



THE STEEL PUBLIC COMPANY LIMITED

บริษัท เดะ สตีล จำกัด (มหาชน)

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

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Vision

To be one of the national best renowned steel centers

Mission

To constantly improve our operations and manufacturing processes

Provide “One Stop Service” to all our customers and easy solution for purchasing products

Develop New Products as well as utilizing new technology to stay relevant within the industry

PART 1

BUSINESS OPERATION AND OPERATING RESULTS

1. ORGANIZATIONAL STRUCTURE AND OPERATION OF THE GROUP OF COMPANIES

1.1 Policy and Business Overview

The Steel Public Company Limited is in metal trading with various types of steel and processing steel pipes and C steel. The Company was founded on April 17, 1991, formerly known as “Thai Yuan Metal Public Company Limited” with registered and paid-up capital of Baht 20 million. Later, the processing of steel products was added by installing a cutting machine and steel pipe forming machine C-shaped structural steel The company was transformed into a public limited company on July 3, 2006 and was listed in the Stock Exchange of Thailand on August 9, 2007

On May 2, 2014, the company was changed its name from Thai Yuan Metal Public Company Limited to The Steel Public Company Limited with registered paid capital Baht 551,030,692.50 currently and is one of the integrated steel business operators.

The Company engages in the business of distributing a variety of steel products in the form of raw materials, such as Hot Rolled Coil, and those that have been processed, including slit coils, steel sheets, hot-formed steel products. and cold-formed steel and other steel products In addition, the Company is also a fabricator of certain types of steel products, such as steel plates, slit coils, flat bars, folded angles, folded rails, steel pipes, and C-shaped structural steel.

1.1.1 Business Objectives

The Company is a distributor of steel products that provide comprehensive services to customers by using the One Stop Service policy, meaning the Company will be a distributor with a wide variety of products. so that customers can save cost and time, because customers can order all types of steel products according to their needs at a satisfactory price from the company. In the future, if new steel products are available in the market and the company's customers need The Company will purchase such products to sell in order that the Company will maintain a true One Stop Service. In addition, the Company also attaches great importance to the manufacturing process, which is the key to obtaining good quality products at low cost. causing most of the company's products meet industry standards

In addition, the company also has customer goals, namely, the company focuses on building trust with customers, by using a sales policy in the manner of alliances with both suppliers and customers, build a tighter existing customer base and expand new customer bases in the form of trade alliances.

1.1.2 Background and Major Milestones

Year	Milestones
September 2015	The Allotment of the Company’ new shares on Private Placement basis for connected persons, amount 150,000,000 shares at par value Baht 1.00 per share, selling price at Baht 5.00 per share, causing registered capital changed from Baht 400,005,080 to Baht 550,005,080

Year	Milestones
September 2015	The company purchased assets for business from Mr. Suroj Jiraphongtrakul, Mr.Nirum Ngamchamnanrith, Kim Seng Co., Ltd., Mahachai Steel Center Co., Ltd. amount Baht 348.21 million
January 2017	THE bought ordinary shares of Prime Steel Mill Co.,Ltd. (Delong (Thailand) Co.,Ltd.) totaling 3,000,000 shares at Baht 70 per share, representing 30% of its paid-up capital from Delong Steel Singapore Project Private Ltd., with the total payment Baht 210,000,000
March 2017	The company purchased assets from Mr. Suwit Jiraphongtrakul, Mrs.Wanna Sittisirinukul, Numtai Co., Ltd., V.P.Steel and Wiremesh Co., Ltd. amount Baht 464.81 million
April 2017	Changed par value (PAR) from Baht 1 per share to Baht 0.50
April 2017	Increased of Company's capital from Baht 550,005,080 to Baht 825,007,620 by issuing the newly issued shares in the amount of 550,005,080 shares with the par value of Baht 0.50 to support the exercise of THE-W2
May 2017	The bought ordinary shares of The Steel Industry Co.,Ltd. from Mr.Somsak Wongsirisup totaling 149,999 shares, and Mrs. Sudarat Wongsirisup totaling 1 share, with the value of share Baht 106 per share with the total payment Baht 15,900,000
November 2018	The Company changed the paid-up registered capital from Baht 550,005,080 to Baht 551,030,080
January 2019	The Company invested in Blox Co.,Ltd, and acquireed 2,000,000 ordinary shares of Blox, or 20% of its registered capital, par value of 1 Baht, with total amount of 2,000,000 Baht
April 2020	The Company changed the paid-up registered capital from Baht 551,030,080 to Baht 551,030,692.50
December 2564	THE gave hire purchase transaction of the entire land and constructions in 2 nd branch to In-Tech Steel Co.,Ltd. at price of Baht 189,087,488.24
December 2564	THE sold out entire machinery and equipment in 2 nd branch to In-Tech Steel Co.,Ltd. at price of Baht 45,794,392.52

1.2 Nature of Business

The current business operations of The Steel Public Company Limited's groups are as follows:

- The Steel Public Company Limited

The company runs business as a trader and supplier of a wide variety of steel products: raw materials such as hot rolled coil; transformed steel such as coil slitting, steel sheet , hot formed product, cold formed product ; and other steel products. The company also

processes some types of steel such as steel sheet, coil slitting, steel flat bar, steel angle bar, steel channel bar, steel pipe, and steel Rip C channel

- The Steel Logistic Co.,Ltd.
To Operate transportation logistic
- The Steel Industry Co.,Ltd.
Manufacture black pipe
- Liberty Steel Siam Co.,Ltd.
Selling steel round bars, hot roll coil and raw materials for manufacture other forming products
- Prime Steel Mill Co.,Ltd.
Manufacture and Sell Hot Roll Coil
- Blox Co.,Ltd.
Operate business of prefabricated homes

1.2.1 Revenue Structure

<i>The distribution</i>	<i>2021</i>		<i>2020</i>		<i>2019</i>	
	Million	%	Million	%	Million	%
	Baht		Baht		Baht	
<i>Trading</i>						
- Key Raw Material	2,692.78	18.55	482.02	6.47	1,828.54	17.79
- Appearance Iron	6,861.85	47.26	3,818.85	51.29	4,945.42	48.10
Coil Center	4,844.44	33.37	3,036.21	40.78	3,371.25	32.79
<u>Grand Total</u>	14,399.07	99.17	7,337.08	98.54	10,145.21	98.68
Other Revenues	119.89	0.83	108.83	1.46	135.49	1.32
Total Revenue	14,518.96	100.00	7,445.91	100.00	10,280.70	100.00

1.2.2 Products and Services

The Company divides its operations into two categories, as follows:

1) Steel Trading and Warehousing

The company's products can be divided into 3 main products, as follows:

(1.1) Hot-Rolled Flat product

This product is passed the production process of the local manufactures. The feature of Hot Rolled Flat Product is sheet, which has different width, length and dept. There are two types. The first type is Hot-Rolled Coil with the depth from 1.0 millimeter to 13.0 millimeters. The second type is Hot-Rolled Plate with the dept from 8 millimeters to 100 millimeters. The company procures Hot-Rolled Coil and Hot-Rolled Plate from local manufactures and sells them to steel traders and steel manufactures.

These customers use these products to produce other steel works. These products are widely used in several industries such as construction, machinery and ship building.

(1.2) Long Product

1) Hot Formed product

These products are passed the hot forming process, which are H-Beams, I-Beams, wide flange, steel bar, steel channel bar, steel channel and steel flat bar. The company procures these products and sells to trader and the customers in construction industry.

2) Cold Formed product

These products are reformed without heating process. This type of products includes steel channel bar, steel angle bar, rip c-channel and steel pipe. The steel pipe which company procures is suitable for construction industry. The company procures these products and sells to trader and the customers in construction industry.

(1.3) Other steel products

The company purchases other steel products to accommodate the customers such as cold rolled sheet and stainless steel sheet.

2) Coil Center

The company processes hot rolled coil into other forming products, such as, slitting coil, cutting sheet various sizes, including c-channel and steel pipes. Currently, machines capacity in the group was 305,700 tons per year, with working 8 hours per day. In case when there are high volumes, additional 2-4 working hour will be done.

1.2.3 Marketing and Competitive Situation

1.2.3.1 Marketing Strategies

- 1) Since the Company has variety of products, customers can order from the company instead of order from many distributors. The company can serve customers' need well, especially, wholesaler and construction clients, which are major customers.
- 2) Metal products, both bought for trading and manufactured by the company received Thai Industrial standard Institute license from Ministry of Industrial, and the company has quality assurance system before deliver goods. In case of damages, new goods will be resubmitted immediately.
- 3) The company has services to deliver products to customers either in Bangkok, outer ring of Bangkok or nearby provinces.
- 4) The company can immediately serve customers' need due to variety of products, efficient inventory control system, and on time delivery.

- 5) The company separates marketing team by customer locations in order to closely take care customers and know their needs.
- 6) The company seriously focuses on creating value added to the firm, by developing and giving product knowledges to staff in order that they can give good advice and service to customers.

Distribution channel

The Company distributed all products locally in both 2020 and 2019, mainly to whole sellers, other industries and constructors, including HRC manufacturers

1.2.3.2 Competition

Because the company operates as coil service center and steel manufacture, the company divides the competitive situation as follow:

1. The coil service center

There are many coil service centers in Thailand but most of them are small manufacturers. There are only two large manufacturers and six medium manufacturers in this market. The company is one of the medium manufacturers. Therefore, the level of competition for large and medium manufactures is moderate. Moreover, at the present the production is not sufficient for the customers' demand.

2. The steel pipe and rip c-channel manufacture

The competition in this market is in high level because there are approximately 50 steel pipe and rip c-channel manufactures in this market. The company divides the competition of steel pipe and rip c-channel into three groups according to their production capacity

- The large steel pipe and rip c-channel manufactures have production capacity more than 100,000 tones per year. There are nine large manufacturers, including the Company.
- The Medium steel pipe and rip c-channel manufactures have production capacity ranging from 50,000 tones per year to 100,000 tones per year. There are approximately 13 Medium manufacturers.
- The small steel pipe and rip c-channel manufactures have the capacity less than 50,000 tones per year. The rest of the manufacturers are small manufacturers.

1.2.4 Procurement of Products or Services

1.2.4.1 Production

At present the company has one factory and mid of 2017 had combined machines in subsidiary into company controlling, with the full production capacity of approximate 305,700 tons per year. The average utilization rate were 57.00% and 38.00% in 2021 and 2020 respectively

1.2.4.2 Raw material and product procurement

At present the company procures hot rolled coil with the standard size of thickness, width and length from the local manufacturers. G J Steel Public Company Limited , G Steel Public Company Limited and Sahaviriya Group who are three major producers, and purchase other products from various supplies. In addition, the Company has been purchasing Hot Roll Coil from Prime Steel Mill Co.,Ltd. as new raw material alternative sourcing.

1.2.4.3 Strip Hot Roll Coil

Currently, the group will import SLAB, as raw material for manufacture strip Hot Roll Coils, then sell to associated company, “Prime Steel Mill Co.,Ltd”.

1.2.5 Assets Used in Business Operation

Core assets used in business operation consist of land, production facilities, office buildings, machines and equipment, office equipment and decoration, and vehicles. Total assets used in business operation have net book value as at December 31, 2021 of approximately THB 1,568.42 million. Details of these assets are presented in Attachment 4.

1.2.6 Investment in Subsidiary

The Company's investment policy is that the Company will consider investing in businesses that support and benefit the Company's business operations. Or is a business in an industry that has a growing trend and will take into account the rate of return received from investment is important. And the company will supervise by sending directors to represent them in proportion to their shareholding and if it is an associated company The company will not take much control. only to send a representative from the company to be a director in that company.

1.2.7 Work-in-process

As at December 31, 2021, the Group's did not have any work-in-process that had value more than 10% of consolidated total revenues of the year 2021.

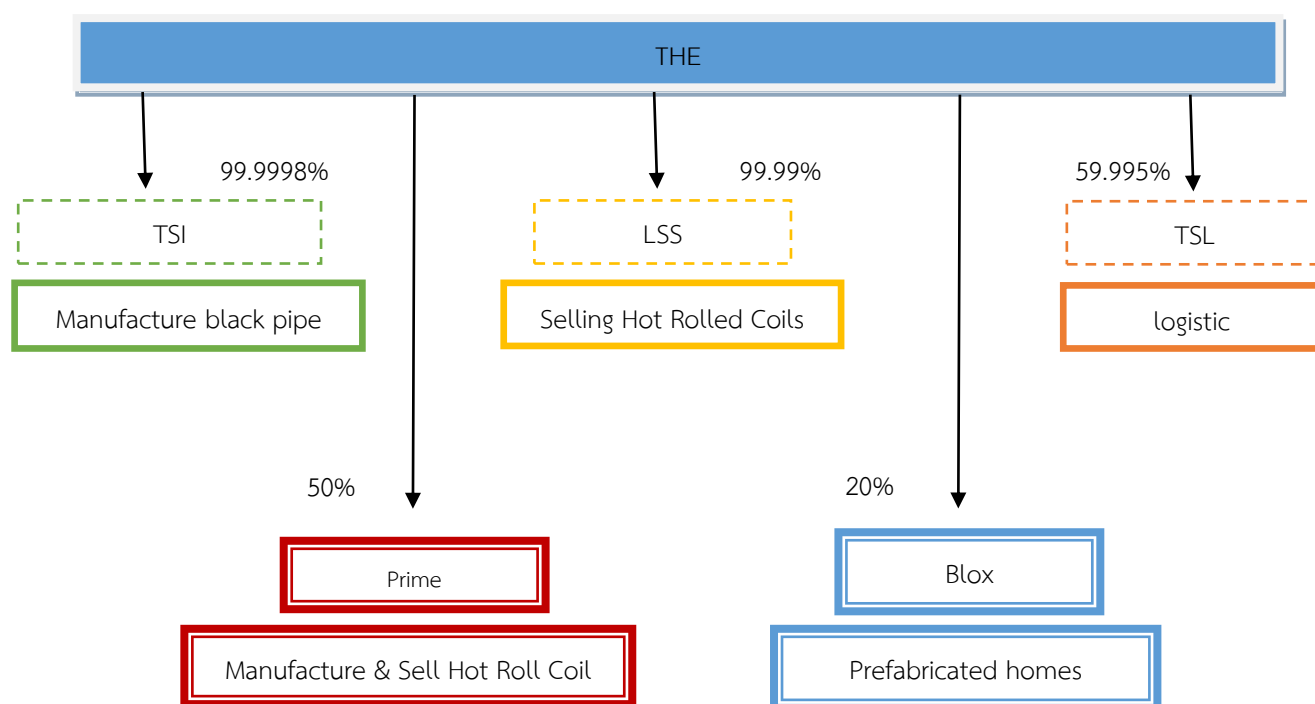
1.3 Shareholding Structure

1.3.1 Shareholding Structure of the Group

Shareholding Structure and Business Operation of the Group are as follows;

Company Name	Business Operation	Percentage of Shareholding
The Steel Logistic Co.,Ltd.	To operate logistic	The Company holds 59.99%
The Steel Industry Co.,Ltd.	Manufacture black pipe	The Company holds 99.99%
Liberty Steel Siam Co.,Ltd.	Selling Steel-Round Bars, Hot Rolled Coils and raw materials for manufacture other forming products	The Company holds 99.99%
Prime Steel Mill Co.,Ltd.	Selling Hot Roll Coil	The Company holds 50%
Blox Co.,Ltd.	Operate business of prefabricated homes	The Company holds 20%

The Group's shareholding structure as at December 31, 2021



1.3.2 Shareholders

1.3.2.1 List of Major Shareholders

List of major shareholders as at March 15, 2022, the record date for the right to attend the Annual General Meeting of Shareholders are as follows;

No.	Major shareholders	Number of shares (Shares)	Percentage of shareholding (%)
1	Mr.Boonchai Jirapongtrakul	188,000,000	17.059
2	Mr.Nirut Ngamchamnanrith	160,000,000	14.518
3	Mr.Suroj Jiraphongtrakul	129,810,000	11.779
4	Mrs.Wanna Sitthisirinukul	79,000,000	7.168
5	UOB KAY HIAN PRIVATE LIMITED	65,078,300	5.905
6	Mr.Panu Jarupilun	60,000,000	5.444
7	Ms.Nisa Ngamchamnanrith	58,000,000	5.263
8	Mr.Suwit Jiraphongtrakul	55,004,900	4.991
9	Mr.Jumpod Chuwong	54,000,000	4.900
10	Ms.Ratana Jirapongtrakul	49,246,100	4.469
	Other Shareholders	203,922,085	18.504
	Total	1,102,061,385	100.00

1.3.2.2 Investment in Subsidiaries

As at December 31, 2021, the Company has invested in 3 subsidiaries with details of shareholding as follows;

Subsidiary	Business Operation	Registered Capital (THB Million)	Paid-up Capital (THB Million)	Percentage of Shareholding (%)
The Steel Logistic Co.,Ltd.	To operate logistic	10.00	10.00	59.995
The Steel Industry Co.,Ltd.	Manufacture black pipe	50.00	50.00	99.99
Liberty Steel Siam Co.,Ltd.	Selling Steel-Round Bars, Hot Rolled Coils and raw materials for manufacture other forming products	450.00	450.00	99.99

1.3.2.3 Major Shareholders' Agreement

There is no agreement with the major shareholders that may affect the issuance of the securities or the managing of the Company, and such agreement has been co-signed by the Company.

1.4 Details of Securities

➤ Registered and paid-up capacity as at December 31, 2021

Registered Capital : THB 825,007,620

Paid-up Capital : THB 551,030,080 consists of 1,102,060,160 ordinary shares.

Par value THB 0.50

➤ Other Securities

- None -

1.5 Issuance of Other Securities

- None -

1.6 Dividend Policy

The Company has the policy to pay dividend to shareholders at the rate not less than 50% of net profit after tax, unless the company has new investment project.

For the other subsidiaries, the Company does not set the rate of subsidiaries' dividend payment, but the policy of subsidiaries' dividend payment to the Company has to be complied with subsidiaries' regulation on dividend payment which is resolved by the shareholders meeting. The subsidiaries' payment of dividend will be determined mainly by the performance of the company's earnings which depends on the performance of its operations and economy.

In addition, for the dividend payment, subsidiaries shall allocate not less than one of twentieth (1/20) from its net profit until this account reaches an amount not less than 10% of the registered authorized capital.

Details of previous dividend payment

Year	Dividend Payment (THB)	Net profit per share (THB)	Dividend rate (%)
2021	0.20	0.69	88.83
2020	0.03	(0.14)	29.17
2019	0.03	0.002	46.39
2018	0.05	0.08	65.92
2017	0.10	0.18	59.03

According to Board of Directors meeting No.2/2021 on May14, 2021 had approved to pay interim dividend from operating profit of January 1 to March 31, 2021 with Baht 0.20 per share, total amount paid Baht 220,412,277.00 and already paid on June 10, 2021.



2. Risk Management

2.1 Risk Management Policy and Business Planning

Board of Directors has given the importance of risk management in all activities of the companies in the group by emphasizing on every work management team that Business operations will be sustainable and undamaged operators in all departments must focus on the management that has good internal control system and must have risk management plan for all activities that are in their responsible, the Board of Directors has assigned the Audit Committee to regularly review the various work systems to ensure every work system must have adequate internal control and be able to deal with the risks immediately if happen. And also emphasized that employees at all levels must comply strictly with the rules, regulations of the company and related laws.

2.2 Risk Factors that Affect Business Operation

Risk factors that may have impact on the operations, financial status, and financial performance of the Group can be classified as follows;

Manufacturing Risk

2.2.1) The risk associated with the volatility of the price of raw material

The company purchased all of hot rolled coil from the local manufacturers with the range 35.95% of all purchases in 2020 and 40.00% of all purchases in 2021. Therefore, the volatility of hot rolled coil price affects the company's cost and the company's selling price. However, if the price of steel products tends to stable or increase, the company uses the cost plus policy to set the selling price of all products. The company uses the raw material cost, expenses and profit to set the selling prices. Therefore, the company can maintain the profit margin and the company can adjust the selling price according to the changing of raw material prices. When the selling prices tend to decrease, the company accelerates to sell all of products. If the customers wish to order the goods in advance, the company will collect the advance payment from them and will order the goods from the manufacturers. This can lower the risk associated with the volatility of hot rolled coli price.

Moreover, the company follows the changing of raw material prices closely to order the raw material and to manage the inventory properly. The company has the policy to decrease the inventory when the price of raw material tends to decrease and to increase the inventory when the price of raw material tends to increase. In the normal situation, the company has the policy to keep the inventory for 45 days. From these policies, the changing of the raw material price will not affect the company's operational performance significantly.

2.2.2) Risk Associated with raw material

At the present, there are only three hot rolled coil manufacturers in Thailand. Hence, there may be a risk if these major domestic steel producers are unable to deliver their products to the Company as scheduled and if the Company is unable to provide substitute products to fill its customer's orders. However, the

company has purchased hot rolled coil from these manufacturers for a long time and has never defaulted on payment. These make the company has close relationship with the manufacturers. Moreover, the company plans the production and informs the purchasing amount of raw material in advance. The company has never experienced a delivery problem with these suppliers, when the steel price situation is normal or the steel price tends to increase. Therefore, the company believes that the company will not be affected by this problem. Currently, the Company has new additional sourcing of Hot Roll Coil from Prime Steel Mill Co.,Ltd. associated Company which the Company hold 50% of its register capital, which will assist the Company getting more sharing of stripped coils in future.

Operating Risk

2.2.3) The risk associated with the changing law about the competition

1) Free Trade Area

At the present, Thailand has Free Trade Area Agreement with ASEAN countries and Agreement on the Common Effective Preferential Tariff (CEPT) Scheme for ASEAN Free Trade Area (AFTA). Hot rolled coil and steel pipe are on the normal track, which Thailand has to lower tariff on import goods to zero, but there is no announcement at this moment. The tariff rate of hot rolled coil from ASEAN countries is two to five percent depending on type and size. The tariff rate of steel pipe from ASEAN countries is five percent. Moreover, it is possible that Thailand will make Free Trade Area agreement with other countries in the future. So the imported hot rolled coil and steel pipe may be cheaper and there may be more foreign competitors. The Association of Metal Trading has formed the group and requested Government issuing SAFE GUARD Act. in order to assist internal metal traders not be impacted.

2.2.4) Risk impact from natural hazards and uncertainty politic

Since end of 2011 natural hazards seemed increasing the violent and uncertainty. This has impacted to seasonal trading, especially; there will be heavy rain and flooding in every third quarter, including El Niño Effect during the past several years caused Thailand facing wide drought and politic uncertainty which affect to property business and consequently metal trading are also slow down.

2.2.5) Risk from Thai Uncertainty Political

Though the new election in Thailand at beginning of 2019 was already held, but the new government team was composed of members from several parties, simultaneously, there were conflicts inside both government team and protest parties, resulting delay in managing fiscal year budget to stimulate economics. That caused investors felt no confidence, which effected property business and metal industries since 2019.

2.2.6) Risk from The Corona Virus 2019

Since ending of 2019 The Corona Virus 2019 started spreading and widely affecting to all economics, both internal and abroad, caused many businesses were closed down. Continuedly effect

people purchasing power, effect property business and steel business. The effect of COVID-19 has been dragging towards 2021 and could not be predicted when will be end.

Financial Risk

2.2.7) Risk Associated with the Fluctuation of Exchange Rate

In purchasing raw materials SLAB steel be sold to associated Company to produce narrow steel coils, most of them are imported from abroad. Hence, the Group is exposed to foreign exchange fluctuations and high exchange losses in 2021. However, the Board of Directors emphasized that the risk management from exchange rate volatility must be done by gradually purchasing forward contracts and if at any time the Baht is strong and company has enough liquidity, the payment of debt in advance to reduce risk.

