Net Profit Margin*	%	8.38	(6.44)	61.06
Return on Equity**	%	28.08	(15.30)	69.66
<u>Efficiency Ratio</u>				
Return on Asset***	%	11.36	(5.40)	25.95
Return on Fixed Asset***	%	15.99	(6.95)	33.05
Asset Turnover	times	1.36	0.84	0.43
<u>Financial Policy Ratio</u>				
Debt to Equity Ratio****	times	1.14	2.00	1.68
Interest Coverage Ratio	times	4.00	0.03	4.66
Earnings (Loss) per Share	Baht	0.05	(0.02)	0.34
Book value/share****	Baht	0.20	0.13	0.48

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

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

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

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

- **Liquidity Ratios**

Current Ratio of the consolidated financial statements in Y2021 is 0.85 times which increased from 0.40 times last year due to the increase of cash and inventories together with the decrease of current liabilities which mainly resulted from the loan repayment by the Company. The Company repaid the loan principal of USD 37.1 million. Further amounts will be repaid based on cashflows of the Company.

- **Profitability Ratios**

The consolidated financial statements recorded gross profit margin of 17.40% in year 2021, improving from last year which had gross profit margin by 0.12%. This mainly resulted from the increase in selling price and improvement of Raw Material mix. The consolidated financial statements posted net profit margin by 8.38% compared with net loss margin by 6.44% of last year. Return on equity (ROE) of year 2021 was 28.08%, better than last year which was negative by 15.30%. Besides, consolidated cash flow from operation was positive to Baht 1,655 million in year 2021.

- **Efficiency Ratios**

Consolidated Return on assets and Return on Fixed Asset was 11.36% and 15.99% respectively which improved from last year. Asset Turnover has also improved which increased from 0.84 times last year to 1.36 times due to increase in selling price.

- **Leverage Ratios**

Debt to Equity Ratio (D/E Ratio) of the consolidated financial was 1.14 times, decreased from 2.00 times of last year. This due to the total debt decreased from the loan repayment of the Company and increase in equity due to net profit.

8. Commitments and off-balance sheet liabilities management

The Company has disclosed as per details in the note No. 32 Commitments and contingent liabilities with non-related parties.

9. Factor effect to the future operation

The Company has imports of Scrap, Pig Iron and several sub raw materials and also loans in foreign currency. Thus, foreign exchange fluctuation would significantly affect the Net profit of the Company. However, the Company and its subsidiaries manages the risk of exchange rate by benchmarking the selling price with the world market selling price, which is primary linked to US dollar. Besides, the Company has also adopted plan in respect of various projects aiming to reduce production cost in order to be able to be competitive with other 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.

5. General information and other related information

Company Name:	G Steel Public Company Limited		
Stock Symbol:	GSTEEL (Listed on the Stock Exchange of Thailand)		
Company Registration Number:	0107538000746		
Type of Business:	Production and Distribution of Hot Rolled Coil and Slab		
First Trade Date:	25 January 2006		
Amounts of registered capital and paid-up capital:	Registered Capital	158,059,755,140.00 Baht	
	Paid-up Capital	144,643,827,160.00 Baht	
Number and type of the total shares sold:	Ordinary shares	28,928,765,432 shares,	
	Preferred shares	None	
	Per Value	5.00 Baht per shares	
Fiscal Year:	1 January - 31 December		
Headquarter Address:	88 PASO Tower, 18 th Floor, Silom Road, Suriyawong, Bangrak, Bangkok 10500 Tel: (02) 634-2222 Fax: (02) 634-4114		
Factory Address:	55 Moo 5, SSP Industrial Park, Nonglalog, Bankhai, Rayong 21120 Tel: (038) 869-323 Fax: (038) 869-333		
Website:	www.gsteel.com		
Reference:			
Share Registrar Address	Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok 10400		
Tel	(02) 009-9999		
Fax	(02) 009-9991		
Debenture Registrar Address	The Hong Kong and Shanghai Banking Corporation Limited 30 Floor, HSBC Main Building, 1 Queen’s Road Central, Hong Kong		
Tel	+852 2233 3000		
Fax	+852 2801 5586		
Auditors	Baker Tilly Audit And Advisory Services (Thailand) Ltd. Mr. Apichart Sayasit, Certified Public Accountant License No. 4229, or Miss Wimolsri Jongudomsombut, Certified Public Accountant License No. 3899, or Miss Waleerat Akkarasrisawad, Certified Public Accountant License No. 4411		
Address	21/1 Floor, Sathorn City Tower, 175 South Sathorn Road, Thung Maha Mek, Sathorn, Bangkok 10120		
Tel	(02) 679-5400		
Fax	(02) 679-5500		

Legal Dispute

Dispute with Creditors

Dispute during the year 2021

Dispute under the Thai Arbitration Institute

On 19 March 2021, the creditor has filed a dispute proposal to claim the debt in accordance with the Settlement Agreement and Termination Fee Restructuring Agreement with a creditor (former finance supporter) totalling Baht 266.3 million with the interest at the rate of 6% per annum until the completion of debt repayment with the Thai Arbitration Institute, the Office of the Judiciary. And the Company already submitted an objection against the creditor's claim to the Thai Arbitration Institute on 30 July 2021.

On 28 September 2021, the creditor has filed a counterclaim to the Thai Arbitration Institute, the Office of the Judiciary. And on 1 October 2021, which was an appointment date to determine the issues of the dispute, the duty of investigation and the proceedings. The Thai Arbitration Institute and both parties have determined the date of investigation creditors' witness on 4, 7, 28 February 2022 and 4 March 2022 and determined the date for investigation the Company's witness on 14, 18 and 28 March 2022. Subsequently on 20 January 2022, the Thai Arbitration Institute and both parties agreed to postpone the date of investigation creditors' witness to 14, 18, 23 and 28 March 2022 and the date for investigation the Company's witness to 31 March 2022 and 1, 4 and 8 April 2022.

Part 2

Corporate Governance

6. Corporate governance policy

The Board of Directors has implemented 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 the Code of Conduct as well as the directions in compliance with CG Code and adaptable to the rapid change of CG development. This contributes to the efficiency, transparency and accountability of management and operation which resulting in improving the Company’s competitiveness and increasing economic value for shareholders in long term as well. Therefore, the Board of Directors and the management team have established a written policy on the principles of good corporate governance and the Code of Conduct and have already approved this policy with details as follows.

1. To consider shareholders rights and to grant rights to shareholders in various matters, such as the right to propose an agenda for the shareholders’ meeting in advance or the right to nominate persons to be elected as directors in advance, etc., as well as not to violate or deprive the rights of shareholders.
2. To treat shareholders, investors, stakeholders and all relevant persons equally and fairly to all parties.
3. To disclose information to shareholders, investors, stakeholders and all relevant persons correctly, adequately, equally and within the specified period through appropriate channels so that the shareholders and other relevant persons are able to access information conveniently, such as through the Company’s website, etc.
4. To perform duties and responsibilities of the Board of Directors in supervising and managing with honesty, morality, prudence and carefulness in order to achieve the Company’s goals, to gain the maximum benefit to the Company and shareholders as well as to prevent any conflicts of interest.
5. To manage with transparency under of internal control system and audits.
6. To control and manage risks to be in appropriate level to the Company’s business operations.
7. To conduct business with honesty under the legal framework and business ethical framework.

Please find more details in “Attachment 5 Code of Conduct”.

6.1 Overview of the Policy and Guidelines

6.1.1 Policy and guidelines related to the Board of Directors

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.

Combining or separating positions for a Balance of Management Power

The Board of Directors has clearly separated the scope of duties and responsibilities among the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Corporate Governance and Risk Management Committee, the Management Committee, including the Chief Executive Officer. Moreover, the person who holds the position of the Chairman of the Board of Directors is determined to have no relationship with management team in order to prevent any executive from having unlimited power as well as to be able to review and balance the management. The detail of separated the scope of duties and responsibilities are under “Information on the Board of Directors” and under “The composition of the Board of Directors”

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 Articles of Association, 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.

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 Meeting of Shareholders 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.

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. At the meeting of the Board of Directors at the end of the year 2020, the Company Secretary prepared meeting schedule for the year 2021 for the Board of Directors to be able to schedule their time for the meetings.

In each meeting, the Company Secretary provided the agenda and related information and distributed them to the directors for average 5 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 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, 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.

Nomination and Appointment of Directors and Executives

For the process of recruiting directors, the Board of Directors has established a formal method based on transparency without the influence of management team or controlling shareholders, that is, the Nominating Committee will select persons to hold the position of directors from suitable persons by considering qualifications, abilities, work experience, etc. in order to be appropriate with the duties and responsibilities of the Board of Directors and /or members of sub-committees. When the appropriate person has been selected, then that person will be proposed to the Board of Directors for further approval of the appointment.

Independent Director

Qualifications of Independent Directors

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 Nomination of Directors

Criteria in nominating directors

When the position of Company's directors 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 corporate governance practices, such as ethics, independence, assertiveness, creativity, carefulness and integrity as well as ability to dedicate their time for the Company.

Nomination of Directors (In case of retiring by legal rotation)

The election of The Company's directors to replace the directors who have to retire by rotation must be approved by the Annual General Meeting of Shareholders, whereby the Nomination and Remuneration Committee has duty to select appropriate persons who deserve to be nominated as directors, by taking into account the qualifications, knowledge, capabilities, experience, work history, progressive leadership and sweeping vision, including having morality, ethics, and positive attitude towards the organization and fully devotes their time to the Company.

The election 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 Meeting of Shareholders 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 third-fourth 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.

The Nomination of Chief Executive Officer

When the position of Company's 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 corporate governance practices, such as ethics, independence, assertiveness, creativity, carefulness and integrity as well as ability to dedicate their time for the Company.

The Nomination of the Executives

The Chief Executive Officer is authorized to consider, nominate and appoint qualified persons both in terms of qualifications, knowledge, abilities and experience in business operations. The selection shall follow the Company's rules related to human resources management. For position equivalent to Chief level, the appointment of the person shall be endorsed by the Nomination and Remuneration Committee and proposed to the Board of Directors for approval, while an appointment of positions equivalent to the Internal Audit Department executives shall be made with the Audit Committee's discretion.

Remuneration for directors, Chief Executive Officer, and top executives

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 Shareholders (as the case may be) 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 Shareholders on the remuneration budget and details which are also disclosed in Form 56-1 One Report. The remuneration that the directors received from positions in other companies (if any), 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 for further proposal to the Annual General Meeting of Shareholders to approve the director remuneration for the year, except the directors holding executive position or employee of the Company. The details are under “Remuneration for Directors and Executives”. Any director being the subsidiary’s director shall not be entitled to take any remuneration from such subsidiary.

Directors and Executives development

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

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 Management 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.

6.1.2 Policy and guidelines related to shareholders and stakeholders

Shareholders’ right protection and promotion of shareholders’ right exercising

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 Meeting of Shareholders, 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.

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.

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 prior to the meeting date for download.

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 independent director to attend the meeting and vote on behalf of the shareholders. Shareholders can appoint one of the two independent directors as their proxy.

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.

Directors to attend the shareholders' meeting

With fully respect of shareholders' right, the attendance of all 9 Directors, including Chief Executive Officer, and Chief Financial Officer, comprised 10 persons attended the 2021 Annual General Meeting of Shareholders.

Practice for shareholders prior to the shareholders' meeting, at the shareholders' meeting, and after 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 Shareholders' Meeting, 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. To deliver to the documents of the Shareholders' Meeting ("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 prior to the Meeting date in order to provide shareholders with sufficient time to study the information.

At the Meeting, the Company facilitated shareholders and shareholders' proxy to exercise their rights to attend the meeting by used a e-Voting 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.

Furthermore, the moderator of the meeting also informed the Meeting the number and ratio of attending shareholders either by themselves or by appointment of proxies, the rule and voting process, the procedures of vote-casting, vote-counting, including notification of voting result. The shareholders' meeting minutes also included a record that the meeting was informed of the rules and voting process.

In addition, at the 2021 Annual General Meeting of Shareholders, the Company has assigned Mr. Olan Siricharoen, a legal advisor to be a vote-counting inspector together with the Company to supervise in the Meeting to be transparent, lawful and in accordance with the Company's Articles of Association and good arrangement for shareholders' meetings' as per guidelines of SEC.

After the Meeting, 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 the Shareholders' Meeting for publishing on the Company's website in compliance with the regulations of SEC and SET.

Provide 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 Annual General Meeting of Shareholders agenda 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 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. Shareholder who wishes to propose an item on the agenda must be a Company's shareholder at the date proposing the agenda holding a minimum of not less than five percent of the total shares issued by the Company, which can be either a shareholder or combined shareholders.
2. An issue shall be proposed through the "Form Proposed Agenda of AGM" with related complete and entire documents, to be submitted to the Company. In case of combined shareholders jointly propose an agenda, each shareholder must fill in the "Form Proposed Agenda of AGM" with signature and submit altogether as one set.
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 fully qualified as specified in criteria No.1, or whose information or supporting documents enclosed are incorrect or incomplete or the proposal submitted after the deadline.
 - 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 the Code of Conduct.
 - 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

Provide shareholders to nominate person for director position

The Company allowed and assisted any shareholders to nominate in advance qualified person as a candidate for the Company's director position in the agenda of Annual General Meeting of Shareholders 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 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. Shareholder who wishes to propose a qualified candidate for directorship must be the Company's shareholder at the date proposing the candidate for directorship holding a minimum of not less than five percent of the total shares issued by the Company by a shareholder or combined shareholders.
2. Nomination of a qualified person as candidate for directorship, shareholder must 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, to be submitted to the Company. In case of a combined shareholders jointly nominate a candidate, each shareholder must fill in the "Form Nominated Qualified Candidate for Directorship in AGM" with signature and submit altogether as one set.

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 Articles 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.

Internal Information Protection

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. The Board of Directors has established measures for directors, executives and employees to comply with for the use of internal information as follows:

1. The Company's secretary is responsible for informing the directors and executives to report their securities holdings in their own company, spouse and underage children as well as to report on changes in securities holding under Section 59 and penalties under Section 275 of the Securities and Exchange Companies Act B.E. 2535.
2. The Board of Directors recommends the directors, executives and employees who know internal information to avoid trading the Company's shares before the disclosure of material information including the Company's financial statements which has an impact on changes in securities prices to the public, that is one month before the disclosure of information, and may offend to the Securities and Exchange Act.

Therefore, the Company has imposed penalties for any violation of the use of internal information for personal benefits in the Company's regulations, with the penalties ranging from verbal admonition to dismissal.

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, 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. The Board of Directors has received the information on interest transaction of the directors, executives and employees with the Company regularly.

Role of 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 Corporate Social Responsibility and Corporate Governance policy simultaneously adhered to conduct. The stakeholders of the Company shall be divided in 10 groups, as follows:

1. Employees and their families
2. Customers and creditors
3. Shareholders
4. Surrounding Community
5. Government Authorities
6. Suppliers and contractors
7. Analysts, Investors and Financial Institutions
8. Academics
9. Educational institutions
10. Mass media

The Board of Directors has established policies and measures for the treatment of stakeholders as follows;

Employees and their families

Employees and their families Treatment Policy

1. The Company provides compensation to employees based on fair performance consideration and measurable results, such as monthly salary, overtime income, production commission, life and health insurance, provident fund, etc.
2. The Company aims to continually promote and develop personnel to be knowledgeable and competent, such as providing trainings and seminars for executives and employees at all levels, etc.
3. The Company treats all employees with fairness and equality, such as the employee performance evaluation, the confidential resume and the use of employee welfares, etc.
4. The Company takes into account the rights of employees and provides opportunities for the employees to complain in the event that they do not receive fairness through various channels such as complaint boxes, human resources departments, etc. to take action to the matters.
5. The Company takes responsibility for maintaining work environment to be safe, hygienic and conducive to effective working, such as arranging cleaning activities (5S), setting up occupational health and safety department in order to control and take care of occupational health and safety of employees, etc.

Customers and Creditors

Customers Treatment Policy

1. The Company is responsible for building long-term relationships and cooperation with customers by adhering to honesty, trust and confidence on each other.
2. The Company has duty to achieve the highest customer satisfaction with responsibility, care, and giving priority to customers' problems and needs which requires all executives and employees to comply with the following measures;
 - 1) To adhere to presenting and delivering products that meet the quality standards as customer needs.
 - 2) To adhere to conditions as agreed with the customers at best.
 - 3) The price offering and trade terms for the customers in the same group shall be equal.
 - 4) To provide accurate and truthful information to customers about the properties and quality of the manufactured products in order to build confidence and fairness to the Company's customers.
 - 5) To be ready to answer customers' questions which includes handling complaints, giving advice and monitoring progress on various issues that has been notified from customers.

Creditors Treatment Policy

1. The Company is responsible for building relationships and treating creditors by adhering to honesty, trust and confidence on each other.
2. The Company has duty to take responsibility, pay attention and give importance to conditions as agreed with creditors at best.

Shareholders

Shareholders Treatment Policy

1. The Company has duty to protect and respect the basic rights of shareholders, namely; the right to purchase or transfer shares, the right to share in the profits of the enterprise and the right to receive sufficient business information. As well as, the right to attend the shareholders' meetings in order to appoint or remove directors, to appoint auditors, to allocate dividend, to prescribe or amend regulations or memorandum of association, to reduce capital or increase capital increase and to approve special items.
2. The Company shall promote and support the shareholders to exercise their rights in various matters at the annual general meeting of shareholders, namely; the right to propose agendas for the shareholders' meeting in advance, the right to nominate persons to be elected as directors in advance, the right to forward questions to the meeting prior to the meeting and the right to express opinions and raise questions to the meeting, etc.
3. The Company shall not take any action which violates or restricts the rights of shareholders.

Surrounding Community

Surrounding Community Treatment Policy

1. The Company and its employees shall adhere to conduct themselves as good citizens and to behave for the benefit of society and community.
2. The Company has duty to act in a friendly manner towards the surrounding community to the factory location and shall provide assistance to support the well-being of the community As well as, the Company shall take responsibility to manage solutions in case of problems resulting from the Company's operation fairly and equally.
3. The company shall foster and support beneficial activities to society and willingly cooperate with the government authorities and various agencies to sacrifice for the public good.

Government Authorities

Government Authorities Treatment Policy

1. The Company has duty to perform in accordance with related laws and regulations and also to achieve better practice and / or more than as required by laws and regulations.
2. The company shall support activities of government agencies on various occasion as appropriate.

Suppliers and Contractors

Suppliers and Contractors Treatment Policy

1. The Company is responsible for building good relationship with all suppliers and contractors.
2. The Company shall allow all suppliers and contractors to present products / services fairly by requiring all directors and employees involved with suppliers and contractors to comply with the following provisions;
 - 1) To cooperate with suppliers and contractors honestly and equally.
 - 2) To make consideration and decisions based on quality comparison and other conditions by taking into account of the short-term and long-term benefits of the Company.
 - 3) To maintain confidential information of suppliers and contractors. Any bribe or commission from the suppliers and contractors are prohibited. As well as the information

or offer of any suppliers and contractor shall not be disclosed to the others both directly and indirectly.

Analysts, Investors and Financial Institutions

Analysts, Investors and Financial Institutions Treatment Policy

1. The Company provides an opportunity for analysts, investors and financial institutions to receive information on the Company's operations and future trends in performance as appropriate in accordance with the terms of laws and good corporate governance of information disclosure.
2. The Company will facilitate by providing investment advice of the Company to investors.

Academics

Academics Treatment Policy

1. The Company provides an opportunity for academics to acknowledge the Company operation process as well as to exchange knowledge for the academic benefits and researches which are beneficial to domestic industry.
2. The Company supports the participation in the study of technological usage to improve production processes of the Company's products and the joint studies to develop useful innovations for the development of the country, such as; machinery, manufacturing processes, etc.

Educational Institutions

Educational Institutions Treatment Policy

1. The Company will promote knowledge on technology and production processes to educational institutions by giving priority to schools and educational institutions nearby the surrounding community.
2. The Company will support the educational institution's activities as appropriate.

Mass Media

Mass Media Treatment Policy

1. The Company considers the rights and freedom of the mass media to disseminate information and news of the Company to public.
2. The Company will support the mass media's activities as appropriate.

Stakeholder Engagement Mechanism

The Board of Directors has established the stakeholder engagement mechanism as follows:

1. The Company provides complaint and/or comment boxes which is prominently installed in front of the office and in front of the Company's factory.
2. The Company arranges public relations, such as outdoor advertising by the safety department and the human resources department will travel to publicize the environmental care in production process for the surrounding community to acknowledge and understand as well as asking for opinions from people in the community.
3. The Company provides channel to directly send suggestions to the Company's website on the topic of Investor Relations.
4. The Company sends its representatives to visit the surrounding community every year.

Preventive Measures for violations against Stakeholder

The Company has established preventive measures for violations against stakeholder as follows;

Employees and their families

Preventive Measures for violations against Employees and their families

At present, the Company has arranged the employees' compensation and welfare thoroughly as well as strictly follow the employee treatment policy. Moreover, the Company also arranges complaint boxes for receiving complaints and/or suggestions from employees as a channel to report complaints from employees who suffered from work.

Customers and Creditors

Preventive Measures for violations against Customers and Creditors

At present, the Company has taken care of customers according to the customer treatment policy and set up the Customer Service Department to serve as a complaint center from customers in case of they have problem and need help.

To prevent damage from violations against debtors and creditors, the executives will consider the qualifications of all debtors and creditors prior to the transaction in order to prevent the later occurrence of problems. The consideration based honesty and reliability.

Shareholders

Preventive Measures for violations against Shareholders

At present, the Company has taken actions to protect and take care of the basic rights of shareholders, both the right to receive media information and the right to attend the shareholders' meeting along with supporting the exercise of rights in addition to the law.

In this regard, the Company has assessed and followed up on actions to prevent damage from violations against shareholder from both internal organization assessment, which will be evaluated by the management team who supervises the right of shareholders, and external organization assessment from "*Quality Assessment Program (AGM Checklist)*", which is annually evaluated by the SEC, Thai Investors Association and the Association of Listed Companies.

Surrounding Community

Preventive Measures for violations against Surrounding Community

The Company has prevented damage from violations against surrounding community by following the surrounding community treatment policy in building good relations with the society and surrounding community as well as provide assistance and support for the well-being of the community.

However, if there is such a case occurred, the Company has set measures by assigning the human resources department to handle complaints directly and report to the management team for consideration and further actions.

Government Authorities

Preventive Measures for violations against Government Authorities

The Company has prevented the damage from non-compliance with laws and regulations by having the legal department to monitor the performance of all departments in the Company regularly in order to comply with the law.

Suppliers and Contractors

Preventive Measures for violations against Suppliers and Contractors

The Company has prevented the damage from violations against suppliers and contractors by setting policy to build good relationship with all suppliers and contractors as well as treating them equally.

Analysts, Investors and Financial Institutions

Preventive Measures for violations against Analysts, Investors and Financial Institutions

The Company provides the opportunity for analysts, investors and financial institutions to receive information on the Company's operations and future trends in performance. In addition, the Company also provides investment advice through channels. Inquiries can be sent both via Investor Relations and via the Company's website.

Academics

Preventive Measures for violations against Academics

The Company has provided the opportunity for academics to visit the factory and has given information on methods, operational processes of the company's products production for academic benefits as well as has regularly cooperated with academics to study and improve production technologies.

Educational Institutions

Preventive Measures for violations against Educational Institutions

The Company has cooperated with educational institutions to provide the opportunities to visit the Company's factories and arrange lectures on technology and production processes to educational institutions as well as provide support for various activities consistently.

Mass Media

Preventive Measures for violations against Mass Media

The Company has strictly adhered to the policy of taking into account the rights and freedoms of the media in disseminating the Company's news to the public and has consistently provided support for various activities.

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 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.

Whistleblower Protection Mechanisms

The Board of Directors has established a channel for whistleblowing or complaints of acts that violate or fail to comply with the law, the principles of good corporate governance, the business ethics, the Company policies and regulations and actions that may imply corruption. All employees and third parties can report the matters through the complaint channels:

- **Internal Complaint**

Chanel 1

Internal Audit Department

G Steel Public Company Limited
88 PASO Tower, 18th Floor, Silom Road, Suriyawong,
Bangrak, Bangkok 10500
Tel. 02-634-2222 ext. 1241, 1242
e-mail : IA@gstee.com

Chanel 2

Human Resource and Administration Department

Tel. 038-869-323 ext. 4111
e-mail : HRA@gsteel.com or Send mail to :
Corruption Reporting Box at the front of Factory's entrance
and the front entrance door of Head-Office.

- **External Complaint**

Compliance Department

G Steel Public Company Limited
88 PASO Tower, 18th Floor, Silom Road, Suriyawong,
Bangrak, Bangkok 10500
Tel. 02-634-2222 ext. 5151, 1559
e-mail : compliance@gsteel.com

The Board of Directors has set up protection for whistleblowers by not disclosing but collecting information of the whistleblower confidentially and has set a process for actions after a whistleblower has reported an issue.

6.2 Business ethics

The Board of Directors has prepared a manual "Business Ethics and Code of Conduct For Executives and Employees" ("**Code of Conduct**"), which focuses on the principles of good corporate governance and in accordance with the Company's vision, mission, business goals and key objectives of the Company 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, the Company has distributed the Code of Conduct 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 has set the guidelines and organize a strong operation system to prevent corruptions with an internal audit system, lead to a corporate governance to truly.

Please find more details in "Attachment 5 Code of Conduct".

6.3 Material changes and developments regarding policy, guidelines and corporate governance system in the preceding year

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.