Investment Risk Imposed on the Securities Holders

2.2.8) Risk Associated with Major Shareholders Holding Shares More Than 50%

As at March 15, 2022, Jirapongtrakul family held 53.70% of the Company's issued and paid-up capital, which will enable the Jirapongtrakul family to take control over most of the resolutions of shareholders' meeting. The resolutions include the appointment of directors and other agenda that required majority votes of shareholders, except for the matters that required by law or company's articles of association that required the votes of three-fourth of the shareholders' meeting. Therefore, other shareholders might not be able to collect sufficient votes to examine and counter balance in the agenda that the major shareholders would propose.

3. BUSINESS SUSTAINABILITY DEVELOPMENT

Sustainability Management Policy and Objective

The Group realizes that operating business with only emphasize on profit is not the way to keep business sustainability. Business will be sustainably growth must be from responsible for all stakeholders. Therefore the Group has set corporate directions and goals toward a good CSR practices by committing to operate the businesses under good Corporate Governance Principles, with transparency, and abide by laws and regulations. Additionally, the Group devotes to establish good and long-term relationships with customers, avoids violation of human rights, workers' rights, and intellectual property rights, as well as promotes anti-corruption values, including helping social and looking after environments. The Group strongly believes that maintaining good relationships with all stakeholders is a significant foundation toward a sustainable growth. In order to achieve the business sustainability, the Group has defined policies and activities as follows:

1. Responsibility Towards Consumers

Since metal is one of commodity product to consumer, The Steel Public Company Limited committed producing and distributing quality steel. Which takes into account the safety of users that may affect the community and the environment. In this regard, the company has complied with rules, regulations and laws and continuously improves and develops products. Which is the foundation of sustainable social responsibility, Adhere to business principles that are transparent, verifiable, ethical, which will satisfy the consumers and construct good image and develop company sustainability.

2. Stakeholder Management

The Group of Companies, besides focusing on producing and selling quality products to consumers The Company operates its business with a policy to be responsible to all groups of stakeholders as follows:

2.1 Customers

The company emphasis on producing and delivering quality products, that meet customer needs. Performing their duties by taking into account the best interests of the customer. It must comply with standards, and laws relevant in accordance with the relevant laws to achieve sustainable mobility. The company will focus on creating satisfaction and commitment to customers.

- 1) Product quality control to meet the expectations of customers, the company has selected quality raw materials, through the standard procedures of production process, to get the good quality products.
- 2) Cost management to be concise at the assessed level , to develop a quality product at a low cost price. That make customers get a good quality products at an affordable price.
- 3) On-time delivery control, the group company have our own trucks to support and accurate delivery.

- 4) Strive to supply, develop and produce the products and services in a modern way to meet the needs of our customers.
- 5) Send employees to meet with customers to listen to their needs of products' in order to getting products meet the highest customer' satisfaction.
- 6) Provide after-sales service to facilitate customers effectively.
- 7) Maintain customer confidentiality. The company has set a policy for employees who access customer data must have a code of ethics to maintain customer confidentiality and within the company, there must be a high internal control system to store customer information.

2.2 Trading partners

Operating business must have several same trading partners, including all supporters, such as, bankers, suppliers. In order to develop company's sustainability, the company has policies to keep good relationship with these people as follows:-

- 1) simultaneously doing business with fairness and good relationship.
- 2) Honestly, sincerely, including exchange information's and knowledge to each other in the proper time.
- 3) In case be able to assist trading partners in line with regulations the company will do within proper level.
- 4) Not abuse all intellectual property rights.

2.3 Shareholders

Business was started and would be growth sustainability shareholders are the key person who support the company. The company has policy to reciprocate shareholders as follows:-

- 1) generate good returns from commercial operations and expand the business for continued growth with sustainability
- 2) Fair and equal treatment of all shareholders
- 3) Operating with good corporate governance
- 4) Operating business with best abilities and prudence for the best interests of the shareholders

3. Management of Social Sustainability

The Group is well aware that achieving development and sustainable growth requires management of not only economic and environmental aspects but also social dimension as well, which including respect human rights, provide safety environment, and involve in community supports. The Group's social sustainable policies and operation are as follows;

3.1 Human Rights and Human Resources Development

Personnel is crucial factors for corporate's success; therefore, the Group emphasizes to develop employee's skills and respect their human rights by implementing the following activities

- Fair Treatment of Employees

The Group has arranged appropriate compensations for the employees. Apart from basic salary that the employees will receive from their operations, the Group has also arranged other welfare and benefits as additional incentives for the employees. Moreover, the Group manages to increase the employees' compensations every year by using criteria based on evaluation. The amounts of increased compensations are determined every year according to the Group's policy, which has to be corresponded with situations and economic conditions

The Group respects human rights and rights of all employees, as well as treats every employee with fairness and equality. There is no discrimination against employees with differences in racial, religion, gender, or physical appearances. Over the years, the Group has supported and helped social by employing disability and arranged them to work in suitable positions

In the year 2021, the Company employment are as follows;

Employees	Male (persons)	Female (persons)
Full-time employees	258	184
Disabled employees	4	1
Total	262	185

- Safety and Work Environment

- The Group concerns both employee and working environment safety standard. The Group has adjusted working environment in order to reduce accidents, also set a safety policy and created a goal to reduce accidents and injuries and announced this policy and objective to all employees.

- The Group arranges safety training for new employees and assigns supervisors or group leaders to evaluate risks associated with their duties in order to determine solutions to correct these risks and safety issues. In addition, the Group also provides adequate personal safety equipment for every employee that suitable to their duties

- Fire Safety Training
- Training on how to use various machines properly
- Put up signs indicating the danger points at the working points for employees to be aware and be careful while working

In the year 2021, accidents and work-related absent statistics were as follows;

	2021 (times / year)
Accident statistic	
Accident caused by unsafe actions	11
Accident caused by Unsafe Condition	9
Work-related absent statistic	
Less than 3 days absence	14
More than 3 days absence	7
Work-related mortality statistic	0

From the above statistic during the year 2021, there were a lot of accidents caused by unsafe actions, which the group determines to follow the safety policy and procedures and continues the safety training in order to reduce the accident to decrease in the future.

- Employee Development

The Company has treated personal as important resources to push company sustainability growth and get business advantage. Therefore, the company has continuously developed, increased staff skill, knowledge, ability together with human resource management. Employees will get ability development to match with their needs which in line with present business operation.

Summary of Staff Training in 2021

Training	No. of staff
In House Training	70
Training by other institutions	32
Total	102

Inhouse and Outside Training in 2021 as follows:-

- Personal Data Protection Act (PDPA)
- Hot Roll Steel Training
- Knowledge of rolling ball
- Safety Committee, Safety Health and Environmental
- Knowledge of company products
- Knowledge of maintenance saw blade
- How to use coolant and maintenance
- How to correct problem in preparing accounting in line with Accounting and Reporting Standard
- Issues be awarded to submit 2021 F/S and preparing for 2022 submission
- Update 2021 Tax Regulations

3.2 Human rights respect

The company adheres to the principle of human rights as a common practice. All employees must not take any action or promote a strict violation of human rights. The Company set up a policy of non-violating human rights, with the details as follows:

1) Personal rights and freedoms

- The company maintains personal information of employees such as biographies, health records, employee history, etc. Disclosure or transfer of employee's personal information to the public, can be done only with the consent of that employee. Harassment is considered a disciplinary offense. Unless acted in accordance with the company regulations or by law
- Disclosure or transfer of personal information can be done with the consent of the owner
- The company does not support activities that violate international human rights principles and corruption

2) Treating employees with equality

- The company treats all employees with equality, not discriminate regardless of race, nationality, language, religion, sex, age and education
- In performing duties, comments should be avoided regarding physical and mental differences, race, nationality, language, religion, sex, age, education, or any other matter that may lead to conflict
- Employees must treat each other with respect, behavior in accordance with the company's regulations, will not tarnish the image of the company
- The company gives the employees opportunity to show their talents to the fullest, by setting appropriate compensation according to company regulations
- Conducting performance consideration with correctly and fairly

3.3 Fair Treatment of workers

The company believes in the development of all personnel in the organization is important in driving the organization to the vision and mission effectively. Therefore, the company also has recruiting new personnel with knowledge, abilities, skills, good attitudes and readiness to join the company. Along with retaining existing personnel to increase knowledge, abilities and skills, able to work together as a team. Helping each other will achieve the company's goals effectively and efficiently

3.4 Policy on the conduct of human rights to migrant workers of the company

The Company understands that migrant workers are essential manufacturing business, due to lower wages and be able to reduce production cost. Hence, the company give important to all migrant workers and pay them including arrange other benefits according to their ability with equality. And sometimes the company has also give direct assistants and support their personal expensed with the following projects:-

- 1) The company has sent a team to inspect the quality of life of foreign workers and survey the livelihoods of migrant workers in the workers' accommodation. If problems are found, they will be resolved as soon as possible for the living of a good labor
- 2) The legal minimum wage for foreign workers, the company has complied with the laws as according to the government policy as complied with the aforementioned laws, both Thai and foreign workers
- 3) Skill Development, the Company has the concept of developing these quality workers with professional opportunities. By training them to have production skills Basic care and use of machinery and equipment in order to be able to perform work at the same potential as general labor
- 4) For some migrant workers who earn lower income, the company will assist accommodation fares in order to encourage those workers.

4. Collaboration in developing community and society

The Group is aware of the necessity of community and social development, together with the operations of the Group. During the past year, the Group has organized community and society development activities as follows:

- 1) Helping communities in need, such as, donating steel to communities affected from fire for repairing houses, temples, schools nearby the company, and construct a meeting room place of worship, etc.
- 2) Restore public roads in the community where the Group located for the convenience and safety of the community
- 3) Dredge waterway in the community prior to rainy season to help drain excess water and prevent flood, including keep cutting grass on transportation way in order to avoid poison animals.

5. Management of Environmental Sustainability

The Company gives importance to environmental protection, not to do any destructive behavior to the natural resources, Including creating activities to support environmental protection for people in the community, cultivate the subconscious of all employees and every unit that supervision, to comply with environmental standards, laws and regulations. Realize the business operation that builds the confidence of customers with serious environmental responsibility in every process, including in management , production's process and distribution of products. Causing the development of concepts that are distilled from experience, as a guideline for creating a sustainable balance for all stakeholders, to be a part of the defense and reduce pollution that may affect the environment. It is also integrated with the principles of sustainable development and the philosophy of sufficiency economy. Commitment to sustainability and meet stakeholders' needs with the following operational guidelines;

- 1) Follow the law Environmental, rules and regulations
- 2) Focus on the conservation of natural resources, energy saving and environmental pollution prevention
- 3) Create good awareness of employees at all levels, to take part in the care of the environment in the workplace and nearby areas
- 4) Power management, efficient use of energy and reduce energy waste ,which is the cost of the business process. Company have managed and control the operation of lighting and air conditioning systems, by installing and maintaining equipment
- 5) The Company continuously manages the rubbish and waste in its business processes by professional team. There effective a system for sorting the rubbish, along with the creation of consciousness and participation with related people, The company has measured the quality standards of air, smell, sound, light in the normal range as required by law and also improvement as suggested from the inspectors.

4. MANAGEMENT DISCUSSION AND ANALYSIS

4.1 Operating Results and Financial Position Analysis

Operating Results

1. Statement of Comprehensive Income

Total revenues of the Company and subsidiaries for the year ended December 31, 2021 equaled Baht 14,518.97 million compared with Baht 7,445.91 million of year 2020, increasing Baht 7,073.06 million or 95.0%. Total revenues increased mainly due to sale quantities increased around 30.24%, since imported raw metal from abroad had been reduced, because transportation system was affected by COVID-19, resulting raw material was rare and selling price also increased around 49.65%, resulting gross profit of this year Baht 1,460.03 million, while gross profit in year 2020 was only Baht 394.51 million, increased Baht 1,164.78 million or 394.51%.

Details of selling quantities and average selling prices were as follows:-

Sale Quantities	2021	2020	Increased (Decreased) Ton	%
1. Forming Products	414,850	370,925	43,925	11.84
2. Raw Material	114,840	35,766	79,074	221.09
	<u>529,690</u>	<u>406,691</u>	<u>122,999</u>	<u>30.24</u>

Average Selling Prices	2021	2020	Increased (Decreased) (Baht/kg.)	%
1. Forming Products	28.22	18.48	9.74	52.71
2. Raw Material	23.45	13.48	9.97	73.96
Average	<u>27.40</u>	<u>18.31</u>	<u>9.09</u>	<u>49.65</u>

Selling and administrative expense of 2021 equaled Baht 413.31 million compared with Baht 213.19 million in year 2020, increased Baht 200.12 million due to annual staff salary adjustment and enlarge of selling team and transportation expense which was increased in line with sale growth. And during close to year end 2021, foreign exchanges were fluctuated, causing loss from FX Baht 44.73 million increased from year 2020. Financial cost of 2021 equaled Baht 52.52 million, decreased Baht 5.46 million due to interest rates reduced during beginning of the year, and there was profit recognition from associated company Baht 354.36 million in this year, while loss recognition of Baht 89.30 million in 2020. After deducting all expenses and income tax, the company reported net profit attributable to Parent Company for 2021 equaled Baht 1,131.01 million, compared to net loss of Baht 130.57 million of 2020, increasing of profit Baht 1,261.58 million or 966.21%.

2. Statement of Financial Position

Assets Management

Total Assets of the Company as of December 31, 2021 equaled Baht 5,607.34 million compare with Baht 4,319.16 million as at December 31, 2020, assets increased Baht 1,288.18 million caused from as follows:-

- Increased of trade receivables and other receivables which shown balance Baht 1,557.36 million as at December 31, 2021 compared to balance Baht 1,477.15 million as at end of 2020, increased Baht 80.21 million due to high sale volumn in year 2021. However, the Company had accelerated the collection caused 2021 average collection day was 41 days while 89 days in year 2020.
- Inventories as at December 31, 2021 was Baht 1,798.17 million compared to Baht 820 million due to high sale volumn and high increasing of purchasing close to year end.
- High profit of associated companies in 2021, also caused the volumn of investment increased Baht 354 million compared to the volumn in 2020.

Liabilities Management

Total liabilities increased from Baht 2,701.83 million as at December 31, 2020 to Baht 3,079.67 million as at December 31 ,2021, increased Baht 377.84 million due to more purchasing, caused more using of short term loans and account payables around Baht 270 million and reserved stocks for beginning of 2022.

Even though most of the Company liabilities were short term debts, especially, bank overdraft and short term loan were Baht 2,623.36 million as at December 31, 2021 or 85.18% of total liabilities, the Company had managed to diversify risks, i.e.

1. Diversified selling to all type of customers and spread to all country. This will make the Company has more customers for classification and be able to select only good customers.
2. Emphasized the payment on time to suppliers and all bankers. The Company has policy to make all payments on time in order to get trust from all payables and banks, resulting, the Company has been getting Baht 6,000 million credit line from banks, which were enough for working capital in the group.
3. Liquidity management in year 2021 was better than 2020, i.e., collection period had been reduced so much, caused the Company had more cash inflow for working capital. And since there was high profit in this year, resulting D/E ratio in the level less than 2 every year.

Hence, the Company believed that with the policy of keeping good images to all payables and financial institutions, casing the Company be able to manage all liquidities of the group and never default the payment.

4.2 Factors or Events That May Affects Future Financial Position and Operating Results

Since 2016 metal industries had continuously increased, resulting the Company could generate profits until year 2017. But in the second half of 2018 there were trade war between USA and People Republic of China and economic crisis in several countries in Euro Zone, including descending trend of internal investment after 2019 election, resulting down trend of metal business, which caused loss in year 2018.

When getting close to end of 2019, continuously till 2020, there was COVID-19 spread around the world, drastically tarnished world trading the whole year of 2020 up to 2021. Therefore, down trend of world trade and unstable of Thai Polite may affect the trading of metal industries.

From the aforementioned impacts, the Company has kept awareness finding strategies and business plans to handle the uncertainty cases as follows:-

1. The Company will make sure that there are enough stocks to fulfill customers' need in order to maintain customers' satisfaction.

2. Joining business with other groups in order to seek more source of metal raw material, i.e. narrow hot roll coil, which make the Company be able to expand more business and market share. In January, 2017, the Company had negotiated purchasing another 3 million shares in Delong (Thailand) Co.,Ltd. (currently changed name to Prime Steel Mill Co.,Ltd.), resulting the Company hold 50% in this Company, which can support more narrow hot roll coil to the group.

3. The Company has been keeping good relationship and good image to all financial institutions by performing as good customer of bankers. The Company will make sure no liquidity problem and never had default the payment, which will make untrust to all banks. With the above strategies, the Company believe that will make the business well going on continuously and survive all situations.

4.3 Information from the Financial Statements and Significant Financial Ratios

The Group's Statements of Financial Position as at December 31, 2019, 2020, and 2021

Unit : Thousand Baht

	Consolidated Financial Statements			Separate Financial Statements		
	2021	2020	2019	2021	2020	2019
Assets						
Current assets						
Cash and cash equivalents	88,937	199,384	136,674	76,165	191,916	127,018
Trade accounts receivable&other receivables	1,592,463	1,496,976	2,015,037	1,573,243	1,476,357	1,980,465
Short-term loans to subsidiaries	-	-	-	241,199	289,000	281,000
Inventories	1,798,168	978,420	1,312,025	1,798,168	978,420	1,312,025
Advance payment for inventories	189,741	1	842	189,741	1	842
Current tax assets	-	-	16,152	-	-	13,894
Non-current assets classified as held for sale	129,446	-	-	129,446	-	-
Total current assets	3,798,755	2,674,781	3,480,730	4,007,962	2,935,694	3,715,244
Non-current assets						
Investments in associates	761,131	407,768	497,071	410,930	410,930	412,000
Investment in subsidiaries	-	-	-	87,453	87,453	244,587
Investment properties	-	132,803	136,372	-	132,841	136,372
Property,plant and equipment	936,426	944,520	1,089,897	637,642	669,799	708,186
Right-of-use assets	30,984	84,318	-	-	10,062	-
Other intangible assets	13,450	9,046	1,227	13,445	9,011	1,162
Deferred tax assets	32,905	29,561	98,804	32,302	30,158	57,354
Other non-current assets	33,685	36,360	20,528	29,834	30,155	16,304
Total non-current assets	1,808,581	1,644,376	1,843,899	1,211,606	1,380,409	1,575,965
Total assets	5,607,336	4,319,157	5,324,629	5,219,568	4,316,103	5,291,209

The Group's Statements of Financial Position as at December 31, 2019, 2020, 2021 (Continued)

Unit : Thousand Baht

	Consolidated Financial Statements			Separate Financial Statements		
	2020	2019	2018	2020	2019	2018
Liabilities and equity						
Current liabilities						
Short-term borrowings from financial institutions	2,623,357	2,349,527	3,138,207	2,623,357	2,349,527	3,138,207
Trade accounts payable&other payables	298,817	312,820	309,086	294,428	314,771	302,521
Advance received for inventories	56,422	5,046	22,402	56,422	5,046	22,402
Current portion of lease liabilities	5,821	3,370	20,137	-	10,449	-
Short-term borrowing from subsidiary	-	-	-	33,980	19,640	17,500
Income tax payable	57,382	-	-	57,170	-	-
Total current liabilities	3,041,799	2,670,763	3,489,832	3,065,357	2,699,433	3,480,630
Non-current liabilities						
Lease liabilities	15,900	10,935	14,623	-	-	-
Deferred Tax Liabilities	-	-	11,642	-	-	4,099
Non-current provisions for employee benefits	20,184	18,514	16,039	16,437	15,209	13,550
Other non-current liabilities	1,785	1,617	1,546	-	-	-
Total non-current liabilities	37,869	31,066	43,850	16,437	15,209	17,649
Total liabilities	3,079,668	2,701,829	3,533,682	3,081,794	2,714,642	3,498,279
Equity						
Authorised share capital	825,008	825,008	825,008	825,008	825,008	825,008
Issued and paid-up share capital	551,031	551,031	551,031	551,031	551,031	551,031
Share premium	947,945	947,945	947,941	947,945	947,945	947,941
Discount on change of interest in subsidiaries	(203,824)	(203,824)	(203,824)	-	-	-
Retained earnings						
Appropriated-legal reserve	76,104	38,270	38,270	76,103	38,270	38,270
Unappropriated	1,150,967	278,148	450,391	562,695	64,214	255,689
Equity attributable to owners of the	2,522,223	1,611,570	1,783,809	2,137,774	1,601,460	1,792,931
Non-controlling interests	5,445	5,758	7,139	-	-	-
Total equity	2,527,668	1,617,328	1,790,948	2,137,774	1,601,460	1,792,931
Total liabilities and equity	5,607,336	4,319,157	5,324,630	5,219,568	4,316,102	5,291,210

The Group's Statements of Comprehensive Income for the Year Ended December 31, 2019, 2020, 2021

Unit : Thousand Baht

	Consolidated Financial Statements			Separate Financial Statements		
	2020	2019	2018	2020	2019	2018
Statement of comprehensive income						
Revenue from sales of goods and rendering of services	14,518,966	7,445,911	10,280,694	14,415,346	7,350,473	9,533,601
Other income	41,746	14,348	9,267	37,453	48,625	29,376
Total revenues	14,560,712	7,460,259	10,289,961	14,452,799	7,399,098	9,562,977
Cost of sales of goods and rendering of service	13,058,932	7,150,656	10,020,871	13,175,977	7,091,200	9,391,067
Distribution costs&administrative expenses	413,311	213,188	195,200	210,083	355,260	157,144
Net foreign exchange loss	63,324	18,600	(52,861)	63,324	18,600	(52,861)
Total expense	13,535,567	7,382,444	10,163,210	13,449,384	7,465,060	9,495,350
Profit (loss) from operating activities	1,025,145	77,815	126,751	1,003,415	(65,962)	67,627
Loss from Impairment and Reversal in Trade Receivables	-	-	8,332	-	-	8,332
Loss from Impairment and Reversal in Advance Payment for Inventories	-	-	29,288	-	-	-
Finance costs	(52,517)	(57,977)	(74,164)	(52,914)	(57,804)	(72,466)
Share of (profit) loss of associates accounted for using equity method	354,359	(89,303)	154,861	-	-	-
Income tax expense	(196,286)	(62,488)	(33,116)	(193,827)	(26,117)	(1,364)
Profit (loss) for the year	1,130,701	(131,953)	211,952	756,674	(149,883)	2,129
Share of Other Comprehensive Income (Expense) of Associate - net of tax			563			
Loss on remeasurements of defined benefit plans		(91)	(1,078)		(91)	(3,001)
Income tax relating to items that will not be reclassified		18			18	
Total comprehensive income(expense) for the year	1,130,701	(132,026)	211,437	756,674	(149,956)	(872)
Profit (loss) owners of the parent	1,131,014	(130,572)	215,505	756,674	(149,883)	
Basic earnings (loss) per share	1.03	(0.12)	0.196	0.69	(0.14)	0.002

The Group's Statements of Comprehensive Income for the Year Ended December 31, 2019, 2020, 2021 (Continued)

Unit : Thousand Baht

	Consolidated Financial Statements			Separate Financial Statements		
	2020	2019	2018	2020	2019	2018
Cash flows from operating activities						
Profit (loss) for the year	1,130,701	(131,953)	245,068	756,674	(149,883)	3,493
Adjustments to reconcile profit (loss) to cash receipts (payments)						
Income tax expense	196,286	62,488	-	193,827	26,117	-
Finance costs	52,517	57,977	74,164	52,914	57,804	72,466
Depreciation and amortisation	86,083	96,386	97,653	57,793	95,508	57,032
Amortization of Leasehold Rights	-	-	182	-	-	182
Provisions for employee benefits	2,490	3,171	-	1,964	2,259	-
Unrealised (gain) loss on exchange rate	1,474	(186)	3,477	1,474	(186)	3,477
(Reversal of) expected credit loss of trade accounts receivable	(3,691)	20,602	(8,332)	(3,691)	20,602	(8,332)
(Reversal of) loss on decline in value of inventories	13,394	(39,161)	30,308	13,394	(39,161)	30,307
Reversal of impairment loss of advance payment for inventories	(14,953)	(2,767)	(29,288)	-	-	-
Impairment loss of investments in subsidiary and associate	-	-	-	-	158,204	-
Unrealised (Gain) Loss on Changes in Fair Value of Temporary Investments	-	-	(0.049)	-	-	(0.049)
Loss from Sales of Temporary Investments	-	-	0.048	-	-	0.048
(Gain) loss on disposal and write-off of property, plant and equipment	2,320	(421)	-	(1,083)	(20)	-
Loss on write-off of withholding tax	-	668	1,913	-	-	-
(Gain) Loss from Sales of Fixed Assets	-	-	4,262	-	-	(1,907)
Loss from Amortization of Fixed Assets	-	-	72	-	-	72
Loss on Inter-Outstanding Balance with Associate	-	-	(38)	-	-	-
Loss from Employee Benefit Payment	-	-	1,813	-	-	1,813
Share of (profit) loss of associates accounted for using equity method, net of	(354,359)	89,303	(154,861)	-	-	-
Eliminate of unrealised gain on downstream sale to associate	997	-	-	-	-	-
Employee Benefit Expenses	-	-	4,112	-	-	2,915
Dividend income	-	-	-	-	(19,999)	-
Interest income	(132)	(87)	(196)	(14,667)	(14,903)	(20,498)
	1,113,127	156,020	270,309	1,058,599	136,342	141,020
Changes in operating assets and liabilities						
Trade accounts receivable & Other receivables	(91,796)	486,887	(44,231)	(93,238)	472,883	(78,450)
Inventories	(836,941)	370,217	(77,093)	(836,941)	370,218	(77,093)
Advance payment for inventories	(174,787)	3,608	28,990	(189,740)	841	(299)
Other non-current assets	2,675	-	(89)	321	-	(91)
Trade accounts payable & other payables	(13,964)	4,354	39,023	(20,304)	12,870	41,090
Advance received for inventories	51,376	(17,355)	4,170	51,376	(17,355)	4,170
Employee benefit paid	(821)	(787)	(2,608)	(736)	(692)	(2,396)
Other non-current liabilities	167	71	(12)	-	-	-
Net cash generated from (used in) operating activities	49,036	1,003,015	218,459	(30,663)	975,107	27,951
Cash Received from Interest	-	-	196	-	-	189
Income tax received	707	1,463	-	-	-	-
Income tax paid	(142,249)	(4,727)	(21,539)	(138,801)	(1,027)	(20,154)
Net cash from (used in) operating activities	(92,506)	999,751	197,116	(169,464)	974,080	7,986

The Group's Statements of Cash Flows for the Year Ended December 31, 2019, 2020, 2021 (Continued)

Unit : Thousand Baht

	Consolidated Financial Statements			Separate Financial Statements		
	2020	2019	2018	2020	2019	2018
Cash flows from investing activities						
Cash outflow on short-term loans to subsidiaries	-	-	-	-	(36,000)	(60,000)
Proceeds from repayment of short-term loans to subsidiaries	-	-	-	47,801	28,000	194,500
Cash Paid for Investment in Associate	-	-	(2,000)	-	-	(2,000)
Acquisitions of property, plant and equipment	(8,273)	(10,298)	(18,934)	(8,192)	(10,219)	(18,379)
Proceeds from sale of property, plant and equipment	3,478	648	2,854	1,106	93	1,951
Acquisitions of right-of-use assets	-	(1,710)	-	-	-	-
Acquisitions of intangible assets	(4,645)	(8,315)	(592)	(4,645)	(8,315)	(592)
Dividends received	-	-	-	-	20,000	-
Interest received	132	87	-	14,710	14,953	20,327
Net cash from(used in) investing activities	(9,308)	(19,588)	(18,672)	50,780	8,512	135,807
Cash flows from financing activities						
Increase (decrease) in short-term borrowings from financial institutions	272,356	(788,494)	65,475	272,356	(788,494)	65,475
Repayment of short-term borrowings from subsidiary	-	-	-	(11,060)	(1,260)	-
Proceeds from short-term borrowing from subsidiary	-	-	-	25,400	3,400	17,500
Payment of lease liabilities	(8,074)	(37,304)	(19,594)	(10,449)	(39,860)	-
Proceeds from exercise of share options	-	4	-	-	4	-
Dividends paid to owners of the Company	(220,360)	(33,075)	(88,028)	(220,360)	(33,075)	(88,028)
Interest paid	(52,556)	(58,583)	(75,279)	(52,953)	(58,410)	(73,581)
Net cash from(used in) financing activities	(8,634)	(917,452)	(117,426)	2,934	(917,695)	(78,634)
Net increase (decrease) in cash and cash equivalents	(110,447)	62,710	61,017	(115,751)	64,898	65,160
Cash and cash equivalents at 1 January	199,384	136,674	75,656	191,916	127,018	61,858
Cash and cash equivalents at 31 December	88,937	199,384	136,673	76,165	191,916	127,018

The Group's Financial Ratios for the Year Ended December 31, 2019, 2020, 2021

Financial Ratio	For Consolidated Financial Statements			For Separated Financial Statements		
	2021	2020	2019	2021	2020	2019
Liquidity ratio						
Current ratio (times)	1.25	1.00	1.00	1.31	1.09	1.07
Quick ratio (times)	0.54	0.63	0.60	0.53	0.62	0.60
Cash flow liquidity ratio (times)	(0.03)	0.32	0.06	(0.06)	0.32	0.002
Receivables turnover (times)	8.70	4.00	4.96	8.67	3.98	4.68
Collection period (day)	41.40	89.97	72.56	41.53	90.45	76.92
Inventory period (times)	14.51	6.24	7.75	14.64	6.20	7.28
Inventory Turnover period (day)	24.81	57.66	46.45	24.59	58.05	49.43
Account payable turnover (times)	51.60	27.05	39.12	52.38	27.30	37.91
Payment period (day)	6.98	13.31	9.20	6.87	13.19	9.50
Cash Cycle (day)	59.24	134.32	109.80	59.24	135.31	116.85
Profitability Ratio						
Gross profit margin (%)	10.06	3.97	2.79	8.60	3.38	1.50
Operating Profit Margin (%)	7.25	1.10	0.99	7.17	(1.31)	(0.07)
Other Income Ratio (%)	0.29	0.19	2.07	0.26	0.41	0.86
Cash to Profit Ratio (%)	(8.79)	1,218.32	192.79	(16.41)	(1,041.89)	(127.19)
Net profit margin (loss) (%)	7.77	(1.77)	2.02	5.24	(2.03)	0.02
Return on equity (%)	54.71	(7.77)	12.32	40.47	(8.83)	0.12
Efficiency Ratio						
Return on assets (%)	22.77	(2.73)	4.07	15.86	(3.12)	0.04
Return on fixed assets (%)	127.85	(3.50)	25.77	122.48	(7.86)	7.43
Assets turnover (times)	2.93	1.55	2.01	3.03	1.54	1.83
Financial Ratio						
Debt to equity ratio (times)	1.22	1.68	1.98	1.44	1.70	1.95
Interest coverage (times)	2.90	15.17	1.21	1.46	15.40	(0.91)
Cash Basis (times)	(0.40)	23.05	1.80	(0.74)	22.50	0.07
Dividend rate (%)				29.12	29.17	46.39
Net profit per share (loss) (baht)	1.03	(0.11)	0.20	0.69	(0.13)	0.002
Book value per share (baht)	2.29	1.46	1.63	1.94	1.45	1.63
Growth Ratio						
Assets (%)	29.64	(18.76)	4.39	20.82	(18.35)	0.99
Liabilities (%)	13.72	(23.36)	2.93	13.36	(22.28)	4.20
Total revenue (%)	95.18	(28.93)	(7.44)	95.82	(23.25)	(15.41)
Administrative expenses (%)	82.88	(27.84)	(10.35)	79.71	(21.94)	(14.61)
Net profit (loss) (%)	956.90	162.26	310.47	604.84	7,140.19	97.58

5. General Information and Other Important Information

5.1 General Information

The Company

Name	:	The Steel Public Company Limited
Symbol	:	THE
Business Operation	:	The company runs business as a trader and supplier of a wide variety of steel products: raw materials such as hot rolled coil; transformed steel such as coil slitting, steel sheet , hot formed product, cold formed product ; and other steel products. The company also processes some types of steel such as steel sheet, coil slitting, steel flat bar, steel angle bar, steel channel bar, steel pipe, and steel Rip C channel.
Head Office	:	1401 Ekkachai Road, Bangbon-Tai Bangbon Bangkok 10150
Branch 1	:	7/4,7/6 Moo 1 Khae rai, Kratumban, Samutsakorn 74110
Branch 3	:	99/16, 99/57, 99/61 Moo 3 Nadee Muang Samutsakorn Samutsakorn 74000
Branch 4	:	196 Moo 1 Khae rai, Kratumban, Samutsakorn 74110
Homepage	:	http://www.thesteel.co.th
Company Registration	:	0107549000106
Phone Number	:	66 (0) 2894-8889-90
Fax Number	:	66 (0) 2408-0272-4
Registered capital	:	THB 825,007,620
Common Shares	:	Common share of 1,102,061,385 shares
Paid Capital	:	THB 551,030,692.50
Par Value	:	THB 0.50 each

INFORMATION ABOUT ITS SUBSIDIARY

Name	:	The Steel Logistic Co.,Ltd.
Business Operation	:	To operate transportation logistic
Head Office	:	7/8 Moo 1 Ekkachai Road, Khaerai, Kratumban, Samutsakorn 74110
Company Registration	:	0745551000218
Phone Number	:	66 (0) 2894-8889-90
Registered capital	:	THB 10,000,000
Paid Capital	:	THB 10,000,000
Par Value	:	THB 100 each

Name : The Steel Industry Co., Ltd.
 Business Operation : Manufacture black pipe
 Head Office : 196 Moo1, Khae lai, Kratumban, Samutsakorn 74110
 Company Registration : 0745552002940
 Phone Number : 66 (0) 2894-8889-90
 Registered capital : THB 50,000,000
 Paid Capital : THB 50,000,000
 Par Value : THB 100 each

Name : Liberty Steel Siam Co., Ltd.
 Business Operation : Selling Steel-Round Bars, Hot Rolled Coils, and raw materials for manufacture other forming products
 Head Office : 1401 Ekkachai Rd. Bangbon-Tai, Bangbon, Bangkok 10150
 Company Registration : 0105554023044
 Phone Number : 66 (0) 2894-8889-90
 Registered capital : THB 450,000,000
 Paid Capital : THB 450,000,000
 Par Value : THB 100 each

INFORMATION ABOUT ITS ASSOCIATE

Name : Prime Steel Mill Co., Ltd.
 Business Operation : Manufacture & Sell Hot Roll Coil
 Head Office : 1011 Supalai Grand Tower, Room No. 1202 12nd Floor, Rama 3 Road, Chong Nonsi, Yannawa, Bangkok
 Branch 1 : 7/447 Moo 6 Mabyangphon, Pluakdang, Rayong
 Company Registration : 0745557000163
 Phone Number : 66 (0) 2107-9117
 Fax Number : 66 (0) 2107-9119
 Registered capital : THB 1,000,000,000
 Paid Capital : THB 1,000,000,000
 Par Value : THB 100 each

Name : Blox Co., Ltd.
 Business Operation : Operate business of prefabricated homes
 Head Office : 297/28 Soi ladphrao 94 (panjamitr) ,Ladphrao Road, Phlabphla,
 Wangthonglang, Bangkok
 Company Registration : 0105562031336
 Phone Number : 66 (0) 2894-8889-90
 Registered capital : THB 10,000,000
 Paid Capital : THB 10,000,000
 Par Value : THB 100 each

Other References

Securities Registrar : Thailand Securities Depository Co.,Ltd
 Address : 14th Floor, The Stock Exchange of Thailand Building,
 93 Rachadapisek Road, Dindaeng, Dindaeng ,Bangkok 10400, Thailand
 Telephone : 66 (0) 2009-9999

Auditor

Company Name : KPMG Phoomchai Audit Ltd.
 50th Floor, Empire Tower
 1 South Sathorn Road Yannawa, Sathorn, Bangkok 10120, Thailand
 Telephone : 66 (0) 2677-2000
 Fax : 66 (0) 2677-2222
 Auditor : Ms.Sujitra Masena CPA.No. 8645 or
 Ms.Nareewan Chaibantad CPA.No. 9219 or
 Ms. Aree Gorpinpaitoon CPA.No.10882

5.2 Other important information

There is no other significant information that may affect investors decision.

5.3 Legal Disputes

As at December 31,2021, the Group had no legal dispute that may negatively affect the Group's total assets at the amount higher than 5% of the shareholders' equity at the end of the accounting period 2021. The Group's also had no lawsuit that may affect the business operation or any lawsuit that is not caused by the Group's normal business operation.

PART 2

CORPORATE GOVERNANCE

6. Good Corporate Governance

The Board of Directors has recognized the importance on following the best practices of good corporate governance as a guide of how to operate the company to get the most benefit of running the business and support clearness efficiency of the management so that Shareholders the investors and all relating Investor Relation, The Board of Directors has determined the corporate governance policies as follows.

1. All information must be clearly presented and on time.
2. Directors and management persons must be sufficiency managed.
3. The principle of operating business must be benefited to shareholders.
4. Risk management must to controlled and minimized loss.
5. Ethics must be used for operating a business.

Apart from the mentioned policies, the Company has followed the Principles of Corporate Governance for listed company that proposed by the Stock Exchange of Thailand, which can be classified into 5 sections as follows;

1. RIGHTS OF SHAREHOLDERS

The company values shareholders' rights by refraining from violating or infringing on such rights as follows:

Before the meeting:

1. The Company allows each shareholder to propose agenda items for consideration at their meeting ahead of the actual meeting date and also to nominate candidates for directors and Shareholders are allowed to submit written questions about agenda items ahead of the meeting date through its website at www.thesteel.co.th. In 2021, no shareholder proposed their own agenda and nominates candidates for the Company Directors.
2. The Company has published the meeting schedule and the agenda through the Stock Exchange of Thailand's information system and the Company's website 30 days prior to the meeting date to allow the shareholders to access and have sufficient time to study the information and details.
3. The Company has deliver invitation letters enclosed with minutes of the previous meeting, annual report, documents to supplement decision making in each agenda, explanations and information of the independent directors, steps to attend the meeting, special regulations relating to the shareholder's meeting, the meeting venue and proxy form to all shareholders at least seven days before the meeting. Such information is also made available through the Company website at www.thesteel.co.th and announced in the newspapers for three consecutive days before the meeting to inform the shareholders in advance.
4. Shareholders who cannot attend the AGM themselves are allowed to appoint proxies, or delegate independent directors as their proxies to vote on their behalf.

Shareholders' meeting date:

1. The Company provides two hours before each meeting for registration and even after that, it allows shareholders who still want to attend the meeting to do so and register their attendance without losing their rights and they still have the voting right for the items remaining on the agenda.
2. Before starting the agenda, the secretary introduced the Board, the executives and the auditor as well as informing the meeting of the criteria for voting and how to count the votes.
3. The Company encouraged the meeting to use voting ballots and encouraged shareholders to exercise the voting right in selecting director. Prepared ballots for individual director and distributed them to the shareholders during registration before the meeting began. Details of the voting scores were recorded in the Annual General Meeting of the Shareholders for the Year 2020. The Voting ballots key documentation is systematically compiled and may be inspected for subsequent reference.
4. The Chairman of the Meeting conducted the Meeting according to the agenda in the invitation letter, without any change in the order of the agenda, and without requesting the Meeting to consider any matters not specified in the Meeting.
5. The Company allows shareholders to fully express their views and raise their questions. The Chairman of the Board of Directors, the Chairman of Audit Committee, the Managing Director and CEO attend all meetings to address questions clearly.

After the shareholder's meeting:

1. The Company Secretary records all significant information at an AGM, such as the Directors in attendance; the clarifications of the Chairman of the Board of Directors, the Chairman of Audit Committee, the Managing Director. It includes questions raised and opinions expressed by shareholder; the method for voting and counting votes; the number of votes for, against or non-voting on an Issue; and any other relevant information.
2. The Minutes of the Meeting are forwarded to the Stock Exchange of Thailand within 14 days of the Meeting and are also posted on the company's website. This allows shareholders to inspect the accuracy of resolutions and make suggestions for any other details to be recorded prior to proposing the approval of the said Minutes at the next Shareholders' Meeting.

2 EQUITABLE TREATMENT OF SHAREHOLDERS

The Company values the equality of all shareholders. Its practical guidelines to promote genuine equality include the following:

1. Fair exercising of shareholders' rights at Annual General Meetings (AGM)

At the annual general meeting of shareholders, the Company will provide opportunities for minority shareholders to exercise their rights, to propose agenda and nominate persons to be elected as directors in advance to promote equitable and fair treatment of shareholders. One or several shareholders holding shares not less than 0.05% of the total number of voting rights of the Company can propose the agenda

and the names of the candidates at the annual general meeting of shareholders. The Company will publish these guidelines on its website and the website of the Stock Exchange of Thailand. Shareholders are encouraged to propose agenda items or nominate directors within the timeframe specified by the Company.

In addition, the Company allows the shareholders with the opportunity to submit questions concerning the agenda of the shareholders' meeting in advance. The Company also publishes the Notice of the shareholders' meeting before every meeting.

In the 2021 Annual General Meeting of Shareholders, no shareholder proposed the meeting agenda or nominated any person to be considered as an independent director of the Company.

2. Control and Prevention of the Use of Inside Information:

- The company sets to have the protection against bringing company information to be used by setting unit that know information and will not reveal it to other unrelated individuals or group.
- The Company administrator who receives the financial of the company will not use the benefit from the mentioned information before reveal to the public. The administrators cannot buy or sell the company's assets for a period of one month before the financial budget will be presented to the public.
- When the company assets register in the stock exchange in Thailand, the company has set that the committee and administrator have functioned in reporting asset holding in the company according to the Sections 59 so that it would be as announced of the National Election Committee Office 14/1997 about making and revealing the report of asset holding on May 12, 1997 and have set the penalty according to the Possession and Stock Exchange Act, 1992 and the regulations of Stock Exchange in Thailand. This includes setting the penalty for those searching for their own benefit from using the company's internal information for personal use reveal to others, thus damaging the company. There will be consideration concerning the punishment according to the situation such as verbal warning, written warning, suspension, including halt employment by firing or dislodge.
- In making connected transactions, the company strictly manages the approval procedure in its best interests. Transactions with possible conflicts of interest are raised for the Audit Committee's scrutiny before submitting to the Board and shareholders' meetings for consideration, if applicable. The Company discloses complete important information in compliance with the regulation.

3 ROLES OF STAKEHOLDERS

The Company gives the importance to the right to all group of individuals who gain or loss, no matter if they will gain or loss inside or outside. Because the company realizes the support from those who gain or loss, which will create abilities in competition and make profit for the company, it is considered to bring success to the company on the long-term. These are the important details;

Staffs	:	Equitable treatment and reasonable benefits to all staff.
Traders and Creditors	:	Fair treatment and follow terms and conditions stated in agreement.
Customer	:	Create a satisfaction to the customer, take care and be responsible for the customer by emphasizing the product quality, qualified service.
Competitors	:	Avoid unfair competition, and practice business ethics.
Community/Social	:	The Company considers the environment by being responsible of taking care of making sure there is no effect on the environment of the public and society

In addition, it has instituted a communication channel for requests, opinions and suggestions with the Board of Director to enable parties to make useful recommendations provided a box to receive comment at the front of the office or by website or email at theinfo@thesteel.co.th, audit@thesteel.co.th. The Company's Secretary who receives and summarizes all topics, and to the Audit Committee, and Board of Directors. The Company gives importance to the secrecy of information received in order to build confidence to sender, and complaint will only be known to assigned and related persons.

4 DISCLOSURE OF INFORMATION AND TRANSPARENCY

The Company highly values the disclosure of financial and other information through various channels for shareholder, investors and stakeholders to equally reach the information as follows:-

- Disclose assorted significant information, including financial information, shareholding structure, good corporate governance and company information submitted to SET through its ELCID system, Annual Report, Form 56-1, notice to shareholders' meeting, minutes of shareholders' meetings in both Thai and English, is regularly updated at www.thesteel.co.th
- On the investor relationship side, currently, the company is in the process of setting the specific unit, but has appointed to the Ms. Thitima Nontavech, communicate with the institutional investor, shareholders, including the analyzer and the related government agency.

5 RESPONSIBILITIES OF THE BOARD

The company has responsibility and leadership and vision from to be Good Corporate Governance as follows:

1. Composition of the Board:

- The Board consisted of 7 directors-one non-executives and three executive. Three were independent directors. Information about the terms of each director appears in the annual report, Form 56-1.
- Chairman and Managing Director are individual but they are the relation. Their experience different are advantageous for each department. However, company had divided clearly the

authority for each company committee and administration and 3 company's non administration committee for balancing and auditing of company administration.

- The Board has not only defined a formal and transparent recruitment procedure for directors, to be executed by the Nominating and Remuneration Committee, but has made it possible for shareholders to nominate suitable persons for selection.

- **Terms of Directors:**

As stated in company regulations, each director's term is three years, in line with that stated in the Public Company Limited Act. It is also stipulated that the Audit Committee can be in office for up to three consecutive terms.