Adoption of the Corporate Governance Code for Listed Companies 2017 (CG Code)

In the year 2021, there are principles of Corporate Governance Code for Listed Companies 2017 (“CG Code”) that the Company has not been adopted, such as providing outsource consultants to help setting up guidelines and recommend issues for performance evaluation of the Board of Directors every 3 years and disclosing such actions in the annual report.

However, the Company arranges the Board of Directors to do an individual performance appraisal annually by using the self-assessment form of the Board of Directors (CG Self-Assessment) in accordance with the standards of the Stock Exchange of Thailand then present to the Board of Directors meeting for performance consideration and problems solutions as well as improving efficiency and work effectiveness.

Other corporate governance practices

In 2021, there are changes in the shareholding of directors and executives as follows:

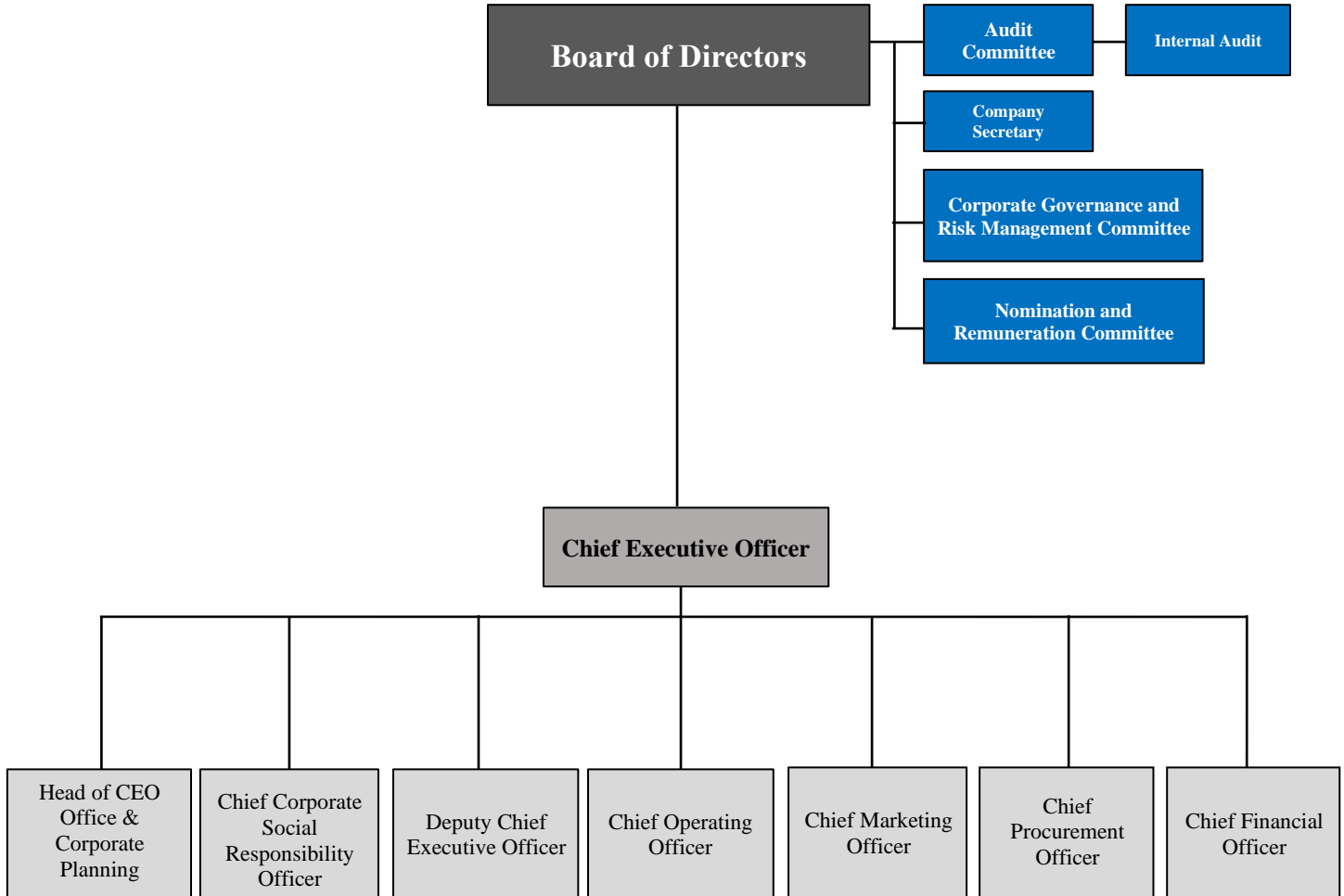
As of 31 December 2021

No.	name	position	No. of ordinary share(s) (Ratio (Percentage))		Change Increase/ (Decrease) in 2021
			31 December 2020	31 December 2021	
1.	Khunying Patama Leeswadtrakul	Director and Chief Corporate Social Responsibility Officer	273,095,200 (0.94%)	403,412,980 (1.39%)	130,317,780
	Spouse or Minor children		-	-	-

7. Corporate governance structure and significant information related to the Board of Directors, subcommittees, executives, employees and others

7.1 Corporate Governance Structure

The Company has the Organization Chart of the Company as follows;



Remark:

The Board of Directors' Meeting No. 2/2565 held on 25 February 2022 resolved to approved the change of the Company's organization chart with effect from 1 April 2022 onwards.

7.2 Information on the Board of Directors

The Company's Board of Directors comprises of 9 members including:

Name		Position
1.Mr. Christopher Michael Nacson		Chairman and Independent Director/ Audit Committee Member
2.Mr. Li Zhong Yuan		Independent Director/ Chairman of the Audit Committee
3.Dr. Chainarong Monthienvichienchai		Independent Director/ Audit Committee Member
4.Khunying Patama Leeswadtrakul		Director/ Executive Director
5.Miss Kannikar Yomchinda		Director/ Executive Director
6.Mr. Ichiro Sato ⁽²⁾		Director/ Non-Executive Director
7.Mr. Nobuo Okochi ⁽²⁾		Director/ Executive Director
8.Mr. Kenichi Hoshi ⁽²⁾		Director/ Executive Director
9.Mr. Bantoon Juicharn ⁽³⁾		Director/ Executive Director

Remarks:

- (1) The Board of Directors' Meeting No. 1/2565 held on 16 February 2022 resolved to acknowledge the resignation of the directors, with effect from 17 February 2022 at 11.00 a.m. (Bangkok time).
 - 1) Mr. Andreas Rizal Vourloumis
 - 2) Mr. Sharad Bajpai
 - 3) Mr. Sudhir Maheshwar
- (2) The Board of Directors' Meeting No. 1/2565 held on 16 February 2022 resolved to approve the Appointment of Directors in replacement of the Directors that have resigned, with effect from 17 February 2022 at 11.00 a.m. (Bangkok time)
 - 1) Mr. Ichiro Sato
 - 2) Mr. Nobuo Okochi
 - 3) Mr. Kenichi Hoshi
- (3) The Board of Directors' Meeting No. 1/2565 held on 16 February 2022 resolved to acknowledge the resignation of Mr. Kanit Sukonthaman as Director, Chief Executive Officer and Chairman of the Executive Committee of the Company, and approve the appointment of Mr. Bantoon Juicharn as a new Director and the new Chief Executive Officer of the Company replacing Mr. Kanit Sukonthaman, with effect from 17 February 2022 at 11.00 a.m. (Bangkok time).

Definition

Non-Executive Director means outside directors who are not the Company's executives or employees, or executive directors, or authorized directors

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

7.2.1 The composition of the Board of Directors

The Board of Directors consists of management directors, whose knowledge and ability can give in-depth commentary on the steel business and plan business strategies. While the independent directors and non-executive directors are versed in the overall industry, finance, banking, asset management, legal auditing and other business knowledge, which make the opinions expression at the Board of Directors' meetings be constructive. The consideration and decision making of the Board of Directors depend on the benefit of the Company as priority.

Power balance of non-executive directors

The Company seriously takes into account the balance of the management of the Board of Directors (Check and Balance). In addition, there is a clear diversity in the structure of the Board of Directors (Board Diversity). At present, the Board of Directors has various qualification of skills, experiences and talents that are beneficial to the Company. They also dedicate time and effort in performing duties in order to strengthen the Company to have a strong Board of Directors. The sub-committees has been appointed to support the Board of Directors to study the details, to monitor, to control operations and to screen the assigned business. The scope of duties and responsibilities are clearly defined. Currently, there are 4 sub-committees have been appointed with different roles and duties as detailed in the topic "7.3 Information on subcommittees".

The structure of the Company's Board of Directors comprises the executive directors totaling 5 persons, and 4 non-executive directors, totaling 9 persons. The balance of power by independent directors is 33.33 percent (account for one-third of Board members).

Authorized Directors are as follow;

"(1) (a) either Khunying Patama Leeswadtrakul or Miss Kannikar Yomchinda jointly signs with (b) either Mr. Nobuo Okochi or Mr. Kenichi Hoshi or Mr. Bantoon Juicharn, totaling 2 persons (one from each of (a) and (b)), together with the Company's seal being affixed; or (2) Two out of Mr. Nobuo Okochi or Mr. Kenichi Hoshi or Mr. Bantoon Juicharn jointly sign together with the Company's seal being affixed."

Remark: The Board of Directors' Meeting No. 1/2565 held on 16 February 2022 resolved to approve the amendment of the Directors' Signatory Authorization.

Roles and responsibilities of the Board of Directors

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. Supervise and manage the operations of the Company in accordance with the law, regulations, policies against corruption and Articles of Association as well as a resolution of the shareholders' meeting, protect the interests of the Company and its shareholders on the basis of the principles of corporate governance and disclose sufficiently accurate, standardized and transparent to shareholders and related parties.
2. Define vision, mission and strategic direction of the Company, including review vision, mission and strategy regularly to ensure compliance with the Company's business plan.
3. To consider and approve the budget and operations of the Company, including the use of company resources.
4. The Board of Directors has the power to sell or mortgage any immovable property of the Company or lending any of the Company's real estate over than 3 years old or give or compromise, or filed in any court, arbitrator, or both, under the enforcement of the public limited company law.
5. Arrange a meeting of shareholders at the Annual General Meeting not later than 4 months after the year-end closing of the company and arrange Extraordinary General Meeting of Shareholders when it is needed.
6. Ensure that the communication with shareholders and stakeholders of each company is appropriate.
7. Provide accounting system, financial reporting and auditing as well as ensure that the system of internal control and internal audit is efficient and effective.
8. Provide the statement of financial position, Cash Flow Statement and the income statement at the end of the accounting year of the Company, offer to the shareholders in the Annual General Meeting to consider and approve the Balance Sheet, Cash Flow Statement, and profit and loss statement. The Board of Directors shall arrange for the audit to be completed prior to submission to the Shareholders' Meeting.
9. Provide financial reports and other information important to shareholders with accurate, complete and adequate with verification and monitoring data reports.
10. Oversee and manage conflicts of interest that may arise in related party transaction.
11. Establish a committee such as the Risk Management Committee, the Nomination and Remuneration Committee, Corporate Governance Committee, with monitoring and supervision.
12. Provide guidelines for comprehensive risk management and the management systems or an effective process for managing risk to control and audit the preparation of financial controls, operational and regulatory performance including control and risk management.
13. Ensure the Nomination and Remuneration Committee to be transparency and independence in performing their duties, taking into account the specifications as defined by the Company and according to the principles of good governance set by the Stock Exchange of Thailand.

14. Provide supporting policy and promote the implementation of good corporate governance principles in the management and operation of the Board of Directors, the management and staff substantially to ensure the organization will be managed in a transparent and fair to all stakeholders supporting by anti-corruption policy in accordance with the principles of corporate governance to build confidence among shareholders, investors and stakeholders.
15. The Board of Directors has the authority to appoint members of the board of directors to be Executive Committee to control the management of the Company. The Executive Committee shall report to the Board of Directors.
16. The Board of Directors has the authority to appoint any person as a Chief Executive Officer to manage the affairs of the Company under the control of the Board which can be withdrawn by the Board of Directors.
17. The Board of Directors must inform the Company without delay if there is an interest in a contract made by the Company, directly or indirectly, shares or debentures, increase or decrease in the Company or its affiliates.

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.

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.

7.3 Information on subcommittees

The Company's Management Structure consists of the Board of Directors and 4 sub-committees namely the Management Committee, Audit Committee, Nomination and Remuneration Committee, and Corporate Governance and Risk Management Committee. Details of the Committee's scope of authorities and responsibilities are as follows;

Position in Sub-Committees

No.	Name	Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee and Risk Management Committee	Management Committee
1.	Mr. Christopher Michael Nacson	✓	✓		
2.	Mr. Li Zhong Yuan	✓	✓	✓	
3.	Dr. Chainarong Monthienvichienchai	✓		✓	
4.	Khunying Patama Leeswadtrakul				
5.	Miss Kannikar Yomchinda		✓		
6.	Mr. Ichiro Sato				
7.	Mr. Nobuo Okochi		✓	✓	
8.	Mr. Kenichi Hoshi			✓	
9.	Mr. Bantoon Juicharern				✓

* = Chairman

1. Audit Committee

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.

In the year 2021, the Audit Committee has performed audit duties in reviewing the financial statements of the Company and its subsidiaries, reviewing the internal audit report from the Internal Audit Department on a quarterly basis, including attending meeting with the auditors in determining guidelines for consideration of various matters. In addition, the Chairman of the Audit Committee will report a summary of important matters to the Board of Directors' meeting for acknowledgment and consideration by filling in the meeting agenda and also providing comment from acting through the report of the Audit Committee.

For the year 2021, the details of the meeting attendance of the Audit Committee Members are as follows:

No.	Name	Number of Attendance
1.	Mr. Li* Zhong Yuan	6 / 6
2.	Mr. Christopher* Michael Nacson	6 / 6
3.	Dr. Chainarong* Monthienvichienchai	6 / 6

Remarks:

*Member of the Audit Committee possessing the relevant knowledge and experience in finance and accounting, and able to review the credibility of the Financial Statements

Responsibilities of the Audit Committee

1. Internal Control and Internal Audit
 - 1.1 Review the Company's internal control system and internal audit system to ensure that it is suitable and effective.
 - 1.2 Review the independence of the Internal Audit Department.
 - 1.3 Consider and approve the annual audit plan of the Company together with the Internal Audit Department, including the budget used in the audit process taking into account the risks involved.
 - 1.4 Supervise the management to correct any defects found any follow up and correct the deficiencies to make the operation more efficient.
 - 1.5 Review evidence if there is any doubt about the operation that may have significant impact on the organization or defective or there are conflicts of interest that may affect the operation or internal control system, and propose to the Board of Directors for further consideration.
 - 1.6 Review the measures taken by the Company for countering the anti-corruption and bribe as part of good corporate governance.
 - 1.7 Consider and approve the appointment, transfer, terminate of the chief internal audit.
 - 1.8 Evaluate performance and approve wages bonus or other compensation of internal auditors.
 - 1.9 Promote understanding among the Audit Committee, the Management, the Internal Audit Department and the Auditor in order to ensure a unified direction.
 - 1.10 Review the scope of the audit with the Company's auditor to ensure consistency and mutual contribution.
2. Financial Statements and Disclosure
 - 1.1 Review the Company's financial reporting process to ensure that it is accurate and adequate.
 - 1.2 Review the connected transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the regulations of the SET, and are reasonable and for the highest benefit of the Company.
 - 1.3 Review the evidence if there is any doubt about the operation that may have a significant impact on the company's performance or conflicts of interest that may affect the operation of the Company.

3. External Auditor

- 3.1 Consider, evaluate, select and propose the appointment of an independent person to appoint as the Company's auditor based on creditability, resource adequacy, workload of the audit firm and experience of auditor. In addition, in order to ensure the independence of the external auditor, the audit committee shall consider factors such as non-audit services that may conflict with the auditor's independence, efficiency and professionalism.
- 3.2 Recommend the removal of the auditor due to lack of ability dereliction or malpractice.
- 3.3 Attend the meeting with the auditor without the management attends the meeting at least once a year.
- 3.4 Suggest that the auditor review or exam the items deemed necessary and it is important during the audit of the Company.
- 3.5 Review the work of accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audits, review or attest services for the Company (including resolution of disagreements between management and the auditor regarding financial reporting).

4. Compliance and Law

- 4.1 Verify that the company has complied with the applicable laws, securities and the SET regulations or government regulations.
- 4.2 Review evidence in case there are any suspected transactions or acts that may violate the law or the regulations of the SEC, the SET or government regulations which has or may have an impact to the financial position and performance of the company significantly.

5. Risk Management

Review the corporate risk management system at least once a year.

6. Other Responsibilities

Other tasks assigned by the Board of Directors with the opinion by the Audit Committee.

7. Expertise

In case of necessity, the Audit Committee may recommend the Board of Directors to hire specialists to consult and solve problems of the Company, unless such consultation or solution relates to the duties and obligations of the Audit Committee which shall then be in accordance with the Evaluation of the Audit Committee.

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.

2. Nomination and Remuneration Committee

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 half 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.

For the year 2021, the details of the meeting attendance of the Nomination and Remuneration Committee Members are as follows:

No.	Name	Number of Attendance
1.	Mr. Li Zhong Yuan	2 / 2
2.	Mr. Christopher Michael Nacson	2 / 2
3.	Miss Kannikar Yomchinda	2 / 2
4.	Mr. Nobuo Okochi ⁽¹⁾	-

Remarks:

- (1) The Board of Directors' Meeting No. 1/2565 held on 16 February 2022 resolved to acknowledge the resignation of Mr. Andreas Rizal Vourloumis as a Nomination and Remuneration Committee Member, and approve the appointment of Mr. Nobuo Okochi as a Nomination and Remuneration Committee Member replacing Mr. Andreas Rizal Vourloumis, with effect from 17 February 2022 at 11.00 a.m. (Bangkok time).
In this regard, Mr. Andreas Rizal Vourloumis has attended 2 out of 2 the Nomination and Remuneration Committee meetings during the year 2021.

Responsibilities of the Nomination and Remuneration Committee

- To formulate criteria and policy in nominating directors, members of different committees and the Chief Executive Officer.
- 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.
- 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.
- To set necessary and appropriate annual remunerations for the Board of Directors, committees and the Chief Executive Officer.
- To report to the Board of Directors the Nomination and Remuneration Committee meeting results or other matters the Board of Directors should be informed.
- Other duties assigned by the Board of Directors.

3. Corporate Governance and Risk Management Committee

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 has performed the duties in reviewing the system and assessing the effectiveness of risk management, reporting on the progress of the nature of the risk with guidelines for risk management to the Audit Committee within the prescribed period, proposing good corporate governance practices to the Board of Directors, including reviewing

and amending such practices to be constantly in accordance with the changing regulations and related laws in order to achieve good governance according to international standards and gain the most benefits to the Company.

For the year 2021, the details of the meeting attendance of the Corporate Governance and Risk Management Committee Members are as follows:

No.	Name	Number of Attendance
1.	Mr. Li Zhong Yuan	4 / 4
2.	Dr. Chainarong Monthienvichienchai	4 / 4
3.	Mr. Nobuo Okochi ⁽¹⁾	-
4.	Mr. Kenichi Hoshi ⁽²⁾	-

Remarks:

- (1) The Board of Directors' Meeting No. 1/2565 held on 16 February 2022 resolved to acknowledge the resignation of Mr. Sharad Bajpai as a Corporate Governance and Risk Management Committee Member, and approve the appointment of Mr. Nobuo Okochi as a Corporate Governance and Risk Management Committee Member replacing Mr. Sharad Bajpai, with effect from 17 February 2022 at 11.00 a.m. (Bangkok time).
In this regard, Mr. Sharad Bajpai has attended 4 out of 4 the Corporate Governance and Risk Management Committee meetings during the year 2021.
- (2) The Board of Directors' Meeting No. 1/2565 held on 16 February 2022 resolved to acknowledge the resignation of Mr. Sudhir Maheshwari as a Corporate Governance and Risk Management Committee Member, and approve the appointment of Mr. Nobuo Okochi as a Corporate Governance and Risk Management Committee Member replacing Mr. Kenichi Hoshi, with effect from 17 February 2022 at 11.00 a.m. (Bangkok time).
In this regard, Mr. Sudhir Maheshwari has attended 4 out of 4 the Corporate Governance and Risk Management Committee meetings during the year 2021.

Responsibilities of the Corporate Governance and Risk Management Committee

Duties and Responsibilities

1. To set a risk management policy that can be applied to all the organization.
2. To review and assess the effectiveness of the risk management at least two (2) times a year and every period that the risk level changes, including paying attention and monitor risk warning signs as well as irregular items, including anti-corruption risk.
3. To report to the Audit Committee any risk progress and risk management measures within the provided period for the best benefits of the Company.
4. To propose and review the policy on the good corporate governance, and anti-corruption policy of the Company to the Board of Directors.
5. To develop and review the process or guidelines on good corporate governance to present or recommend to the Board of Directors.
6. To follow up and monitor the operations of the management to comply with the policies and guidelines on good corporate governance of the Company approved by the Board of Directors.
7. To perform other duties as the Board of Directors assigns related to the good corporate governance.
8. To report on the operations about the supervision of the Company to the Board of Directors.
9. To review disclosure regarding risk contained in the Company's Annual Report and Annual Registration Statement (Form 56-1) and from 1 January 2022, the 56-1 One Report which shall substitute and replace Annual Report and the Annual Registration Statement.

10. To recommend and advise the Sub-Risk Management Committee and/or departments and/or the relevant working committees about significant risks and risk management, as well as evaluate the appropriate means to improve various databases that are related to the development of risk management solutions.
11. To consider the guidelines, offer recommended policy/guidelines of ethics and business ethics according to the good corporate governance regularly to the Board of Directors, management, and employees.
12. To coordinate with the Audit Committee by sharing knowledge and information about the risk and internal control that cause effect or potential impact on the Company.
13. The Committee shall coordinate with the Audit Committee to assist the Audit Committee in its review of the Company's risks that have been delegated to the Audit Committee in its Charter.
14. Motivate and build the campaign about Good Corporate Governance to be a part of Company's cultures.

Authority of the Committee

1. The Committee shall have authority to invite members of the management, directors and/or any responsible persons to attend the meeting in order to provide relevant information to the Committee, discuss, clarify or answer any issues relating to the scope of duties and responsibilities of the Committee.
2. The Committee shall have appropriate access to the information of the Company with support from the management in order to ensure that the Committee obtains information and inputs sufficient and relevant for the Committee to fulfill its responsibilities and duties.
3. The Committee may require the Company to engage any external expert(s) in order to support its activities, reviews and investigations in order to discharge its responsibilities and duties, as agreed upon by the Board of Directors.

4. Management Committee⁽¹⁾

In the past year, The Management Committee has performed the duties in managing the Company's business, considering and setting up various policies, business plans, investment plans and annual budget plans of the Company to present to the Board of Directors for approval as well as monitoring, supervising and controlling the operation in order to achieve the goals of the plan approved by the Board of Directors and as assigned by the Board of Directors. In addition, The Management Committee has reported the Company's operating results in each quarter throughout the year including the annual turnover to the Board of Directors for acknowledgment.

The Management Committee comprises of 4 members as follows;

No.	Name	Position
1.	Mr. Bantoon Juicharern ⁽²⁾	Chairman of the Management Committee
2.	Mr. Yasuhiro Sakamoto ⁽⁵⁾	Member
3.	Mr. Toshikazu Mukaiyama ⁽⁵⁾	Member
4.	Mr. Rajeev Jhavar	Member

Remarks:

- (1) The Board of Directors' Meeting No. 2/2565 held on 25 February 2022 resolved to approve the rename of "Executive Committee" to "Management Committee" with effect from 1 April 2022 onwards.
- (2) The Board of Directors' Meeting No. 1/2565 held on 16 February 2022 resolved to acknowledge the resignation of Mr. Kanit Sukonthaman as Director, Chief Executive Officer and Chairman of the Executive Committee of the Company,

and approve the appointment of Mr. Bantoon Juicharearn as a new Director and the new Chief Executive Officer of the Company replacing Mr. Kanit Sukonthaman, with effect from 17 February 2022 at 11.00 a.m. (Bangkok time).

- (3) Mr. Warawut Suwannasorn, Chief Production Officer and Executive Committee Member, has retired with effect from 1 January 2022.
- (4) Mr. Yotsakorn Srisuksawadi, Deputy chief financial officer, Deputy chief compliance and legal officer and the member of the Executive committee, has resigned with effect from 17 February 2022 at 11.00 a.m. (Bangkok time).
- (5) The Board of Directors' Meeting No. 2/2565 held on 25 February 2022 resolved to approve the appointment of the following names as a Company's Management and Management Committee members with effect from 1 April 2022 onwards.
 - 1) Mr. Yasuhiro Sakamoto Chief Operating Officer
 - 2) Mr. Toshikazu Mukaiyama Head of CEO Office & Corporate Planning and Chief Marketing Officer

7.4 Information on executives

Executives

The Company's Executives are as follows:

No.	Name	Position
1.	Mr. Bantoon Juicharearn ⁽¹⁾	Chief Executive Officer
2.	Mr. Yasuhiro Sakamoto ⁽⁴⁾	Chief Operating Officer
3.	Mr. Toshikazu Mukaiyama ⁽⁴⁾	Head of CEO Office & Corporate Planning and Chief Marketing Officer
4.	Mr. Sittisak Leeswadtrakul	Deputy Chief Executive Officer
5.	Khunying Patama Leeswadtrakul	Chief Corporate Social Responsibility Officer
6.	Mr. Rajeev Jhawar	Chief Financial Officer

Remarks:

- (1) The Board of Directors' Meeting No. 1/2565 held on 16 February 2022 resolved to acknowledge the resignation of Mr. Kanit Sukonthaman as Director, Chief Executive Officer and Chairman of the Executive Committee of the Company, and approve the appointment of Mr. Bantoon Juicharearn as a new Director and the new Chief Executive Officer of the Company replacing Mr. Kanit Sukonthaman, with effect from 17 February 2022 at 11.00 a.m. (Bangkok time).
- (2) Mr. Warawut Suwannasorn, Chief Production Officer and Executive Committee Member, has retired with effect from 1 January 2022.
- (3) Mr. Yotsakorn Srisuksawadi, Deputy chief financial officer, Deputy chief compliance and legal officer and the member of the Executive committee, has resigned with effect from 17 February 2022 at 11.00 a.m. (Bangkok time).
- (4) The Board of Directors' Meeting No. 2/2565 held on 25 February 2022 resolved to approve the appointment of the following names as a Company's Management and Management Committee members with effect from 1 April 2022 onwards.
 - 1) Mr. Yasuhiro Sakamoto Chief Operating Officer
 - 2) Mr. Toshikazu Mukaiyama Head of CEO Office & Corporate Planning and Chief Marketing Officer

Remuneration for directors and executives

As for 2021, the Nomination and Remuneration Committee meeting has considered 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. Including considering the overall operation results, business environment and economy as a whole, endorsed the matter to be proposed to the Board of Directors for further proposal to the Annual General Meeting of Shareholders to approve the director remuneration for the year 2021, in which the amount is the same as the remuneration for the year 2020 approved by the Annual General Meeting of Shareholders. The details are as follows:

Remuneration for the Board of Directors for year 2021

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	-	-	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 or employee of the Company and receive salary shall not receive any of the remuneration stated in the above table and in the case where a director holds more than one position, such director shall only receive remuneration for the position with the highest remuneration.

Monetary remuneration of the Executives in the form of salaries and other payments as of 31 December 2021

Unit: Million Baht	2021 (31 December 2021)	2020 (31 December 2020)
Salary	15	15
Employee Benefits	4	7
Provident Fund	1	1
Incentive Program	130	0
Total	150	23

Remark: The remuneration of the Executives comprises of the remuneration for 4 executives.

7.5 Information on employees

Number of employees

As of 31 December 2021, the Company has a total of 621 employees, which are separated under the following functions:

Functions	Number of Employees
Corporate	48
Production	573
Total	621

Remuneration for Employees (million Baht)	Total (million Baht)
Total (Comprises of salary, provident fund and others)	595

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

Gender	Number of Employees	Proportion by Gender (%)
Male	551	88.73
Female	70	11.27
<u>Total</u>	<u>621</u>	<u>100.00</u>

Age	Number of Employees	Proportion by Age (%)
Under 30 years old	137	22.06
Between 30-50 years old	386	62.16
Above 50 years old	98	15.78
<u>Total</u>	<u>621</u>	<u>100.00</u>

Level	Number of Employees	Proportion by Level (%)
Staff (lower than the Section Manager)	574	92.11
Section Manager - Department Manager	39	6.28
General Manager	10	1.61
<u>Total</u>	<u>621</u>	<u>100.00</u>

7.6 Other significant information

A Person who supervising accounting (Account Controller)

Mrs. Sirima Fazzaa, General Manager - Accounting, with the qualifications specified by the Department of Business Development, had been appointed as the person supervising accounting (Account Controller) of the Company. The Account Controller is responsible for reporting correct and complete accounting details according to accounting standards and financial reporting standards; and attends Continuing Professional Development Program in compliance with the criteria, methods, and timeline according to the laws.

Company Secretary

The Board of Directors Meeting No. 12/2563 held on Tuesday, 10 November 2020 appointed Ms. Arttaya Sookto as the Company Secretary, with effect from 10 November 2020 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.

Head of internal audit

Mr. Chuchai Ueasuksathaporn is appointed as the Department Manager - Internal Audit Department which directly report to the Audit Committee. The Internal Audit Department is responsible for proposing the annual internal audit plan to the Audit Committee identify and verify the control weaknesses and report to the Audit Committee.

Head of compliance unit

The Company has assigned Ms. Arttaya Sookto to be the Company Secretary to ensure that the Company will supervise the performance of the Company to comply with laws, rules, regulations, orders, announcements from both inside and outside the organization. The qualifications of the person holding the position as in Attachment 1.

Head of investor relations

The Company has assigned Ms. Arttaya Sookto to be the Company Secretary to follow up and collect relevant news and information to support executive in dealing with external parties including analysts and investors and maintain good relationships with analysts and investors. Should there be any need for additional information, investors can directly contact the Investor Relations Department via these channels:

Investor Relations - IR

G Steel Public Company Limited

88 PASO Tower, 18th Floor, Silom Road, Suriyawong,
Bangrak, Bangkok 10500

Tel: +66(0) 2634-2222 Ext. 5954

E-mail: ir@gsteel.com

Audit Fee

As the year 2021 Annual General Meeting of Shareholders held on 4 May 2021, resolved to approve the appointment of Baker Tilly Audit and Advisory Services (Thailand) Co., Ltd. as the Auditor of the company, in the auditing for the year 2021 and reviewing the quarterly financial statements, details of the certified public accountant are as follows:

- | | |
|----------------------------------|--|
| (1) Mr. Apichart Sayasit | Certified Public Accountant License No. 4229 |
| (2) Miss Wimolsri Jongudomsombut | Certified Public Accountant License No. 3899 |
| (3) Miss Waleerat Akkarasrisawad | Certified Public Accountant License No. 4411 |

Audit fee

In the year 2021, the Company paid the audit fee to the Company's auditors in the amount of 4,000,000 baht, which is the rate of the previous year.

Non-Audit Fee

-None-

8. Report on key operating results related to corporate governance

8.1 Summary of duty performance of the Board of Directors in the past year

The Board of Directors has established policies and strategies that can lead to enhancing competitiveness, building culture and corporate values, as well as enhancing governance efficiency, sufficiency of internal control system and risk management of the organization and provide other opinions that are beneficial to the organization's development.

8.1.1 Selection, development and evaluation of duty performance of the Board of Directors

The Nomination and Remuneration Committee has duties to consider and define criteria and process of recruiting a qualified person to be appointed as Director and President of the Company, select the Directors to be Subcommittees, consider the format and principals for the compensation and selection as defined by the nomination process then propose to the Board of Directors or the shareholders' meeting for approval.

In addition, for nominating the directors, the Company announced to invite the shareholders to propose the names of qualified candidates and not prohibited by laws in advance for the positions of the directors in the 2021 Annual General Meeting of Shareholders via the Company's website and the SET's channel during 17 December 2020 to 29 January 2021. However, neither the agenda nor the names of the nominated person have been proposed. In the 2021 Annual General Meeting of Shareholders, 3 directors shall retire, which are:

- | | | | |
|----|------------|------------|--|
| 1. | Mr. Li | Zhong Yuan | Independent Director and Chairman of the Audit Committee |
| 2. | Mr. Sharad | Bajpai | Director |
| 3. | Mr. Sudhir | Maheshwari | Director |

The Nomination and Remuneration Committee has thoroughly and carefully conducted the review of its screened under the Company's nomination policy to selected qualified and suitable individuals to be proposed to hold the position of the Company's directors in accordance with the qualifications, working experiences, skills, and expertise, as the proportion of the Board members, including the performance of the directors during the past year. The Nomination and Remuneration Committee considers that the 3 persons are fully qualified as directors and had duly performed their duties as the members of the Company's Board of Directors and Sub-Committees well throughout the time. In addition, the Nomination and Remuneration Committee has considered that the director will independently express their opinion and in compliance with relevant regulations.

The Nomination and Remuneration Committee, excluding the directors who are proposed for re-election, casted their votes individually to propose to the Board of Directors to propose to the Shareholders' Meeting to consider the re-election of the 3 retired directors. The 3 persons are proposed to be as the independent director and directors of the Company for another term. In the 2021 Annual General Meeting of Shareholders, for the election voting for Directors, shareholders were required to use ballots to elect directors individually, allowing all shareholders to cast their votes to elect the nominated persons.

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. In 2021, details of Directors and executive' attendance of training are as follows:

No.	Name and Position	Course	By Organization
2	Mr. Rajeev Jhawar Chief Financial Officer	E-learning CFO Refresher Course	The Stock Exchange of Thailand

Self-Assessment of the Board of Directors

For year 2021, 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.

8.1.2 Meeting attendance and remuneration payment to each Board member

In 2021, there were 8 the meetings of the Board of directors, in which held according to the Articles of Association of the Company and the Public Limited Companies Act B.E.2535 (1992). There were the agenda submitted for the directors’ consideration 7 days prior to the meeting day and meeting documents for the directors’ consideration prior the meeting day, and also the opportunities for directors to discuss on the significant matters with carefulness. In this connection, the Company Secretary had attended 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.

Details of meeting attendance of Directors for year 2021 are as follows:

Name	Board of Directors Meeting/ Attendance	Audit Committee Meeting/ Attendance	Nomination and Remuneration Committee Meeting/ Attendance	Corporate Governance and Risk Management Committee Meeting/ Attendance	The 2021 Annual General Meeting of shareholders / Attendance
1. Mr. Christopher Michael Nacson	8 / 8	6 / 6	2 / 2	-	✓
2. Mr. Li Zhong Yuan	8 / 8	6 / 6	2 / 2	4 / 4	✓
3. Dr. Chainarong Monthienvichienchai	8 / 8	6 / 6	-	4 / 4	✓
4. Khunying Patama Leesawadtrakul	6 / 8	-	-	-	✓
5. Miss Kannikar Yomchinda	8 / 8	-	2 / 2	-	✓
6. Mr. Ichiro ⁽²⁾ Sato	0 / 0	-	-	-	-
7. Mr. Nobuo ⁽²⁾ Okochi	0 / 0	-	0 / 0	0 / 0	-
8. Mr. Kenichi ⁽²⁾ Hoshi	0 / 0	-	-	0 / 0	-
9. Mr. Bantoon ⁽³⁾ Juicharearn	0 / 0	-	-	-	-

Remarks:

- (4) The Board of Directors’ Meeting No. 1/2565 held on 16 February 2022 resolved to acknowledge the resignation of the directors, with effect from 17 February 2022 at 11.00 a.m. (Bangkok time).
 - 1) Mr. Andreas Rizal Vourloumis
 - 2) Mr. Sharad Bajpai
 - 3) Mr. Sudhir Maheshwari
- (5) The Board of Directors’ Meeting No. 1/2565 held on 16 February 2022 resolved to approve the Appointment of Directors in replacement of the Directors that have resigned, with effect from 17 February 2022 at 11.00 a.m. (Bangkok time)
 - 1) Mr. Ichiro Sato
 - 2) Mr. Nobuo Okochi
 - 3) Mr. Kenichi Hoshi
- (6) The Board of Directors’ Meeting No. 1/2565 held on 16 February 2022 resolved to acknowledge the resignation of Mr. Kanit Sukonthaman as Director, Chief Executive Officer and Chairman of the Executive Committee of the Company, and approve the appointment of Mr. Bantoon Juicharearn as a new Director and the new Chief Executive Officer of the Company replacing Mr. Kanit Sukonthaman, with effect from 17 February 2022 at 11.00 a.m. (Bangkok time).

- (7) Meeting attendance of The Board of Directors' during the year 2021 of resigned directors, with effect from 17 February 2022 at 11.00 a.m. (Bangkok time) for year 2021 are as follows;
- Mr. Andreas Rizal Vourloumis has attended 7 out of 8
 - Mr. Sharad Bajpai has attended 8 out of 8
 - Mr. Sudhir Maheshwari has attended 8 out of 8
 - Mr. Kanit Sukonthaman has attended 8 out of 8

Remuneration for individual Directors for year 2021

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. Christopher Michael Nacson	720,000	50,000	30,000	10,000	-	810,000
2. Mr. Li Zhong Yuan	720,000	40,000	37,500	12,500	25,000	835,000
3. Dr. Chainarong Monthienvichienchai	240,000	40,000	30,000	-	20,000	330,000
4. Khunying Patama Leesawadtrakul	-	-	-	-	-	-
5. Miss Kannikar Yomchinda	240,000	40,000	-	10,000	-	290,000
6. Mr. Ichiro ⁽²⁾ Sato	-	-	-	-	-	-
7. Mr. Nobuo ⁽²⁾ Okochi	-	-	-	-	-	-
8. Mr. Kenichi ⁽²⁾ Hoshi	-	-	-	-	-	-
9. Mr. Bantoon ⁽³⁾ Juicharearn	-	-	-	-	-	-
Total	1,920,000	170,000	97,500	32,500	45,000	2,265,000

Remarks:

- The Board of Directors' Meeting No. 1/2565 held on 16 February 2022 resolved to acknowledge the resignation of the directors, with effect from 17 February 2022 at 11.00 a.m. (Bangkok time).
 - Mr. Andreas Rizal Vourloumis
 - Mr. Sharad Bajpai
 - Mr. Sudhir Maheshwar
- The Board of Directors' Meeting No. 1/2565 held on 16 February 2022 resolved to approve the Appointment of Directors in replacement of the Directors that have resigned, with effect from 17 February 2022 at 11.00 a.m. (Bangkok time)
 - Mr. Ichiro Sato
 - Mr. Nobuo Okochi
 - Mr. Kenichi Hoshi
- The Board of Directors' Meeting No. 1/2565 held on 16 February 2022 resolved to acknowledge the resignation of Mr. Kanit Sukonthaman as Director, Chief Executive Officer and Chairman of the Executive Committee of the Company, and approve the appointment of Mr. Bantoon Juicharearn as a new Director and the new Chief Executive Officer of the Company replacing Mr. Kanit Sukonthaman, with effect from 17 February 2022 at 11.00 a.m. (Bangkok time).
- Remunerations details of resigned directors, with effect from 17 February 2022 at 11.00 a.m. (Bangkok time) for year 2021 are as follows;

No.	Name of Resigned Directors	Directors' Remuneration Amount (Baht)
1.	Mr. Andreas* Rizal Vourloumis	-
2.	Mr. Sharad* Bajpai	-
3.	Mr. Sudhir* Maheshwari	-
4.	Mr. Kanit** Sukonthaman	-
	Total	None

Remark: * 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.

** Mr. Kanit Sukonthaman was executives of the Company. Therefore, He was not receive any of the remuneration and meeting allowance.

8.1.3 Supervision of subsidiaries and associated companies

In the past, the Company nominated and exercised voting rights to appoint a person to be a director of the Company's subsidiaries through the management team. The person appointed as a director of a subsidiary or an associated company have duty to manage and act for the best benefit of that subsidiary. The Company determines that the appointed person must be approved by the Board of Directors before passing a resolution or exercising the right to vote on important matters at the same level as requiring the approval of the Board of Directors if operated by the Company itself. However, sending of a director to represent in the subsidiary or associated company is based on the shareholding proportion.

8.1.4 Monitoring of compliance with the corporate governance policy and guidelines

The Company realizes the importance of good corporate governance by establishing policies and practices relevant to the Code of Conduct and good corporate governance. In the past year, the Company has followed up on the implementation of good corporate governance including employees, stakeholders, community and social responsibility, safety, health and environment which the follow-up results showed that the Company has completely followed the guidelines of each issue. In addition, the Company has followed up 4 additional issues of good corporate governance as follows:

(1) Prevention of conflicts of interest

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.

In the past year, it was not found that the directors, executive directors and employees had any case that might create a conflict of interest.

(2) Use of inside information to seek benefits

The Company gives importance on the use of internal information by specifying that the directors, executives and employees must follow for the use of the Company's internal material information which has not been disclosed to the public for personal or others benefits, including trading in the Company's securities.

In the past year, it was not found that the directors, executive and employees had traded any securities during the period that the Company had set to refrain from trading

Moreover, 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. The Company published and regularly updated all significant information submitted to the SET and provided all shareholders and stakeholders with such information both in Thai and English so as for equal access to the information.

(3) Anti-corruption action

G Steel Public Company Limited has participated in the Thai Private Sector Collective Action Against Corruption (CAC) by announcing its intention to join the project on 17 April 2017. The company is committed to doing business with integrity, integrity, transparency, and fairness. Adhere to social responsibility and all groups of stakeholders in accordance with good corporate governance

principles and create awareness and anti-corruption values for employees. The Company was certified as a project member on 5 November 2018. Currently, the company has been renewed its certification as a project member for another term. The certificate is valid for 3 years from the date of approval, which is 30 September 2021.

The Company has taken actions in accordance with the anti-corruption policy as follows:

1. Assign the Corporate Governance and Risk Management Committee to be responsible for assessing the potential anti-corruption risks within the organization. Provide an assessment of the risks associated with corruption within the company.
2. Communicate and train the Board of Directors and Executives through CAC training sessions and Chairman orientation, as well as training employees through the new employee orientation course (Induction Training Program) to provide knowledge and understanding of anti-corruption policy and strictly comply with the policy, willing to cooperate with the company in investigating and providing clues to the perpetrators of this policy. The Company provides protection for complainants and maintains confidentiality in accordance with the whistleblowing policy.
3. Provide a guidance on the Code of Conduct to be used as a guideline for performing duties, strict adherence to regular conduct for Directors, Executives, and Employees, which is distributed through the Web Intranet and the Company's website.
4. Communicate anti-corruption policies and restraint to provide gifts for executives and company employees to customers, suppliers who transact or have business related to the Company (Outsource) directly through the channels of the marketing, purchasing, human resources, and management to acknowledge and act in accordance with the policy as well as continue to communicate to personnel at all levels

In the past year, from the review of the performance of risky units such as purchasing division and marketing division, there are no institutions that do not comply with anti-corruption policies.

(4) Whistleblowing

The Board of Directors had specified the whistleblowing policy for providing the opportunities for employees and stakeholders, having a channel for complaints and reporting illegal acts. The company secretary is acknowledged as the complaints of corporate governance and the Code of Conduct of the company

In this regard, the Company has regularly tested the notification system in the whistleblowing or complaints channels on the Company's website that the system can still be used properly.

In the past year, from testing of the notification system, it was found that there were no abnormalities in the whistleblowing or complaints channels, and no one reported any violation of the Code of Conduct or a whistle on actions that are not in accordance with the anti-corruption policy.

8.2 Audit Committee Performance Result

In 2021, the Audit Committee convened a total of 6 meetings, all of which were attended by all members of the committee. The performance result of the Audit Committee in the previous year disclosed in "Attachment 6 Audit Committee Report".

8.3 Summary of the results of duty performance of subcommittees

The Nomination and Remuneration Committee

In 2021, the Nomination and Remuneration Committee held 2 meetings to consider various matters, whereby all directors attended every meeting in order to follow up and consider important matters assigned by the Board of Directors, which can be summarized as follows:

1. To review the structure and composition of the Company's Board of Directors, Sub-Committees' Members including the suitable number of Directors given the nature of the Company's

business, and determine the rules and procedures for recruitment and qualifications of, and identify, suitable candidates for the roles of Directors, Sub-Committees' Members and Executives, before endorsing to the Board of Directors' Meeting and/or proposing to the Shareholders' Meeting for consideration and approval.

2. To formulate the policies for reviewing the rules for determining Monetary Remuneration and Non-Monetary Remuneration for the Directors, Committees' Members, as well as the compensation structure for Executives to ensure that they are appropriate and fair, before endorsing to the Board of Directors' Meeting and/or proposing to the Shareholders' Meeting for consideration and approval.

The Corporate Governance and Risk Management Committee

In 2021, the Nomination and Remuneration Committee held 4 meetings to consider various matters, whereby all directors attended every meeting in order to follow up and consider important matters assigned by the Board of Directors, which can be summarized as follows:

1. To formulate and introduce the policies, guidelines, and recommendations to ensure good governance of the Company's businesses, encourage ethical organization culture and follow the corporate governance policy and the Company's code of conduct including review and revise the corporate governance policy and the Company's code of conduct as appropriate, before proposing to the Board of Directors' Meeting for consideration.

2. Reviewed and oversaw the appropriateness and effectiveness of the Company's risk management quarterly, including monitoring the progress made in managing key risks identified as having significant impact on the business. The Committee ensured the methods and mitigation tactics deployed were adequate and then followed up and advised on the mitigation of risks, including strategic, operating, financial, and other risks, considering both external and internal factors.

9. Internal control and related party transactions

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 2021 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 2021, 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' 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

The Company has transactions with person who may have conflict of interest for related transactions are transactions with the shareholders and/or the management of the Company that can summarize the relations as follows:

Name of Company and Person who may have Conflict of Interest	Nature of Relationships
Siam Professional Holdings Co., Ltd.	Subsidiary, common directors, 99.99% shareholding
GS Securities Holdings Co., Ltd.	Subsidiary, common directors, 99.99% shareholding
Oriental Access Co., Ltd. (“OAC”)	Indirect subsidiary, common directors (The Central Bankruptcy Court ordered such company to be bankruptcy on August 31, 2020)
G J Steel Public Company Limited	Shareholders and common directors, 9.45% shareholding by the Company and its subsidiaries
Asia Credit Opportunities I (Mauritius) Limited (“ACO I”)	Major shareholder which is a wholly-owned subsidiary of Ares SSG Capital Partners III, L.P.
Link Capital I (Mauritius) Limited (“Link Capital I”)	Related party which is a wholly-owned subsidiary of Ares SSG Capital Partners III, L.P.
Ares SSG Capital Management (Mauritius) Limited	Related party which is a wholly-owned subsidiary of Ares SSG Capital Holdings Limited
Synergy Strategic Solutions Management DMCC(“Synergy”)	Common directors with the Company
Asia Metal Public Company Limited	Common shareholder with the Company
Arnoma Hotel Bangkok Co., Ltd.	Common director with the Company
Grand Asia Steel Processing Center Co., Ltd.	Subsidiary of related party with the Company
Panichsawad Co., Ltd.	Connected person with the Company and G J Steel
Felix River Kwai Resort (Kanchanaburi) Co., Ltd.	Common shareholder with the Company
Superior Overseas (Thailand) Co., Ltd.	Related party of the shareholder of the Company
Wallstreet Tullet Prebon Co., Ltd.	Common director since 2 nd quarter of 2020
Wallstreet Tullet Prebon Securities Ltd.	Common director since 2 nd quarter of 2020

Name of Company and Person who may have Conflict of Interest	Nature of Relationships
Anda Development Co., Ltd.	Common director since 2 nd quarter of 2020
Designers Concept Ltd.	Common directors with G J Steel
SK Capital Management Company Limited	Common directors with G J Steel
S N P Management Company Limited	Common directors with G J Steel
Amason Co., Ltd.	Common directors with the Company
Mr. Veerachai Suteerachai	Director of related company

Related transactions from 2019 to 2021 as detail below:

1. Transaction with Siam Professional Holdings Co., Ltd.

Characteristics of the Transactions	Size of Transaction/Balance (Million Baht)			Necessity and Justification of the Item
	As of 31 Dec 2021	As of 31 Dec 2020	As of 31 Dec 2019	
- Loan to Subsidiaries	7	7	7	The management is of the opinion that such transactions is under a normal business conditions in its operations.
-Allowance for impairment losses	(7)	(7)	(7)	
-Accrued interest income	1	1	1	
-Allowance for impairment losses	(1)	(1)	(1)	

2. Transaction with GS Securities Holdings Co., Ltd.

Characteristics of the Transactions	Size of Transaction/Balance (Million Baht)			Necessity and Justification of the Item
	As of 31 Dec 2021	As of 31 Dec 2020	As of 31 Dec 2019	
- Financial Cost	-	2	41	The management is of the opinion that such transactions is under a normal business conditions in its operations.
- Short Term borrowings	-	-	313	
- Accrued interest Expense	2	2	314	
- Other Payables	-	-	92	
- Advance to Subsidiary	4	4	4	
- Allowance for impairment losses	(2)	-	-	

3. Transaction with Oriental Access Co., Ltd

Characteristics of the Transactions	Size of Transaction/Balance (Million Baht)			Necessity and Justification of the Item
	As of 31 Dec 2021	As of 31 Dec 2020	As of 31 Dec 2019	
- Receivable from operating service	-	-	1,053	The management is of the opinion that such transactions is under a normal business conditions in its operations.
-Allowance for doubtful	-	-	(1,053)	
-Receivable from guarantee obligation	-	-	1,313	
-Allowance for doubtful	-	-	(1,313)	
-Loan to related parties	-	-	2,547	
-Allowance for doubtful	-	-	(2,547)	
-Accrued interest Income	-	-	209	
-Allowance for doubtful	-	-	(209)	

4. Transaction with G J STEEL PCL.

Characteristics of the Transactions	Size of Transaction/Balance (Million Baht)			Necessity and Justification of the Item
	As of 31 Dec 2021	As of 31 Dec 2020	As of 31 Dec 2019	
-Tolling service Income	-	-	274	The management is of the opinion that such transactions is under a normal business conditions in its operations, especially tolling service transaction is approved by the Company board of director's meeting No. 9/2017 on 16 October 2017
- Sale of raw material	-	37	36	
-Purchase of raw material	1	144	309	
-Financial Cost	-	-	4	

5. Transaction with Asia Credit Opportunities I (Mauritius) Limited

Characteristics of the Transactions	Size of Transaction/Balance (Million Baht)			Necessity and Justification of the Item
	As of 31 Dec 2021	As of 31 Dec 2020	As of 31 Dec 2019	
- Financial costs	76	114	390	The management is of the opinion that such transactions is under a normal business conditions in its operations.
- Other Payable	1,415	1,295	1,300	
- Short-term loan	47	314	314	
- Long-term loan - net	251	-	-	
- Accrued Interest Expense	241	252	139	
- Gain from debt restructuring	9	-	-	

6. Transaction with Link Capital I (Mauritius) Limited

Characteristics of the Transactions	Size of Transaction/Balance (Million Baht)			Necessity and Justification of the Item
	As of 31 Dec 2021	As of 31 Dec 2020	As of 31 Dec 2019	
- Financial costs	352	416	216	The management is of the opinion that such transactions are necessary and justified, including approved by the Company board of director's meeting under the approval of the Company board of audit committee and announcement through SET on 18 April 2019 whereby its purpose is for repayment its debts and for the Company's working capital, purchase of raw materials and increasing the capacity.
- Short-term loan	348	1,433	811	
- Long-term loan - net	995	887	885	
- Accrued Interest Expense	818	409	36	

7. Transaction with Ares SSG Capital Management

Characteristics of the Transactions	Size of Transaction/Balance (Million Baht)			Necessity and Justification of the Item
	As of 31 Dec 2021	As of 31 Dec 2020	As of 31 Dec 2019	
- Business advisory services	-	-	67	The management is of the opinion that such transactions is under the terms and conditions of the Financial Advisory Service Agreement.
- Others payable	-	-	38	

8. Transaction with Synergy Strategic Solutions Management DMCC

Characteristics of the Transactions	Size of Transaction/Balance (Million Baht)			Necessity and Justification of the Item
	As of 31 Dec 2021	As of 31 Dec 2020	As of 31 Dec 2019	
- Business advisory services	-	3	16	The management is of the opinion that such transactions is under the terms and conditions of the Business Advisory Agreement
- Others payable	48	44	43	

9. Transaction with Asia Metal PCL

Characteristics of the Transactions	Size of Transaction/Balance (Million Baht)			Necessity and Justification of the Item
	As of 31 Dec 2021	As of 31 Dec 2020	As of 31 Dec 2019	
- Sales of finished goods	49	239	7	The management is of the opinion that such transactions is under a normal business conditions in its operations.
-Advance received from customer	1	1	1	

10. Transaction with Arnoma Hotel Bangkok Co., Ltd.

Characteristics of the Transactions	Size of Transaction/Balance (Million Baht)			Necessity and Justification of the Item
	As of 31 Dec 2021	As of 31 Dec 2020	As of 31 Dec 2019	
- Other Payable	-	3	3	The management is of the opinion that such transactions is under a normal business conditions in its operations.