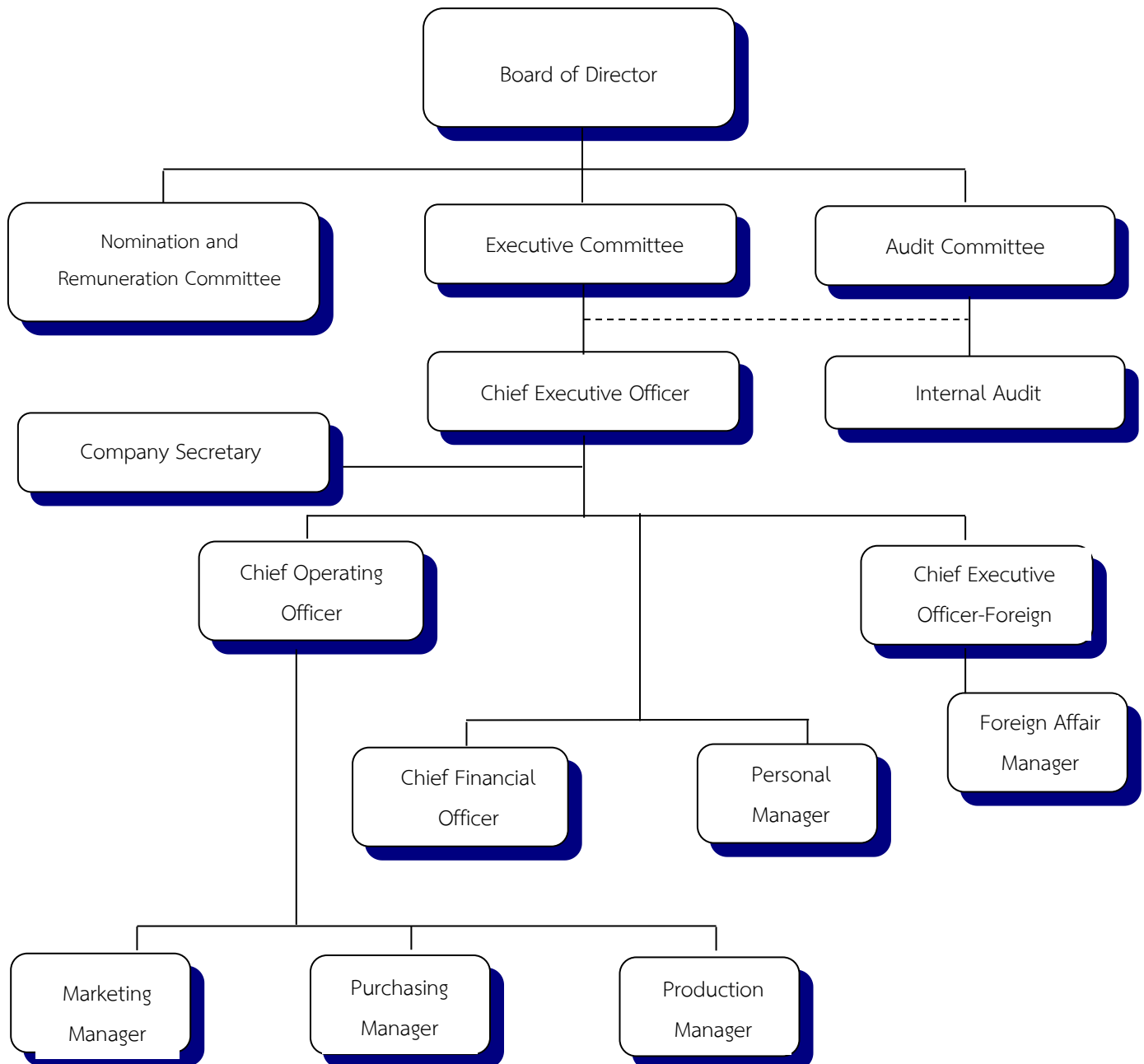
- **Company Secretary**

Ms. Thitima Nontavech , has been assigned to serve as Company Secretary. This person is a regular employee. Who can be contacted by email at theinfo@thesteel.co.th.

7. CORPORATE GOVERNANCE STRUCTURE AND SIGNIFICANT INFORMATION RELATED TO THE BOARD OF DIRECTORS, SUBCOMMITTEE, EXECUTIVES, EMPLOYEES, AND OTHERS

7.1. Corporate Governance Structure

Corporate Governance structure as December 31, 2021, were presented as follows;



7.2 The Board of Directors Information

The Board of Directors and Executives of The Steel Public Company Limited consist of qualified persons according to Section 68 of Public Company Limited Act B.E. 2535 and the Notification of the Securities and Exchange Commission no. Tor Jor 4/2552 Re: The Application and Approval for the Offering of Newly Issued Securities with details as follows;

7.2.1 The Composition of the Board of Directors

As at December 31, 2021, the Board of Directors consisted of 7 members as follows;

- | | | |
|----------------|-----------------|---|
| 1. Mr.Manu | Leopairote | Director / Chairman of the Board of Directors /
Independent Director / Chairman of the Audit Committee |
| 2. Mr.Boonchai | Jirapongtrakul | Director |
| 3. Mr.Suroj | Jiraphongtrakul | Director |
| 4. Mr.Nirut | Ngamchamnanrith | Director |
| 5. Mr.Rujira | Jiraphongtrakul | Director |
| 6. Mrs.Seenual | Tasanapat | Director / Independent Director / Audit Committee |
| 7. Mr.Sumath | Chinraksa | Director / Independent Director / Audit Committee |

The authorized directors are Mr.Boonchai Jirapongtrakul, Mr.Suroj Jiraphongtrakul, and Mr.Nirut Ngamchamnanrith. The two directors out of three cosign with the Company seal.

7.2.2 Duties and Responsibilities of Board of Director:

1. The authority and function according to the Civil and Commercial Code, including other laws which specify to be the authority and function of the committee or the group of the committee in the public company.
2. The authority and function according to the company regulations that is defined to be for the committee group.
3. Consider approval long-term plan, budget plan, and the annual investment budget.
4. Run the company's business according to laws, objectives, and the regulations of the company as well as the resolution of the shareholder meeting
5. Plan and set administration policy of the company and subsidiaries and supervision performances of the company
6. Define other regulations of the company
7. Appoint executive of directors or assign to one or more committees or any individual operate instead of the committee and in the limit responsibility that the board should have and has the right to cancel, ignore, edit, or change the mentioned authority.
8. Consider and approve the important activities that are related to the company or benefit for the company

Except for these following issues that can operate only when permission has been given by the shareholder meeting. The committee who may have gain or loss or conflict in other benefits with the company or the subsidiaries cannot vote for those issues.

- The topic that the law has defined must have the resolution from the shareholder meeting.
- Making the list in which the committee has gain and loss and in the area of law or regulations of the stock market defined have to be authorized from the shareholder meeting.
- Other than that, the following criteria must get the consent from the board meeting and the shareholder meeting with the vote not less than 3 out of 4 of the attending shareholders who have the rights to vote:
 - selling or transferring the company's business all or just important parts
 - buying or receiving the transfer of the other companies or public companies as the company's property
 - making, editing, or canceling the contract regarding renting the company's business all or just important parts; assigning others to manage the company's business or adding the business with other individuals with the objective of sharing profits and loss with each other
 - editing the memorandum or the company's regulation
 - increasing or decreasing capital, issuing the debenture, combining or canceling the business
 - other issues according to the law

7.3 Subcommittees Information

The Board of Directors has set up another 3 sub-committees i.e., Executive Committee, Audit Committee and Nomination and Remuneration Committee, which are composed of knowledgeable persons and those with appropriate expertise to help supervise and examine several issues and assignments to ensure their accuracy, transparency and completeness before submitting to the Board of Directors for approval or acknowledgement on case-by-case basis to support the Company's administration and management:

7.3.1 Executive Committee

As at December 31, 2021, the Executive Committee consisted of 5 directors as follows;

1. Mr.Boonchai Jirapongtrakul Chairman of the Executive Committee
2. Mr.Suroj Jiraphongtrakul Executive Committee
3. Mr.Nirut Ngamchamnarnrith Executive Committee
4. Mr.Sila Wongpornpra Executive Committee
5. Mr.Prasertsuk Nudthaisong Executive Committee

Duties and Responsibilities Executive Committee :

1. Empower of decide the significant operations by specified scope works, purpose, discipline, policy, type or size of duties within their authorities including govern general operation, production, customer's relation and must responsible to Board of Directors.

2. Consider all investments including purchasing ,selling company's fixed assets and propose to Broad of Directors.
3. Consider about the purchasing of raw materials for the Company.
4. Have the authority to act and be representative of the business to the third party in the related business and giving benefit to the business
5. Consider to find more funds for presenting to the company committee.
6. Approve the appointment of the company consultants in other issues that are necessary to the operations.
7. Run the business that relates to the general administration of the company.
8. Consider to approve the operation plans of each company department and to approve the requests from other departments that exceed the authority of such departments.

That is, the assignment of such authority, the managing director must act according to the rules and regulations that have been approved by the committee. They must not approve any issue that they or opposed individuals may gain or loss, or are opposed to the benefits in other ways with the company and sub-company. They must also reveal the following issues to the committee of the company for consideration.

Matters other than what has been mentioned, Executive committee is not allowed to do unless it has been assigned from the committee meeting occasionally.

7.3.2 Audit Committees

As at December 31, 2021, the Audit Committees consisted of 3 members as follows;

- | | | |
|----------------|------------|---------------------------------|
| 1. Mr.Manu | Leopairote | Chairman of the Audit Committee |
| 2. Mrs.Seenual | Tasanapat | Audit Committee |
| 3. Mr.Sumath | Chinraksa | Audit Committee |

The Audit Committee who has experiences in reviewing of the Company's financial statements is Mrs.Seenual Tasanapat

Duties and Responsibilities of Audit Committee :

1. to review the Company's financial reportings to ensure that there are accurate and adequate;
2. to review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. to review the Company's compliance with the law on Securities and Exchange, the Exchange's regulations, and the laws relating to the Company's business;
4. to consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration.

5. to review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;
6. to prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
 - A. an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - B. an opinion on the adequacy of the Company's internal control system,
 - C. an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
 - D. an opinion on the suitability of an auditor,
 - E. an opinion on the transactions that may lead to conflicts of interests,
 - F. the number of the audit committee meetings, and the attendance of such meetings by each committee member,
 - G. an opinion or overview comment received by the audit committee from its performance of duties in accordance with this charter, and
 - H. other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and
7. to perform any other acts as assigned by the Company's board of directors, with the approval of the audit committee.

7.3.3 Nomination and Remuneration Committee

As at December 31, 2021, the Nomination and Remuneration Committee consisted of 3 members as follows;

1. Mrs.Seenaul Tasanapat	Chairman of the Nomination and Remuneration Committee
2. Mrs.Nartsine Sarnvanichpatak	Nomination and Remuneration Committee
3. Ms.Proudpalin Vacharabenjapat	Nomination and Remuneration Committee

Duties and Responsibilities Nomination and Remuneration Committee :

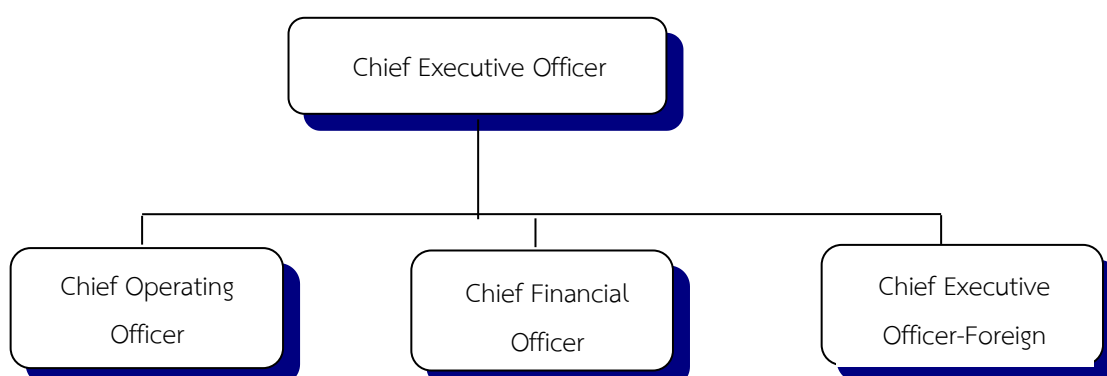
1. Define the scope of work and method on the selection and recruitment of directors and sub-committee whose tenure have ended or unoccupied position for submission of the Board's consideration and/or further to shareholders' meetings for approval.
2. Define the method and practice of appropriate compensation for directors and sub-committee to the Board and/or further to Shareholders' meetings for approval.
3. Report to the Board of Director the results of Nomination and Remuneration Committee meetings or other matters that the Board of Directors should be informed.
4. Perform any tasks assigned by the Board of Directors.

7.4 Executives

As at December 31, 2021, the Executives consisted of 3 members as follows;

1. Mr.Boonchai Jirapongtrakul Chief Executive Officer
2. Mr.Suroj Jiraphongtrakul Chief Operating Officer
3. Mr.Nirut Ngamchamnanrith Chief Executive Officer-Foreign
4. Mr.Pornthep Pripaisalkij Chief Financial Officer

The Organization Chart as of December 31, 2021



Executive Directors and Executives Remuneration

The Company has set a remuneration policy for the executives bases on a Key Performance Index (KPI), achievement in objectives, and annual performance evaluation. In the past year, the executive directors remunerations consisted of salary and bonus with details as follows;

	2021		2020		2019	
	No. of executives	Remuneration (THB)	No. of executives	Remuneration (THB)	No. of executives	Remuneration (THB)
Salary	6	16,807,320	6	16,807,320	6	16,788,173
Bonus	6	303,806	6	364,060	6	331,327
Total	6	17,111,126	6	17,171,380	6	17,119,500

Other remuneration

The Company has provided a provident fund for the management, where the Company contributes 2 percentage of the salary. In year 2021, the Company has made contributions to the provident fund for 3 executives totaling Baht 244,800.

7.5 Employees Information

7.5.1 Number of Employees

As at December 31, 2021, the Company has total of 458 employees, classified into departments as follows;

Department	Number of employees (persons)
Executives	17
Internal Audit Department	1
Accounting and Finance Department	29
Human Capital Management Department	10
IT Department	5
Sales Department	61
Purchasing and Planning Department	16
Production Department	146
Maintenance Department	11
Parts Producing Department	14
Warehouse Department	129
Safety Department	4
Factory Engineer Department	4
Tooling Department	2
Foreign Department	2
Administrative Department	14
Total	458

7.5.2 Labor Disputes Over the Past 3 Years

- None -

7.5.3 Employees Remuneration

The employee remuneration (excluding executive remuneration) consists of salary, bonus, overtime compensation, other benefits, and provident fund contribution can be presented as follows;

	2021 (THB)	2020 (THB)	2019 (THB)
Salary	97,811,717	99,275,585	101,582,210
Bonus	4,452,123	4,468,687	4,625,712
Overtime Compensation	8,726,623	10,734,264	11,661,227
Other benefits	21,419,564	13,841,658	19,174,670
Provident fund	886,335	903,767	896,127
Total	133,296,362	129,223,961	137,940,246

7.6 Other Significant Information

7.6.1 Person Assigned Direct Responsibility for Accounting Supervision, Company Secretary, and Head of Internal Audit

- Person assigned direct responsibility for accounting supervision is Miss Surang Khongphokar, who currently holds the position of Cost Accounting Manager with details shown in Attachment 1.
- The Board of Directors has appointed Ms.Thitima Nontavech to serve as the company secretary since November 11, 2016. The company secretary's duties and responsibilities can be found in Attachment 1.
- The Audit Committees have appointed Mr.Wisood Charoensilawat as internal audit since November 16, 2012. Details of the head of internal audit are presented in Attachment 3.

7.6.2 Head of investor relation and contact information

On the investor relationship side, currently, the company is in the process of setting the specific unit, but has appointed to the Ms. Thitima Nontavech, communicate with the institutional investor, shareholders,including the analyzer and the related government agency Tel.02-8948889 ext. 1811 Email :theinfo@thesteel.co.th

7.6.3 Audit fee

During the year 2021, the Company and subsidiaries paid audit fees to KPMG Phoomchai Audit Ltd, the Company's auditor at the amount of THB 2,850,000. The Group did not pay any other service expenses apart from audit fees.

7.6.4 Other service fee

-None-

8. Report on key performance of corporate governance

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

8.1.1 Nomination, development, and evaluation of the Board's performance

Recruitment of directors is under the responsibility of Nomination and Compensation Committee. The committee will screen candidates with qualifications predetermined in Company regulations and qualification in section 68 of the Public Company Limited Act B.E. 2535 (1992) and the related announcements of the Securities and Exchange Commission and tabled them to the Board for consideration before submission to shareholders' meetings to decide with the criteria as follows;

1. A shareholder has a score equal to one share one voice.
2. Committee election can be made through an individual or a group to be committee according to shareholder meeting. To vote, no matter individual or group whose the shareholder vote will be the voice according to the number of stocks that the shareholder holds (follow previous step) in which the mentioned shareholder cannot divide their voices to any individual more or less than others.
3. The individuals who receive the majority of the votes (from greatest to least) will be those who win the election of they fulfill the number of required committees. In the case that the individual gets the same number of votes, but one gets more than the required number of the committee at that time, the chairman will be the one to decide who will win the tie.

8.1.1.1 Selection and Appointment of Directors

Qualifications of the Directors

- Not be a bankrupt person, an incompetent person, or a quasi-incompetent person.
- Not have been imprisoned by final judgement to a term of imprisonment for an offense against property committed dishonestly.
- Not have been punished by an expulsion or removal from the governmental service or a state organization or agency on the ground of corrupt practices in official duties.
- Does not have any qualities that are goes against the Public Company Law, Stock Exchange Law, as well as rules of the Company and the regulations of the relevant supervisory agencies.
- Has knowledge and ability that is essential to continuing the business of the Company, as well as passionate about their job. Must also be able to attend meetings of the Board of Directors and other events of the Company regularly
- Not be in the process of being convicted or criminally prosecuted by a legalized authority for offenses related to unfair practices involving the trading of securities or futures contracts, or management that are characterized by deception, fraud, or corruption.
- Not having or believed to be having behavior of negligence of business supervision that should be properly conducted as director, executive, or controlling person of a listed company or an IPO company where they are or used to be director, executive, or controlling person of such

company and subsidiary, in order to prevent such company from violating or not following laws, objectives, articles of association, and shareholders' meeting resolutions, which may cause a reliable issue in the capital market as a whole or damage the reputation, status, or business operations of that company.

Qualification of the Independent Directors

The numbers of independent directors should be at least one-third of all directors and must not less than 3 persons and should possess the following characteristics;

- Does not hold more than 1% of the total number of voting shares in the parent Company, or of any of its subsidiaries or joint venture companies or in any entity likely to give rise to a conflict of interest, shares held by related persons to be included in the calculation in accordance with directive 258 of the Securities Act.
- Does not take part in administering the work, is not a contractor or an employee or consultant in receipt of a regular salary and is not in a position to exert control over the Company, its subsidiaries, joint ventures or fellow-subsidiaries or on any entity likely to give rise to a conflict of interest (at present, and in the two years prior to his appointment).
- Is not related by blood or marriage to (i.e. is not the father, mother, spouse, sibling or child of or the spouse of a child of an Administrator, major shareholder or other person in a position of authority or candidate as Administrator or person in a position of authority Company or any of its subsidiaries.
- Must not be or used to be an auditor of the Company, parent company, subsidiaries, associates, entities that may have conflicts of interest, and must not be a major shareholder.
- Must not render or used to render professional service including financial advisory that receive annual service fees of more than THB 2 million from the Company, parent company, subsidiaries, associates, or entities that may have conflicts of interest.
- Does not have habitual related party transactions by way of rent or lease, whether as lessor or lessee, of real estate, or concerning assets/services or the receipt or provision of financial assistance with a value exceeding Bt.20m or 3% of NTA, whichever is the lower, including transactions carried out within 6 months prior to the carrying out of and given transaction.
- Has not been appointed to represent a Director or major shareholder or other shareholder that is a related party to a major shareholder.
- Does not have any other characteristic limiting his independence.

8.1.1.2 Selection of Top Executives

- Nomination of Managing Director: The Executive Committee will conduct a preliminary screening of candidates with the required qualifications, knowledge, skills, and experience; then, table them to the Nomination and Compensation Committee for consideration and endorsement before submitting the final list to the Board of Director for consideration.

- Nomination of Executives: The Managing Director will select and appoint candidates with the qualifications, knowledge, skills, and experience suitable for each executive position. The recruitment will be done under the human resources department's regulations.

8.1.2 Meeting Attendance and Remuneration for Individual Director

Meeting attendance for directors and executives

During 2021, the Board of Directors and various sub-committees have the meeting as follows:

Name	Attendance/Meeting		
	Board of Directors	Audit Committee	Nomination & Remuneration Committee
1. Mr.Boonchai Jirapongtrakul	5/6	-	-
2. Mr.Suroj Jiraphongtrakul	6/6	-	-
3. Mr.Nirut Ngamchamnanrith	6/6	-	-
4. Mr.Manu Leopairote	6/6	5/5	-
5. Mrs.Seenual Tasanapat	6/6	5/5	-
6. Mr.Sumath Chinraksa (Appointed date February 25, 2021)	5/6	4/5	-
7. Mr.Rujira Jiraphongtrakul	6/6	-	-
8. Mrs.Nartsine Samvanichpitak	-	-	-

Note: - No 8 Nomination and Remuneration committee was assigned from outsider.

Directors' remuneration

The Company has policy to determine the remuneration of the Company's directors in accordance with the resolution approved by the shareholders' meeting. The determination of remuneration for directors will be considered by the Board of Directors who jointly consider for the appropriateness of the remuneration in each year. It is compared with other companies' compensation standard in the same business before presenting to the Board of Directors and shareholders' meeting for approval. The directors' remuneration is in the form of meeting allowances and Bonus.

(1) Monetary remuneration

(A) Board of Directors' remuneration

Name	Meeting Allowance			Bonus	Total
	Board of Directors	Audit Committee	Nomination & Remuneration Committee		
1. Mr.Boonchai Jirapongtrakul	110,000	-	-	-	110,000
2. Mr.Suroj Jiraphongtrakul	132,000	-	-	-	132,000
3. Mr.Nirut Ngamcahmunnurith	132,000	-	-	-	132,000
4. Mr.Manu Leopairote	198,000	165,000	-	150,000	513,000
5. Mrs.Seenual Tasanapant	132,000	110,000	-	75,000	317,000
6. Mr.Sumath Chinraksa	110,000	88,000	-	75,000	273,000
7. Mr.Rujira Jiraphongtrakul	132,000	-	-	-	132,000
8. Mrs.Nartsine Sarnvanichpitak	-	-	-	-	-
Total					1,609,000

8.1.3 Overseeing subsidiary and associated company operations

The Company has policy to control operation in subsidiaries by budgeting system. Every subsidiary has to prepare budget and present to Directors. In addition, control of cash payment will be allowed subsidiaries' management counter sign cheques with parent companies' management.

8.1.4 Monitoring to ensure the implementation of the corporate governance policy and guidance

8.1.4.1 Prevention of Conflicts of Interest

The company sets to have the protection against bringing company information to be used by setting unit that know information and will not reveal it to other unrelated individuals or group.

The Company administrator who receives the financial of the company will not use the benefit from the mentioned information before reveal to the public. The administrators cannot buy or sell the company's assets for a period of one month before the financial budget will be presented to the public.

8.1.4.2 Supervision of the Usage of Inside Information

When the company assets register in the Stock Exchange in Thailand, the company has set that the committee and administrator have functioned in reporting asset holding in the company according to the Sections 59 of SEC Announcement and have set the penalty according to the Possession and Stock Exchange Act, 1992 and the regulations of Stock Exchange in Thailand. This includes setting the penalty for those searching for their own benefit from using the company's internal information for personal use reveal to others, thus damaging the company. There will be consideration concerning the punishment

according to the situation such as verbal warning, written warning, suspension, including halt employment by firing or dislodge.

In making connected transactions, the company strictly manages the approval procedure in its best interests. Transactions with possible conflicts of interest are raised for the Audit Committee's scrutiny before submitting to the Board and shareholders' meetings for consideration, if applicable. The Company discloses complete important information in compliance with the regulation.

8.1.4.3 Anti-Corruption Action

The Company is committed to conducting business with transparency and within legal framework, ethical principles, and guidelines of good corporate governance, as well as supporting the fight against fraud and corruption in all forms. The Company is well aware that fraud and corruption can create adverse effects to the development of economy, society, and national security. The Company determines to operate the businesses with honesty and integrity and in accordance with laws and regulations, which applies to all business activities and decisions. The Company strictly prohibits the employees or their representatives to give or receive bribes or other incentives in any forms, to or from other parties. Besides giving and accepting bribes are considered as a crime and illegal, the Company has also imposed penalties in case of the violation.