11. Transaction with Grand Asia Steel Processing Center Co.,Ltd.

Characteristics of the Transactions	Size of Transaction/Balance (Million Baht)			Necessity and Justification of the Item
	As of 31 Dec 2021	As of 31 Dec 2020	As of 31 Dec 2019	
- Advance payments for purchase of property, plant and equipment	-	8	8	The management is of the opinion that such transactions is under a normal business conditions in its operations.
- Allowance for impairment losses	-	(8)	(8)	
- Machinery and construction payables	-	1	2	

12. Transaction with Panichsawad Co., Ltd.

Characteristics of the Transactions	Size of Transaction/Balance (Million Baht)			Necessity and Justification of the Item
	As of 31 Dec 2021	As of 31 Dec 2020	As of 31 Dec 2019	
- Purchases of raw materials	-	123	-	The management is of the opinion that such transactions is under a normal business conditions in its operations.

13. Transaction with Superior Overseas (Thailand) Co.,Ltd.

Characteristics of the Transactions	Size of Transaction/Balance (Million Baht)			Necessity and Justification of the Item
	As of 31 Dec 2021	As of 31 Dec 2020	As of 31 Dec 2019	
- Financial Cost	2	2	54	The management is of the opinion that such transactions is under the terms and conditions of the Compromise Agreement.
- Accrued Interest Expense	4	2	-	
- Liabilities from Compromise Agreement	146	146	146	

14. Transaction with Mr.Veerachai Suteerachai

Characteristics of the Transactions	Size of Transaction/Balance (Million Baht)			Necessity and Justification of the Item
	As of 31 Dec 2021	As of 31 Dec 2020	As of 31 Dec 2019	
- Financial Cost	-	-	3	The management is of the opinion that such transactions is under the terms and conditions of the Compromise Agreement.
- Accrued Interest Expense	-	9	9	
- Liabilities from Compromise Agreement	-	16	49	
- Gain from repayment of liabilities from compromise	9	-	-	

Measures or Procedures for Approval of the Related Transactions

The related transactions have to comply with the securities and exchange law and rules, notifications, orders or requirements of the SET and SEC. Those who may have a conflict of interest or have an interest of that related transactions, cannot vote in such transactions. The Board of Directors and the Audit Committee have to review and monitor the related transactions, while the management and/or the non-vested director shall proceed and make a decision on the related transactions. This does not include the transaction that is the normal course of business operations.

However, the procedure on approval of a related transaction shall comply with the Company's regulations by seeking an opinion from the audit committee to consider the necessity and justification and notify to or request an approval from the Board of Directors and/or the Company's shareholders. By means of it is required to consistent with the guidelines of the SET and the SEC for any making related transactions as a listed company. Moreover, the Company has a policy for the related transaction in the future which related to the normal business operation and lending as follows:

1. Normal business operation and supportive transaction in the normal course of business which is the general commercial conditions.

In the future the Company may has a transaction in the nature of the normal business and the supportive transaction in the normal course of business which is the general commercial conditions dealing with the person who may has a continuous conflict of interest in the future, e.g. sales and purchase of goods, lease of office or lease of place for organizing a seminar. The requirement on making the related transactions shall comply with the conditions on the normal commercial conditions likewise the general customers in the fair price.

2. Normal business operation and the supportive transaction in the normal business which is without the general commercial conditions, and the other related transactions.

In the future the Company may has a transaction in the nature of the normal business and the supportive transaction in the normal course of business which is without general commercial conditions, and the other related transactions dealing with the person who may has a continuous conflict of interest in the future, e.g. the transaction with the allies who providing the consultancy on the Company's strategy. The Company shall comply with the designated conditions in the contract strictly. In addition, if there is a related transaction in the future the Company has to follow the measures and procedures on approval of the related transactions. The Board of Company's Directors may not approve any transactions that they may have a conflict of interest in accordance with the specified scope of the authority of the board.

3. Lending

The Company has no policy on lending to other companies, including its allies who providing the consultancy on the Company's strategy. However, if it is necessary to proceed, the Company has to follow the measures and procedures on approval of the related transactions. The Board of Company's Directors shall not approve any transactions that they may have a conflict of interest in accordance with the specified scope of the authority of the board.

Due to both Company and relate party i.e. G J Steel PLC ("G J Steel") has the products in similar, therefore, in order to prevent the conflict of interest in the future, the management of the Company has set guidelines on the measures as follows:

1) Reduction the chance of the business competition between the Company and G J Steel

The Management of the Company and of G J Steel shall plan and prepare the guidelines on future business expansion in itself on the principal of its expertise, production process, the present of customer target group to be consistent with the trend on the product demand in the future of each customer group, avoid the redundant investment and encourage the economies of scale in term of both production and purchase of raw materials.

2) Independence of the Board of Directors and the management

Both Companies have its own independent Boards and Audit Committees to maintain the interest of the minor shareholders on both sides, and each company's management has a business policy to maintain an independent management approach.

3) Making related transaction in between the Company and G J Steel

The Company has a policy to maintain the commercial arm's length basis in making any related transactions in between Company and G J Steel. In case of there is a related transaction in between two Companies, it shall have a review process whether it is a transparency against with the auditor in order to be able to verify and comment on such related transactions and make a disclosure in the Company's financial statements in sufficiently.

Part 3
Financial Statements

**G STEEL PUBLIC COMPANY LIMITED AND
ITS SUBSIDIARIES**

Financial Statements

For the Year Ended December 31, 2021

and Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of G Steel Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of G Steel Public Company Limited and its subsidiaries ("the Group"), and of G Steel Public Company Limited ("the Company"), which comprise the consolidated and separate statements of financial position as at December 31, 2021, and the consolidated and separate statements of comprehensive income, changes in shareholders' equity 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 consolidated and separate financial positions of the Group and of the Company as at December 31, 2021, and their consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audits in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audits 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.

Emphases of Matter

I draw attention to:

- a) Notes 1.2 and 4 to the financial statements, following conversion of Debt to Equity since 2017 to 2019 of G J Steel Company Limited ("G J Steel"), the shareholding of the Company in G J Steel reduced from 25.70% to 18.72% in 2017, 17.28% in 2018 and 9.45% since 2019 (8.24% held directly by the Company and 1.21% held by its subsidiary, GS Securities). Based on these circumstances, the Securities and Exchange Commission and the Stock Exchange of Thailand considered that the management control over G J Steel was transferred to ACO I, the Company lost its control in G J Steel since 2017. As a result, the Company has deconsolidated the accounts of G J Steel from the preparation on the consolidated financial statements and treated the investment in G J Steel under "Other long-term investment" and measured at fair value through other comprehensive income. Hence, the consolidated financial statements for the years ended December 31, 2021, 2020 (restated) and 2019 (restated), have been prepared based on loss of control of the Company in G J Steel after the incremental of share capital to ACO I in 2017. The treatment on this matter was approved by the Audit Committee's meeting and the Board of Directors' meeting held on February 25, 2022. The Group has adjusted for preparation consolidated financial statements by deconsolidation of G J Steel. In this regard, the consolidated and separate financial statements for the years ended December 31, 2020 and 2019 (restated), which have been presented herein for comparative purpose, have been restated for the effects of relevant retrospective adjustments. I have audited these retrospective adjustments and in my opinion, such adjustments are appropriate and have been properly adjusted.

- b) Note 1 to the financial statements, as at December 31, 2021, the Group's total current liabilities exceeded its total current assets by Baht 472 million and it had deficit of Baht 21,784 million. The Group's ability to continue its operations as a going concern may significantly depend on its success in compliance with restructuring plan and finding source of capital and the management's ability to manage the Group's future operations. These circumstances may give rise to significant doubts as to the Group's ability to continue its operations as a going concern. However, the Company has taken certain actions to improve its financial condition as discussed in Note 1.3 to the financial statements. Moreover, based on the financial statements for year ended December 31, 2021, the Group significantly improved in operating results due to strong uptrend in steel prices globally and improved raw material mix and the Company has repaid principal of borrowings totalling USD 37.1 million and Baht 15.7 million including accrued interest of Baht 49.9 million. Hence, the management believes that the preparation of the financial statements on going concern basis is appropriate.

However, my opinion is not modified in respect of the matters emphasized.

Key Audit Matter

Key audit matter is the matter that, in my professional judgment, was of most significance in my audits of the consolidated and separate financial statements of the current period. This matter was addressed in the context of our 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 this matter.

Key Audit Matter Details	Auditor's Approach
<p><i>Assessment of impairment loss on property, plant and equipment</i></p> <p>The Company has significant property, plant and equipment which are stated at cost less accumulated depreciation and allowance for impairment losses.</p> <p>The management assesses the impairment test on property, plant and equipment when they have an impairment indication by using the estimated recoverable amounts. The recoverable amounts are assessed by the management based on its value in use, determined by discounting future cash flows to be generated from the continuing use of property, plant and equipment and related assumptions such as forecast on industry growth rate, forecast on revenues and steel scrap price spreads margin and forecast on capital expenditures, selling expenses and operating expenses.</p> <p>The management's judgement over key assumptions and discount rate will be affected by changes of future economic and market. Hence, I focused on this area.</p>	<ul style="list-style-type: none"> Understood the process of estimated recoverable amount using for impairment testing. Evaluated the significant assumptions applied by the management in preparing the cash flow projections including discount rate used to discount future cash flows. Compared and evaluated the cash flow projections, key assumptions and discount rate to the management's budget and business plan, historical and current actual operations, economic and industries. Tested calculation of recoverable amounts according to the management's financial models and compared with the carrying values of property, plant and equipment. Considered the adequacy and appropriateness of disclosures made in notes to financial statements.

Other Information

Management is responsible for the other information. The other information comprises the annual report but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to us 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 will not express any form of assurance conclusion thereon.

In connection with my audits 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 consolidated and separate 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.

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 Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

My 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 Thai Standards on Auditing 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 the consolidated and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, 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 the 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 consolidated and separate 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 and business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matter. I describe this matter 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.

(Ms. Wimolsri Jongudomsombut)
Certified Public Accountant, Registration No. 3899
Baker Tilly Audit and Advisory Services (Thailand) Ltd.
Bangkok
February 25, 2022

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

A S S E T S

		In Baht					
		Consolidated Financial Statements			Separate Financial Statements		
		December 31, 2020	January 1, 2020		December 31, 2020	January 1, 2020	
Notes	December 31, 2021	"Restated"	"Restated"		December 31, 2021	"Restated"	"Restated"
CURRENT ASSETS							
Cash and cash equivalents	6	419,024,261	330,774,211	40,062,054	418,993,559	330,743,110	39,825,158
Short-term investment in trading security		12,270,883	8,651,734	4,940,906	12,270,883	8,651,734	4,940,906
Trade account receivables - net	7	3,257,136	4,188,642	29,774,823	3,257,136	4,188,642	29,774,823
Other receivables from related parties	5	-	-	18,074,362	1,961,965	4,072,530	3,872,050
Inventories - net	8, 18, 32	1,949,043,134	1,234,190,438	1,265,428,245	1,949,043,134	1,234,190,438	1,265,428,245
Other current assets - net	9	284,066,768	242,427,539	367,968,162	284,066,768	242,353,228	367,893,069
Total Current Assets		2,667,662,182	1,820,232,564	1,726,248,552	2,669,593,445	1,824,199,682	1,711,734,251
NON-CURRENT ASSETS							
Investments in subsidiaries - net	1, 4, 5, 10	-	-	-	22,435,942	22,435,942	448,367,023
Other long-term investment	1, 4, 11	1,179,639,332	385,188,353	288,891,265	1,029,209,332	336,068,353	252,051,265
Advance payments for purchase of equipment - net	5, 12, 19	-	-	-	-	-	-
Property, plant and equipment - net	13, 16, 17, 22, 32	8,123,118,521	8,447,081,163	8,810,335,193	8,123,118,521	8,447,081,163	8,810,335,193
Other intangible assets - net		986,456	1,007,684	2,693,946	986,456	1,007,684	2,693,946
Other non-current assets - net	5, 15	368,124,641	335,378,069	391,348,111	368,124,641	335,378,069	391,348,111
Total Non-Current Assets		9,671,868,950	9,168,655,269	9,493,268,515	9,543,874,892	9,141,971,211	9,904,795,538
TOTAL ASSETS		12,339,531,132	10,988,887,833	11,219,517,067	12,213,468,337	10,966,170,893	11,616,529,789

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (Continued)
AS AT DECEMBER 31, 2021

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Baht					
		Consolidated Financial Statements			Separate Financial Statements		
		December 31, 2020	January 1, 2020		December 31, 2020	January 1, 2020	
Notes	December 31, 2021	"Restated"	"Restated"		December 31, 2021	"Restated"	"Restated"
CURRENT LIABILITIES							
Trade account payables	8, 18	135,765,920	201,777,744	627,587,833	135,765,920	201,777,744	627,587,833
Other payables to related parties		-	-	-	-	-	91,699,689
Other payables and accrued expenses	5, 19	441,800,396	884,912,333	1,101,379,208	441,939,842	885,051,779	1,099,897,493
Advances received from customers	5	70,362,659	12,364,733	110,871,828	70,362,659	12,364,733	110,871,828
Income tax payable		106,754,145	-	-	106,754,145	-	-
Accrued interest expense	5, 20	1,214,007,712	995,940,912	558,313,297	1,215,518,901	997,452,101	864,949,701
Current portion of liabilities from terminated rehabilitation plan and compromise	5, 21, 32	212,603,496	184,325,339	317,810,467	212,603,496	184,325,339	317,810,467
Current portion of long-term borrowings from related parties	5, 16, 22	47,100,000	314,000,000	314,000,000	47,100,000	314,000,000	314,000,000
Current portion of debentures	17	521,106,502	468,579,964	470,511,788	521,106,502	468,579,964	470,511,788
Current portion of lease liabilities	13	2,781,620	6,962,239	-	2,781,620	6,962,239	-
Short-term borrowings from related parties	5, 16, 22	347,550,791	1,433,190,075	811,362,306	347,550,791	1,433,190,075	1,124,319,573
Borrowing from shareholder		-	-	3,850,000	-	-	3,850,000
Borrowing from other party		3,850,000	3,850,000	-	3,850,000	3,850,000	-
Current provision		-	-	87,117,283	-	-	87,117,283
Other current liabilities	5, 23	35,868,533	50,072,738	318,655,542	35,836,979	50,041,184	66,349,852
Total Current Liabilities		3,139,551,774	4,555,976,077	4,721,459,552	3,141,170,855	4,557,595,158	5,178,965,507
NON-CURRENT LIABILITIES							
Other payables and accrued expenses	5, 19	1,433,234,952	1,132,405,007	1,137,215,016	1,433,234,952	1,132,405,007	1,137,215,016
Accrued interest expense	5, 20	128,509,798	-	-	128,509,798	-	-
Liabilities from terminated rehabilitation plan and compromise - net	5, 21, 32	509,295,911	648,511,941	217,751,857	509,295,911	648,511,941	217,751,857
Long-term borrowings from related parties - net	5, 16, 22	1,245,673,419	887,151,545	885,131,948	1,245,673,419	887,151,545	885,131,948
Lease liabilities - net	13	1,259,733	4,041,353	-	1,259,733	4,041,353	-
Non-current provision for employee retirement benefit	24	103,083,548	101,446,948	78,379,377	103,083,548	101,446,948	78,379,377
Total Non-Current Liabilities		3,421,057,361	2,773,556,794	2,318,478,198	3,421,057,361	2,773,556,794	2,318,478,198
TOTAL LIABILITIES		6,560,609,135	7,329,532,871	7,039,937,750	6,562,228,216	7,331,151,952	7,497,443,705

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (Continued)
AS AT DECEMBER 31, 2021

LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)

		In Baht					
		Consolidated Financial Statements			Separate Financial Statements		
		December 31, 2020	January 1, 2020		December 31, 2020	January 1, 2020	
Notes	December 31, 2021	"Restated"	"Restated"		December 31, 2021	"Restated"	"Restated"
SHAREHOLDERS' EQUITY							
Share capital							
- Authorized share capital							
(ordinary share 31,611,951,028 shares							
at Baht 5 par value)	158,059,755,140	158,059,755,140	158,059,755,140		158,059,755,140	158,059,755,140	158,059,755,140
- Issued and paid-up share capital							
(ordinary share 28,928,765,432 shares							
at Baht 5 per share)	144,643,827,160	144,643,827,160	144,643,827,160		144,643,827,160	144,643,827,160	144,643,827,160
Additional (discount) paid in capital							
- Share discount	(116,361,266,965)	(116,361,266,965)	(116,361,266,965)		(116,361,266,965)	(116,361,266,965)	(116,361,266,965)
- Premium on capital reduction	206,307,094	206,307,094	206,307,094		206,307,094	206,307,094	206,307,094
Retained earnings (deficit)							
- Appropriated for legal reserve	25 763,976,886	763,976,886	763,976,886		763,976,886	763,976,886	763,976,886
- Deficit	(21,784,140,609)	(23,109,256,665)	(22,492,735,222)		(21,891,178,514)	(23,214,258,715)	(22,646,174,484)
Other components of equity	1, 4, 25 (1,689,782,269)	(2,484,233,248)	(2,580,530,336)		(1,710,425,540)	(2,403,566,519)	(2,487,583,607)
Equity Attributable to Owners of the Parent	5,778,921,297	3,659,354,262	4,179,578,617		5,651,240,121	3,635,018,941	4,119,086,084
Non-controlling interests	1, 4 700	700	700		-	-	-
Shareholders' Equity - Net	5,778,921,997	3,659,354,962	4,179,579,317		5,651,240,121	3,635,018,941	4,119,086,084
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY							
	12,339,531,132	10,988,887,833	11,219,517,067		12,213,468,337	10,966,170,893	11,616,529,789

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2020		2020	
Notes		2021	"Restated"	2021	"Restated"
REVENUES					
Revenue from sales - net	5	15,813,876,566	9,313,880,690	15,813,876,566	9,313,880,690
Gain from write-back the expired legal prescription of liabilities		197,232,712	-	197,232,712	-
Gain on foreign exchange - net		-	38,097,158	-	38,097,158
Reversal of loss on confirmed purchase orders for undelivered raw materials		-	87,117,283	-	87,117,283
Income from forgiveness of other payables to subsidiary	5	-	-	-	292,658,052
Gain on write-off and deconsolidation of subsidiary	1, 4	-	241,112,967	-	-
Other income	5	51,845,854	88,027,120	51,845,854	87,351,343
Total Revenues		16,062,955,132	9,768,235,218	16,062,955,132	9,819,104,526
EXPENSES					
Cost of sales	5				
- Cost of goods sold		12,973,710,316	9,246,827,728	12,973,710,316	9,246,827,728
- Idle cost		87,704,466	144,900,353	87,704,466	144,900,353
- Loss on decline in value of inventories (Reversal of)	8	974,871	(89,295,097)	974,871	(89,295,097)
Total Cost of Sales		13,062,389,653	9,302,432,984	13,062,389,653	9,302,432,984
Selling expenses		163,599,809	147,702,582	163,599,809	147,702,582
Administrative expenses	5	403,018,714	234,551,032	402,572,403	234,662,338
Loss on foreign exchange - net		522,868,593	-	522,868,593	-
Loss on compromise debts	21	-	30,449,706	-	30,449,706
Other expenses	1, 4, 10, 13, 26	1,339,869	32,195,148	3,822,035	32,195,148
Finance costs	5	477,859,820	620,498,129	477,859,820	622,984,639
Total Expenses		14,631,076,458	10,367,829,581	14,633,112,313	10,370,427,397
Profit (Loss) before Tax		1,431,878,674	(599,594,363)	1,429,842,819	(551,322,871)
Tax expense	14	(106,762,618)	(165,720)	(106,762,618)	-
PROFIT (LOSS) FOR THE YEAR		1,325,116,056	(599,760,083)	1,323,080,201	(551,322,871)
Other Comprehensive Income:					
Item that will not be reclassified subsequently to profit or loss:					
Actuarial losses	24	-	(16,761,360)	-	(16,761,360)
Gain on change in fair value of equity security designated at fair value through other comprehensive income	1, 4, 11	794,450,979	96,297,088	693,140,979	84,017,088
Total Other Comprehensive Income for the Year		794,450,979	79,535,728	693,140,979	67,255,728
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		2,119,567,035	(520,224,355)	2,016,221,180	(484,067,143)

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2021

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2020		2020	
Notes		2021	"Restated"	2021	"Restated"
Profit (loss) for the year attributable to:					
	Owners of the parent	1,325,116,056	(599,760,083)	1,323,080,201	(551,322,871)
	Non-controlling interests	-	-	-	-
1, 4		<u>1,325,116,056</u>	<u>(599,760,083)</u>	<u>1,323,080,201</u>	<u>(551,322,871)</u>
Total comprehensive income (loss) for the year attributable to:					
	Owners of the parent	2,119,567,035	(520,224,355)	2,016,221,180	(484,067,143)
	Non-controlling interests	-	-	-	-
1, 4		<u>2,119,567,035</u>	<u>(520,224,355)</u>	<u>2,016,221,180</u>	<u>(484,067,143)</u>
Basic Earnings (Loss) per Share Attributable to					
	Owners of the Parent	<u>0.046</u>	<u>(0.021)</u>	<u>0.046</u>	<u>(0.019)</u>
1, 4, 29					

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

		Consolidated Financial Statements (In Baht)											
					Additional (discount) paid in capital		Retained earnings (Deficit)		Other components of equity				
		and paid-up			Premium on	Appropriated		Paid in capital	Loss on change in value of		Equity		
		share capital	Warrants	Share discount	capital reduction	for legal reserve	Deficit	from	equity security designated		attributable	Non-controlling	Shareholders'
Notes								expired warrants	at fair value through	Net	to owners of	interests	equity - net
									other comprehensive income		the parent - net		
Balance as at January 1, 2020													
- As previously reported		144,643,827,160	-	(116,361,266,965)	206,307,094	763,976,886	(22,253,294,756)	14,049,679	-	14,049,679	7,013,599,098	10,168,321,012	17,181,920,110
Adjustments	1, 4	-	-	-	-	-	(239,440,466)	-	(2,594,580,015)	(2,594,580,015)	(2,834,020,481)	(10,168,320,312)	(13,002,340,793)
Balance as at January 1, 2020 - As restated		144,643,827,160	-	(116,361,266,965)	206,307,094	763,976,886	(22,492,735,222)	14,049,679	(2,594,580,015)	(2,580,530,336)	4,179,578,617	700	4,179,579,317
Total comprehensive income (loss) for the year	1, 4	-	-	-	-	-	(616,521,443)	-	96,297,088	96,297,088	(520,224,355)	-	(520,224,355)
Balance as at December 31, 2020		144,643,827,160	-	(116,361,266,965)	206,307,094	763,976,886	(23,109,256,665)	14,049,679	(2,498,282,927)	(2,484,233,248)	3,659,354,262	700	3,659,354,962
Total comprehensive income for the year		-	-	-	-	-	1,325,116,056	-	794,450,979	794,450,979	2,119,567,035	-	2,119,567,035
Balance as at December 31, 2020		144,643,827,160	-	(116,361,266,965)	206,307,094	763,976,886	(21,784,140,609)	14,049,679	(1,703,831,948)	(1,689,782,269)	5,778,921,297	700	5,778,921,997

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2021

Separate Financial Statements (In Baht)										
Notes	Issued and paid-up share capital	Warrants	Additional (discount) paid in capital		Retained earnings (Deficit)		Paid in capital from expired warrants	Other components of equity		Shareholders' equity - net
			Share discount	Premium on capital reduction	Appropriated for legal reserve	Deficit		Loss on change in value of equity security designated at fair value through other comprehensive income	Net	
Balance as at Janary 1, 2020 - as previously reported	144,643,827,160	-	(116,361,266,965)	206,307,094	763,976,886	(24,304,263,276)	14,049,679	-	14,049,679	4,962,630,578
Adjustments	1, 4	-	-	-	-	1,658,088,792	-	(2,501,633,286)	(2,501,633,286)	(843,544,494)
Balance as at Janary 1, 2020 - as restated	144,643,827,160	-	(116,361,266,965)	206,307,094	763,976,886	(22,646,174,484)	14,049,679	(2,501,633,286)	(2,487,583,607)	4,119,086,084
Total comprehensive income (loss) for the year	1, 4	-	-	-	-	(568,084,231)	-	84,017,088	84,017,088	(484,067,143)
Balance as at December 31, 2020	144,643,827,160	-	(116,361,266,965)	206,307,094	763,976,886	(23,214,258,715)	14,049,679	(2,417,616,198)	(2,403,566,519)	3,635,018,941
Total comprehensive income for the year		-	-	-	-	1,323,080,201	-	693,140,979	693,140,979	2,016,221,180
Balance as at December 31, 2021	<u>144,643,827,160</u>	<u>-</u>	<u>(116,361,266,965)</u>	<u>206,307,094</u>	<u>763,976,886</u>	<u>(21,891,178,514)</u>	<u>14,049,679</u>	<u>(1,724,475,219)</u>	<u>(1,710,425,540)</u>	<u>5,651,240,121</u>

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020 "Restated"	2021	2020 "Restated"
CASH FLOWS FROM OPERATING ACTIVITIES:				
Profit (loss) for the year	1,325,116,056	(599,760,083)	1,323,080,201	(551,322,871)
Adjustments to reconcile profit (loss) for the year to net cash provided by operating activities:				
Depreciation and amortization	452,847,670	445,269,848	452,847,670	445,269,848
Work roll amortization	54,686,623	50,527,207	54,686,623	50,527,207
Unrealized loss (gain) on foreign exchange - net	414,073,608	(70,946,266)	414,073,608	(70,946,266)
Unrealized gain on revaluation of short-term investment in trading security	(3,365,619)	(2,772,161)	(3,365,619)	(2,772,161)
Gain on write-off and deconsolidation of subsidiary	-	(241,112,967)	-	-
Income from forgiveness of other payable to subsidiary	-	-	-	(292,658,052)
Gain from write-back the expired legal prescription of liabilities	(197,232,712)	-	(197,232,712)	-
Loss (gain) from compromise debts	(9,159,081)	30,449,706	(9,159,081)	30,449,706
Gain from write-back other payables and accrued expenses and advances received from customers	-	(12,192,202)	-	(12,192,202)
Gain from repayment of liabilities from compromise	(8,617,621)	-	(8,617,621)	-
Allowance for impairment loans to and accrued interest income from subsidiaries	-	-	2,482,165	-
Allowance for decline in value of inventories (reversal)	974,871	(89,295,097)	974,871	(89,295,097)
Reversal of loss on confirmed purchase orders for undelivered raw materials	-	(87,117,283)	-	(87,117,283)
Allowance for impairment loss on investments in subsidiaries and write-off investments in subsidiaries	-	-	-	1,999,955
Write-off other account receivables and loans to subsidiaries	-	-	-	637,610
Allowance for impairment losses on assets	-	4,871,574	-	6,259,349
Loss on sales of fixed assets	-	22,213,404	-	22,213,404
Write-off unclaimed withholding income tax deducted at source	-	2,451,045	-	2,451,045
Provision for employee retirement benefit	7,994,143	7,476,744	7,994,143	7,476,744
Finance costs	477,859,820	620,498,129	477,859,820	622,984,639
Interest income	(494,966)	(973,595)	(494,966)	(299,020)
Dividend income	(284,905)	(2,158,415)	(284,905)	(2,158,415)
Tax expense	106,762,618	165,720	106,762,618	-
Decrease (Increase) in Operating Assets:				
Trade account receivables	931,505	25,586,181	931,505	25,586,181
Other receivables from related parties	-	-	(371,600)	-
Inventories	(715,827,566)	120,532,903	(715,827,566)	120,532,903
Other current assets	(41,639,221)	(21,355,405)	(41,713,532)	(21,219,522)
Other non-current assets	(87,433,194)	(18,447,235)	(87,433,194)	(18,447,235)
Increase (Decrease) in Operating Liabilities:				
Trade account payables	24,577,989	425,392,319	24,577,989	425,392,319
Advances received from customers	57,997,926	(98,507,095)	57,997,926	(98,507,095)
Other payables and accrued expenses	(214,264,284)	(269,967,369)	(214,264,284)	(268,568,134)
Other current liabilities	15,730,647	33,117,895	15,730,647	29,832,520
Employee benefit paid	(6,357,543)	(1,170,533)	(6,357,543)	(1,170,533)
Cash refunded from withholding income tax deducted at sources	-	130,397,507	-	130,397,507
Tax paid	(8,482)	(165,720)	(8,482)	-
Net Cash Provided by Operating Activities	1,654,868,282	403,008,756	1,654,868,681	405,337,051

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2021

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020 "Restated"	2021	2020 "Restated"
CASH FLOWS FROM INVESTING ACTIVITIES:				
Increase in loans to subsidiaries	-	-	-	(2,122,500)
Proceeds from sales of fixed assets	-	1,033,176	-	1,033,176
Purchases of property, plant and equipment	(188,585,640)	(17,903,675)	(188,585,640)	(17,903,675)
Purchases of other intangible assets	(139,750)	-	(139,750)	-
Interest received	494,966	299,020	494,966	299,020
Dividend received	31,375	1,219,748	31,375	1,219,748
Net Cash Used in Investing Activities	(188,199,049)	(15,351,731)	(188,199,049)	(17,474,231)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayment of liabilities from terminated rehabilitation plan and compromise	(110,895,756)	(63,691,205)	(110,895,756)	(63,691,205)
Repayment of short-term borrowing from related party	(1,120,671,738)	-	(1,120,671,738)	-
Repayment of long-term borrowing from related parties	(15,700,000)	-	(15,700,000)	-
Repayment of lease liabilities	(6,962,239)	(5,878,873)	(6,962,239)	(5,878,873)
Finance costs paid	(126,719,447)	(27,371,672)	(126,719,447)	(27,371,672)
Cash Used in Financing Activities	(1,380,949,180)	(96,941,750)	(1,380,949,180)	(96,941,750)
NET INCREASE IN CASH AND CASH EQUIVALENTS	85,720,053	290,715,275	85,720,452	290,921,070
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	330,774,211	40,062,054	330,743,110	39,825,158
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	2,529,997	(3,118)	2,529,997	(3,118)
CASH AND CASH EQUIVALENTS, AT END OF YEAR	419,024,261	330,774,211	418,993,559	330,743,110
Additional cash flow information :				
1) Property, plant and equipment increased by means of :				
- Other account payables - net	(59,861,589)	68,789,996	(59,861,589)	68,789,996
- Lease liabilities	-	16,882,465	-	16,882,465
- Cash payments	188,585,640	17,903,675	188,585,640	17,903,675
Total	128,724,051	103,576,136	128,724,051	103,576,136
2) Write-off trade account receivables	93,245,216	146,264,749	93,245,216	146,264,749
3) Write-off other receivables from subsidiary	-	-	-	2,366,084,014
4) Write-off loan to and accrued interest income from subsidiary	-	-	-	2,756,416,983
5) From write-back the expired legal prescription of liabilities				
Decrease in trade account payables	93,339,523	-	93,339,523	-
Decrease in other payables and accrued expenses	2,768,104	-	2,768,104	-
Decrease in accrued interest expenses	71,190,232	-	71,190,232	-
Decrease in other current liabilities	29,934,853	-	29,934,853	-

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2021

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020		2020	
	2021	"Restated"	2021	"Restated"
Additional cash flow information (Continued) :				
6) Transfer other non-current assets (cash guarantee for electricity usage) to settle with liabilities under rehabilitation plan and compromise	-	23,890,070	-	23,890,070
7) Transfer standby letter of credit which settlement with trade account payables to short-term borrowings from related party	-	655,364,519	-	655,364,519
8) Transfer other current assets, trade account payables, accrued interest expense and other current liabilities to liabilities from rehabilitation plan and compromise	-	352,650,294	-	352,650,294
9) Transfer borrowing from shareholder to borrowing from other party	-	3,850,000	-	3,850,000
10) Short-term borrowings from and interest payable to subsidiary decreased from settlement of capital reduction of investment in subsidiary	-	-	-	624,889,490
11) Decrease in other payables to subsidiary from debt forgiveness	-	-	-	91,699,689

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**Notes to Financial Statements****December 31, 2021**

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G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

The financial statements were approved and authorized for issue by the Board of Directors on February 25, 2022.

1. GENERAL INFORMATION, THE SHAREHOLDING STRUCTURE AND GOING CONCERN

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 January 25, 2006.

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

1.2 The shareholding structure

The Company’s major shareholders as at December 31, 2021 and 2020 are as follows:

Shareholders’ Name	Proportionate of share (%)	
	2021	2020
Asia Credit Opportunities I (Mauritius) Limited (“ACO I”) - incorporated in the Republic of Mauritius	49.99	49.99
M-Power TT Ltd. - incorporated in Malaysia	6.16	11.00
Superior Overseas (Thailand) Company Limited	7.00	7.00
Uob Kay Hian Private Limited - incorporated in Singapore	5.27	-
Apex Prime Capital Ltd. - incorporated in British Virgin Islands	3.48	4.37
New World Intermetal Co., Ltd.	1.96	1.96
D-Sinchai Steel Company Limited	1.96	1.96

Details of the Company’s subsidiaries as at December 31, 2021 and 2020 are as follows:

Name of the entity	Nature of Business	Country of incorporation	Proportionate (%)	
			2021	2020
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
Indirect subsidiary				
Oriental Access Co., Ltd. * (“OAC”) (held by SPH 99.97%)	Consulting service and investing	Thailand	-	99.97

* OAC was sued by the Revenue Department and the Central Bankruptcy Court ordered absolute receivership a bankruptcy case of OAC on January 13, 2020. The Central Bankruptcy Court ordered such company to be bankruptcy on August 31, 2020. Hence, the management considered to write-off and deconsolidate such subsidiary since such date.

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

Detail of assets and liabilities of this subsidiary at the bankruptcy date were as below:

	Decrease (Increase) (In Million Baht)
Other receivables from related party	(18)
Accrued interest expense	7
Other current liabilities	252
Gain on write-off and deconsolidation of subsidiary	241

Deconsolidation of G J Steel Public Company Limited

Following conversion of Debt to Equity since 2017 to 2019 of G J Steel Company Limited (“G J Steel”), the shareholding of the Company in G J Steel reduced from 25.70% to 18.72% in 2017, 17.28% in 2018 and 9.45% since 2019 (8.24% held directly by the Company and 1.21% held by its subsidiary, GS Securities). Based on these circumstances, the Securities and Exchange Commission and the Stock Exchange of Thailand considered that the management control over G J Steel was transferred to ACO I, the Company lost its control in G J Steel since 2017. As a result, the Company has deconsolidated the accounts of G J Steel from the preparation on the consolidated financial statement and treated the investment in G J Steel under “Other long-term investment” and measured at fair value through other comprehensive income. Hence, the consolidated and separate financial statements for the years ended December 31, 2021, 2020 (restated) and 2019 (restated), have been prepared based on loss of control of the Company in G J Steel after the incremental of share capital to ACO I in 2017. The treatment on this matter was approved by the Audit Committee’s meeting and the Board of Directors’ meeting held on February 25, 2022. The impact of such changes are discussed in Note 4.

For reporting purposes, the Company and its subsidiaries are collectively called “the Group”.

1.3 Going concern

As at December 31, 2021 and 2020, part of financial position of the Group and of the Company are as follows:

	In Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
Risk effected to the going concern	2021	2020	2021	2020
(1) Profit (loss) for the year attributable to owners of the parent	1,325	(600)	1,323	(551)
(2) Deficit	(21,784)	(23,109)	(21,891)	(23,214)
(3) Current liabilities exceed current assets	472	2,736	472	2,733
(4) Equity attributable to owners of the parent	5,779	3,659	5,651	3,635

Before 2021, the Group has had persistent operating losses. As at December 31, 2021, the Group’s total current liabilities exceeded its total current assets by Baht 472 million and it had deficit of Baht 21,784 million. Hence, the Group’s ability to continue its operations as a going concern may significantly depend on its success in compliance with restructuring plan and finding source of capital and the management’s ability to manage the Group’s future operations. These circumstances indicate significant uncertainties as to the Group’s ability to continue its operations as a going concern.

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

The Company is taking the following steps to improve the financial condition:

a) Debt Restructuring

The extraordinary shareholders meeting dated October 11, 2019 approved the Company's Debt to Equity conversion plan by a way of allocation and offering of the newly issued ordinary shares of the Company. Apart from the Debts to Equity conversion, the Company has also restructured some of its current liabilities as below:

- Entered into Agreement with major creditors to reschedule the liability of USD 37.49 million to long-term liability payable on 9th year in a single bullet repayment.
- Entered into another Agreement to reschedule its liability of Baht 146 million to long-term liability payable within 9 years from the agreement date.
- Old liability to Provincial Electricity Authority of Baht 209.59 million has been settled with the outstanding deposit of Baht 23.89 million and outstanding balances of Baht 185.70 million has been restructured to 36 monthly installments payable starting from July 31, 2020.

b) Source of Funding

In April 2019, the Company received credit facility for operation from a foreign company.

The Company maintains a policy of maximizing sales on advance payment terms and accelerating the debt collection from its debtors to ensure adequate turnaround of cash flows.

The Company defaulted on certain payments to Link Capital I (Mauritius) Limited ("Link Capital I"), due to ongoing poor market conditions and outbreak of COVID-19 pandemic. The Company received a Default Letter from Link Capital I dated June 5, 2020 notice to rectify the continuous Events of Default on various facilities pursuant to Credit Facility Agreement dated April 2, 2019 and as amended from time to time. Further to receiving the Default Letter, the Company has defaulted on two Standby letters of credit. The total amount of Default as at December 31, 2021 and 2020 stands at USD 31.06 million and USD 58.97 million, respectively. The Company is currently negotiating with Link Capital I to restructure the default facilities and has entered into a Standstill Agreement with the Lender to allow more time for the negotiations. The management believes that the amount will be restructured according to the future cash flow projections.

c) Production and Sales

The Company has been producing Hot-Rolled Coil ("HRC") strictly based on market demand. Due to various issues described below the Domestic HRC production of Thailand had suffered leading to operating losses in the past quarters:

- Slower Thai Gross Domestic Product (GDP) and overall volatile Steel Industry had led to reduction in demand
- Expiry of safeguard on Alloy Steel in February 2019 and stronger Thai Baht had made imports easier and cheaper which had led to increase in imports
- Impact of outbreak of COVID-19 had further dented the market demand in 2020 but has seen an improving trend in 2021
- The above factors had led to significant reduction in prices of HRC impacting the operating profits adversely.

While, there were short-term impediments in the last year, the current year has seen strong trend especially in HRC consumption and price globally and the Groups has been able to fully leverage on the situation to improve its financial position. The Company remains positive on its long-term outlook due to:

- Several ongoing initiatives by the Government to support the Economy and the Domestic Steel Industry
- Proposed increase in infrastructure spending by the Government
- Emergence of Thailand as strong alternative for companies looking to diversify out of China
- Continuous improvements in operating costs and development of new grades

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All the management actions taken towards operational improvements coupled with improved market conditions resulted in significant cash accruals during the year ended December 31, 2021. The Group has used this cash mainly to repay its borrowings from related parties as discussed in Note 22. With reduction in uncertainties and improved operational performance the management firmly believes that the Group's ability to continue its operations as a going concern is on track.

Coronavirus Outbreak Situation

Since early 2020, the Coronavirus ("COVID-19") outbreak was recognized as a pandemic of its rapid spread across the globe. The COVID-19 pandemic also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the COVID-19 pandemic has brought significant economic uncertainties in Thailand and markets in which the Group operates.

However, based on the financial statement for the year ended December 31, 2021, the Group significantly improved its operating results due to strong uptrend in steel prices globally and improved raw material mix and the Company has repaid principal of borrowings totalling USD 37.1 million and Baht 15.7 million including accrued interest of Baht 49.9 million. The Group will continuously monitor the impact of COVID-19 on its future financial position and financial performance will also be taking appropriate and timely measures to minimize the impact of the COVID-19 pandemic on the Group's future operations.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND PRINCIPLES OF CONSOLIDATION

(a) Statement of Compliance

The statutory financial statements are prepared in Thai Baht and in the Thai language in conformity with Thai Financial Reporting Standards. Accordingly, the consolidated and separate financial statements are intended solely to present the financial positions, financial performance and cash flows in accordance with Thai Financial Reporting Standards.

For the convenience of the readers, the Group has prepared an English translation of the financial statements from the Thai language statutory financial statements, which are issued solely for domestic financial reporting purposes.

Accounting standards that became effective in the current accounting period

The Group disclosed the accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after January 1, 2021, in the Note 3.

The Group's management has assessed the effects of the revised accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, and considers that they do not have a significant impact to the financial statements for the year ended December 31, 2021.

(b) Principles of Consolidation

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

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

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

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

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

Significant transactions among the Group have been eliminated in these consolidated financial statements.

The financial statements of the subsidiaries are prepared using consistent significant accounting policies as the Company.

Non-controlling interests represent the portion of net profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statement of comprehensive income and within shareholder's equity in the consolidated statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash on hand is kept for general use within the Group. Cash equivalents are savings deposits and current accounts, highly liquid investment that are readily convertible to known amount of cash and that are subject to an insignificant risk of change in value.

Accounts Receivable and Allowance for Expected Credit Losses

Accounts receivable are stated at amortized cost net of allowance for expected credit losses ("ECL") (if any).

The Group applies a simplified approach in calculating ECL for trade receivables. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

Inventory Valuation

The Group values its inventories at the lower of cost (average cost method) and net realizable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-process, cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated production cost to complete and selling expenses.

The Group provides an allowance for all deteriorated, damaged, obsolete and slow-moving inventories.

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

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Notes to Financial Statements (Continued)
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Investments

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

Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

Investment in equity securities that not held for trading but held for strategic purposes are stated at fair value, where an irrevocable election has been made by the management. Changes in the fair value of these securities are recorded in other comprehensive income and not subsequently transferred to profit or loss in the statement of comprehensive income when disposal, instead, it is transferred to retained earnings. Dividends on these investments are recognized in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment.

The fair value of marketable securities is based on the latest bid price of the last working day of the statement financial position date.

Equity securities which are not marketable securities are stated at cost less impairment losses.

The cost of investments disposed of during the year is determined by the weighted average method.

Property, Plant and Equipment and Depreciation

Land is stated at cost less allowance for impairment losses. Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment losses. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the profit or loss.

Depreciation of plant and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

	Years
Land improvements	5 - 20
Buildings and building improvements	25 - 40
Machinery and equipment	5 - 40
Furniture, fixtures and office equipment	5 - 10
Vehicles	5

The Group does not depreciate on freehold land or assets under construction.

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

Right-of-Use Assets and Depreciation

Right-of-use assets are recognized at the commencement date of the leases. Right-of-use assets are stated at cost, less accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets include the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

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

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

	Years
Lease building	3
Vehicles	2 - 5

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Notes to Financial Statements (Continued)
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Other Intangible Assets and Amortization

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortization and allowance for impairment losses.

Amortization is charged to profit or loss on a straight-line basis from the date that intangible assets are available for use over the estimated useful lives of the assets, unless such lives are indefinite. The estimated useful lives are as follows:

	Years
Computer software licenses	10
Production licenses	25

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

Deferred Costs of Rolls

Deferred costs of rolls are stated at cost less accumulated amortization. Amortization is based on consumption.

Deferred Loan Arrangement Fee

The Group amortizes deferred loan arrangement fee as finance cost in profit or loss over the term of the loan agreement.

Impairment of Assets

The Group reviews the impairment of assets whenever events or changes in circumstances indicate that the recoverable amount (the higher of asset's selling price or value in use) of assets is below the carrying amount. The review is made for individual assets or for the cash-generating unit.

If the carrying value of an asset exceeds its recoverable amount, the Group recognizes the impairment losses by reducing the carrying value of the asset to its recoverable amount and recording the devaluation in the statement of comprehensive income or reducing revaluation increment in assets in case that those assets were previously revalued. The reversal of impairment losses recognized in prior years is recorded as part of other income or as a revaluation increment in assets when there is an indication that the impairment losses recognized for the assets no longer exist or are decreased. Such a reversal should not exceed the carrying amount that would have been determined (net of the associated depreciation or amortization).

Interest-bearing liabilities

Interest-bearing liabilities are recognized at fair value net of transaction costs and classified as financial liabilities to be subsequently measured at amortized cost using the effective interest rate ("EIR") method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. In determining amortized cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in profit or loss.

Provision

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. A provision is reviewed at the statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

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Provision for Employee Retirement Benefit

Provision for employee retirement benefit is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods by the projected unit credit method determined by a professionally qualified independent actuary. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs and gains or losses on the curtailment are recognized immediately in profit or loss. Gains or losses on the curtailment or settlement of pension benefits are recognized when the curtailment or settlement occurs. Actuarial gains or losses are recognized immediately to the statement of comprehensive income. The defined benefit obligations are measured at the present value of estimated future cash flows using a discount rate that is similar to the government bonds.

Use of Judgements and Estimates

In order to prepare financial statements in conformity with Thai Financial Reporting Standards in Thailand, the management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements consists of the following:

- Consolidation: whether the Group has de facto control over an investee
- Leases

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in material adjustments to the amounts recognized in the financial statements consists of the following:

- Net realizable value of inventories
- Current and deferred taxation
- Utilization of tax losses
- Business combination
- Key assumptions used in discounted cash flow projections
- Measurement of provision for employee retirement benefit
- Provisions and contingencies
- Valuation of financial instruments
- Determination of impairment of assets

Revenue Recognition

To determine whether to recognize revenue, the Group follows a 5-step process:

- 1) Identifying the contract with a customer
- 2) Identifying the performance obligations
- 3) Determining the transaction price
- 4) Allocating the transaction price to the performance obligations
- 5) Recognizing revenue when/as performance obligations are satisfied.

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Revenue is recognized either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognizes revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, relevant tax and after deduction of any trade discounts and volume rebates.

Sale of goods and services

Revenue from sales of goods is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for estimated returns, which are estimated based on the historical data. Revenue for rendering of services is recognized over time as the services are provided.

Interest income

Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

Dividend income

Dividend income is recognized in the statement of comprehensive income on the date the Group's right to receive payments is established.

Other income

Other income is recognized as income on an accrual basis.

Repair and Maintenance

Expenditures on repair and maintenance are charged to expense at the expenditures are incurred. Expenditures of a capital nature are added to the related plant and equipment.

Leases

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

The Group (as a lessee) assesses the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases at the date of initial application (January 1, 2020) together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

Leases are recognized as assets (right-of-use assets) and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

The Group applies the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). The Group also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense in profit or loss on a straight-line basis over the lease term.

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Lease Liabilities

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities are increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities are remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying assets.

Financial Instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

• *Classification and measurement of financial assets*

Financial assets are classified, at initial recognition, as financial assets subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortized cost

The Group measures financial assets at amortized cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment assessment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis. Gains and losses recognized in other comprehensive income on these financial assets are never subsequently recycled to profit or loss.

Dividends on these investments are recognized as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognized in other comprehensive income.

Equity investments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on market securities are recognized as other income in profit or loss.

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- ***Classification and measurement of financial liabilities***

Except for derivative liabilities, at initial recognition, the Group's financial liabilities are recognized at fair value net of transaction costs and classified as financial liabilities to be subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. In determining amortized cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in profit or loss.

- ***Derecognition of financial instruments***

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

- ***Impairment of financial assets***

The Group recognizes an allowance for expected credit losses ("ECL") for all debt instruments not held at FVTPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the financial instruments (a lifetime ECL).

For trade account receivables, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

- ***Offsetting of financial instruments***

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Fair Value Measurement

The Group uses the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or a quoted market price is not available.

The different levels have been defined as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs for such assets or liabilities, such as uses prices and other relevant information generated by market transactions involving identical or comparable (similar) assets, liabilities, or a group of assets and liabilities, or estimates of future cash flows

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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Finance Costs

Interest expense and similar costs are charged to in profit or loss for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in profit or loss using the effective interest rate method.

Foreign Currency Transactions

Foreign currency transactions during the year are translated into Baht at the rates prevailing at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into Baht at the prevailing bank rates at that date. Gains or losses on translation are credited or charged to current operations in in profit or loss.