8.1.4.4 Whistleblowing

It has instituted a communication channel for requests, opinions and suggestions with the Board of Director to enable parties to make useful recommendations provided website or email at theinfo@thesteel.co.th or Fax.02-4080272. The Company's Secretary who receives and summarizes all topics, and to the Audit Committee, and Board of Directors. The Company gives importance to the secrecy of information received in order to build confidence to sender, and complaint will only be known to assigned and related persons.

In the past year, the Group did not receive any complaints or information on any wrongdoing.

8.2 Report on the performance result of Audit Committee for the past year

8.2.1 Audit Committee meeting attendance table

Name	Position	Audit Committee meeting					Total
		No. 1/5	No. 2/5	No. 3/5	No. 4/5	No. 5/5	
1. Mr.Manu Leoparote	Chairman of Audit Committee	✓	✓	✓	✓	✓	5/5
2. Mrs.Seenual Tasanapant	Audit Committee	✓	✓	✓	✓	✓	5/5
3. Mr.Sumath Chinraksa	Audit Committee		✓	✓	✓	✓	4/5

8.2.2 Operating result of the Audit Committee

In 2021, Audit Committee held a total of 5 meetings, which can be summarized as follows:

1. A review of financial statements of the Company and its subsidiaries before presenting them to the Board of Directors. Having reviewed the financial statements and heard explanations by the auditors and management, Audit Committee was of an opinion and convinced that the financial statements were prepared in accordance with generally accepted accounting principles, and disclosed all the significant information accurately and completely.
2. Recommended the appointment of auditors from KPMG Phoomchai Audit Limited and determined the audit fees for the year, and presented to the Board of Directors, who in turn presented to the shareholders' meeting for approval. Audit Committee was of an opinion that the persons being nominated for appointment as auditors had the right qualifications and were adequately independent to conduct auditing for the Company and its subsidiaries.
3. Reviewed the connected transactions between the Company and its subsidiaries and related parties.
4. Reviewed related party transactions, disclosed information relating for related party transactions, and acquisition and disposal of assets to ensure compliance with relevant laws and regulations.
5. Reviewed and evaluated adequacy of the internal controls system for the year. In light of this, Audit Committee was of an opinion that the Company's internal controls system was efficient and adequate for risk prevention due to its compliance with company policies and strategy.

9. INTERNAL CONTROL AND RELATED PARTY TRANSACTIONS

9.1 INTERNAL CONTROL

According to The Steel Public Company Limited Board of Director meeting No.1/2022 on February 28, 2022, Board had appraised Company internal control system by asking informations from managements and concluded focus 5 topics of internal control system as follows:-

1. Internal Control within organization.
2. Risk appraisal.
3. Operation control.
4. Information system and communication.
5. Follow up system.

Board agreed that Company internal control system was enough and suitable. The Company had provided enough man-power to run the system efficiently and follow up system was provided to ensure all assets were protected from any mis-used by directors or managements who had no authority. Activities with related parties who may have conflict of interests were also controlled.

For appraisal from of SEC for year 2021 which company had complied, found that the Company was able to Completely accounting for all questionnaires. Audit Committee had the opinion that Companies' internal control was adequate for the preparing of financial reportings correctly.

After appraised, Board of Director had opinion that the Company had adequate internal control system and other enough controls for the 5 topics. Internal Auditing was independence to follow up and control. The Company also had good custodian system of documents which facilitate directors, auditor, or Legal Officers to audit within reasonable time frame.

9.2 Related Party Transactions

Connected transactions with related companies or any persons who may have conflict of interest in the past year were the normal trading such as the merchandise purchasing, merchandise distributing. The company has the policy to let the audit committee consider and give the opinion to such listing. The audit committee will bring the market price of others to compare with the price of listing between each other to consider every details.

Name of parties	Country of incorporation/ nationality	Nature of relationships
In-Tech Steel Co. Ltd.	Thailand	Common directors and shareholders
Thai Ethanol Power Public. Co., Ltd.	Thailand	Common directors
Taiping Ethanol Co., Ltd.	Thailand	Directors has family relationship with directors
Kim Nguan Enterprise Co., Ltd.	Thailand	Shareholders has family relationship with directors
Bearings Corporation Co., Ltd.	Thailand	Common directors
Kim Heng Loha Co., Ltd.	Thailand	Shareholders has family relationship with directors
Kim Chua Steel Co., Ltd.	Thailand	Shareholders has family relationship with directors
Kim Chai Steel Co., Ltd.	Thailand	Shareholders has family relationship with directors
Kim Hong Metal Co.,Ltd.	Thailand	Shareholders has family relationship with directors
Kim Steel and Concrete Co., Ltd.	Thailand	Shareholders has family relationship with directors
G Steel Public Company Limited	Thailand	Shareholders has family relationship with directors
Kyoei Global Logistics (Thailand) Company Limited	Thailand	Directors has family relationship with directors
Kyoei Transport (Thailand) Co., Ltd.	Thailand	Directors has family relationship with directors
Jirapongtrakul Family	Thailand	Major shareholders and have a representative as a director of the Company
Key management personnel	Thailand	Person having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director of the Group (whether executive or otherwise).

Significant transactions for the years ended 31 December with related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
<i>For the year ended 31 December</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Subsidiaries</i>				
Revenue from sale of goods and rendering				
of services	-	-	3	5
Rental income	-	-	420	420
Interest income	-	-	14,668	14,824
Other income	-	-	315	3
Dividend income	-	-	-	20,000
Rental expenses	-	-	36,575	-
Transportation expenses	-	-	43,362	38,802
Interest expenses	-	-	1,122	1,108
Service cost of manufacturing	-	-	13,200	11,400
Payment of lease liabilities	-	-	-	40,800
<i>Associates</i>				
Revenue from sale of goods and rendering				
of services	2,699,498	507,624	2,679,895	474,240
Rental income	480	480	480	480
Purchase of goods	3,361,565	1,484,752	3,361,565	1,484,752
Payment of lease liabilities	-	480	-	-
<i>Other related parties</i>				
Revenue from sale of goods and rendering				
of services	337,967	181,690	266,468	132,078
Rental income	8,472	7,585	8,472	7,585
Other income	486	309	486	309
Purchase of goods	1,263,387	1,658,410	1,263,387	646,748
<i>Key management personnel</i>				
Key management benefit expenses				
Short-term employee benefits	26,208	28,462	17,171	18,121
Post-employee benefits	1,167	1,337	731	556
Total key management personnel compensation	27,375	29,799	17,902	18,677

Balances as at 31 December with related parties were as follows:

<i>Trade accounts receivable</i>	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Associate	394,265	304,398	390,143	303,247
Other related parties	61,191	423,150	62,403	418,994
Total	455,456	727,548	452,546	722,241

<i>Other receivables</i>	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiary	-	-	783	896
Associate	43	43	43	43
Other related parties	33	295	33	295
Total	76	338	859	1,234

<i>Short-term loans to subsidiaries</i>	Separate financial statements			
	1 January	Increase	Decrease	31 December
	<i>(in thousand Baht)</i>			
2021				
Subsidiaries	289,000	-	(47,801)	241,199
2020				
Subsidiaries	281,000	36,000	(28,000)	289,000

As at 31 December 2021, the Company had unsecured of short-term loans to subsidiaries which bear interest rate at 5.5% per annum and at call.

<i>Advance payment for inventories</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Other related party	<u>22</u>	<u>-</u>	<u>22</u>	<u>-</u>
<i>Trade accounts payable</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Associate	70,578	71,811	70,578	71,811
Other related parties	-	5,094	-	5,094
Total	<u>70,578</u>	<u>76,905</u>	<u>70,578</u>	<u>76,905</u>
<i>Other payables</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiary	-	-	2,122	5,985
Associate	-	10	-	10
Other related parties	108	260	108	260
Total	<u>108</u>	<u>270</u>	<u>2,230</u>	<u>6,255</u>
<i>Short-term borrowings from subsidiary</i>	Separate financial statements			
	1 January	Increase	Decrease	31 December
	<i>(in thousand Baht)</i>			
2021				
Subsidiary	19,640	25,400	(11,060)	<u>33,980</u>
2020				
Subsidiary	17,500	3,400	(1,260)	<u>19,640</u>

As at 31 December 2021, the Company had unsecured of short-term borrowings from subsidiary which bear interest at 5.5% per annum and at call.

<i>Lease liabilities</i>	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiary	-	-	-	10,449
Associate	616	1,120	-	-
Total	616	1,120	-	10,449

Commitments with related parties

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Other commitments</i>				
Purchase orders for goods and supplies	44,378	-	44,378	-
Short-term lease commitments	-	-	24,300	13,200
Total	44,378	-	68,678	13,200

The Group enter into a service cost of manufacturing agreement, lease agreements of land, office and factory buildings and machinery and equipment with a subsidiary (The Steel Industries Co., Ltd.) for a period of 11 months, which will expire in June 2022.

Guarantee under credit facilities of associate

As at 31 December 2021, the Company had guarantee for the credit facilities of associate (Prime Steel Mill Co., Ltd) that offered by a local financial institution, totalling of Baht 460.0 million *(2020: Baht 460.0 million)*. The Company's management believes that there will be no significant impact to the Company for the guarantee of the said liabilities.

PART 3

FINANCIAL STATEMENTS

THE STEEL PUBLIC COMPANY LIMITED
and its Subsidiaries

Financial statements for the year ended
31 December 2021
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of THE STEEL PUBLIC COMPANY LIMITED

Opinion

I have audited the consolidated and separate financial statements of THE STEEL PUBLIC COMPANY LIMITED and its subsidiaries (the “Group”) and of THE STEEL PUBLIC COMPANY LIMITED (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2021, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

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

Key Audit Matters

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

Valuation of inventories	
Refer to Notes to the financial statements 3(g) and 7.	
The key audit matter	How the matter was addressed in the audit
<p>The Company's main inventories are hot rolled steel sheets and coils, and other structural steels which are subject to high price volatility depending on demand and supply in the global market. As a result, there is a risk that the value of inventories may exceed its net realisable value.</p> <p>Due to the materiality of the inventory balance to the financial statements and the management's judgment involved in determining allowance for decline in value of inventories, I considered this matter as a key audit matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Inquired management to obtain an understanding of the Company's policy in relation to determination of an allowance for decline in value of inventories and considered the Company's compliance with the policy; • evaluated the design and implementation of internal controls relevant to the estimation of allowance for decline in value of inventories; • tested on a sampling basis for selling prices, costs necessary to make sale with relevant documents, and tested calculations; • considered adequacy of the disclosure in accordance with Thai Financial Reporting Standards.

Other Matter

The consolidated and separate financial statements of the Group and the Company for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 24 February 2021.

Other Information

Management is responsible for the other information. The other information comprises the information included in 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 me after the date of this auditor's report.

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

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the 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 and request that the correction be made.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

(Aree Gorpinpaitoon)
Certified Public Accountant
Registration No. 10882

KPMG Phoomchai Audit Ltd.
Bangkok
28 February 2022

THE STEEL PUBLIC COMPANY LIMITED and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2021	2020	2021	2020
(in Baht)					
Current assets					
Cash and cash equivalents	5	88,937,148	199,383,748	76,165,054	191,915,941
Trade accounts receivable	4, 6	1,557,358,909	1,477,154,333	1,550,110,333	1,470,530,798
Other receivables	4	35,104,531	19,822,194	23,132,735	5,825,847
Short-term loans to subsidiaries	4	-	-	241,199,000	289,000,000
Inventories	7	1,798,167,575	978,420,372	1,798,167,575	978,420,372
Advance payment for inventories	4, 8	189,741,451	733	189,741,451	733
Non-current assets classified as held for sale	11	129,445,619	-	129,445,619	-
Total current assets		3,798,755,233	2,674,781,380	4,007,961,767	2,935,693,691
Non-current assets					
Investments in subsidiaries	9	-	-	87,452,781	87,452,781
Investment in associates	10	761,131,006	407,768,315	410,930,322	410,930,322
Investment properties	11	-	132,840,819	-	132,840,819
Property, plant and equipment	12	936,425,845	944,482,160	637,641,668	669,798,790
Right-of-use assets	13	30,983,796	84,318,307	-	10,061,813
Other intangible assets		13,450,195	9,045,621	13,445,430	9,010,897
Deferred tax assets	19	32,905,570	29,561,042	32,302,013	30,157,816
Other non-current assets		33,684,681	36,359,697	29,834,323	30,155,767
Total non-current assets		1,808,581,093	1,644,375,961	1,211,606,537	1,380,409,005
Total assets		5,607,336,326	4,319,157,341	5,219,568,304	4,316,102,696

THE STEEL PUBLIC COMPANY LIMITED and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2021	2020	2021	2020
		(in Baht)			
Current liabilities					
Short-term borrowings from financial institutions	14, 22	2,623,357,017	2,349,526,759	2,623,357,017	2,349,526,759
Trade accounts payable	4, 22	246,908,605	259,273,186	245,230,780	257,843,119
Other payables	4, 22	51,908,416	53,547,179	49,197,354	56,928,049
Advance received for inventories	17, 22	56,421,998	5,046,200	56,421,998	5,046,200
Current portion of lease liabilities	4, 14, 22	5,820,559	3,370,145	-	10,449,020
Short-term borrowings from subsidiary	4, 14, 22	-	-	33,980,000	19,640,000
Income tax payable		57,382,030	-	57,170,168	-
Total current liabilities		3,041,798,625	2,670,763,469	3,065,357,317	2,699,433,147
Non-current liabilities					
Lease liabilities	4, 14, 22	15,900,685	10,935,135	-	-
Non-current provisions for employee benefits	15	20,183,665	18,513,696	16,436,556	15,209,232
Other non-current liabilities		1,784,739	1,617,257	-	-
Total non-current liabilities		37,869,089	31,066,088	16,436,556	15,209,232
Total liabilities		3,079,667,714	2,701,829,557	3,081,793,873	2,714,642,379

THE STEEL PUBLIC COMPANY LIMITED and its Subsidiaries

Statement of financial position

Liabilities and equity <i>(Continued)</i>	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2021	2020	2021	2020
		(in Baht)			
Equity					
Share capital					
Authorised share capital					
(1,650,015,240 ordinary shares, par value at Baht 0.5 per share)					
		825,007,620	825,007,620	825,007,620	825,007,620
Issued and paid-up share capital					
(1,102,061,385 ordinary shares, par value at Baht 0.5 per share)					
		551,030,693	551,030,693	551,030,693	551,030,693
Share premium					
		947,945,171	947,945,171	947,945,171	947,945,171
Discount on change of interest in subsidiaries					
		(203,824,431)	(203,824,431)	-	-
Retained earnings					
Appropriated - legal reserve					
	16	76,103,770	38,270,000	76,103,770	38,270,000
Unappropriated					
		1,150,967,617	278,147,917	562,694,797	64,214,453
Equity attributable to owners of the parent					
		2,522,222,820	1,611,569,350	2,137,774,431	1,601,460,317
Non-controlling interests					
		5,445,792	5,758,434	-	-
Total equity					
		2,527,668,612	1,617,327,784	2,137,774,431	1,601,460,317
Total liabilities and equity					
		5,607,336,326	4,319,157,341	5,219,568,304	4,316,102,696

THE STEEL PUBLIC COMPANY LIMITED and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
	Note	2021	2020	2021	2020
		(in Baht)			
Revenues	4				
Revenue from sales of goods and rendering of services	17	14,518,966,186	7,445,910,756	14,415,346,514	7,350,473,310
Other income		41,745,871	14,347,766	37,453,411	48,625,337
Total revenues		14,560,712,057	7,460,258,522	14,452,799,925	7,399,098,647
Expenses	4				
Cost of sales of goods and rendering of services	7	13,058,932,552	7,150,655,770	13,175,977,132	7,091,200,534
Distribution costs		234,533,077	73,620,539	83,384,308	69,614,008
Administrative expenses		178,777,470	139,567,419	126,698,759	285,645,690
Net foreign exchange loss		63,324,143	18,599,856	63,324,143	18,599,856
Total expenses		13,535,567,242	7,382,443,584	13,449,384,342	7,465,060,088
Profit (loss) from operating activities		1,025,144,815	77,814,938	1,003,415,583	(65,961,441)
Finance costs	4	52,516,744	57,977,272	52,914,022	57,804,325
Share of (profit) loss of associates accounted for using equity method	10	(354,359,450)	89,302,651	-	-
Profit (loss) before income tax expense		1,326,987,521	(69,464,985)	950,501,561	(123,765,766)
Income tax expense	19	196,286,596	62,488,077	193,827,350	26,116,999
Profit (loss) for the year		1,130,700,925	(131,953,062)	756,674,211	(149,882,765)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Loss on remeasurements of defined benefit plans	15	-	(90,844)	-	(91,052)
Income tax relating to items that will not be reclassified	19	-	18,169	-	18,210
Total items that will not be reclassified subsequently to profit or loss		-	(72,675)	-	(72,842)
Other comprehensive expense for the year, net of tax		-	(72,675)	-	(72,842)
Total comprehensive income (expense) for the year		1,130,700,925	(132,025,737)	756,674,211	(149,955,607)
Profit (loss) attributable to:					
Owners of the parent		1,131,013,567	(130,572,366)	756,674,211	(149,882,765)
Non-controlling interest		(312,642)	(1,380,696)	-	-
Profit (loss) for the year		1,130,700,925	(131,953,062)	756,674,211	(149,882,765)
Total comprehensive income (expense) attributable to:					
Owners of the parent		1,131,013,567	(130,645,108)	756,674,211	(149,955,607)
Non-controlling interest		(312,642)	(1,380,629)	-	-
Total comprehensive income (expense) for the year		1,130,700,925	(132,025,737)	756,674,211	(149,955,607)
Basic earnings (loss) per share	20	1.03	(0.12)	0.69	(0.14)

Statement of changes in equity

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Statement of changes in equity

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THE STEEL PUBLIC COMPANY LIMITED and its Subsidiaries

Statement of changes in equity

Separate financial statements						
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total equity
				Legal reserve (in Baht)	Unappropriated	
For the year ended 31 December 2020						
Balance at 1 January 2020		551,030,080	947,941,496	38,270,000	247,231,008	1,784,472,584
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners of the parent						
Shares options exercised		613	3,675	-	-	4,288
Dividends	21	-	-	-	(33,060,948)	(33,060,948)
Total transactions with owners, recorded directly in equity		613	3,675	-	(33,060,948)	(33,056,660)
Comprehensive income for the year						
Loss		-	-	-	(149,882,765)	(149,882,765)
Other comprehensive income		-	-	-	(72,842)	(72,842)
Total comprehensive income (expense) for the year		-	-	-	(149,955,607)	(149,955,607)
Balance at 31 December 2020		551,030,693	947,945,171	38,270,000	64,214,453	1,601,460,317



THE STEEL PUBLIC COMPANY LIMITED and its Subsidiaries

Statement of changes in equity

	Note	Issued and paid-up share capital	Share premium	Separate financial statements		Total equity
				Retained earnings		
				Legal reserve (in Baht)	Unappropriated	
For the year ended 31 December 2021						
Balance at 1 January 2021		551,030,693	947,945,171	38,270,000	64,214,453	1,601,460,317
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the parent</i>						
Dividends	21	-	-	-	(220,360,097)	(220,360,097)
Total transactions with owners, recorded directly in equity		-	-	-	(220,360,097)	(220,360,097)
Comprehensive income for the year						
Profit		-	-	-	756,674,211	756,674,211
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	756,674,211	756,674,211
Transfer to legal reserve	16	-	-	37,833,770	(37,833,770)	-
Balance at 31 December 2021		551,030,693	947,945,171	76,103,770	562,694,797	2,137,774,431



THE STEEL PUBLIC COMPANY LIMITED and its Subsidiaries

Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2021	2020	2021	2020
		(in Baht)			
Cash flows from operating activities					
Profit (loss) for the year		1,130,700,925	(131,953,062)	756,674,211	(149,882,765)
Adjustments to reconcile profit (loss) to cash receipts (payments)					
Income tax expense	19	196,286,596	62,488,077	193,827,350	26,116,999
Finance costs		52,516,744	57,977,272	52,914,022	57,804,325
Depreciation and amortisation		86,083,322	96,385,871	57,793,387	95,507,813
Provisions for employee benefits	15	2,490,523	3,171,286	1,963,638	2,259,465
Unrealised (gain) loss on exchange rate		1,473,643	(185,677)	1,473,643	(185,677)
(Reversal of) expected credit losses of trade accounts receivable	6	(3,690,620)	20,601,638	(3,690,620)	20,601,638
(Reversal of) loss on decline in value of inventories	7	13,393,749	(39,160,593)	13,393,749	(39,160,593)
Reversal of impairment loss of advance payment for inventories	8	(14,953,271)	(2,766,960)	-	-
Impairment loss of investments in subsidiary and associate		-	-	-	158,204,190
(Gain) loss on disposal and write-off of property, plant and equipment		2,320,448	(421,523)	(1,082,864)	(20,458)
Loss on write-off of withholding tax		-	668,119	-	-
Share of (profit) loss of associates accounted for using equity method, net of tax	10	(354,359,450)	89,302,651	-	-
Eliminate of unrealised gain on downstream sale to associate		996,759	-	-	-
Dividend income	9	-	-	-	(19,999,920)
Interest income		(131,892)	(86,976)	(14,667,570)	(14,902,920)
		1,113,127,476	156,020,123	1,058,598,946	136,342,097

THE STEEL PUBLIC COMPANY LIMITED and its Subsidiaries

Statement of cash flows (Continued)

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2021	2020	2021	2020
<i>(in Baht)</i>					
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(76,513,956)	499,981,202	(75,888,915)	485,105,473
Other receivables		(15,282,337)	(13,094,598)	(17,349,303)	(12,222,023)
Inventories		(836,940,664)	370,217,533	(836,940,664)	370,217,533
Advance payment for inventories		(174,787,447)	3,608,419	(189,740,718)	841,459
Other non-current assets		2,675,016	-	321,444	-
Trade accounts payable		(12,364,581)	(10,147,156)	(12,612,339)	(4,650,176)
Other payables		(1,599,265)	14,500,751	(7,691,196)	17,519,887
Advance received for inventories		51,375,798	(17,355,380)	51,375,798	(17,355,380)
Employee benefit paid	15	(820,554)	(787,143)	(736,314)	(691,623)
Other non-current liabilities		167,482	71,082	-	-
Net cash generated from (used in) operating activities		49,036,968	1,003,014,833	(30,663,261)	975,107,247
Income tax received		707,205	1,463,164	-	-
Income tax paid		(142,249,094)	(4,727,392)	(138,801,379)	(1,027,049)
Net cash from (used in) operating activities		(92,504,921)	999,750,605	(169,464,640)	974,080,198
<i>Cash flows from investing activities</i>					
Cash outflow on short-term loans to subsidiaries	4	-	-	-	(36,000,000)
Proceeds from repayment of short-term loans to subsidiaries	4	-	-	47,801,000	28,000,000
Acquisitions of property, plant and equipment	12	(8,273,427)	(10,298,704)	(8,192,162)	(10,218,942)
Proceeds from sale of property, plant and equipment		3,478,864	648,458	1,106,200	93,458
Acquisitions of right-of-use assets		-	(1,710,000)	-	-
Acquisitions of intangible assets		(4,645,248)	(8,315,253)	(4,645,248)	(8,315,253)
Dividends received		-	-	-	19,999,920
Interest received		131,892	86,976	14,709,985	14,953,476
Net cash from (used in) investing activities		(9,307,919)	(19,588,523)	50,779,775	8,512,659

THE STEEL PUBLIC COMPANY LIMITED and its Subsidiaries

Statement of cash flows (Continued)

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2021	2020	2021	2020
		(in Baht)			
Cash flows from financing activities					
Increase (decrease) in short-term borrowings					
from financial institutions	14	272,356,615	(788,494,431)	272,356,615	(788,494,431)
Repayment of short-term borrowings					
from subsidiary	4	-	-	(11,060,000)	(1,260,000)
Proceeds from short-term borrowings from subsidiary	4	-	-	25,400,000	3,400,000
Payment of lease liabilities		(8,074,036)	(37,303,766)	(10,449,020)	(39,860,047)
Proceeds from exercise of share options		-	4,288	-	4,288
Dividends paid to owners of the Company	21	(220,360,097)	(33,074,583)	(220,360,097)	(33,074,583)
Interest paid		(52,556,242)	(58,583,343)	(52,953,520)	(58,410,397)
Net cash from (used in) financing activities		(8,633,760)	(917,451,835)	2,933,978	(917,695,170)
Net increase (decrease) in cash and cash equivalents		(110,446,600)	62,710,247	(115,750,887)	64,897,687
Cash and cash equivalents at 1 January		199,383,748	136,673,501	191,915,941	127,018,254
Cash and cash equivalents at 31 December	5	88,937,148	199,383,748	76,165,054	191,915,941
Non-cash transactions					
Transfer inventory to property, plant and equipment	12	3,799,712	2,547,874	3,799,712	2,547,874
Transfer right-of-use assets to property, plant and equipment		66,169,000	-	-	-
Transfer investment properties to non-current assets classified as held for sale	11	129,445,619	-	129,445,619	-
Acquisition of assets under lease liabilities		15,490,000	-	-	-

THE STEEL PUBLIC COMPANY LIMITED and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

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THE STEEL PUBLIC COMPANY LIMITED and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 28 February 2022.