Income Tax

The income tax charge is based on profit for the year and considers deferred taxation. Deferred taxes reflect the net tax effects of temporary differences between the tax basis of an asset or liability and its carrying amount in the statement of financial position. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the statement of financial position date, to recover or settle the carrying amount of their assets and liabilities.

Deferred tax assets are recognized when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilized. At each statement of financial position date, the Group re-assesses unrecognized deferred tax assets. The Group recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of these deferred tax assets to be utilized.

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 realized simultaneously.

Basic Earnings (Loss) per Share Attributable to Owners of the Parent

Basic earnings (loss) per share attributable to owners of the parent are determined by dividing the profit (loss) for the year attributable to owners of the parent by the weighted average number of shares outstanding during the year.

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 can be allocated on a reasonable basis.

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4. RETROSPECTIVE ADJUSTMENTS

Following conversion of Debt to Equity since 2017 to 2019 of G J Steel Company Limited (“G J Steel”), the shareholding of the Company in G J Steel reduced from 25.70% to 18.72% in 2017, 17.28% in 2018 and 9.45% since 2019 (8.24% held directly by the Company and 1.21% held by its subsidiary, GS Securities). Based on these circumstances, the Securities and Exchange Commission and the Stock Exchange of Thailand considered that the management control over G J Steel was transferred to ACO I, the Company lost its control in G J Steel since 2017. As a result, the Company has deconsolidated the accounts of G J Steel from the preparation on the consolidated financial statement and treated the investment in G J Steel under “Other long-term investment” and measured at fair value through other comprehensive income. Hence, the consolidated and separate financial statements for the years ended December 31, 2021, 2020 (restated) and 2019 (restated), have been prepared based on loss of control of the Company in G J Steel after the incremental of share capital to ACO I in 2017. The treatment on this matter was approved by the Audit Committee’s meeting and the Board of Directors’ meeting held on February 25, 2022.

As discussed in Note 1.2, the consolidated financial statements for the year ended December 31, 2021 and 2020, have been prepared based on loss of control of the Company in G J Steel after the incremental of share capital to ACOI in 2017. The impact of such changes are as follows:

	In Million Baht					
	Consolidated Financial Statements			Separate Financial Statements		
	As previously reported	Retrospective adjustments	As restated	As previously reported	Retrospective adjustments	As restated
As at December 31, 2020						
ASSETS						
Current Assets						
Cash and cash equivalents	437	(106)	331	331	-	331
Short-term investment in trading security	9	-	9	9	-	9
Trade account receivables - net	32	(28)	4	4	-	4
Other receivables from related parties	-	-	-	4	-	4
Inventories - net	2,595	(1,361)	1,234	1,234	-	1,234
Other current assets - net	394	(151)	243	243	-	243
Total Current Assets	3,467	(1,646)	1,821	1,825	-	1,825
Non-Current Assets						
Investments in subsidiaries - net	-	-	-	1,066	(1,044)	22
Other long-term investment	-	385	385	-	336	336
Advance payments for purchase of equipment - net	210	(210)	-	-	-	-
Property, plant and equipment - net	21,098	(12,651)	8,447	8,447	-	8,447
Other intangible assets - net	6	(5)	1	1	-	1
Other non-current assets - net	679	(344)	335	335	-	335
Total Non-Current Assets	21,993	(12,825)	9,168	9,849	(708)	9,141
Total Assets	25,460	(14,471)	10,989	11,674	(708)	10,966

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	In Million Baht					
	Consolidated Financial Statements			Separate Financial Statements		
	As previously reported	Retrospective adjustments	As restated	As previously reported	Retrospective adjustments	As restated
As at December 31, 2020						
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current Liabilities						
Trade account payables	530	(328)	202	202	-	202
Other payables and accrued expenses	1,174	(289)	885	885	-	885
Advances received from customers	23	(11)	12	12	-	12
Accrued interest expense	1,194	(198)	996	998	-	998
Current portion of liabilities from terminated rehabilitation plan and compromise	353	(169)	184	184	-	184
Current portion of long-term borrowings from related parties	625	(311)	314	314	-	314
Current portion of debentures	469	-	469	469	-	469
Current portion of lease liabilities	13	(6)	7	7	-	7
Short-term borrowings from related parties	1,433	-	1,433	1,433	-	1,433
Borrowing from other party	4	-	4	4	-	4
Other current liabilities	65	(15)	50	50	-	50
Total Current Liabilities	5,883	(1,327)	4,556	4,558	-	4,558
Non-Current Liabilities						
Other payables and accrued expenses	1,132	-	1,132	1,132	-	1,132
Liabilities from terminated rehabilitation plan and compromise - net	649	-	649	649	-	649
Long-term borrowings from related parties - net	1,626	(739)	887	887	-	887
Lease liabilities - net	6	(2)	4	4	-	4
Non-current provision for employee retirement benefit	230	(129)	101	101	-	101
Total Non-Current Liabilities	3,643	(870)	2,773	2,773	-	2,773
Total Liabilities	9,526	(2,197)	7,329	7,331	-	7,331
Shareholders' Equity						
Share capital - Issued and paid-up	144,644	-	144,644	144,644	-	144,644
Additional (discount) paid in capital						
- Share discount	(116,361)	-	(116,361)	(116,361)	-	(116,361)
- Premium on capital reduction	206	-	206	206	-	206
Retained earnings (Deficit)						
- Appropriated for legal reserve	764	-	764	764	-	764
- Deficit	(22,927)	(182)	(23,109)	(24,924)	1,710	(23,214)
Other components of equity	14	(2,498)	(2,484)	14	(2,418)	(2,404)
Equity Attributable to Owners of the Parent	6,340	(2,680)	3,660	4,343	(708)	3,635
Non-controlling interests	9,594	(9,594)	-	-	-	-
Shareholders' Equity - Net	15,934	(12,274)	3,660	4,343	(708)	3,635
Total Liabilities and Shareholders' Equity	25,460	(14,471)	10,989	11,674	(708)	10,966

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

	In Million Baht					
	Consolidated Financial Statements			Separate Financial Statements		
	As previously reported	Retrospective adjustments	As restated	As previously reported	Retrospective adjustments	As restated
For the year ended December 31, 2020						
Revenues						
Revenue from sales - net	20,693	(11,379)	9,314	9,314	-	9,314
Gain on foreign exchange - net	76	(38)	38	38	-	38
Reversal of loss on confirmed purchase orders for undelivered raw materials	106	(19)	87	87	-	87
Income from forgiveness of other payables to subsidiary	-	-	-	293	-	293
Gain on write-off and deconsolidation of subsidiary	241	-	241	-	-	-
Other income	167	(79)	88	87	-	87
Total Revenues	21,283	(11,515)	9,768	9,819	-	9,819
Expenses						
Cost of sales						
- Cost of goods sold	20,469	(11,222)	9,247	9,247	-	9,247
- Idle cost	214	(69)	145	145	-	145
- Loss on decline in value of inventories (reversal of)	(173)	84	(89)	(89)	-	(89)
Total Cost of Sales	20,510	(11,207)	9,303	9,303	-	9,303
Selling expenses	318	(170)	148	148	-	148
Administrative expenses	724	(489)	235	235	-	235
Loss on compromise debts	30	-	30	30	-	30
Other expenses	32	-	32	84	(52)	32
Finance costs	872	(252)	620	623	-	623
Total Expenses	22,486	(12,118)	10,368	10,423	(52)	10,371
Loss for the Year	(1,203)	603	(600)	(604)	52	(552)
Other Comprehensive Income:						
Item that will not be reclassified subsequently to profit or loss:						
Actuarial losses	(45)	29	(16)	(16)	-	(16)
Gain on change in fair value of equity security designated at fair value through other comprehensive income	-	96	96	-	84	84
Total Other Comprehensive Income for the Year	(45)	125	80	(16)	84	68
Total comprehensive loss for the year	(1,248)	728	(520)	(620)	136	(484)
Loss for the year attributable to:						
Owners of the parent	(655)	55	(600)	(604)	52	(552)
Non-controlling interests	(548)	548	-	-	-	-
	(1,203)	603	(600)	(604)	52	(552)
Total comprehensive loss for the year attributable to:						
Owners of the parent	(674)	154	(520)	(620)	136	(484)
Non-controlling interests	(574)	574	-	-	-	-
	(1,248)	728	(520)	(620)	136	(484)
Basic Loss per Share Attributable to Owners of the Parent (In Baht)	(0.023)	0.002	(0.021)	(0.021)	0.002	(0.019)

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

	In Million Baht					
	Consolidated Financial Statements			Separate Financial Statements		
	As previously reported	Retrospective adjustments	As restated	As previously reported	Retrospective adjustments	As restated
As at January 1, 2020						
ASSETS						
Current Assets						
Cash and cash equivalents	464	(424)	40	40	-	40
Short-term investment in trading security	5	-	5	5	-	5
Trade account receivables - net	36	(6)	30	30	-	30
Other receivables from related parties	-	18	18	4	-	4
Inventories - net	2,632	(1,367)	1,265	1,265	-	1,265
Other current assets - net	453	(85)	368	368	-	368
Total Current Assets	3,590	(1,864)	1,726	1,712	-	1,712
Non-Current Assets						
Investments in subsidiaries - net	-	-	-	1,544	(1,096)	448
Other long-term investment	-	289	289	-	252	252
Advance payments for purchase of equipment - net	210	(210)	-	-	-	-
Property, plant and equipment - net	21,860	(13,050)	8,810	8,810	-	8,810
Other intangible assets - net	9	(6)	3	3	-	3
Other non-current assets - net	732	(341)	391	391	-	391
Total Non-Current Assets	22,811	(13,318)	9,493	10,748	(844)	9,904
Total Assets	26,401	(15,182)	11,219	12,460	(844)	11,616

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

	In Million Baht					
	Consolidated Financial Statements			Separate Financial Statements		
	As previously reported	Retrospective adjustments	As restated	As previously reported	Retrospective adjustments	As restated
As at January 1, 2020						
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current Liabilities						
Trade account payables	961	(333)	628	628	-	628
Other payables to related parties	-	-	-	92	-	92
Other payables and accrued expenses	1,428	(327)	1,101	1,099	-	1,099
Advances received from customers	131	(20)	111	111	-	111
Accrued interest expense	694	(136)	558	865	-	865
Current portion of liabilities from terminated rehabilitation plan and compromise	488	(170)	318	318	-	318
Current portion of long-term borrowings from related parties	314	-	314	314	-	314
Current portion of debentures	471	-	471	471	-	471
Short-term borrowings from related parties	811	-	811	1,124	-	1,124
Borrowing from shareholder	4	-	4	4	-	4
Current provision	106	(19)	87	87	-	87
Other current liabilities	337	(18)	319	66	-	66
Total Current Liabilities	5,745	(1,023)	4,722	5,179	-	5,179
Non-Current Liabilities						
Other payables and accrued expenses	1,137	-	1,137	1,137	-	1,137
Liabilities from terminated rehabilitation plan and compromise - net	218	-	218	218	-	218
Long-term borrowings from related parties - net	1,934	(1,049)	885	885	-	885
Lease liabilities - net	1	(1)	-	-	-	-
Non-current provision for employee retirement benefit	184	(106)	78	78	-	78
Total Non-Current Liabilities	3,474	(1,156)	2,318	2,318	-	2,318
Total Liabilities	9,219	(2,179)	7,040	7,497	-	7,497
Shareholders' Equity						
Share capital - Issued and paid-up	144,644	-	144,644	144,644	-	144,644
Additional (discount) paid in capital						
- Share discount	(116,361)	-	(116,361)	(116,361)	-	(116,361)
- Premium on capital reduction	206	-	206	206	-	206
Retained earnings (Deficit)						
- Appropriated for legal reserve	764	-	764	764	-	764
- Deficit	(22,253)	(240)	(22,493)	(24,304)	1,658	(22,646)
Other components of equity	14	(2,595)	(2,581)	14	(2,502)	(2,488)
Equity Attributable to Owners of the Parent	7,014	(2,835)	4,179	4,963	(844)	4,119
Non-controlling interests	10,168	(10,168)	-	-	-	-
Shareholders' Equity - Net	17,182	(13,003)	4,179	4,963	(844)	4,119
Total Liabilities and Shareholders' Equity	26,401	(15,182)	11,219	12,460	(844)	11,616

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

5. TRANSACTIONS WITH RELATED PARTIES

For the purposes of these financial statements, connected persons or related parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Connected persons or 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
GS Securities	Thailand	Special-purpose restructuring entity	Subsidiary, common directors, 99.99% shareholding
Oriental Access Co., Ltd. (“OAC”)	Thailand	Consulting service and investing	Indirect subsidiary, common directors (The Central Bankruptcy Court ordered such company to be bankruptcy on August 31, 2020)
G J Steel	Thailand	Manufacture and sale of hot rolled coil steel products	Shareholders and common directors, 9.45% shareholding by the Company and its subsidiaries
Asia Credit Opportunities I (Mauritius) Limited (“ACO I”)	Republic of Mauritius	Special-purpose for investment	Major shareholder which is a wholly-owned subsidiary of Ares SSG Capital Partners III, L.P.
Link Capital I (Mauritius) Limited (“Link Capital I”)	Republic of Mauritius	Special-purpose for investment	Related party which is a wholly-owned subsidiary of Ares SSG Capital Partners III, L.P.
Ares SSG Capital Management (Mauritius) Limited	Republic of Mauritius	Collective Investment Scheme Manager and holds an investment advisor (restricted) license	Related party which is a wholly-owned subsidiary of Ares SSG Capital Holdings Limited
Synergy Strategic Solutions Management DMCC (“Synergy”)	United Arab Emirates	Business advisory	Common directors with the Company
Asia Metal Public Company Limited	Thailand	Manufacture and sale of steel	Common shareholder with the Company
Arnoma Hotel Bangkok Co., Ltd.	Thailand	Hotel, food and beverage	Common director with the Company
Grand Asia Steel Processing Center Co., Ltd.	Thailand	Factory construction service	Subsidiary of related party with the Company
Panichsawad Co., Ltd.	Thailand	Sale of steel	Connected person with the Company and G J Steel
Felix River Kwai Resort (Kanchanaburi) Co., Ltd.	Thailand	Hotel, food and beverage	Common shareholder with the Company
Superior Overseas (Thailand) Co., Ltd.	Thailand	Management Advisory	Related party of the shareholder of the Company

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

Name of entities	Country of incorporation/ Nationality	Type of business	Nature of relationships
Wallstreet Tullet Prebon Co., Ltd.	Thailand	Brokerage financial instruments	Common director since 2 nd quarter of 2020
Wallstreet Tullet Prebon Securities Ltd.	Thailand	Brokerage trading securities	Common director since 2 nd quarter of 2020
Anda Development Co., Ltd.	Thailand	Residential real estate trading	Common director since 2 nd quarter of 2020
Designers Concept Ltd.	Thailand	Interior services	Common directors with G J Steel
SK Capital Management Company Limited	Thailand	Business advisory and management services	Common directors with G J Steel
S N P Management Company Limited	Thailand	Construction	Common directors with G J Steel
Amason Co., Ltd.	Thailand	Wholesale of other machinery and equipment	Common directors with the Company
Mr. Veerachai Suteerachai	Thai	-	Director of related company
Key management personnel	Thai	-	Persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group

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

Transactions	Pricing policies
Sale of finished goods	Agreed prices with reference to market prices
Sales of raw materials	Cost plus margin and agreed price
Purchase of raw materials	Cost plus margin and agreed price
Business advisory services	Contractual prices
Finance costs	Contractual rates

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

Significant transactions for each of the years ended December 31, 2021 and 2020 with related parties were as follows:

	In Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Subsidiaries				
Income from forgiveness of other payables to subsidiary	-	-	-	293
Finance costs	-	-	-	2
Other related parties				
Sale of raw materials and finished goods	49	276	49	276
Purchase of raw materials	1	267	1	267
Gain from debt restructuring	9	-	9	-
Gain from repayment of liabilities from compromise	9	-	9	-
Business advisory services	-	3	-	3
Finance costs	555	533	430	533
Key management personnel				
Key management personnel compensation				
Short-term benefits	150	23	150	23
Long-term benefits	0.2	0.3	0.2	0.3

Balances as at December 31, 2021 and 2020 with related parties were as follows:

	In Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Advances				
Subsidiary				
GS Securities	-	-	4	4
Less: Allowance for impairment losses	-	-	(2)	-
Net	-	-	2	4
Advance payments for purchase of property, plant and equipment				
Other related party				
Grand Asia Steel Processing Center Co., Ltd.	-	8	-	8
Less: Allowance for impairment losses	-	(8)	-	(8)
Net	-	-	-	-
Other non-current assets				
Loans to and accrued interest income from related parties				
Subsidiaries				
Loans to				
SPH	-	-	7	7
Less: Allowance for impairment losses	-	-	(7)	(7)
Net	-	-	-	-
Accrued interest income				
SPH	-	-	1	1
Less: Allowance for impairment losses	-	-	(1)	(1)
Net	-	-	-	-

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G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

Movements of loans to subsidiaries during the year ended December 31, 2021 were as follows:

	In Million Baht	
	Consolidated Financial Statements	Separate Financial Statements
Loans to subsidiaries		
As at January 1, 2021	-	7
Addition	-	-
As at December 31, 2021	-	7

During the year ended December 31, 2020, the Company written-off other receivable from, loans to and interest receivables from OAC totalling of Baht 5,122 million and reversed allowance for impairment losses at same amount according to bankruptcy ordered by the Central Bankruptcy Court on August 31, 2020.

During the year ended December 31, 2021, the Company written-off advance payments for purchase of property, plant and equipment to other related party of Baht 8 million.

	Notes	In Million Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2021	2020	2021	2020
Other payables and accrued expenses	19				
Other related parties					
Key management personnel					
(Accrued bonus and incentive program)		13	-	13	-
Arnoma Hotel Bangkok Co., Ltd.		-	3	-	3
ACO I		1,415	1,295	1,415	1,295
Synergy		48	44	48	44
Total		<u>1,476</u>	<u>1,342</u>	<u>1,476</u>	<u>1,342</u>
Advances received from customers					
Other related party					
Asia Metal Public Company Limited		<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Accrued interest expense	20				
Subsidiary					
GS Securities		-	-	2	2
Other related parties					
Mr. Veerachai Suteerachai		-	9	-	9
Superior Overseas (Thailand) Co., Ltd.		4	2	4	2
Link Capital I		818	409	818	409
ACO I		241	252	241	252
Total		<u>1,063</u>	<u>672</u>	<u>1,065</u>	<u>674</u>
Liabilities from terminated					
rehabilitation plan and compromise	21				
Other related parties					
Portion due within one year:					
Mr. Veerachai Suteerachai		-	16	-	16
Portion due after one year:					
Superior Overseas (Thailand) Co., Ltd.		<u>146</u>	<u>146</u>	<u>146</u>	<u>146</u>
Total		<u>146</u>	<u>162</u>	<u>146</u>	<u>162</u>

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

		In Million Baht			
		Consolidated Financial Statements		Separate Financial Statements	
	Notes	2021	2020	2021	2020
Machinery and construction payables	23				
Other related party					
Grand Asia Steel Processing Center Co., Ltd.		-	1	-	1
Short-term borrowings from related parties	22				
Other related party					
Link Capital I		348	1,433	348	1,433

Movements of short-term borrowings from related parties during the year ended December 31, 2021 were as follows:

	Consolidated/Separate Financial Statements (in Million Baht)
Short-term borrowings from related parties	
As at January 1, 2021	1,433
Repayments	(1,121)
Exchange rate adjustments	36
As at December 31, 2021	348

		In Million Baht			
		Consolidated Financial Statements		Separate Financial Statements	
	Note	2021	2020	2021	2020
Long-term borrowings from related parties	22				
Other related parties					
Portion due within one year:					
ACO I		47	314	47	314
Portion due after one year:					
Link Capital I		995	887	995	887
ACO I		251	-	251	-
		1,246	887	1,246	887
Grand total		1,293	1,201	1,293	1,201

Movements of long-term borrowings from related parties during the year ended December 31, 2021 were as follows:

	Consolidated/Separate Financial Statements (in Million Baht)
Long-term borrowings from related parties	
As at January 1, 2021	1,201
Repayments	(16)
Amortization of deferred loan arrangement fee	6
Exchange rate adjustments	102
As at December 31, 2021	1,293

Long-term borrowings from ACO I amounting to Baht 314 million are repayable in various amount as specified in the agreements ending within February and June 2019 and bear interest at the rate of 15% per annum (default rate). The Company is responsible for withholding income tax as specified in agreement.

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

Significant agreements with related parties

Credit Agreement

As at December 31, 2021 and 2020, the Company was granted credit facilities from Link Capital I (Mauritius) Limited of USD 70 million and USD 84.1 million, respectively, as discussed in Note 16.

During the year 2021, the Company has repaid the partial amount of principal of borrowings from related party as discussed in Note 22.

Business Advisory Agreement

On May 12, 2017, the Company entered into agreement for business advisory and review with a foreign related party 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. Subsequently on January 8, 2020, the Company made an agreement of termination to the lender and business advisory company which was effective on January 1, 2020.

However, up to the present such termination agreement has not yet been signed since the fees payable under the agreement is still outstanding. The Company is now negotiating the payment schedule with such foreign related party so the termination agreement can be signed.

Financial Advisory Services Agreement

On April 3, 2019, the Company entered into Financial Advisory Services Agreement with Ares SSG Capital Management (Mauritius) Limited (formerly 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. Subsequently on January 11, 2021, the Company entered in to Termination of Financial Advisory Services Agreement with the Advisor with the effective from November 30, 2020 and the Advisor agreed to waive the recurring fee from August 2019 to November 2020 totalling Baht 162.7 million. In this regard, the Company reversed the advisory fee for 2020 amounting to Baht 124.8 million and recorded the reversal fee of 2019 as a part of other income in the consolidated and separate statement of comprehensive income amounting to Baht 37.9 million.

Compromise Agreement

On July 31, 2019, the Company entered into a compromise agreement with Superior Overseas (Thailand) Co., Ltd. The Company agreed to repay debt by:

- Partially converting principal amounting Baht 332 million into ordinary share of the Company. Superior Overseas (Thailand) Co., Ltd. agreed to waive all accrued interest up to December 2, 2019 as well as interest until the date of newly issued shares.
- Pay by installment for the remaining debt Bath 146 million within 9 years from the date of Superior Overseas (Thailand) Co., Ltd. is issued new shares. Interest will be calculated on remaining principal of Baht 59 million with the rate of MLR-2% per annum. The Company will receive grace period for 3 years and start to repay principal and interest from the 4th year. However, the Company has to pay all principal and interest within the 9th years, the maturity period.
- The Company allocated 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 December 2, 2019.

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

Debt Restructuring Agreement

On May 19, 2021, the Company entered into 2 Debt Restructuring Agreements with Asia Credit Opportunities I (Mauritius) Limited, a foreign related company, to repay the original debts plus accrued interest expense calculated up to March 1, 2020 totalling Baht 613.1 million. Under the agreements, such debts bear interest at the rate of 6% p.a. and are repayable on quarterly installments as specified in the agreements starting from June 1, 2021 and ending on December 1, 2025. The Company is responsible for withholding income tax as specified in agreements. The Company, therefore, derecognize such forgiveness debts amounting to Baht 9 million and recorded as gain from debt restructuring, presented as a part of other income in the consolidated and separate statements of comprehensive income for the year ended December 31, 2021.

Debt Settlement Agreements

The Company entered into 2 Debt Settlement Agreements with GS Securities (subsidiary) dated August 19, 2020 and September 30, 2020 to settle capital deduction of subsidiary as disclosed in Note 10 of Baht 519.0 million and Baht 105.9 million, respectively, with short-term borrowings from and interest payable to subsidiary totalling Baht 624.9 million (short-term borrowings of Baht 313.0 million and accrued interest expense of Baht 311.9 million).

On August 19, 2020, the Company entered into Debt Forgiveness Agreement with GS Securities, whereby such subsidiary forgave debts to the Company totalling Baht 649.7 million. In this regard, the Company recorded loss on devaluation of investment in subsidiary of Baht 357.1 million. Therefore, the Company recorded these forgiven amounts net offsetting with loss on devaluation of investment in subsidiary amounting to Baht 292.6 million as “Income from forgiveness of other payables to subsidiary” in the separate statements of comprehensive income for the year ended December 31, 2020.

6. CASH AND CASH EQUIVALENTS

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
Cash at banks - savings account	419	331

The currency denomination of cash and cash equivalents as at December 31, 2021 and 2020 were as follows:

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
Thai Baht	419	331

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

7. TRADE ACCOUNT RECEIVABLES - Net

	Consolidated/Separate Financial Statements (In Million Baht)	
	2021	2020
Trade account receivables - Other parties	366	460
Less: Allowance for excepted credit losses	(363)	(456)
Net	<u>3</u>	<u>4</u>
Reversal of allowance for excepted credit losses during the year	<u>93</u>	<u>146</u>
Write-off bad debts during the year	<u>93</u>	<u>146</u>

Aging analyses for trade account receivables were as follows:

	Consolidated/Separate Financial Statements (In Million Baht)	
	2021	2020
Within credit-term	-	-
Overdue		
- Not over 3 months	3	4
- Over 12 months	<u>363</u>	<u>456</u>
Total	366	460
Less: Allowance for excepted credit losses	<u>(363)</u>	<u>(456)</u>
Net	<u>3</u>	<u>4</u>

Customer credit terms

The normal terms of sale granted by the Company are by cash, domestic letter of credit and credit not over 3 working days and letters of credit at sight for export sales.

As such, full provision for receivables of Non-Performing customer have been set by the Company.

No sales transactions for the years ended December 31, 2021 and 2020 with the customers with whom the Company has set aside provisions but are still engaged in business as a means of debt collection.

The Company filed a complaint against a domestic customer (the “Non-Performing Customer”) for the alleged breach of dis-honored cheque. On June 17, 2019, the Central Bankruptcy Court has judgment that the Non-Performing Customer was bankrupt. Therefore, the Company recorded full allowance for doubtful account of Baht 146 million and considered to write-off such account receivable. Such transaction was approved by the Board of Directors’ Meeting No. 2/2564 held on February 24, 2021.

The currency denomination of trade account receivables, gross amount as at December 31, 2021 and 2020 was as follows:

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
Thai Baht	366	367
United States Dollars	-	93
Total	<u>366</u>	<u>460</u>

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

8. INVENTORIES - Net

	Consolidated/Separate Financial Statements (In Million Baht)	
	2021	2020
Finished goods	772	496
Raw materials	700	363
Consumables	177	66
Spare parts	416	424
Goods in transit	2	2
Total	2,067	1,351
Less: Allowance for decline in value of inventories	(26)	(25)
Less: Allowance for raw materials lost	(92)	(92)
Net	1,949	1,234
Allowance for decline in value of inventories during the year (reversal)	1	(89)

Raw materials lost

In the third quarter of 2017, the Company had raw materials (scrap steel) was lost and which may be considered misappropriate, fraud or stolen. Estimated preliminary damage cost was approximately Baht 88 million for which the Company had fully set provision. Later, in the fourth quarter of 2017, the Company prepared yearly stock count of its goods and raw materials as at December 31, 2017 and found that quantity of the Company's raw materials (scrap) lost from the stock amounted to Baht 92 million. Therefore, the Company set up additional in allowance for loss on raw materials amounting to Baht 4 million in the fourth quarter of 2017. Presently, the matter is under the investigation process of police officers in order to conclude the final offence and damage for further filing a legal lawsuit. However, the Company's management assured that the Company does not have any more damage.

On November 1 and 6, 2017, the Company paid USD 2 million (approximately Baht 68 million) to a financial supporter. However, the raw materials (scrap steel) have not been transferred as yet from control yard and the Company has recorded the payment as advance payment for raw materials at transaction date.

On January 20, 2021, the Company has entered into Settlement Agreement with the Financial Supporter, whereby such advance payment, which had outstanding balance as at December 31, 2021 and 2020 of Baht 68 million will be settled through the Arbitration Process as discussed in Note 21.

9. OTHER CURRENT ASSETS - Net

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
Advances to supplier - other parties	235	169
Cash guarantee for purchase natural gas	26	41
Cash guarantee for electricity usage	9	9
Advances to supplier - other parties	8	14
Less: Allowance for impairment losses	(6)	(5)
	2	9
Others	12	15
Net	284	243

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

10. INVESTMENTS IN SUBSIDIARIES - Net

As at December 31, 2021 and 2020, the investments in subsidiaries were as follows:

	Paid Share Capital (In Million Baht)		Proportionate (%)		Separate Financial Statements (In Million Baht)					
					Cost value		Allowance for impairment loss		At cost - Net	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
SPH	341	341	99.99	99.99	341	341	(341)	(341)	-	-
GS Securities	67	67	99.99	99.99	22	22	-	-	22	22
Total					363	363	(341)	(341)	22	22

At the extraordinary shareholders' meeting of GS Securities held on July 17, 2020, GS Securities's shareholders passed the resolution to decrease its authorized share capital from amount of Baht 691.9 million (divided into 69.19 million ordinary shares at Baht 10 par value) to be Baht 172.9 million (divided into 17.29 million ordinary shares at Baht 10 par value). GS Securities registered such decrease in share capital with the Ministry of Commerce on August 18, 2020. The Company used the refund from capital decrease of GS Securities of Baht 519.0 million to settle with short-term borrowings from and interest payable to subsidiary.

At the extraordinary shareholders' meeting of GS Securities held on August 28, 2020, GS Securities's shareholders passed the resolution to decrease its authorized share capital from amount of Baht 172.9 million (divided into 17.29 million ordinary shares at Baht 10 par value) to be Baht 67.0 million (divided into 6.7 million ordinary shares at Baht 10 par value). GS Securities registered such decrease in share capital with the Ministry of Commerce on September 29, 2020. The Company used the refund from capital decrease of GS Securities of Baht 105.9 million to settle with interest payable to subsidiary.

11. OTHER LONG-TERM INVESTMENT

As at December 31, 2021 and 2020, other long-term investment represented investment in G J Steel Public Company Limited ("G J Steel") at 9.45% shareholding (direct holding of 8.24% held by the Company and indirect holding held by GS Securities of 1.21%) that not held for trading but held for strategic purposes is stated at fair value. Unrealized gain on changes in the fair value of this security were recorded through other comprehensive income in the consolidated and separate financial statements for the year ended December 31, 2021 of Baht 795 million and Baht 693 million, respectively (2020: consolidated financial statement amounting to Baht 96 million and separate financial statement amounting to Baht 84 million). Details were as follow:

	In Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Balance as at January 1	385	289	336	252
Changes in fair value	795	96	693	84
Balance as at December 31	1,180	385	1,029	336

G J Steel's shares and G J Steel's warrants pledge as collateral

As at December 31, 2021 and 2020, the Company pledged its G J Steel's shares as collateral for the benefit of creditors as follows:

	Consolidated/Separate Financial Statements	
	Number of shares (In Million Shares)	
	2021	2020
G J Steel's shares		
Liabilities from terminated rehabilitation plan and compromise	897	983
Long-term borrowings from related party	1,100	1,100
Total	1,997	2,083

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

12. ADVANCE PAYMENTS FOR PURCHASE OF EQUIPMENT - Net

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
Advance payments for		
Hot rolled coil expansion project	-	1,308
Coil conditioning line project	-	692
Total	-	2,000
Less: Allowance for impairment losses	-	(2,000)
Net	-	-

During the third quarter of 2021, the Company wrote-off advance payments for purchase of equipment amounting to Baht 2,000 million together with the reversal of allowance for impairment losses. Such written-off transaction was approved by the Board of Directors' Meeting of the Company held on August 11, 2021.

13. PROPERTY, PLANT AND EQUIPMENT - Net

	Consolidated/Separate financial statements (In Million Baht)						
	Land and land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress	Total
Cost							
As at January 1, 2020	762	3,212	19,424	164	6	4,980	28,548
Additions	-	-	1	1	3	85	90
Effects of the adoption of IFRS 16 as at January 1, 2020	-	12	-	-	2	-	14
Disposals and write-off	-	(7)	(34)	(30)	-	-	(71)
Transfers in (out)	-	-	-	1	-	(1)	-
As at December 31, 2020	762	3,217	19,391	136	11	5,064	28,581
Additions	-	6	23	-	-	99	128
Transfers in (out)	-	-	157	-	-	(157)	-
As at December 31, 2021	762	3,223	19,571	136	11	5,006	28,709
Accumulated Depreciation							
As at January 1, 2020	26	1,307	11,698	146	6	-	13,183
Depreciation charge for the year	-	51	388	5	1	-	445
Disposals and write-off	-	(8)	(9)	(31)	-	-	(48)
As at December 31, 2020	26	1,350	12,077	120	7	-	13,580
Depreciation charge for the year	-	51	396	3	2	-	452
As at December 31, 2021	26	1,401	12,473	123	9	-	14,032
Allowance for Impairment Losses							
As at January 1, 2020 and December 31, 2020 and 2021	306	1,071	1,705	6	-	3,466	6,554
Net Book Value							
Owned assets	430	789	5,609	10	1	1,598	8,437
Right-of-use assets	-	7	-	-	3	-	10
As at December 31, 2020	430	796	5,609	10	4	1,598	8,447
Owned assets	430	750	5,393	7	-	1,540	8,120
Right-of-use assets	-	1	-	-	2	-	3
As at December 31, 2021	430	751	5,393	7	2	1,540	8,123

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

Details of construction in progress as at December 31, 2021 and 2020 were as follows:

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
Hot rolled coil expansion	513	513
Coil conditioning line	4,430	4,514
Others	63	37
Total	5,006	5,064
Less: Allowance for impairment losses	(3,466)	(3,466)
Net	1,540	1,598

Certain construction in progress at cost of Baht 1,385 million was the project promoted by the Board of Investment (BOI) under promotional certificate no.1579 (2)/2548 dated June 29, 2005 and the Company got import duty tax exemption of machineries approved by the committee (BOI) which the project should be completed and operated within 36 months from the certificate issued date. Despite several extension by the BOI, the Company could not complete the project and ultimately the BOI did not extend the approval any further. Hence, the Company terminated such project.

Subsequently, the Company re-exported 4 machines from the Kingdom under the said BOI privilege, i.e. Skin Pass, Slitting Coil, Cut to Length, and Heavy Gauge to alleviate the burden of payment of tax and penalty since it is not supported by the extension by the BOI. Total loss booked on such sale in 2019 amounted to Baht 946 million and Baht 22 million in 2020.

The gross carrying amounts of the Company's certain building and equipment totalling approximately Baht 2,178 million and Baht 2,177 million were fully depreciated as at December 31, 2021 and 2020, respectively, but these items are still in active use.

Impairment testing for carrying amount of property, plant and equipment

The values assigned to the key assumptions represented management's assessment of future trends in the relevant industries and were based on historical data from external and internal sources. The key assumptions used in the estimation of the recoverable amount of 2021 were as follows:

Valuation methodology	: Discounted cash flow method
Period	: 5 years financial projection was based on historical financial information and expectations of future outcomes taking into the past experience, adjusted for the anticipated revenue growth.
Growth rate of sale quantity	: At the rates of 1% per annum in 1 st year and 3% per annum in 2 nd - 5 th year.
Growth rate of selling price	: At the rates of 5% per annum in 1 st year and 0% per annum in 2 nd - 5 th year.
Terminal value	: Determined based on terminal value growth rate of 0% per annum from net cash flows of the 5 th year
Discount rate	: At the rates of 10.63% per annum which were based on weighted average cost of capital, with average industry cost of debt, risk free rate, market risk premium and G J Steel's beta.
Others	: Other assumptions relevant to estimated revenues and expenses were based on historical financial information and expectations of future outcomes taking into the past experience, adjusted for the anticipated market growth rate.

Based on the above impairment testing by the management, there was no additional impairment in the book value of property, plant and equipment of the Company as at December 31, 2021.

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

Sensitivity analysis of impairment test of property, plant and equipment

Sensitivity analysis is performed to analyse the risk that valuation of recoverable amount of property, plant and equipment will increase or decrease as a result of changes in fair value assumptions.

Reasonably possible changes at the valuation date (dated December 31, 2021) to one of the relevant fair value assumptions, holding other assumptions constant, would have affected the fair value of recoverable amount by the amounts shown below:

	Impact to increase (decrease) fair value of recoverable amount of property, plant and equipment (in Million Baht)	
	Increase in change in assumption	Decrease in change in assumption
Discount rate		
- Change of 0.5%	(68)	68
- Change of 1%	(135)	137
Growth rate of sale quantity		
- Change of 5%	72	(72)
- Change of 10%	144	(143)
Growth rate of selling price		
- Change of 0.5%	2,206	(2,176)
- Change of 1%	4,443	(4,322)

Although the analysis does not take into account of the full distribution of cash flows expected under the financial projection, it does provide an approximation of the sensitivity of the assumptions shown.

Mortgaged property, plant and equipment

Security for liabilities from compromise

Certain land of the Company, which have net book value as at December 31, 2021 and 2020 of Baht 66 million, were mortgaged as collateral for liabilities from compromise as discussed in Note 21.

Security for tax liabilities

Machinery (Pickle and Oil line) of the Company, which have net book values as at December 31, 2020 totalling Baht 1,503 million, were mortgaged with the Revenue Department to secure tax liabilities as discussed in Note 19.

In April 2021, the Company already paid remaining balances of such tax installment payable in full amount and already released the mortgaged assets in July 2021.

Security for working capital line with a foreign related party

Property, plant and equipment of the Company, which have net book value as at December 31, 2021 and 2020 of Baht 6,358 million and Baht 6,712 million, respectively, were mortgaged as collateral for working capital lines of credit as discussed in Note 16.

Right-of-use assets are acquired by lease liabilities.

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

14. DEFERRED TAX

Tax expense for each of the years ended December 31, 2021 and 2020 consisted of:

	In Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2021	2021	2021
Tax expense - current tax	107	-	107	-
Add (Less) : Tax effect from deferred tax of temporary differences	-	-	-	-
Tax expense	<u>107</u>	<u>-</u>	<u>107</u>	<u>-</u>

Reconciliations between tax expense and accounting profit (loss) multiplied by the applicable tax rate for each of the years ended December 31, 2021 and 2020 are as follows:

	In Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2021	2021	2021
Accounting profit (loss) before tax	<u>1,432</u>	<u>(600)</u>	<u>1,430</u>	<u>(551)</u>
Income tax rate at 20%	286	(120)	286	(110)
Add (Less): Tax effect on				
- Non-deductible expenses	1	36	1	26
- Unrecognized certain temporary differences	36	59	36	59
- Unrecognized tax loss carry forward	-	60	-	60
- Utilized unrecognized other temporary differences	(3)	(35)	(3)	(35)
- Utilized unrecognized tax loss carry forward	<u>(213)</u>	<u>-</u>	<u>(213)</u>	<u>-</u>
Tax expense	<u>107</u>	<u>-</u>	<u>107</u>	<u>-</u>

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

Deferred tax assets arising from temporary differences and unused tax losses that have not been recognized in the financial statements were as follows:

	In Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2021	2021	2021
Temporary differences				
- Allowance for expected credit loss				
- trade account receivables and other receivables	73	91	73	91
- Allowance for decline in value of inventories	5	5	5	5
- Allowance for impairment losses on property, plant and equipment	1,311	1,311	1,311	1,311
- Allowance for impairment losses on other current assets	1	1	1	1
- Allowance for impairment losses for advance payments for purchase of property, plant and equipment	-	400	-	400
- Depreciation gap	1,069	1,034	1,069	1,034
- Non-current provision for employee retirement benefit	21	20	21	20
- Other payables and accrued expenses	-	2	-	2
	<u>2,480</u>	<u>2,864</u>	<u>2,480</u>	<u>2,864</u>
Tax loss carried forwards	-	213	-	213
Total	<u>2,480</u>	<u>3,077</u>	<u>2,480</u>	<u>3,077</u>

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognized in the financial statements of the Company in respect of these items because it is not certain that future taxable profit will be generated against which the Company can utilize the benefits there from.

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

15. OTHER NON-CURRENT ASSETS - Net

	In Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Loans to and accrued interest income from subsidiaries	-	-	8	8
Less: Allowance for impairment losses	-	-	(8)	(8)
	-	-	-	-
Cash guarantee for electricity usage	85	85	85	85
Cash guarantee for purchase natural gas	53	53	53	53
Deferred cost of roll - net	218	179	218	179
Others	12	18	12	18
Net	368	335	368	335

On July 24, 2019, Provincial Electricity Authority, a creditor, 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 was to pay the 16th installments amounted to Baht 207.84 million which was due on June 18, 2018 and the defaulted interest 0.5% as stipulate in the rehabilitation plan of the outstanding debt from the date June 19, 2018 until the filing date July 24, 2019 amounted to Baht 1.14 million, totalling Baht 208.98 million together with defaulted interest 0.5% from the filing date until the payment was made in full.

On February 25, 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 and accrued interest expense of Baht 209.59 million on the date of this agreement. Outstanding balance of Baht 185.70 million was agreed to be paid back 36 installments. Each installment will be paid at Baht 5.158 million and the last installment (36th) will be Baht 5.161 million starting from end of July 2020 onwards until the last installment at the end of June 2023.

16. CREDIT FACILITIES FOR OPERATION

As at December 31, 2021 and 2020, the Company was granted credit facilities from one related party as below:

Credit facilities	Consolidated/Separate Financial Statements (in Million USD)	
	2021	2020
Link Capital I - related party		
Facility A - Cash loan	30	30
Facility B - Standby letter of credit	40	40
Facility C - Cash loan	-	14.1
Total	70	84.1

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

Detail of credit facility which the Company obtained from Link Capital I (Mauritius) Limited are summarized as follows:

Credit Facilities	Credit Line (in Million USD)		Interest Rate *	Repayment Term
	2021	2020		
Facility A - Cash loan	30	30	12% per annum	1) 30% of the aggregate principal amount is repayable at the 4 th anniversary of the first utilization date (due on April 3, 2023 **). 2) Remaining principal amount is repayable at the final maturity date (at the 5 th anniversary of the first utilization date due on April 2, 2024).
Facility B - Standby letter of credit ("SBLC")	40	40	- Unutilized amount at the 3% per annum - Standby letter of credit at the rate of 8% per annum for the utilization period. The defaulted Standby letter of credit which is converted to deemed loan bears an interest at the rate of 15% per annum	1) During 2020, further SBLC devolved and converted to deemed loan according to the Election Notice letters from Link Capital I of USD 20.51 million. 2) As at December 31, 2021, the Company had default balance of deem loan under Facility B totalling USD 10.34 million (2020: USD 33.35 million).
Facility C - Cash loan	-	14.1	12% per annum until May 11, 2020 and 15% per annum afterwards	Repayable within 9 months from the Amendment and Restatement Agreement (due date on April 22, 2020) and extend to repayable within 10 months from the Amendment and Restatement Agreement (due date on May 21, 2020).
Total	70	84.1		

* The Company is responsible for withholding income tax. The Company must pay to the Lender a front-end fee of 3% of each utilization of a cash loan.

** Business day as specified in the agreement.

These facilities from related party were guaranteed by the mortgaged property, plant and equipment of the Group as discussed in Note 13 and personal assets of the Company's director and a related party.

The Company received a Default Letter from Link Capital I (lender) dated June 5, 2020 notice to rectify the following continuous Events of Default on various facilities pursuant to Credit Facility Agreement. The total amount of Default (cash loan, standby letter of credit, and other fees) as at December 31, 2021 and 2020 stands at USD 31.06 million and USD 58.97 million, respectively.

On December 17, 2020, the Company entered into a Standstill Agreement with Link Capital I, whereby the lender, agrees not to take any action for 6 months from the effective date of the Standstill Agreement up to May 31, 2021 while the Company is still negotiating with them on terms to restructure the outstanding without any penalty interest and no arrangement fees. Subsequently on June 16, 2021, the Company received the Amendment of Standstill Letter from such lender to extend the suspension period until December 31, 2021. Subsequently on December 28, 2021, the lender has now agreed to extend the suspension period until December 31, 2022. In this regard, the Company is negotiating with the lender to restructure the default amounts. The Company, therefore, still presents the borrowings from such related party in the consolidated and separate statements of financial position as at December 31, 2021 and 2020 according to the repayment schedule in the Credit Agreement.

During year 2021, the Company has repaid the partial amount of principal of borrowings from related party in Note 22.

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

17. INTEREST-BEARING LIABILITIES

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
<i>Current</i>		
Trade account payables - Unsecured	10	45
Other payables and accrued expenses - Unsecured	38	222
Accrued interest		
- Secured	20	-
- Unsecured	4	-
Current portion of liabilities from terminated rehabilitation plan and compromise		
- Secured	57	19
- Unsecured	137	137
Current portion of long-term borrowings from related parties - Secured	47	314
Current portion of debentures - Unsecured	521	469
Current portion of lease liabilities - Secured	3	7
Short-term borrowings from related parties		
- Secured	348	1,433
Total current	1,185	2,646
<i>Non-current</i>		
Other payables and accrued expenses - Unsecured	1,390	1,133
Accrued interest		
- Secured	104	-
- Unsecured	24	-
Liabilities from terminated rehabilitation plan and compromise		
- Secured	307	364
- Unsecured	91	154
Long-term borrowings from related parties - net		
- Secured	1,246	887
Lease liabilities - net - Secured	1	4
Total non-current	3,163	2,542
Grand total	4,348	5,188

G STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2021

The periods to maturity of interest-bearing liabilities as at December 31, 2021 and 2020 were as follows:

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
Not later than 1 year	1,185	2,649
Later than 1 year but not later than 5 years	1,903	1,350
Later than 5 years but not later than 9 years	1,260	1,189
Total	4,348	5,188

Secured interest-bearing liabilities as at December 31, 2021 and 2020 were secured by collateral as discussed in Notes 11 and 13.

Debentures

As at December 31, 2021 and 2020, the outstanding balances of the Company's debentures were amounting to USD 15.51 million and bore interest at the rate of 3% per annum and was unsecured, which mature in October 2015. On January 9, 2012, the Company received notice letter from bondholder's representative that the Company was default to pay debentures' interest expense which was due on December 30, 2011. However, up to present, the Company has not been called to redeem such maturity debentures.

The movements of debentures during the years ended December 31, 2021 and 2020 were as follows:

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
As at January 1	469	471
Exchange rate adjustments	52	(2)
At December 31	521	469

18. TRADE ACCOUNT PAYABLES

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
Other parties	136	202

The currency denomination of trade account payables as at December 31, 2021 and 2020 were as follows:

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
Thai Baht	101	110
United States Dollars	20	58
Others	15	34
Total	136	202

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Notes to Financial Statements (Continued)
December 31, 2021

The Company has agreements to purchase raw materials from various suppliers. The Company had taken delivery of raw materials under consignment agreements. Details were as below:

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
Trade account payables	-	33

19. OTHER PAYABLES AND ACCREUD EXPENSES

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
<i>Current</i>		
Related parties	73	209
Accrued bonus and incentive program	67	-
Tax installment payable	-	75
Electricity and energy service payables	109	255
Others	193	346
	<u>442</u>	<u>885</u>
<i>Non-current</i>		
Related party	1,390	1,133
Electricity and energy service payable	43	-
	<u>1,433</u>	<u>1,133</u>
Total	<u>1,875</u>	<u>2,018</u>

The currency denomination of other payables and accrued expenses as at December 31, 2021 and 2020 were as follows:

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
Thai Baht	538	771
United States Dollars	1,334	1,247
Others	3	-
Total	<u>1,875</u>	<u>2,018</u>

Tax installment payable - Revenue Department

As at December 31, 2020, the Company had outstanding balance of tax installment payable to the Revenue Department amounting to Baht 75 million. The Company has to pay the tax in 5 installments at the amount of Baht 14.96 million each until May 2021.

Under this repayment schedule, the Company mortgaged its 4 plots of land and construction of G J Steel and pickle and oil line of the Company as collateral as discussion in Note 13 together with the guarantee provided for another company.

In April 2021, the Company also fully paid of tax installment payable and released 4 mortgaged land title deeds of G J Steel in July 2021. Currently, these land title deeds are in the process of transferring the registration in the name of G J Steel and the mortgaged pickle and oil line of the Company is already released in July 2021.

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Notes to Financial Statements (Continued)
December 31, 2021

Memorandum of Understanding - Debts according to Energy Services Agreement

On August 5, 2019, the Company entered into Memorandum of Understanding with a creditor to pay the outstanding electricity service debts of Baht 156.14 million and the penalty for late payment of Baht 24.93 million. The Company agreed to pay for debts of Baht 156.14 million in 33 monthly installments as specified in the memorandum, starting from December 2019 and ending in April 2021. In addition, if the Company can make payment according to the agreement without events of default, the creditor agrees not to charge the penalty of late payment of Baht 24.93 million.

Subsequently on January 10, 2020, the Company entered into Memorandum of temporary suspension of installment payment with such creditor to postpone the first installment from December 2019 to June 2020. The Company made the payment according to such memorandum of Baht 6 million with the unpaid of Baht 150.14 million. And on January 5, 2021, the Company entered into Amendment of Memorandum of Temporary Suspension of Installment Payment to pay the unpaid of old outstanding debts of Baht 150.14 million and the new electricity outstanding amounts of Baht 37.56 million, total debts of Baht 187.70 million in 63 installments as specified in the amendment of memorandum, starting from January 2021 and ending in August 2023.

20. ACCRUED INTEREST EXPENSE

	In Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
<i>Current</i>				
Debentures	204	167	204	167
Liabilities from terminated rehabilitation plan and compromise				
Related parties	4	11	4	11
Other parties	15	31	15	31
Borrowings from related parties	763	504	765	506
Others				
Related parties	168	157	168	157
Other parties	60	126	60	126
	<u>1,214</u>	<u>996</u>	<u>1,216</u>	<u>998</u>
<i>Non-current</i>				
Borrowings from related party	104	-	104	-
Others - related party	24	-	24	-
	<u>128</u>	<u>-</u>	<u>128</u>	<u>-</u>
Total	<u>1,342</u>	<u>996</u>	<u>1,344</u>	<u>998</u>

The currency denomination of accrued interest expense as at December 31, 2021 and 2020 was as follows:

	In Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Thai Baht	212	332	214	334
United States Dollars	1,121	640	1,121	640
Others	9	24	9	24
Total	<u>1,342</u>	<u>996</u>	<u>1,344</u>	<u>998</u>

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Notes to Financial Statements (Continued)
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21. LIABILITIES FROM TERMINATED REHABILITATION PLAN AND COMPROMISE

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
Liabilities from terminated rehabilitation plan - Other parties	73	73
Liabilities from compromise		
Related parties	146	162
Other parties	503	598
Total	<u>722</u>	<u>833</u>
Current	213	184
Non-current	509	649
Total	<u>722</u>	<u>833</u>

The movements of liabilities from terminated rehabilitation plan and compromise for the years ended December 31, 2021 and 2020 were as follows:

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
At January 1	833	536
Transfer from trade payable	-	383
Repayments	(111)	(64)
Settlement with cash guarantee for electricity usage (Note 15)	-	(22)
At December 31	<u>722</u>	<u>833</u>

The currency denomination of liabilities from terminated rehabilitation plan and compromise as at December 31, 2021 and 2020 was as follows:

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
Thai Baht	<u>722</u>	<u>833</u>

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Liabilities from terminated rehabilitation plan

Liabilities from terminated rehabilitation plan of the Company were due to be paid in year 2018 but fell into default. Accordingly, the Company recorded accrued interest at default rate from the date of default as specified in the rehabilitation plan and presented the outstanding liabilities from terminated rehabilitation plan as at December 31, 2021 and 2020 as current liabilities in the separate and consolidated statements of financial position.