1 General information

The Steel Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand on 9 August 2007. The Company has its registered head office and branches as follows:

Head office : 1401 Ekkachai Road, Bangbon-Tai, Bangbon, Bangkok 10150
Branch 1 : 7/4, 7/6 Moo 1 Khae rai, Kratumban, Samutsakorn 74110
Branch 2 : 99/5 Moo 1 Bangnamjued, Mueng Samutsakorn, Samutsakorn 74000
Branch 3 : 99/16, 99/57, 99/61 Moo 3 Nadee, Muang Samutsakorn, Samutsakorn 74000
Branch 4 : 196 Moo 1 Khae rai, Kratumban, Samutsakorn 74110

The Company’s major shareholders during the financial year were Jirapongtrakul family (51.15% shareholding) and Ngamchamnnanrith family (17.96% shareholding).

The principal activities of the Company and its subsidiaries (“the Group”) are selling and transforming hot rolled steel sheets and coils and other structural steels and logistic services of steels. Detail of the Company’s subsidiaries and associates as at 31 December 2021 and 2020 are given in note 9 and 10 to the financial statements respectively.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency.

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that described in each note to the financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

THE STEEL PUBLIC COMPANY LIMITED and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Subsidiaries

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

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there is a change in the Group's interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control are accounted for as other surpluses/deficits in shareholders' equity.

Interests in equity - accounted investees

Associate are those entities in which the Group has significant influence but not control or joint control, over the financial and operating policies.

The Group recognised investments in associates using the equity method in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Investment in subsidiaries and associates

Investments in subsidiaries and associates in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(c) Foreign currencies

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies, are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences are generally recognised in profit or loss.

THE STEEL PUBLIC COMPANY LIMITED and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

(d) Financial instruments

(d.1) Classification and measurement

Financial assets and financial liabilities (except trade accounts receivables (see note 3(f) to the financial statements)) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets and financial liabilities measured at fair value to profit or loss (“FVTPL”), which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, a financial asset is classified by measurement at: amortised cost; fair value through other comprehensive income (“FVOCI”); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

(d.2) Derecognition and offset

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case the new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

THE STEEL PUBLIC COMPANY LIMITED and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

(d.3) Impairment of financial assets other than trade accounts receivables

The Group recognises allowances for expected credit losses (“ECLs”) on financial assets measured at amortised cost.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor’s ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

(d.4) Write offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(d.5) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Trade and other accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

THE STEEL PUBLIC COMPANY LIMITED and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

The Group estimates lifetime expected credit losses (“ECLs”), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost principle. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Non-current assets classified as held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less cost to sell.

Building and building improvements and machinery and equipment classified as held for sale are no longer depreciated.

(i) Investment properties

Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Depreciation is calculated on a straight-line basis over the estimated useful lives of buildings and building improvements of 20 years and recognised in profit or loss. No depreciation charged on freehold land.

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

(j) Property, plant and equipment

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

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Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction and installation. The estimated useful lives are as follows:

Building and building improvement	20 years
Machinery and factory equipment	5 to 10 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 to 15 years

(k) Intangible assets

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss. The estimated useful lives of computer software is 5 years.

(l) Leases

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

As a lessee

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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As a lessor

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

The Group recognises finance lease receivables at the net investment of the leases, which includes the present value of the lease payments, and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income reflects a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of rental income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

The Group estimates lifetime expected credit losses ("ECLs"), using a provision matrix to find ECLs rate. This method groups the lease receivables based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date. The Group derecognises the lease receivables as disclosed in note 3(d) to the financial statements.

(m) *Impairment of non-financial assets*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

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

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

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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(n) *Employee benefits*

Defined contribution plans

Obligations for contributions to the Group's provident fund are expensed as the related service is provided.

Defined benefit plans

The Group net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is discounted to the present value, which regularly performed by a qualified actuary using the projected unit credit method.

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

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

Termination benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

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

Short-term employee benefits

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

(o) *Provisions*

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance costs.

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For the year ended 31 December 2021

(p) *Fair value measurement*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

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

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(q) *Revenue*

Revenue recognition

Revenue is recognised 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, value added tax and is after deduction of any trade discounts.

Revenue from sale of goods and services

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers.

Revenue from rendering of services is recognised when the service are provided. The related costs are recognised in profit or loss when they are incurred.

Other income

Other operating income is recognised in profit or loss as it accrues.

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For the year ended 31 December 2021

Contract balances

Contract liability consisted of advance received for inventories. Contract liabilities are the obligation to transfer goods to the customer. The contract liabilities are recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

A refund liability is the obligation to refund some or all of the consideration received from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The refund liability is reassessed at each reporting date and make a corresponding change to the amount of revenue recognised.

(r) *Income tax*

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) *Earnings per share*

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

(t) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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4 Related parties

A related party is a person or entity that has direct or indirect control or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

Relationships with subsidiaries and associates are described in notes 9 and 10 to the financial statements. Other related parties that the Group had significant transactions with during the year were as follows:

Name of parties	Country of incorporation/ nationality	Nature of relationships
In-Tech Steel Co. Ltd.	Thailand	Common directors and shareholders
Thai Ethanol Power Public. Co., Ltd.	Thailand	Common directors
Taiping Ethanol Co., Ltd.	Thailand	Directors has family relationship with directors
Kim Nguan Enterprise Co., Ltd.	Thailand	Shareholders has family relationship with directors
Bearings Corporation Co., Ltd.	Thailand	Common directors
Kim Heng Loha Co., Ltd.	Thailand	Shareholders has family relationship with directors
Kim Chua Steel Co., Ltd.	Thailand	Shareholders has family relationship with directors
Kim Chai Steel Co., Ltd.	Thailand	Shareholders has family relationship with directors
Kim Hong Metal Co.,Ltd.	Thailand	Shareholders has family relationship with directors
Kim Steel and Concrete Co., Ltd.	Thailand	Shareholders has family relationship with directors
G Steel Public Company Limited	Thailand	Shareholders has family relationship with directors
Kyoei Global Logistics (Thailand) Company Limited	Thailand	Directors has family relationship with directors
Kyoei Transport (Thailand) Co., Ltd.	Thailand	Directors has family relationship with directors
Jirapongtrakul Family	Thailand	Major shareholders and have a representative as a director of the Company
Key management personnel	Thailand	Person having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director of the Group (whether executive or otherwise).

THE STEEL PUBLIC COMPANY LIMITED and its Subsidiaries

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For the year ended 31 December 2021

Significant transactions for the years ended 31 December with related parties were as follows:

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Subsidiaries</i>				
Revenue from sale of goods and rendering of services	-	-	3	5
Rental income	-	-	420	420
Interest income	-	-	14,668	14,824
Other income	-	-	315	3
Dividend income	-	-	-	20,000
Rental expenses	-	-	36,575	-
Transportation expenses	-	-	43,362	38,802
Interest expenses	-	-	1,122	1,108
Service cost of manufacturing	-	-	13,200	11,400
Payment of lease liabilities	-	-	-	40,800
<i>Associates</i>				
Revenue from sale of goods and rendering of services	2,699,498	507,624	2,679,895	474,240
Rental income	480	480	480	480
Purchase of goods	3,361,565	1,484,752	3,361,565	1,484,752
Payment of lease liabilities	-	480	-	-
<i>Other related parties</i>				
Revenue from sale of goods and rendering of services	337,967	181,690	266,468	132,078
Rental income	8,472	7,585	8,472	7,585
Other income	486	309	486	309
Purchase of goods	1,263,387	1,658,410	1,263,387	646,748
<i>Key management personnel</i>				
Key management benefit expenses				
Short-term employee benefits	26,208	28,462	17,171	18,121
Post-employee benefits	1,167	1,337	731	556
Total key management personnel compensation	27,375	29,799	17,902	18,677

Balances as at 31 December with related parties were as follows:

<i>Trade accounts receivable</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Associate	394,265	304,398	390,143	303,247
Other related parties	61,191	423,150	62,403	418,994
Total	455,456	727,548	452,546	722,241

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For the year ended 31 December 2021

Other receivables

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Subsidiary	-	-	783	896
Associate	43	43	43	43
Other related parties	33	295	33	295
Total	76	338	859	1,234

Short-term loans to subsidiaries

	1 January	Separate financial statements		31 December
		Increase	Decrease	
	(in thousand Baht)			
2021				
Subsidiaries	289,000	-	(47,801)	241,199
2020				
Subsidiaries	281,000	36,000	(28,000)	289,000

As at 31 December 2021, the Company had unsecured of short-term loans to subsidiaries which bear interest rate at 5.5% per annum and at call.

Advance payment for inventories

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Other related party	22	-	22	-

Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Associate	70,578	71,811	70,578	71,811
Other related parties	-	5,094	-	5,094
Total	70,578	76,905	70,578	76,905

Other payables

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Subsidiary	-	-	2,122	5,985
Associate	-	10	-	10
Other related parties	108	260	108	260
Total	108	270	2,230	6,255

For the year ended 31 December 2021

As at 31 December 2021, the Company had unsecured of short-term borrowings from subsidiary which bear interest at 5.5% per annum and at call.

<i>Lease liabilities</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiary	-	-	-	10,449
Associate	616	1,120	-	-
Total	616	1,120	-	10,449

Commitments with related parties

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Other commitments</i>				
Purchase orders for goods and supplies	44,378	-	44,378	-
Short-term lease commitments	-	-	24,300	13,200
Total	44,378	-	68,678	13,200

The Group enter into a service cost of manufacturing agreement, lease agreements of land, office and factory buildings and machinery and equipment with a subsidiary (The Steel Industries Co., Ltd.) for a period of 11 months, which will expire in June 2022.

Guarantee under credit facilities of associate

As at 31 December 2021, the Company had guarantee for the credit facilities of associate (Prime Steel Mill Co., Ltd) that offered by a local financial institution, totaling of Baht 460.0 million (2020: Baht 460.0 million). The Company's management believes that there will be no significant impact to the Company for the guarantee of the said liabilities.

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5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Cash on hand	255	289	83	73
Cheque on hand	8,883	7,390	8,428	7,390
Cash at financial institutions	79,799	191,705	67,654	184,453
Total	88,937	199,384	76,165	191,916

6 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Within credit terms	1,267,578	952,885	1,263,540	948,487
Overdue:				
Less than 3 months	276,450	156,035	273,239	153,810
3 - 6 months	36,443	14,171	36,443	14,171
6 - 12 months	925	370,908	925	370,908
More than 12 months	126,645	137,528	126,636	137,519
Total	1,708,041	1,631,527	1,700,783	1,624,895
Less allowance for expected credit losses	(150,682)	(154,373)	(150,673)	(154,364)
Net	1,557,359	1,477,154	1,550,110	1,470,531

Allowance for expected credit losses

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
At 1 January	154,373	133,772	154,364	133,763
Addition	-	20,601	-	20,601
Reversal	(3,691)	-	(3,691)	-
At 31 December	150,682	154,373	150,673	154,364

Information of credit risk is disclosed in note 22(b.1) to the financial statements.

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For the year ended 31 December 2021

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Finished goods	1,806,432	974,158	1,806,432	974,158
Work in process	1,009	344	1,009	344
Factory supplies	5,177	4,974	5,177	4,974
Total	1,812,618	979,476	1,812,618	979,476
Less allowance for decline in value of inventories	(14,450)	(1,056)	(14,450)	(1,056)
Net	1,798,168	978,420	1,798,168	978,420

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>For the year ended 31 December</i>				
Inventories recognised in 'cost of sales of goods and rendering of services'				
- Cost of sale	13,045,539	7,189,817	13,162,583	7,130,362
- (Reversal of) loss on decline in value of inventories	13,394	(39,161)	13,394	(39,161)
Net	13,058,933	7,150,656	13,175,977	7,091,201

8 Advance payment for inventories

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Advance payment for inventories	370,027	195,240	189,741	1
Less allowance for impairment loss	(180,286)	(195,239)	-	-
Net	189,741	1	189,741	1
<i>Impairment losses</i>				
At 1 January	195,239	198,006	-	-
Reversal	(14,953)	(2,767)	-	-
At 31 December	180,286	195,239	-	-

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9 Investment in subsidiaries

Type of business	Ownership interest		Paid-up capital		Cost		Separate financial statements				Dividend income	
	2021	2020	2021	2020	2021	2020	Impairment		At cost - net		2021	2020
	(%)						2021	2020	2021	2020		
<i>Direct subsidiaries</i>												
The Steel Logistics Co., Ltd.	60.0	60.0	10	10	6	6	-	-	6	6	-	-
The Steel Industries Co., Ltd.	99.9	99.9	50	50	51	51	-	-	51	51	-	20
Liberty Steel Siam Co., Ltd.	99.9	99.9	450	450	297	297	(267)	(267)	30	30	-	-
Total												
					354	354	(267)	(267)	87	87	-	20

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10 Investment in associates

	Type of business	Ownership interest		Consolidated financial statements		Separate financial statements						
		2021	2020 (%)	At equity method		Cost		Impairment		At cost - net		
				2021	2020	2021	2020	2021	2020	2021	2020	
												(in million Baht)
<i>Associates</i>												
Prime Steel Mill Co., Ltd.	Produce and sell hot rolled steel narrow strip in coil	50	50	760	407	410	410	-	-	410	410	410
Blox Co., Ltd.	Construction service	20	20									
Total				<u>1</u> 761	<u>1</u> 408	<u>2</u> 412	<u>2</u> 412	<u>(1)</u> (1)	<u>(1)</u> (1)	<u>1</u> 411	<u>1</u> 411	<u>1</u> 411

Associates were incorporated and operate in Thailand and none publicly listed and consequently do not have published price quotations.

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Associates

The following table summarises the financial information of the material associates as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

	Prime Steel Mill Co., Ltd.		Blox Co., Ltd	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Revenue from sale of goods and rendering of services	8,519,815	3,660,292	1,717	3,229
Profit (loss) from continuing operations	713,725	(191,535)	(600)	(1,860)
Total comprehensive income (loss) (100%)	713,725	(191,535)	(600)	(1,860)
Total comprehensive income of the Group's interest	356,862	(95,768)	(120)	(372)
Elimination of unrealised profit on upstream sales	(2,383)	6,837	-	-
Group's share of total comprehensive income	354,479	(88,931)	(120)	(372)
Current assets	1,851,776	401,409	2,529	3,577
Non-current assets	1,812,814	1,919,922	2,440	2,864
Current liabilities	(1,876,291)	(1,308,478)	(918)	(1,789)
Non-current liabilities	(260,883)	(199,162)	-	-
Net assets (100%)	1,527,416	813,691	4,051	4,652
Group's share of net assets	763,708	406,846	810	930
Elimination of unrealised profit on downstream and upstream sales	(3,387)	(8)	-	-
Carrying amount of interest in associates	760,321	406,838	810	930

11 Non-current assets classified as held for sale and investment properties

On 13 December 2021, the extraordinary shareholder meeting approved the Company to enter into hire purchase transaction of land and constructions and sale machinery and equipment of Branch 2 (Mahachai) to a related party (In-Tech Steel Co. Ltd. ("ITS")). Later on 10 January 2022, the Company entered into 2 agreements with ITS amounted totally Baht 238.1 million as follows:

- 1) Hire purchase agreement of land and constructions amounted totally Baht 189.1 million, agreed to receive in 3 installments

Installments	Hire purchase price (million Baht)	Receive within
1 st installment	1.0	1 February 2022*
2 nd installment	100.0	1 February 2023
3 rd installment	88.1	1 February 2024

- 2) Sale agreement of assets amounted totally Baht 49.0 million.*

*The Company received the payment in February 2022.

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Investment properties

	Consolidated /Separate - financial Statements			
	Land	Building and building improvement	Machine and factory equipment	Total
	<i>(in thousand Baht)</i>			
Cost				
At 1 January 2020	83,747	67,866	53,532	205,145
At 31 December 2020 and 1 January 2021	83,747	67,866	53,532	205,145
Transfer to non-current assets classified as held for sale	(83,747)	(67,866)	(53,532)	(205,145)
At 31 December 2021	-	-	-	-
Depreciation				
At 1 January 2020	-	(15,241)	(53,457)	(68,698)
Depreciation charge for the year	-	(3,569)	(37)	(3,606)
At 31 December 2020 and 1 January 2021	-	(18,810)	(53,494)	(72,304)
Depreciation charge for the year	-	(3,382)	(13)	(3,395)
Transfer to non-current assets classified as held for sale	-	22,192	53,507	75,699
At 31 December 2021	-	-	-	-
Net book value				
At 31 December 2020	83,747	49,056	37	132,841
At 31 December 2021	-	-	-	-

As at 31 December 2020, the Company has fair value of investment properties amounted totally Baht 264.1 million which were determined by independent property valuer, at market approach for land and replacement cost new approach. The fair value of investment properties have been categorised as a Level 3 fair value.

Non-current assets classified as held for sale

As at 31 December 2021, non-current assets classified as held for sale has net book value of Baht 129.4 million which is the lower of fair value less cost to sell. The Company has no impairment loss.

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For the year ended 31 December 2021

12 Property, plant and equipment

	Consolidated financial statements					
	Land	Building and building improvements	Machinery and factory equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under
						construction and installation
						Total
Cost						
At 1 January 2020	355,434	652,059	240,234	24,783	276,859	623
Additions	-	-	7,864	539	1,726	170
Transfers	-	-	2,916	-	-	(368)
Disposals and write-off	-	-	(244)	(2,673)	(2,442)	-
At 31 December 2020 and 1 January 2021	355,434	652,059	250,770	22,649	276,143	425
Additions	-	230	6,695	1,053	-	295
Transfers	-	-	4,334	-	-	(534)
Transferred from right-of-use assets	-	-	66,169	-	-	-
Disposals and write-off	-	-	(19,071)	(151)	(10,724)	-
At 31 December 2021	355,434	652,289	308,897	23,551	265,419	186
						1,605,776
Depreciation						
At 1 January 2020	-	(220,062)	(177,010)	(19,953)	(121,949)	-
Depreciation charge for the year	-	(30,044)	(29,113)	(1,911)	(18,088)	-
Disposals and write-off	-	-	223	2,631	2,278	-
At 31 December 2020 and 1 January 2021	-	(250,106)	(205,900)	(19,233)	(137,759)	-
Depreciation charge for the year	-	(30,369)	(32,213)	(1,706)	(16,211)	-
Disposals and write-off	-	-	18,551	149	5,447	-
At 31 December 2021	-	(280,475)	(219,562)	(20,790)	(148,523)	-
						(669,350)
Net book value						
At 31 December 2020	355,434	401,953	44,870	3,416	138,384	425
At 31 December 2021	355,434	371,814	89,335	2,761	116,896	186
						944,482
						936,426

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For the year ended 31 December 2021

Separate financial statements							
	Land	Building and building improvements	Machinery and factory equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	Total
Cost							
At 1 January 2020	308,283	518,480	144,808	19,868	41,279	499	1,033,217
Additions	-	-	7,817	506	1,726	170	10,219
Transfers	-	-	2,916	-	-	(368)	2,548
Disposals and write-off	-	-	(190)	(2,656)	(561)	-	(3,407)
At 31 December 2020 and 1 January 2021	308,283	518,480	155,351	17,718	42,444	301	1,042,577
Additions	-	188	6,695	1,014	-	295	8,192
Transfers	-	-	4,334	-	-	(534)	3,800
Disposals and write-off	-	-	(12,802)	(139)	-	-	(12,941)
At 31 December 2021	308,283	518,668	153,578	18,593	42,444	62	1,041,628
Depreciation							
At 1 January 2020	-	(179,174)	(105,776)	(15,952)	(24,203)	-	(325,105)
Depreciation charge for the year	-	(24,212)	(20,449)	(1,425)	(4,921)	-	(51,007)
Disposals and write-off	-	-	173	2,614	547	-	3,334
At 31 December 2020 and 1 January 2021	-	(203,386)	(126,052)	(14,763)	(28,577)	-	(372,778)
Depreciation charge for the year	-	(24,182)	(13,560)	(1,453)	(4,931)	-	(44,126)
Disposals and write-off	-	-	12,781	137	-	-	12,918
At 31 December 2021	-	(227,568)	(126,831)	(16,079)	(33,508)	-	(403,986)
Net book value							
At 31 December 2020	308,283	315,094	29,299	2,955	13,867	301	669,799
At 31 December 2021	308,283	291,100	26,747	2,514	8,936	62	637,642

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Notes to the financial statements

For the year ended 31 December 2021

13 Leases

Right-of-use assets at 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Land and land improvements	-	-	-	1,471
Building	544	952	-	-
Machinery	-	66,876	-	8,591
Vehicles	30,440	16,490	-	-
Total	30,984	84,318	-	10,062

In 2021, a subsidiary transferred right-of-use assets which carrying amount of Baht 66.2 million to property, plant and equipment due to early redemption of machinery under finance lease.

In 2021, additions to the right-of-use assets of the Group were Baht 15.5 million (2020: Baht 17.1 million).

The Group has entered into a number of various assets categories for the period of 5 years, with extension option at the end of lease term. The rental is payable monthly as specified in the contract.

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Amounts recognised in profit or loss				
Depreciation of right-of-use assets:				
- Land and land improvement	-	-	1,471	5,884
- Building	408	408	-	-
- Machinery	-	11,927	8,590	34,363
- Vehicles	1,540	610	-	-
Interest on lease liabilities	726	2,476	51	940
Expenses relating to short-term leases	39	115	26,675	55
Expenses relating to lease of low-value assets	765	213	765	213

In 2021, total cash outflow for leases of the Group and the Company were Baht 8.1 million and Baht 10.5 million, respectively (2020: Baht 3.0 million and Baht 40.8 million, respectively).

As a lessor

The leases of investment properties comprise land, building and building improvements and machinery and factory equipment that are leased to a related party which classified as operating leases. Each of the leases contains a period of 1 to 3 years. Subsequent renewals are negotiated with the lessee. For all investment property leases, the rental income is fixed under the contracts.

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For the year ended 31 December 2021

<i>Lease payments to be received from operating leases At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Within one year	706	8,652	886	8,892
After one year but within five years	-	6,354	-	6,354
Total	706	15,006	886	15,246

14 Interest-bearing liabilities

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
<i>Unsecure</i>					
Short-term borrowings from financial institutions					
Trust receipts		683,357	559,527	683,357	559,527
Promissory notes		1,940,000	1,790,000	1,940,000	1,790,000
Short-term borrowings from subsidiary	4	-	-	33,980	19,640
Lease liabilities		21,721	14,305	-	10,449
Total interest-bearing liabilities		2,645,078	2,363,832	2,657,337	2,379,616

Short-term borrowings from financial institutions

Movements during the years ended 31 December 2021 and 2020 were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
At 1 January	2,349,527	3,138,207	2,349,527	3,138,207
Increases	272,356	-	272,356	-
Decreases	-	(788,494)	-	(788,494)
The effect of changes in foreign exchange rates	1,474	(186)	1,474	(186)
At 31 December	2,623,357	2,349,527	2,623,357	2,349,527

As at 31 December 2021, the Group and the Company had trust receipts and promissory notes which bear interest rate of 0.50% to 2.50% per annum and interest rate of 0.95% to 3.00% per annum, respectively (2020: 1.65% to 1.70% per annum and 1.60% to 2.65% per annum, respectively). The ownership of merchandise purchased from the contract performance of trust receipts are still belonged to the commercial bank until there will be repayment of trust receipts to the commercial bank.

Unutilised credit facilities

As at 31 December 2021, the Company has unutilised credit facilities totaling Baht 2,261.6 million (2020: Baht 4,019.7 million).

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For the year ended 31 December 2021

Lease liabilities

Movements during the years ended 31 December 2021 and 2020 were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
At 1 January	14,305	28,610	10,449	-
Purchase of assets under lease liabilities	14,741	-	-	50,309
Payment of lease liabilities	(8,074)	(15,451)	(10,500)	(40,800)
Finance costs under lease	749	1,146	51	940
At 31 December	21,721	14,305	-	10,449
- Current	5,821	3,370	-	10,449
- Non-current	15,900	10,935	-	-
Total	21,721	14,305	-	10,449

15 Non-current provisions for employee benefits

Defined benefit plan

The Group operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as interest rate risk and salary growth rate risk.

Present value of the defined benefit obligations	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
At 1 January	18,514	16,039	15,209	13,550
Recognised in profit or loss:				
Current service cost	2,107	2,744	1,647	1,911
Interest on obligation	384	427	317	349
	<u>2,491</u>	<u>3,171</u>	<u>1,964</u>	<u>2,260</u>
Recognised in other comprehensive income:				
Defined benefit plan actuarial loss	-	91	-	91
	<u>-</u>	<u>91</u>	<u>-</u>	<u>91</u>
Benefit paid	(821)	(787)	(736)	(692)
At 31 December	20,184	18,514	16,437	15,209

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<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(%)			
Discount rate	1.79 - 2.42	1.79 - 2.42	2.32	2.32
Future salary growth	3.88 - 7.52	3.88 - 7.52	5.26	5.26
Employee turnover	33	33	25	25

Assumptions regarding future mortality have been based on published statistics and mortality tables.

As at 31 December 2021 and 2020, the weighted-average duration of the defined benefit obligation was 10.25 years.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<i>Effect on defined benefit obligation At 31 December</i>	Consolidated financial statements			
	0.5% increase in assumption		0.5% decrease in assumption	
	2021	2020	2021	2020
	(in thousand Baht)			
Discount rate	(711)	(673)	760	721
Future salary growth	892	765	(838)	(720)
Employee turnover	(1,014)	(870)	916	794

<i>Effect on defined benefit obligation At 31 December</i>	Separate financial statements			
	0.5% increase in assumption		0.5% decrease in assumption	
	2021	2020	2021	2020
	(in thousand Baht)			
Discount rate	(575)	(553)	615	593
Future salary growth	725	629	(681)	(592)
Employee turnover	(837)	(727)	800	698

16 Legal Reserves

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

The Company appropriated legal reserve for the year ended 31 December 2021 amounted to Baht 37.8 million (2020: none).

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For the year ended 31 December 2021

17 Segment information and disaggregation of revenue

Segment information

Management determined that the Group has two reportable segments which are the Group's strategic divisions. The strategic divisions offer different sale products and services and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Transactions relating to revenue from sales of steels
- Segment 2 Transactions relating to revenue from logistic services

Information regarding the results of each reportable segment is included below. Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

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	Consolidated Financial Statements					
	Revenue from sales of steels		Revenue from logistic services		Eliminations	
	2021	2020	2021	2020	2021	2020
<i>For the year ended 31 December</i>	<i>(in thousand Baht)</i>					
<i>Information about reportable segments</i>						
External revenues	14,386,846	7,311,672	132,120	115,264	-	14,518,966
Inter-segment revenue	-	38,802	43,359	18,980	(38,807)	7,426,936
Total revenues from sale of goods and rendering of services - at a point in time	14,386,846	7,350,474	175,479	134,244	(38,807)	7,445,911
Profit (loss) before income tax expense	975,224	43,318	(766)	(4,348)	352,530	1,326,988
Interest income	15,916	16,012	6	8	(15,790)	132
Interest expense	58,097	64,519	10,248	10,501	(15,828)	57,977
Depreciation and amortisation	71,607	122,144	14,790	15,158	(314)	96,386
Share of profit (loss) of investments in associates	-	-	-	-	(354,359)	(89,302)
Income tax expense (income)	196,272	63,385	15	(897)	-	62,488
Segment assets as at 31 December	5,412,344	4,528,969	211,956	215,692	(16,964)	4,319,157
Segment assets as at 31 December	3,159,644	2,837,224	198,456	197,718	(278,432)	2,701,830



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Geographical segments

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

Major customer

Revenue from one customer from sale of steels business represents approximately Baht 2,699.5 million (2020: 507.6 million) of the Group's total revenues.

Contract balances

Contract liability

	Consolidated financial statements		Separate financial statements	
<i>At 31 December</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Advance received for inventories	<u>56,422</u>	<u>5,046</u>	<u>56,422</u>	<u>5,046</u>

Advances received for inventories primarily relate to sales of goods which the Group will recognise revenue from sales on the date on which the products are delivered to customers.

18 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Purchase goods and raw material	13,803,191	6,573,541	13,822,696	6,573,527
Changes in inventories finished goods and work in process	(819,545)	334,322	(819,545)	334,322
Employee benefit expenses	197,660	189,718	145,697	141,006
Impairment losses of investments in subsidiary and associate	-	-	-	158,204
Transportation and distribution expense	88,639	53,733	38,129	35,800
Depreciation and amortisation	86,083	96,386	57,793	95,508
Other	<u>116,215</u>	<u>116,144</u>	<u>141,290</u>	<u>108,093</u>
Total cost of sale of goods and rendering of services, distribution costs and administrative expenses	<u>13,472,243</u>	<u>7,363,844</u>	<u>13,386,060</u>	<u>7,446,460</u>

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19 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	199,632	2,735	195,971	887
Deferred tax expense				
Movements in temporary differences	(3,345)	59,753	(2,144)	25,230
Total income tax expense	196,287	62,488	193,827	26,117

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	Before income tax	2021 Tax benefit	Net of income tax	Before income tax	2020 Tax benefit	Net of income tax
	<i>(in thousand Baht)</i>					
Defined benefit plan actuarial loss	-	-	-	91	(18)	73
Total	-	-	-	91	(18)	73

	Separate financial statements					
	Before income tax	2021 Tax benefit	Net of income tax	Before income tax	2020 Tax benefit	Net of income tax
	<i>(in thousand Baht)</i>					
Defined benefit plan actuarial loss	-	-	-	91	(18)	73
Total	-	-	-	91	(18)	73

Reconciliation of effective tax rate

	Consolidated financial statements			
	Rate (%)	2021 (in thousand Baht)	Rate (%)	2020 (in thousand Baht)
Profit (loss) before income tax expense		1,326,988		(69,465)
Income tax using the Thai corporation tax rate	20	265,398	20	(13,893)
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit.		1,761		(3,184)
Share of (profit) loss in associates using equity method		(70,872)		17,861
Deferred tax assets that previously recognised		-		61,704
Total	15	196,287	(90)	62,488

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	Rate (%)	Separate financial statements		Rate (%)	2020 (in thousand Baht)
		2021	(in thousand Baht)		
Profit (loss) before income tax expense			950,502		(123,766)
Income tax using the Thai corporation tax rate	20		190,100	20	(24,753)
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit			3,727		28,907
Deferred tax assets that previously recognised			-		21,963
Total	20		193,827	(21)	26,117

Deferred tax

Deferred tax assets and liabilities as at 31 December 2021 and 2020 were as follows:

Deferred tax At 31 December	Consolidated financial statements			
	Assets		Liabilities	
	2021	2020	2021	2020
		(in thousand Baht)		
Total	38,037	35,875	(5,131)	(6,314)
Set off of tax	(5,131)	(6,314)	5,131	6,314
Net deferred tax assets	32,906	29,561	-	-

Deferred tax At 31 December	Separate financial statements			
	Assets		Liabilities	
	2021	2020	2021	2020
		(in thousand Baht)		
Total	36,312	34,203	(4,010)	(4,045)
Set off of tax	(4,010)	(4,045)	4,010	4,045
Net deferred tax assets	32,302	30,158	-	-

Movement in deferred tax assets and liabilities during the years ended 31 December 2021 and 2020 were as follows:

	Consolidated financial statements			
		(Charged) / Credited to		
	At 1	Profit or	Other	At 31
	January	loss	comprehensive	December
		(in thousand Baht)		
2021				
Defered tax assets				
Trade accounts receivable	30,873	(738)	-	30,135
Inventories	211	2,679	-	2,890
Property, plant and equipment	1,275	(131)	-	1,144
Non-current provisions for employee benefits	3,495	350	-	3,845
Lease liabilities	21	2	-	23
Total	35,875	2,162	-	38,037

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	Consolidated financial statements (Charged) / Credited to			
	At 1 January	Profit or loss (in thousand Baht)	Other comprehensive income	At 31 December
2021				
Deferred tax liabilities				
Property, plant and equipment	(6,099)	1,110	-	(4,989)
Lease liabilities	(215)	73	-	(142)
Total	(6,314)	1,183	-	(5,131)
Net	29,561	3,345	-	32,906
2020				
Deferred tax assets				
Trade accounts receivable	26,752	4,121	-	30,873
Inventories	8,043	(7,832)	-	211
Advance payments for inventories	39,601	(39,601)	-	-
Investment in subsidiary	21,963	(21,963)	-	-
Property, plant and equipment	1,351	(76)	-	1,275
Non-current provisions for employee benefits	3,208	269	18	3,495
Lease liabilities	20	1	-	21
Total	100,938	(65,081)	18	35,875
Deferred tax liabilities				
Property, plant and equipment	(7,305)	1,206	-	(6,099)
Lease liabilities	(4,337)	4,122	-	(215)
Total	(11,642)	5,328	-	(6,314)
Net	89,296	(59,753)	18	29,561
	Separate financial statements (Charged) / Credited to			
	At 1 January	Profit or loss (in thousand Baht)	Other comprehensive income	At 31 December
2021				
Deferred tax assets				
Trade accounts receivable	30,873	(738)	-	30,135
Inventories	211	2,679	-	2,890
Non-current provisions for employee benefits	3,042	245	-	3,287
Lease liabilities	77	(77)	-	-
Total	34,203	2,109	-	36,312
Deferred tax liability				
Property, plant and equipment	(4,045)	35	-	(4,010)
Total	(4,045)	35	-	(4,010)
Net	30,158	2,144	-	32,302



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	At 1 January	Separate financial statements (Charged) / Credited to		At 31 December
		Profit or loss (in thousand Baht)	Other comprehensive income	
2020				
Deferred tax assets				
Trade accounts receivable	26,752	4,121	-	30,873
Inventories	8,043	(7,832)	-	211
Investment in subsidiary	21,963	(21,963)	-	-
Non-current provisions for employee benefits	2,711	313	18	3,042
Lease liabilities	-	77	-	77
Total	59,469	(25,284)	18	34,203
Deferred tax liability				
Property, plant and equipment	(4,099)	54	-	(4,045)
Total	(4,099)	54	-	(4,045)
Net	55,370	(25,230)	18	30,158

20 Basic earnings per share

<i>Profit attributable to ordinary shareholders of the Company For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht/in thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company	1,131,014	(130,572)	756,674	(149,883)
Number of ordinary shares outstanding	1,102,061	1,102,061	1,102,061	1,102,061
Basic earning per share (in Baht)	1.03	(0.12)	0.69	(0.14)

21 Dividends

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (in Baht)	Amount (in million Baht)
2021				
Interim dividend	14 May 2021	10 June 2021	0.20	220.4
2020				
Interim dividend	14 August 2020	11 September 2020	0.03	33.1

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22 Financial instruments

(a) Carrying amount and fair values

The Majority of the financial assets and liabilities classified as short-term. The short-term loans to and the short-term borrowings from are bearing interest at rates close to current market rate, the management believes that the carrying amount of the Group's financial instruments does not materially differ from their aggregate fair value.

(b) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(b.1.1) Trade accounts receivable

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's commercial terms and conditions are offered. The Group's review sale limits are established for each customer and reviewed consistently. Any sales exceeding those limits require approval from President of Finance and Accounting Department and Deputy Managing Director.

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For the year ended 31 December 2021

The Group limits its exposure to credit risk from trade accounts receivable by establishing a maximum payment period of 180 days. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivable is disclosed in note 6 to the financial statements.

(b.1.2) Cash and cash equivalent

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(b.1.3) Guarantees

The Group's policy is to provide financial guarantees only for associate's liabilities. At 31 December 2021, the Group has guaranteed for credit facilities of associate (see note 4 to the financial statements).

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

<i>At 31 December</i>	Consolidated financial statements			
	Contractual cash flows			
	Carrying amount	1 year or less	More than 1 year but less than 5 years	Total
		<i>(in thousand Baht)</i>		
2021				
<i>Non-derivative financial liabilities</i>				
Short-term borrowings from financial institutions	2,623,357	2,623,357	-	2,623,357
Trade accounts payable	246,909	246,909	-	246,909
Other payables	51,908	51,908	-	51,908
Advances received for inventories	56,422	56,422	-	56,422
Lease liabilities	21,721	6,543	16,493	23,036
	3,000,317	2,985,139	16,493	3,001,632

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For the year ended 31 December 2021

Consolidated financial statements				
Contractual cash flows				
<i>At 31 December</i>	Carrying amount	1 year or less (in thousand Baht)	More than 1 year but less than 5 years	Total
2020				
Non-derivative financial liabilities				
Short-term borrowings from financial institutions	2,349,527	2,349,527	-	2,349,527
Trade accounts payable	259,273	259,273	-	259,273
Other payables	53,547	53,547	-	53,547
Advances received for inventories	5,046	5,046	-	5,046
Lease liabilities	14,305	3,852	11,599	15,451
	2,681,698	2,671,245	11,599	2,682,844
Separate financial statements				
Contractual cash flows				
<i>At 31 December</i>	Carrying amount	1 year or less (in thousand Baht)	More than 1 year but less than 5 years	Total
2021				
Non-derivative financial liabilities				
Short-term borrowings from financial institutions	2,623,357	2,623,357	-	2,623,357
Trade accounts payable	245,231	245,231	-	245,231
Other payables	49,197	49,197	-	49,197
Advances received for inventories	56,422	56,422	-	56,422
Short-term borrowings from subsidiary	33,980	33,980	-	33,980
	3,008,187	3,008,187	-	3,008,187
2020				
Non-derivative financial liabilities				
Short-term borrowings from financial institutions	2,349,527	2,349,527	-	2,349,527
Trade accounts payable	257,843	257,843	-	257,843
Other payables	56,928	56,928	-	56,928
Advances received for inventories	5,046	5,046	-	5,046
Short-term borrowings from subsidiaries	19,640	19,640	-	19,640
Lease liabilities	10,449	10,500	-	10,500
	2,699,433	2,699,484	-	2,699,484

The Steel Public Company Limited and its Subsidiaries
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For the year ended 31 December 2021

(b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies.

Exposure to foreign currency at 31 December	USD	Consolidated/Separate financial statements			
		2021	2020	2020	
		Total	USD	EUR	Total
			<i>(in thousand Baht)</i>		
Financial liability	3,054	3,054	6,397	6,735	13,132
Net exposure	3,054	3,054	6,397	6,735	13,132

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan from the subsidiary and financial institutions are mainly fixed. So the Group has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Group.

23 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

24 Commitments with non-related parties

At 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Intangible assets	7,330	20,290	7,330	20,290
Other commitments				
Short-term lease commitments	34,660	25,725	34,536	25,571
Unused letters of credit for goods and supplies	644,042	5,742	644,042	5,742
Purchase orders for goods and supplies	218,001	7,978	218,001	7,978
Bank guarantees	6,684	3,684	6,684	3,684
Total	903,387	43,129	903,263	42,975

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25 Reclassification of accounts

Certain accounts in 2020 financial statements have been reclassified to conform to the presentation in the 2021 financial statements as follows:

<i>Statement of financial position At 31 December 2020</i>	Consolidated financial statements		
	Before reclassification	Reclassification (in thousand Baht)	After reclassification
Trade and other current receivables	1,496,976	(1,496,976)	-
Trade accounts receivable	-	1,477,154	1,477,154
Other receivables	-	19,822	19,822
Investment property	132,803	38	132,841
Property, plant and equipment	944,520	(38)	944,482
Current tax assets	1,992	(1,992)	-
Deferred tax assets	35,875	(6,314)	29,561
Other non-current assets	34,368	1,992	36,360
Trade and other current payables	(312,820)	312,820	-
Trade accounts payable	-	(259,273)	(259,273)
Other payables	-	(53,547)	(53,547)
Deferred tax liabilities	(6,314)	6,314	-
Other components of shareholder's equity	(203,824)	203,824	-
Discount on change of interest in subsidiaries	-	(203,824)	(203,824)
		<u>-</u>	
<i>Statement of comprehensive income For the year ended 31 December 2020</i>			
Interest Income	87	(87)	-
Other income	14,261	87	14,348
Administrative expenses	118,965	20,602	139,567
Loss from impairment and reversal in trade receivables	20,602	(20,602)	-
		<u>-</u>	

The Steel Public Company Limited and its Subsidiaries
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Statement of financial position At 31 December 2020	Separate financial statements		
	Before reclassification	Reclassification (in thousand Baht)	After reclassification
Trade and other current receivables	1,476,357	(1,476,357)	-
Trade accounts receivable	-	1,470,531	1,470,531
Other receivables	-	5,826	5,826
Investment property	132,803	38	132,841
Property, plant and equipment	669,837	(38)	669,799
Current tax assets	140	(140)	-
Deferred tax assets	34,204	(4,046)	30,158
Other non-current assets	30,016	140	30,156
Trade and other current payables	(314,771)	314,771	-
Trade accounts payable	-	(257,843)	(257,843)
Other payables	-	(56,928)	(56,928)
Deferred tax liabilities	(4,046)	4,046	-
		<u>-</u>	
Statement of comprehensive income			
For the year ended 31 December 2020			
Interest income	14,903	(14,903)	-
Dividend income in subsidiaries	20,000	(20,000)	-
Other income	13,722	34,903	48,625
Cost of sales of goods and rendering of services	7,102,229	(11,028)	7,091,201
Administrative expenses	95,812	189,834	285,646
Loss from impairment and reversal in trade receivables	20,602	(20,602)	-
Loss from impairment of investments in associate and subsidiary	158,204	(158,204)	-
		<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate for the Group's business.

ATTACHMENT 1

DETAILS OF DIRECTORS, EXECUTIVES, CONTROLLING PERSONS,
THE PERSON ASSIGNED TO TAKE THE HIGHEST RESPONSIBILITY
IN ACCOUNTING AND FINANCE,
THE PERSON ASSIGNED TO TAKE DIRECT RESPONSIBILITY
FOR ACCOUNTING SUPERVISION,
AND THE COMPANY SECRETARY

Information of Director and Managements of the Company (at December 31, 2021)

	Name	Age (Year)	Education	Total of Voting right experience (%)	Relationship with other management	Experience	
						Time	Position
1	Mr.Manu Leopalrote Chairman (Independent Director)/ Chairman of the Audit Committee	78	- Honorary Doctorate in Business Administration, Thammasat University - Master's degree of Science in Economic, University of Kentucky, U.S.A. - Science in Economics (Honors), Thammasat University - Certificate Industrial Development, Nagoya, Japan - National Defense College class 34 - Diploma of Chairman 3/2003 - Director Certification Program (DCP) 30	None	-	2020 - Present 2016 - Present 2010 - Present 2004 - Present 2004 - Present 2004 - Present	- Chairman (Independent Director) / Chairman of the Audit Committee of The Steel Public Company Limited - Chairman of SVOA Public Company Limited - Chairman of ARIP Public Company Limited - Chairman of Kon Kaen Sugar Industry Public Company Limited - Chairman of Bangkok Union Insurance Public Company Limited - Chairman of Polyplex (Thailand) Public Company Limited
2	Mr.Boonchai Jirapongtrakul Director/ Chairman of the Executive Committee/ Chief Executive Officer	52	- year 12, Brisbane International College Australia - Director Accreditation Program (DAP) 54 - Director Certification Program (DCP) 79	17.06	-	1991 - Present 2014 - Present 2012 - Present 2011 - Present 2009 - Present 2008 - Present 2006 - Present	- Director/ Chairman of the Executive Director/ Chief Executive Officer of The Steel Public Company Limited - Director of Prime Steel Mill Co.,Ltd. - Director of In-Tech Steel Co.,Ltd. - Director of Liberty Steel Siam Co.,Ltd. - Director of The Steel Industry Co.,Ltd. - Director of The Steel Logistics Co.,Ltd. - Director of Thai Ethanol Power PLC.
3	Mr.Suroj Jiraphongtrakul Director / Executive Director	55	- Bachelor Degree of Business Administration, ABAC University - Director Accreditation Program (DAP) 137	11.78	-	2015 - Present 2017 - Present 2017 - Present 2016 - Present 2010 - Present	- Director/ Executive Director of The Steel Public Company Limited - Director of Prime Steel Mill Co.,Ltd. - Director of The Steel Industry Co.,Ltd. - Director of Liberty Steel Siam Co.,Ltd. - Director of H Habitat Co.Ltd.