Liabilities from compromise - Other parties

The Company enter into various compromise agreements with various creditors. These compromise agreements with are repayable in monthly installments and bear interest at rate as specified in the agreements.

On January 20, 2021, the Company entered into the Settlement Agreement and Termination Fee Restructuring Agreement with a creditor (former finance supporter) with the effective date on March 1, 2020. Under the agreements, the Company committed to pay quarterly installments of the settled debts of Baht 283.1 million and termination fee of Baht 100 million plus interest at the rate of 6% p.a. as specified in the agreements starting from June 1, 2021 and ending on December 1, 2025. In this regard, the Company incurred loss on compromise debts of Baht 30 million which recorded in the consolidated and separate statements of comprehensive income for the year ended December 31, 2020. However, there are unsettled debts claimed from such creditor totalling Baht 266.3 million and advance payment claimed by the Company to such creditor of Baht 68 million. Both parties agreed to pay the unsettled amount through the Arbitration Process which the creditor should file a claim with the Thai Arbitration Institute, the Office of the Judiciary within 60 days after the agreement date.

Subsequently on March 19, 2021, the creditor has filed such claim totalling Baht 266.1 million plus the interest at the rate of 6% per annum until the completion of debt repayment with the Thai Arbitration Institute, the Office of the Judiciary. And the Company already submitted an objection against the creditor's claim to the Thai Arbitration Institute on July 30, 2021.

On September 28, 2021, the creditor has filed a counterclaim to the Thai Arbitration Institute, the Office of the Judiciary. And on October 1, 2021, which was an appointment date to determine the issues of the dispute, the duty of investigation and the proceedings. The Thai Arbitration Institute and both parties have determined the date of investigation creditors' witness on February 4, 7, 28, 2022 and March 4, 2022 and determined the date for investigation the Company's witness on March 14, 18 and 28, 2022. Subsequently on January 20, 2022, the Thai Arbitration Institute and both parties agreed to postpone the date of investigation creditors' witness to March 14, 18, 23 and 28, 2022 and the date for investigation the Company's witness to March 31, 2022 and April 1, 4 and 8, 2022.

Such liabilities from compromise were guaranteed by certain mortgaged land of the Company and pledged G J Steel's shares as discussed in Notes 11 and 13 and personal assets of the Company's director and 2 related parties.

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22. BORROWINGS FROM RELATED PARTIES - Net

Credit facilities	Amount (In Million USD)		Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020	2021	2020
The Company				
Link Capital I				
Facility A	30	30	1,008	906
Facility B	10.34	33.35	348	1,007
Facility C	-	14.10	-	426
ACO I	-	-	298	314
Total			<u>1,654</u>	<u>2,653</u>
Short-term borrowings			348	1,433
Long-term borrowings			<u>1,306</u>	<u>1,220</u>
Total			<u>1,654</u>	<u>2,653</u>
			Consolidated/Separate Financial Statements (in Million Baht)	
			2021	2020
Short-term borrowings from related parties			348	1,433
Less: Deferred loan arrangement fee			-	-
Net			<u>348</u>	<u>1,433</u>
Long-term borrowings from related parties			1,306	1,220
Less: Deferred loan arrangement fee			(13)	(19)
			<u>1,293</u>	<u>1,201</u>
Less: Portion due within one year			(47)	(314)
Net			<u>1,246</u>	<u>887</u>

The currency denomination of borrowings from related parties as at December 31, 2021 and 2020 were as follows:

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
Thai Baht	298	314
United States Dollars	<u>1,356</u>	<u>2,339</u>
Total	<u>1,654</u>	<u>2,653</u>

As discussed in Note 16, the Company received Default Letter dated on June 5, 2020 from Link Capital I (lender) and lender agrees not to take any action according to Standstill Agreement up to May 31, 2021. On June 16, 2021, the Company received the Amendment of Standstill Letter from such lender to extend the suspension period until December 31, 2021. Subsequently on December 28, 2021, the lender has now agreed to extend the suspension period until December 31, 2022. In this regard, the Company is negotiating with the lender to restructure the default amounts. The Company therefore still presented such borrowings from related party in the consolidated and separate statements of financial position as at December 31, 2021 and 2020 according to the repayment schedule in the Credit Agreement.

During year 2021, the Company has repaid the partial amount of principal of borrowings from related parties of totalling USD 37.1 million and Baht 15.7 million.

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23. OTHER CURRENT LIABILITIES

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
Liabilities related to taxes	13	2
Payables for purchase of machinery and construction payables	19	43
Others	4	5
Total	36	50

The currency denomination of other current liabilities as at December 31, 2021 and 2020 were as follows:

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
Thai Baht	36	27
United States Dollars	-	23
Total	36	50

24. NON-CURRENT PROVISION FOR EMPLOYEE RETIREMENT BENEFIT

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
Non-current provision for employee retirement benefit as at January 1	101	78
Current service cost	6	5
Interest cost	2	2
Employee retirement benefit paid	(6)	(1)
Actuarial losses	-	17
Non-current provision for employee retirement benefit as at December 31	103	101

Expenses recognized in the statements of comprehensive income for each of the years ended December 31, 2021 and 2020 were as follows:

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
In profit or loss for the year :		
- Current service cost	6	5
- Interest cost	2	2
In other comprehensive income for the year :		
- Actuarial losses	-	17
Total	8	24

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Actuarial assumptions:

Discount rate	1.66% per annum
Future salary increase	4% per annum
Employee turnover	4.30% - 17.19% per annum
Mortality rate	100% of Thai Mortality Table Year 2017

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provision for defined benefit plans by the amounts shown below.

	Impact to increase (decrease) / (in Million Baht)	
	Consolidated/Separate Financial Statements	
	2021	2020
Effect on the non-current provision for employee benefit at December 31,		
Discount rate		
1% increase	(9)	(9)
1% decrease	10	10
Salary increase rate		
1% increase	11	10
1% decrease	(10)	(9)
Employee turnover rate		
1% increase	(1)	(4)
1% decrease	1	5

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

25. LEGAL RESERVE AND OTHER COMPONENTS OF EQUITY

Legal reserve

Under the provisions of the Public Company Limited Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net profit after deduction of the deficit brought forward, (if any) as reserve fund until the reserve fund reaches 10% of the authorized share capital. The legal reserve is not available for dividend distribution.

Other Components of equity

The detail of other components of equity as at December 31, 2021 and 2020 were as follows:

	In Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Paid in capital from expired warrants				
Cash received from expired warrants				
- First Warrants (GSTEL-W1)	11	11	11	11
- Second Warrants (GSTEL-W2)	3	3	3	3
	14	14	14	14
Loss on change in fair value of equity security				
designated at fair value through				
other comprehensive income	(1,704)	(2,498)	(1,724)	(2,417)
Total	(1,690)	(2,484)	(1,710)	(2,403)

From the cancellation on September 26, 2019 of warrants amounted to 7,025 million units which had book value of Baht 0.002 per unit, was transferred from warrants to be other component of equity amounted to Baht 14 million.

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Notes to Financial Statements (Continued)
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26. OTHER EXPENSES

Significant other expenses for each of the years ended December 31, 2021 and 2020 are as follows:

	In Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Loss on sale of fixed assets (Note 13)	-	22	-	22
Loss on write-off on investments in subsidiaries	-	-	-	2
Others	1	10	4	8
Total	1	32	4	32

27. REGISTERED PROVIDENT FUND

The Company has established a contributory registered provident fund under the plan, members contribute to the fund at 2% to 10% of the employees' basic salaries. The Company contributes to the fund at 3% to 10% of the employees' monthly salaries, depending on the length of employment. Such provident fund was register with the terms and conditions prescribed in the Ministry of Finance and an approval fund manager to manage the fund.

The Company contributed to the fund totalling approximately Baht 14 million and Baht 15 million for each of the years ended December 31, 2021 and 2020, respectively.

28. EXPENSES BY NATURE

Significant expenses by nature for each of years ended December 31, 2021 and 2020 are as follows:

	In Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Raw materials and consumable used	10,533	6,903	10,533	6,903
Change in finished goods	(276)	38	(276)	38
Depreciation and amortization	507	496	507	496
Employee benefit expenses	595	380	595	380
Utility expenses	1,192	1,108	1,192	1,108
Natural gas expense	399	307	399	307
Loss on sale of fixed assets	-	22	-	22
Others	1,203	493	1,205	493
Total expenses	14,153	9,747	14,155	9,747

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29. BASIC EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

The calculations of basic earnings (loss) per share attributable to owners of the parent for each of the years ended December 31, 2021 and 2020 were based on the profit (loss) for the year attributable to owner of the parent and the weighted average number of ordinary shares outstanding during the years as follows:

	In Million Baht / Million shares			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Profit (loss) for the year attributable to owner of the parent	1,325	(600)	1,323	(551)
Number of ordinary shares outstanding at 1 January	28,929	28,929	28,929	28,929
Effect of issuance of new shares	-	-	-	-
Weighted average number of ordinary shares outstanding	28,929	28,929	28,929	28,929
Basic earnings (loss) per share (In Baht) attributable to owners of the parent	0.046	(0.021)	0.046	(0.019)

30. DISCLOSURE OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities carried on the consolidated and separate statements of financial position include cash and cash equivalents, short-term investments in trading securities, trade account receivables, cash guarantee, other long-term investment, trade account payables, other payables and accrued expenses, accrued interest expense, liabilities from terminated rehabilitation plan and compromise, borrowings from related parties and other party, debentures and lease liabilities. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies in Note 3.

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 and preserves the ability to continue its business as a going concern.

Foreign Currency Risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies and has financial assets and liabilities denominated in foreign currencies. However, the Group does not have a hedge agreement.

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 Company as and when they fall due.

At the reporting date there were no significant concentrations of credit risk because the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

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Interest Rate Risk

Interest rate risk arises from the fluctuation of market interest rates, which may have an impact to current and future operations of the Group. The Group's exposure to interest rate risk relates primarily to its deposits at financial institutions, trade account payable, other payable and accrued expenses, liabilities from terminated rehabilitation plan and compromise, borrowings from related parties, debentures and lease liabilities, which bear interest rate. The Group has no hedging agreement to protect against such risk.

Significant financial assets and liabilities as at December 31, 2021 and 2020 classified by type of interest rates are summarized in the table below, with those financial assets that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

		Consolidated Financial Statements						
		2021 (In Million Baht)						
		Fixed interest rates						Effective
	Measurement	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	interest rate (% p.a.)
Financial assets								
Cash and cash equivalents	Amortized cost	-	-	-	419	-	419	0.05, 0.10
Short-term investment in trading security	FVTPL	-	-	-	-	12	12	-
Trade account receivables - net	Amortized cost	-	-	-	-	3	3	-
Cash guarantee for electricity usage and purchase of natural gas	Amortized cost	-	-	-	-	138	138	-
Other long-term investment	FVOCI	-	-	-	-	1,180	1,180	-
Total		-	-	-	419	1,333	1,752	
Financial liabilities								
Trade account payables	Amortized cost	10	-	-	-	126	136	8.82
Other payables and accrued expenses	Amortized cost	38	130	-	1,260	447	1,875	2.62 - 14.71
Accrued interest expense	Amortized cost	-	-	-	-	1,342	1,342	-
Liabilities from terminated rehabilitation plan and compromise	Amortized cost	194	339	-	59	130	722	0.50 - 6.00
Short-term borrowings from related parties	Amortized cost	348	-	-	-	-	348	17.65
Long-term borrowings from related parties	Amortized cost	47	1,259	-	-	-	1,306	4.41 - 17.65
Borrowings from other party	Amortized cost	-	-	-	-	4	4	-
Debentures	Amortized cost	521	-	-	-	-	521	3.53
Lease liabilities	Amortized cost	3	1	-	-	-	4	12.00
Total		1,161	1,729	-	1,319	2,049	6,258	

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		Consolidated Financial Statements						
		2020 (In Million Baht)						
		Fixed interest rates						Effective
	Measurement	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	interest rate (% p.a.)
Financial assets								
Cash and cash equivalents	Amortized cost	-	-	-	331	-	331	0.05, 0.25
Short-term investment in trading security	FVTPL	-	-	-	-	9	9	-
Trade account receivables - net	Amortized cost	-	-	-	-	4	4	-
Cash guarantee for electricity usage and purchase of natural gas	Amortized cost	-	-	-	-	138	138	-
Other long-term investment	FVOCI	-	-	-	-	385	385	-
Total		-	-	-	331	536	867	
Financial liabilities								
Trade account payables	Amortized cost	45	-	-	-	157	202	8.82
Other payables and accrued expenses	Amortized cost	222	-	-	1,133	663	2,018	2.73 - 12.00
Accrued interest expense	Amortized cost	-	-	-	-	996	996	-
Liabilities from terminated rehabilitation plan and compromise	Amortized cost	156	459	-	59	159	833	0.50 - 6.00
Short-term borrowings from related parties	Amortized cost	1,433	-	-	-	-	1,433	17.65
Long-term borrowings from related parties	Amortized cost	314	906	-	-	-	1,220	14.12 - 17.65
Borrowings from other party	Amortized cost	-	-	-	-	4	4	-
Debentures	Amortized cost	469	-	-	-	-	469	3.00
Lease liabilities	Amortized cost	7	4	-	-	-	11	12.00
Total		2,646	1,369	-	1,192	1,979	7,186	

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		Separate Financial Statements						
		2021 (In Million Baht)						
	Measurement	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
		Within 1 year	1- 5 years	Over 5 years				
Financial assets								
Cash and cash equivalents	Amortized cost	-	-	-	419	-	419	0.05, 0.10
Short-term investment in trading security	FVTPL	-	-	-	-	12	12	-
Trade account receivables - net	Amortized cost	-	-	-	-	3	3	-
Cash guarantee for electricity usage and purchase of natural gas	Amortized cost	-	-	-	-	138	138	-
Other long-term investment	FVOCI	-	-	-	-	1,029	1,029	-
Total		-	-	-	419	1,182	1,601	
Financial liabilities								
Trade account payables	Amortized cost	10	-	-	-	126	136	8.82
Other payables and accrued expenses	Amortized cost	38	130	-	1,260	447	1,875	2.62 - 14.71
Accrued interest expense	Amortized cost	-	-	-	-	1,344	1,344	-
Liabilities from terminated rehabilitation plan and compromise	Amortized cost	194	339	-	59	130	722	0.50 - 6.00
Short-term borrowings from related parties	Amortized cost	348	-	-	-	-	348	17.65
Long-term borrowings from related parties	Amortized cost	47	1,259	-	-	-	1,306	4.41 - 17.65
Borrowings from other party	Amortized cost	-	-	-	-	4	4	-
Debentures	Amortized cost	521	-	-	-	-	521	3.53
Lease liabilities	Amortized cost	3	1	-	-	-	4	12.00
Total		1,161	1,729	-	1,319	2,051	6,260	

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		Separate Financial Statements						
		2020 (In Million Baht)						
		Fixed interest rates						Effective
	Measurement	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	interest rate (% p.a.)
Financial assets								
Cash and cash equivalents	Amortized cost	-	-	-	331	-	331	0.05, 0.10
Short-term investment in trading security	FVTPL	-	-	-	-	9	9	-
Trade account receivables - net	Amortized cost	-	-	-	-	4	4	-
Cash guarantee for electricity usage and purchase of natural gas	Amortized cost	-	-	-	-	138	138	-
Other long-term investment	FVOCI	-	-	-	-	336	336	-
Total		-	-	-	331	487	818	
Financial liabilities								
Trade account payables	Amortized cost	45	-	-	-	157	202	8.82
Other payables and accrued expenses	Amortized cost	222	-	-	1,133	663	2,018	2.73 - 12.00
Accrued interest expense	Amortized cost	-	-	-	-	998	998	-
Liabilities from terminated rehabilitation plan and compromise	Amortized cost	156	459	-	59	158	832	0.50 - 6.00
Short-term borrowings from related parties	Amortized cost	1,433	-	-	-	-	1,433	17.65
Long-term borrowings from related parties	Amortized cost	314	906	-	-	-	1,220	14.12 - 17.65
Borrowings from other party	Amortized cost	-	-	-	-	4	4	-
Debentures	Amortized cost	469	-	-	-	-	469	3.00
Lease liabilities	Amortized cost	7	4	-	-	-	11	12.00
Total		2,646	1,369	-	1,192	1,980	7,187	

Fair Value of Financial Instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction. The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

Cash and cash equivalents - the aggregate carrying values are insignificantly different from their aggregate fair value because these financial assets have floating interest rate or fix interest rate, which approximately market rate.

Short-term investment in trading security and other long-term investments - the fair value is based on their quoted market prices (using fair value level 1 input).

Trade account receivables, trade account payables, other payables and accrued expenses (short-term) - the carrying values approximate their fair values due to the relatively short-term maturity of these financial instruments.

Cash guarantee with no interest and no specific refund date - the fair value cannot reasonably to be calculated.

Other payables and accrued expenses (long-term), liabilities from terminated rehabilitation plan and compromise, borrowings from related parties and other parties and debentures - the aggregate carrying value is insignificantly different from its aggregate fair value because using market interest rate.

Lease liabilities - the carrying value approximately its fair value because these liabilities have been calculated using market interest rate.

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As at December 31, 2021 and 2020, the Group had the following assets that were measured at fair value classified by different levels of inputs as follows:

2021 Consolidated Financial Statements (In Million Baht)				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Short-term investment in trading security	12	-	-	12
Other long-term investment	1,180	-	-	1,180
Total	1,192	-	-	1,192
2020 Consolidated Financial Statements (In Million Baht)				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Short-term investment in trading security	9	-	-	9
Other long-term investment	385	-	-	385
Total	394	-	-	394
2021 Separate Financial Statements (In Million Baht)				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Short-term investment in trading security	12	-	-	12
Other long-term investment	1,029	-	-	1,029
Total	1,041	-	-	1,041
2020 Separate Financial Statements (In Million Baht)				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Short-term investment in trading security	9	-	-	9
Other long-term investment	336	-	-	336
Total	345	-	-	345

31. OPERATING SEGMENTS

Segment information is presented in respect of the Company's geographical segments based on the Company's management and internal reporting structure.

Business segments

Management considers that the Company operates in a single line of business, namely manufacturing of flat-rolled steel products, 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.

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Revenue and gross profit based on geographic segment, for the years ended December 31, 2021 and 2020 were as follows:

	Consolidated Financial Statements (In Million Baht)					
	Domestic		Export		Total	
	2021	2020	2021	2020	2021	2020
Revenue from sales	15,516	9,314	297	-	15,813	9,314
Cost of sales	(12,800)	(9,303)	(262)	-	(13,062)	(9,303)
Gross margin	2,716	11	35	-	2,751	11
Other income					249	416
Selling expenses					(163)	(148)
Administrative expenses					(403)	(234)
Gain (loss) on foreign exchange - net					(523)	38
Loss on compromise debts					-	(30)
Other expenses					(1)	(32)
Finance costs					(478)	(621)
Profit (loss) before tax					1,432	(600)
Tax expense					(107)	-
Profit (loss) for the year					1,325	(600)

Non-current assets are located in Thailand only.

Information about major customers

During the year ended December 31, 2021, the Company had revenues from the domestic sale to 3 customers for the total amount of Baht 5,970 million (2020: 3 customers of Baht 3,530 million).

32. COMMITMENTS AND CONTINGENT LIABILITIES WITH NON-RELATED PARTIES

As at December 31, 2021 and 2020, the Company had commitments and contingent liabilities as below:

	Consolidated/Separate Financial Statements (in Million Baht)	
	2021	2020
Commitments for purchases of raw materials and supplies		
Purchases of raw materials	587	793
Purchases of natural gas	7,649	8,099
Total	8,236	8,892
Capital commitments		
Purchases of assets	3	79
Contingent liabilities		
Unsettle debts (Note 21)	291	266

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Significant agreements

- a) As at December 31, 2021 and 2020, the Company has entered into agreements to render of raw water and water supply management. The Company committed to pay service fees relating to raw water and water supply management based on the quantity used.
- b) On July 2, 2019, the Company entered into agreements to purchase natural gas. The Company committed to pay the natural gas depend on monthly charges based on consumption.
- c) On March 26, 1997, the Company entered into a supply agreement to purchase oxygen, argon and nitrogen. The Company committed to pay purchase oxygen, argon and nitrogen based on minimum quantity as specified in the agreement.
- d) On July 16, 2015, the Company entered into an amended and restated energy services agreement (“ESA”) with the electricity supply company to purchase electricity (replaced the previous ESA dated August 19, 2008). The agreement shall continue in effect until the earliest of December 29, 2035 and a termination of the agreement by mutual agreement.

The Company commits to pay energy service based on minimum quantity under the agreement and the Company shall provide the guarantee for payment of Baht 60 million to such electricity supply company. However as at December 31, 2020, the Company still not deliver such guarantee.

- e) On June 1, 2019, the Company entered into a service agreement with a local company to render services for slag handling and process scrap for the period of 5 years and shall be automatically renewed for another one year unless either party gives to the other party written notice of its intention not to renew this agreement at least 6 months prior to the expiry of the initial period or any renewed period thereof.

The Company recorded service for such agreement for the each of the years ended December 31, 2021 and 2020 amounted to Baht 89 million and Baht 78 million, respectively.

33. EVENT AFTER REPORTING PERIOD

On January 21, 2022, the Company was informed by Kendrick Global Limited (“Shares Seller”) in relation to an entry into the Sale and Purchase Agreement (the “SPA”) between the Shares Seller, Nippon Steel Corporation (“Shares Purchaser”), a company whose shares are listed on the stock exchanges in Japan and whose core business is steelmaking and steel fabrication, and other contractual parties in order to sell 100% ordinary shares in Asia Credit Opportunities I (Mauritius) Limited (“ACO I”) in the amount of 19,885,955 shares in ACO I (“Sale and Purchase of Shares in ACO I”). Currently, ACO I own 49.99% of the total voting shares of the Company and is a major shareholder of the Company.

Upon completion of the Sale and Purchase of Shares in ACO I, the shareholding structure of the major shareholder of the Company will change as follows:

Shareholders in ACO I	Prior to the Sale and Purchase of Shares in ACO I		After the Sale and Purchase of Shares in ACO I	
	Number of shares	% of shares with voting rights of ACO I	Number of shares	% of shares with voting rights of ACO I
Kendrick Global Limited	19,885,955	100%	-	-
Nippon Steel Corporation	-	-	19,885,955	100%

Such Sale and Purchase of Shares in ACO I will not affect the number of shares which ACO I holds in the Company in any way but it will be the case of a change in the Company’s indirect major shareholder and is the case where the Shares Purchaser acquires significant control over a juristic person who already owns shares in the business in accordance with the Chain Principle under the Notification of the Capital Market Supervisory Board No TorJor.12/2554 Re: Rules, Conditions and Procedures for the Acquisition of the Securities for Business Takeover dated May 13, 2011 (including any amendments). Therefore, the Shares Purchaser will be required to conduct the mandatory tender offer in order to acquire all securities of the Company from all existing shareholders afterwards.

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In this regard, the Shares Purchaser has made a public announcement on its entry into the Sale and Purchase of Shares in ACO I. According to the Purchaser's Announcement, the Shares Purchaser has stated that the expected tender offer price of the Company would be USD 0.0081 per share or equivalent to THB 0.27 per share (reference to the exchange rate of THB 33.014 per USD, which is the weighted average interbank exchange rate quoted from Bank of Thailand website as of January 18, 2022).

On February 10, 2022, the Shares Purchaser has announced the intention to make the tender offer for all of the balance securities in the business in the number of 14,467,275,959 shares (after acquiring 14,461,489,473 shares) at the expected tender offer price of THB 0.27 per share.

On February 21, 2022, the Shares Purchaser has announced the tender offer for all the shares at the offer price of THB 0.27 per share with the tender offer period from February 23, 2022 to March 29, 2022.

34. THAI FINANCIAL REPORTING STANDARDS ANNOUNCED IN THE ROYAL GAZETTE BUT NOT YET EFFECTIVE

The Federation of Accounting Professions has revised TFRSs which are effective for annual accounting periods beginning on or after January 1, 2022 and have not been adopted in the preparation of these financial statements because they are not yet effective. The Company has assessed the potential initial impact on the financial statements of these revised TFRSs and expected that there will be no material impact on the financial statements in the period of initial application.

Attachments

- Attachments 1 Details of Directors, Executive Directors, Chief Financial Officer, Accounting Supervisor and Company Secretary
- Attachments 2 Details of the directors of subsidiaries
- Attachments 3 Details of the Heads of the Internal Audit
- Attachments 4 Assets used in a business
- Attachments 5 Full version of the corporate governance policies and practice and full version of Code of Conduct that the Company has prepared
- Attachments 6 Audit Committee Report

Note: Investors can view the attachments on the Company's website
<https://investor.gsteel.com/en/downloads/annual-report>

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