Name	Age (Year)	Education	Total of Voting right experience (%)	Relationship with other management	Experience	
					Time	Position
4	Mr.Nirut Ngamchamnurih Director/ Executive Director	42 - Master Degree in Administrative Marylhurst University - Bachelor Degree of Business Administration, ABAC University - Director Accreditation Program (DAP) 137	14.52	-	2015 - Present 2017 - Present 2016 - Present 2015 - Present 2013 - Present 2010 - Present 2010 - Present 2010 - Present 2010 - Present 2010 - Present	- Director/ Executive Director of The Steel PLC. - Director of The Steel Industry Co.,Ltd. - Director of Liberty Steel Siam Co.,Ltd. - Director of Good Holding Co.,Ltd. - Director of K Wave Co.,Ltd. - Managing Director of Sunico Vanachai Golf Co.,Ltd. - Director of Sumico Development Thai Co.,Ltd. - Director of K to Land Co.,Ltd. - Director of S S Maintenance Co.,Ltd.
5	Mr. Rujira Jiraphongtrakul Director	29 - Bachelor of Architecture King Mongkut's University of Technology Thonburi - Director Accreditation Program (DAP) 171	0.82	-	2020 - Present 2019 - Present	- Director of The Steel Public Company Limited - Director of Blox Co.,Ltd
6	Mrs.Seenual Tasanapant Independent Director/ Audit Committee/ Chairman of the Nomination and Remuneration Committee	76 - Bachelor of Law, Thammasat University - Bachelor of Accounting, Thammasat University - Director Accreditation Program (DAP) 55 - Director Certification Program (DCP) 79 - Audit Committee Program (ACP) 17 - Board Nomination & Compensation Program (BNCP) 3 - Certified Public Account No.2974	None	-	2006 - Present 2014 - Present 2007 - 2009 1998 - 2006	- Independent Director / Audit Committee/ Nomination and Remuneration Committee of The Steel Public Company Limited - Independent Director / Audit Committee / Chairman of Nomination and Compensation Committee / Chairman of Corporate Governance Committee of Buriram Sugar PLC. - Advisor of Administrative Director Mahidol University Saving and credit co-op Ltd. - Manager, Mahidol University Saving and credit co-op Ltd.
7	Mr.Sumath Chinraksa Independent Director/ Audit Committee	63 - Master of Business Administration in finance, Thammasat University - Bachelor of Commerce in Marketing, Thammasat University - Director Accreditation Program (DAP) 184	None	-	2021- Present 2018- Present 2014-2018 2002-2014	- Independent Director / Audit Committee The Steel PLC. - Managing Director of Krua Rak Lok Co.,Ltd. - Documentation and Credit Procedure Center Bangkok Bank - Relationship Manager Bangkok Bank
8	Mr.Sila Wangphompha Executive Director/ Production Manager	50 - Bachelor Degree of Business Administration, Siam University	None	-	1995 - Present	- Executive Director/ Production Manager The Steel Public Company Limited



	Name	Age (Year)	Education	Total of Voting right experience (%)	Relationship with other management	Experience	
						Time	Position
9	Mr.Prasertsuk Nudhaisong Executive Director/ Purchasing Manager	50	- Secondary School	None	-	1996 - Present	- Executive Director/ Purchasing Manager The Steel Public Company Limited
10	Mr.Pornthep Pripaisakij Chief Financial Officer	61	- Master Degree in Administrative, Thammasat University - Bachelor of Accounting, Thammasat University	0.02	-	2009 - Present	- Chief Financial Officer The Steel Public Company Limited
11	Ms.Surang Kongphoka The person supervising accounting	45	- Master of Business Administration in accounting, Ramkhamhaeng University - Bachelor of Commerce in accounting, Rajamagala University of Technology Ratanakosin Bophit Phimuk Chakkrawat	None	-	2009-Present	- Cost Accounting Manager The Steel Public Company Limited
12	Ms.Thitima Nontavech Company Secretary	38	- Bachelor of Business Administration,UTCC	None	-	2016-Present	- Company Secretary The Steel Public Company Limited

Duties and Responsibilities of Company Secretary

1. Prepare and keep documents as follows: -

1.1 Director registration

1.2 Board of Director meeting letters, Minute of Board of Director meetings, and annual reports.

1.3 Annual General Shareholder Meetings and Minute of the meetings.

2. Benefit interest reports prepared by Directors or Managements.

3. Handle other issues per SEC committee announcements

In addition, Company Secretary also has other duties as company assignments as follows: -

1. Handle conducting meeting for BOD, AC, remuneration committee, and AGM.

2. Coordinate within organization to perform per BOD meeting or resolution from Shareholders meeting

3. Coordinate with regulators, such as, SET, SEC and take care all disclosures to report correctly.

4. Others per company assignments.

Details of Directors of the company in Subsidiaries and Associates

Name - Surname		THE	Subsidiaries			Associates or Related Companies			
			TSL	TSI	LSS	Prime	Blox	ITS	TEP
1. Mr.Boonchai	Jirapongtrakul	3,5,6,8	5	1,3,5	1,3,5	5		5	5
2. Mr.Suroj	Jiraphongtrakul	5,7,8		5	5	5			
3. Mr.Nirut	Ngamchamnunrith	5,7,8		5	5				
4. Mr.Rujira	Jiraphongtrakul	5					5		
5. Mr.Manu	Leopairote	1,2							
6. Mrs.Seenual	Tasanapat	4							
7. Mr.Sumath	Chinraksa	4							
8. Mr.Sila	Wangpornpra	7							
9. Mr.Prasertsuk	Nudthaisong	7							
10. Mr.Pornthep	Pripaisalkij	8							

Remark :

- Symbol position of Director and Management

1 = Chairman	2 = Chairman of the Audit Committee
3 = Chief Executive Officer	4 = Independent Director and Audit Committee
5 = Director	6 = Chairman of the Executive Committee
7 = Executive Committee	8 = Executive

- Symbol of Company and Subsidiaries and Associates

THE	The Steel Public Company Limited
TSL	The Steel Logistic Company Limited
TSI	The Steel Industry Company Limited
LSS	Liberty Steel Siam Company Limited
Prime	Prime Steel Mill Company Limited
Blox	Blox Company Limited
ITS	In-Tech Company Limited
TEP	Thai Ethanol Power Public Company Limited

ATTACHMENT 2

DETAILS OF THE DIRECTORS OF SUBSIDIARIES

Details of Directors of the company in Subsidiaries

Name - Surname	Subsidiaries		
	TSL	TSI	LSS
1. Mr.Boonchai Jirapongtrakul	2	1,2	1,2,3
2. Mr.Suroj Jiraphongtrakul		2	2
3. Mr.Nirut Ngamchamnanrith		2	2
4. Mr.Siri Sirimahachai	1,2,3		
5. Mr.Suwit Jiraphongtrakul		3	

Remark :

- Symbol position of Director and Management
1 = Chairman 2 = Director 3 = Managing Director
- Symbol of Company and Subsidiaries
TSL The Steel Logistic Company Limited
TSI The Steel Industry Company Limited
LSS Liberty Steel Siam Company Limited

ATTACHMENT 3

DETAILS OF THE HEAD OF THE INTERNAL AUDIT AND COMPLIANCE UNITS

DETAILS OF THE HEAD OF THE INTERNAL AUDIT AND COMPLIANCE UNITS

The Company recognizes the importance of internal control system. To ensure the Audit Committees, Executives, shareholders, and stakeholders that the Company has a good internal control system and employees operates according to the determined internal control systems, the Company has set up the internal audit department to monitor and audit the operations of each department. The Audit Committees have appointed Mr.Wisood Charoensilawat to be the internal audit. The details of the internal audit are as follows;

Name/Position	Age	Education	Experience	
			Time	Position
Mr.Wisood Charoensilawat Internal Audit	47	Beachelor Degree of Business Administrator (Accounting) Ramkhamhaeng University	2012 – present	- Internal Audit The Steel PLC.
			2008-2009	- Internal Audit Asian Sea Corporation PLC.
			2006-2008	- Internal Audit Asia Fiber PLC.
			2004-2006	- Internal Audit Nan Yang Knitting Factory Co.,Ltd.

Head of Internal Audit

Regarding Audit Committee Meeting on November 14,2012, No.4/2012 had appointed Mr.Wisood Charoensilawat as Internal Auditor from November 16,2012 onwards up to present due to his 9 years internal audit experiences. The approval of appointment, transferring, dismiss Internal Auditor has to be getting opinion from Audit Committee.

ATTACHMENT 4

ASSETS USED IN BUSINESS OPERATIONS AND DETAILS OF ASSET APPRAISAL

ASSETS USED IN BUSINESS OPERATIONS AND DETAILS OF ASSET APPRAISAL

1. The Steel Public Company Limited

The Group's core fixed assets used in business operation as at December 31, 2021 are as follows;

Land Building and other structures

(THB Million)

Location	Assets	Ownership	Obligation	Net Book Value
Head Office 1401 Ekkachai Road, Bangbon-Tai, Bangbon Bangkok	Land of 7 -1-47 rai	owned by the Company	Negative Pledge *	114.0
	Building and other structures	owned by the Company	Negative Pledge *	69.80
Branch 1 7/4,7/6 Moo 1 Ekkachai Road, Khaerai, Kratumban, Samutsakorn	Land of 25 -1-59 rai	owned by the Company	Negative Pledge *	70.82
	Building and other structures	owned by the Company	Negative Pledge *	223.07
Branch 3 99/16,99/57,99/61 Moo 3 Nadee, Muangsamutsakorn Samutsakorn	Land of 29 -0-64 rai	owned by the Company	Negative Pledge *	121.39
	Building and other structures	owned by the Company	Negative Pledge *	202.14
Total				801.22

Machinery, equipment, decoration, office equipment and vehicles

(THB Million)

Assets	Ownership	Obligation	Net Book Value
Machinery and equipment	owned by the Company	-None-	272.87
Decoration and office equipment	owned by the Company	-None-	25.57
Vehicles	owned by the Company	-None-	49.85
Total			348.29

2. The Steel Industry Co.,Ltd.

Land, Building and other structures

(THB Million)

Location	Assets	Ownership	Obligation	Net Book Value
196 Moo1 Khaerai, Kratumban, Samutsakorn	Land of 6 -3-82 rai	owned by the Company	Freehold	18.82
	Building and other structures	owned by the Company	Freehold	45.32
Total				64.14

Machinery, equipment, decoration, office equipment and vehicles

(THB Million)

Assets	Ownership	Obligation	Net Book Value
Machinery and equipment	owned by the Company	-None-	83.49
Decoration and office equipment	owned by the Company	-None-	0.18
Vehicles	owned by the Company	-None-	0.38
Total			84.05

3 . The Steel Logistic Co.,Ltd.

(THB Million)

Assets	Ownership	Obligation	Net Book Value
Land of 8 -3-85.7 rai	owned by the Company	Freehold	37.65
Building and other structures	owned by the Company	Freehold	8.91
Vehicles	owned by the Company	-None-	222.93
Decoration and office equipment	owned by the Company	-None-	1.23
Total			270.72

Assets used in business total amount is Baht 1,568.42 million.

ATTACHMENT 5

CORPORATE GOVERNANCE POLICY AND GUIDELINE

Good Corporate Governance

The Board of Directors has recognized the importance on following the best practices of good corporate governance as a guide of how to operate the company to get the most benefit of running the business and support clearness efficiency of the management so that Shareholders the investors and all relating Investor Relation, The Board of Directors has determined the corporate governance policies as follows.

1. All information must be clearly presented and on time.
2. Directors and management persons must be sufficiency managed.
3. The principle of operating business must be benefited to shareholders.
4. Risk management must to controlled and minimized loss.
5. Ethics must be used for operating a business.

Apart from the mentioned policies, the Company has followed the Principles of Corporate Governance for listed company that proposed by the Stock Exchange of Thailand, which can be classified into 5 sections as follows;

1. RIGHTS OF SHAREHOLDERS

The company values shareholders' rights by refraining from violating or infringing on such rights as follows:

Before the meeting:

1. The Company allows each shareholder to propose agenda items for consideration at their meeting ahead of the actual meeting date and also to nominate candidates for directors and Shareholders are allowed to submit written questions about agenda items ahead of the meeting date through its website at www.thesteel.co.th. In 2021, no shareholder proposed their own agenda and nominates candidates for the Company Directors.
2. The Company has published the meeting schedule and the agenda through the Stock Exchange of Thailand's information system and the Company's website 30 days prior to the meeting date to allow the shareholders to access and have sufficient time to study the information and details.
3. The Company has deliver invitation letters enclosed with minutes of the previous meeting, annual report, documents to supplement decision making in each agenda, explanations and information of the independent directors, steps to attend the meeting, special regulations relating to the shareholder's meeting, the meeting venue and proxy form to all shareholders at least seven days before the meeting. Such information is also made available through the Company website at www.thesteel.co.th and announced in the newspapers for three consecutive days before the meeting to inform the shareholders in advance.
4. Shareholders who cannot attend the AGM themselves are allowed to appoint proxies, or delegate independent directors as their proxies to vote on their behalf.



Shareholders' meeting date:

1. The Company provides two hours before each meeting for registration and even after that, it allows shareholders who still want to attend the meeting to do so and register their attendance without losing their rights and they still have the voting right for the items remaining on the agenda.
2. Before starting the agenda, the secretary introduced the Board, the executives and the auditor as well as informing the meeting of the criteria for voting and how to count the votes.
3. The Company encouraged the meeting to use voting ballots and encouraged shareholders to exercise the voting right in selecting director. Prepared ballots for individual director and distributed them to the shareholders during registration before the meeting began. Details of the voting scores were recorded in the Annual General Meeting of the Shareholders for the Year 2020. The Voting ballots key documentation is systematically compiled and may be inspected for subsequent reference.
4. The Chairman of the Meeting conducted the Meeting according to the agenda in the invitation letter, without any change in the order of the agenda, and without requesting the Meeting to consider any matters not specified in the Meeting.
5. The Company allows shareholders to fully express their views and raise their questions. The Chairman of the Board of Directors, the Chairman of Audit Committee, the Managing Director and CEO attend all meetings to address questions clearly.

After the shareholder's meeting:

1. The Company Secretary records all significant information at an AGM, such as the Directors in attendance; the clarifications of the Chairman of the Board of Directors, the Chairman of Audit Committee, the Managing Director. It includes questions raised and opinions expressed by shareholder; the method for voting and counting votes; the number of votes for, against or non-voting on an Issue; and any other relevant information.
2. The Minutes of the Meeting are forwarded to the Stock Exchange of Thailand within 14 days of the Meeting and are also posted on the company's website. This allows shareholders to inspect the accuracy of resolutions and make suggestions for any other details to be recorded prior to proposing the approval of the said Minutes at the next Shareholders' Meeting.

2 EQUITABLE TREATMENT OF SHAREHOLDERS

The Company values the equality of all shareholders. Its practical guidelines to promote genuine equality include the following:

1. Fair exercising of shareholders' rights at Annual General Meetings (AGM)

At the annual general meeting of shareholders, the Company will provide opportunities for minority shareholders to exercise their rights, to propose agenda and nominate persons to be elected as directors in advance to promote equitable and fair treatment of shareholders. One or several shareholders holding shares not less than 0.05% of the total number of voting rights of the Company can propose the agenda

and the names of the candidates at the annual general meeting of shareholders. The Company will publish these guidelines on its website and the website of the Stock Exchange of Thailand. Shareholders are encouraged to propose agenda items or nominate directors within the timeframe specified by the Company.

In addition, the Company allows the shareholders with the opportunity to submit questions concerning the agenda of the shareholders' meeting in advance. The Company also publishes the Notice of the shareholders' meeting before every meeting.

In the 2021 Annual General Meeting of Shareholders, no shareholder proposed the meeting agenda or nominated any person to be considered as an independent director of the Company.

2. Control and Prevention of the Use of Inside Information:

- The company sets to have the protection against bringing company information to be used by setting unit that know information and will not reveal it to other unrelated individuals or group.
- The Company administrator who receives the financial of the company will not use the benefit from the mentioned information before reveal to the public. The administrators cannot buy or sell the company's assets for a period of one month before the financial budget will be presented to the public.
- When the company assets register in the stock exchange in Thailand, the company has set that the committee and administrator have functioned in reporting asset holding in the company according to the Sections 59 so that it would be as announced of the National Election Committee Office 14/1997 about making and revealing the report of asset holding on May 12, 1997 and have set the penalty according to the Possession and Stock Exchange Act, 1992 and the regulations of Stock Exchange in Thailand. This includes setting the penalty for those searching for their own benefit from using the company's internal information for personal use reveal to others, thus damaging the company. There will be consideration concerning the punishment according to the situation such as verbal warning, written warning, suspension, including halt employment by firing or dislodge.
- In making connected transactions, the company strictly manages the approval procedure in its best interests. Transactions with possible conflicts of interest are raised for the Audit Committee's scrutiny before submitting to the Board and shareholders' meetings for consideration, if applicable. The Company discloses complete important information in compliance with the regulation.

3 ROLES OF STAKEHOLDERS

The Company gives the importance to the right to all group of individuals who gain or loss, no matter if they will gain or loss inside or outside. Because the company realizes the support from those who gain or loss, which will create abilities in competition and make profit for the company, it is considered to bring success to the company on the long-term. These are the important details;

Staffs	:	Equitable treatment and reasonable benefits to all staff.
Traders and Creditors	:	Fair treatment and follow terms and conditions stated in agreement.
Customer	:	Create a satisfaction to the customer, take care and be responsible for the customer by emphasizing the product quality, qualified service.
Competitors	:	Avoid unfair competition, and practice business ethics.
Community/Social	:	The Company considers the environment by being responsible of taking care of making sure there is no effect on the environment of the public and society

In addition, it has instituted a communication channel for requests, opinions and suggestions with the Board of Director to enable parties to make useful recommendations provided a box to receive comment at the front of the office or by website or email at theinfo@thesteel.co.th, audit@thesteel.co.th. The Company's Secretary who receives and summarizes all topics, and to the Audit Committee, and Board of Directors. The Company gives importance to the secrecy of information received in order to build confidence to sender, and complaint will only be known to assigned and related persons.

4 DISCLOSURE OF INFORMATION AND TRANSPARENCY

The Company highly values the disclosure of financial and other information through various channels for shareholder, investors and stakeholders to equally reach the information as follows:-

- Disclose assorted significant information, including financial information, shareholding structure, good corporate governance and company information submitted to SET through its ELCID system, Annual Report, Form 56-1, notice to shareholders' meeting, minutes of shareholders' meetings in both Thai and English, is regularly updated at www.thesteel.co.th
- On the investor relationship side, currently, the company is in the process of setting the specific unit, but has appointed to the Ms. Thitima Nontavech, communicate with the institutional investor, shareholders, including the analyzer and the related government agency.

5 RESPONSIBILITIES OF THE BOARD

The company has responsibility and leadership and vision from to be Good Corporate Governance as follows:

1. Composition of the Board:

- The Board consisted of 7 directors-one non-executives and three executive. Three were independent directors. Information about the terms of each director appears in the annual report, Form 56-1.
- Chairman and Managing Director are individual but they are the relation. Their experience different are advantageous for each department. However, company had divided clearly the

authority for each company committee and administration and 3 company's non administration committee for balancing and auditing of company administration.

- The Board has not only defined a formal and transparent recruitment procedure for directors, to be executed by the Nominating and Remuneration Committee, but has made it possible for shareholders to nominate suitable persons for selection.

- **Terms of Directors:**

As stated in company regulations, each director's term is three years, in line with that stated in the Public Company Limited Act. It is also stipulated that the Audit Committee can be in office for up to three consecutive terms.

- **Company Secretary**

Ms. Thitima Nontavech , has been assigned to serve as Company Secretary. This person is a regular employee. Who can be contacted by email at theinfo@thesteel.co.th.

ATTACHMENT 6

REPORT OF THE AUDIT COMMITTEE AND REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES ON FINANCIAL STATEMENTS



Audit Committee's Report 2021



The Audit Committee of The Steel Public Company Limited of Mr. Manu Leopaiprote, Chairman of the Audit Committee, Mrs. Seenual Tasanapant and Mr. Sumath Chinraksa, members of the Audit Committee. All Audit Committee member possess appropriate qualifications and one of the Directors has adequate experiences and capable to recredit ability of the financial report. The Audit Committee reviews performance against its charter issued by the Board of Directors, which aligns with the regulations of the Stock Exchange of Thailand (SET).

In 2021, the Audit Committee convened 5 meetings. Each Audit Committee meeting with senior executives, external auditors and internal auditors with independence in reporting, expressing opinion and giving recommendations. Significant tasks were summarized as follows:

- **Reviewed company's quarterly and audited financial statements of 2021;**
Reviewed a quarterly and audited financial statements of 2021 with executives and auditor to ensure that financial statements of both the Company and its subsidiaries were in accordance with generally accepted accounting principles, including mutually considered and gave opinions for all acquisitions or sale of assets during the year and disclosures were adequate and timely to serve investors.
- **Reviewed the internal control system and the internal audit systems;**
Reviewed audit operations, audit reports and gave advise on quarterly basis and viewed that internal control systems were adequate and internal audit systems were appropriate and efficient.
- **Compliance with Relevant Laws and Regulations;**
The company has a clear policies to comply with all regulations and related governing laws, the Audit committee did not find any significant incompliance to the law. The company realizes the importance of information disclosure, including financial statements and other reports, and ensures that they are complete, accurate, reliable and timely.
- **Consider Appointing the External Auditors and audit fee for year 2021;**
The Audit Committee has taken into consideration the independence, performance, and experience and an appropriate of audit fees. The Audit Committee has passed an unanimous resolution to propose to the Company's Board of Directors for consideration and propose to the shareholders' meeting to consider and approve the appointment of Ms.Sujitra Masena CPA.No. 8645 or Ms.Nareewan Chaibantad CPA.No.9219 or Ms.Aree Gorpinpaitoon CPA.No.10882 from KPMG Phoomchai Audit Ltd to serve as the Company's external auditor for the year 2021, the audit fee will be within Baht 2,850,000 for the Company and subsidiaries.
- **Reviewed related parties transactions;** The Audit Committee has reviewed and given opinion towards related party transactions to ensure the company has complied to normal business conditions, reasonable and created high benefit to company.

In summary, Audit Committee had performed duties according to Charter approved from Board of Directors, and given recommendations to all parties to manage with good governance, legally and appropriate in order to achieve companies' goals.

A handwritten signature in blue ink, appearing to read 'Manu Leopaiprote', with a stylized flourish at the end.

Mr. Manu Leopaiprote
Chairman of the Audit Committee

Report of the Board of Director's Responsibility to the financial Report

The Board of Director of Responsibility information to Financial Report

The Board of Director is responsible for financial statement of The Steel Public Co.,Ltd. which included all financial information as in our annual report. This financial statement has been made in applicable practice methods regularly as general accountancy standards. It has also revealed enough information as in its précised remark in order to be beneficial for our shareholders and investors thoroughly.

The Board of Director who has also made the efficient processes of risk management and internal control appropriately. These processes can be ensuring that our information protections in particular to preserve all company assets effectively, moreover to prevent fraud or any significant abnormal operations.

The Board of Director has appointed the Audit Committee to responsible for reviewing all accountancy policies and financial report accuracies. In charge of verification all internal controls, internal audit system together with risk operating processes as already mentioned in annual report.

The financial statement has been verified by auditor from KPMG Phoomchai Audit Co., Ltd with good cooperation from Board of Director to provide all related information in order to support their audit and independent in expressing opinion. The auditor's opinion was already expressed in our financial report as part company annual report.

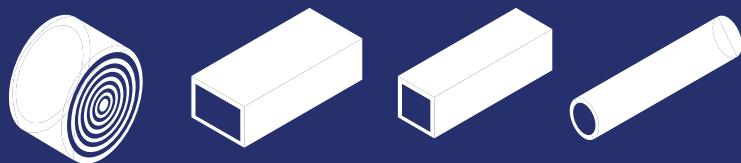
Thus, the board of director has concluded that our internal control systems are satisfactory. And the financial statement of The Steel Public Co., Ltd. for year ended December 31, 2021 can be reliable and conformed to laws and regulations.



Mr.Manu Leoparote
(Chairman)



Mr.Boonchai Jirapongtrakul
(Chief Executive Officer)



บริษัท เดอะ สตีล จำกัด (มหาชน)
The Steel Public Company Limited

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