

G J STEEL PUBLIC COMPANY LIMIED

Interim Financial Information

For the Period Ended March 31, 2021

and Report on Review of Interim Financial Information

Performed by the Independent Auditor

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
PERFORMED BY THE INDEPENDENT AUDITOR**

To the Board of Directors of G J Steel Public Company Limited

I have reviewed the accompanying statements of financial position of G J Steel Public Company Limited as at March 31, 2021, the statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended March 31, 2021, and condensed explanatory notes ("interim financial information"). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion on the reviewed interim financial information.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information does not present fairly, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

(Ms. Wimolsri Jongudomsombut)
Certified Public Accountant, Registration No. 3899
Baker Tilly Audit and Advisory Services (Thailand) Ltd.
Bangkok
May 12, 2021

G J STEEL PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

A S S E T S

		In Thousand Baht	
		March 31, 2021	December 31, 2020
		"Unaudited"	
	Notes	"Reviewed"	"Audited"
CURRENT ASSETS			
Cash and cash equivalents	5	129,631	106,594
Trade account receivables	6	58,118	27,922
Inventories - net	7, 14	1,718,941	1,361,359
Other current assets - net	8	260,271	151,578
Total Current Assets		2,166,961	1,647,453
NON-CURRENT ASSETS			
Advance payment for purchase of land and building	9	210,000	210,000
Property, plant and equipment - net	10, 13, 18, 25	12,543,514	12,651,016
Other intangible assets - net		5,107	5,216
Other non-current assets - net	12	343,554	343,722
Total Non-Current Assets		13,102,175	13,209,954
Total Assets		15,269,136	14,857,407

G J STEEL PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (Continued)
AS AT MARCH 31, 2021

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht	
		March 31, 2021	December 31, 2020
		"Unaudited"	
	Notes	"Reviewed"	"Audited"
CURRENT LIABILITIES			
Trade account payables	7, 14	297,148	328,134
Other payables and accrued expenses	15	306,711	289,209
Advances received from customers		73,071	10,507
Accrued interest expense	4, 16	234,252	198,592
Liabilities from terminated rehabilitation plan	17	171,824	168,530
Current portion of long-term borrowings from related party	4, 18	987,587	311,389
Current portion of lease liabilities	10	4,936	5,740
Other current liabilities	19	20,485	15,241
Total Current Liabilities		2,096,014	1,327,342
NON-CURRENT LIABILITIES			
Long-term borrowings from related party - net	4, 18	109,751	739,059
Lease liabilities - net	10	1,676	2,312
Non-current provision for employee retirement benefit	20	130,794	128,176
Total Non-Current Liabilities		242,221	869,547
TOTAL LIABILITIES		2,338,235	2,196,889
SHAREHOLDERS' EQUITY			
Share capital			
- Authorized share capital			
(ordinary share 28,750,859 thousand shares at Baht 0.96 par value)		27,600,825	27,600,825
- Issued and paid-up share capital			
(ordinary share 25,487,135 thousand shares at Baht 0.96 per share)		24,467,650	24,467,650
Discount on ordinary shares		(9,667,488)	(9,667,488)
Deficit		(2,178,942)	(2,449,325)
Other components of equity		309,681	309,681
Shareholders' Equity - Net		12,930,901	12,660,518
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		15,269,136	14,857,407

G J STEEL PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021

"UNAUDITED"
"REVIEWED"

		In Thousand Baht	
	Notes	2021	2020
REVENUES			
Revenue from sales	4, 21	3,496,278	2,695,919
Other income	4	14,991	12,759
Total Revenues		3,511,269	2,708,678
EXPENSES			
Cost of sales			
- Cost of goods sold		2,906,211	2,704,139
- Idle cost		31,329	-
- Reversal of loss on decline in value of inventories		(168)	(22,723)
Total Cost of Sales		2,937,372	2,681,416
Selling expenses		39,568	42,571
Administrative expenses	4	156,589	117,369
Loss on confirmed purchase orders for undelivered raw materials		-	8,672
Loss on foreign exchange rate - net		52,752	123,360
Finance costs	4, 13	54,605	61,585
Total Expenses		3,240,886	3,034,973
PROFIT (LOSS) FOR THE PERIOD	11	270,383	(326,295)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		270,383	(326,295)
Basic Earnings (Loss) per Share (In Baht)	22	0.011	(0.013)

G J STEEL PUBLIC COMPANY LIMITED

"UNAUDITED"

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

"REVIEWED"

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021

	In Thousand Baht				
	Issued and Paid-up Share Capital	Discount on Ordinary Shares	Deficit	Other Components of Equity	Net
Balance as at January 1, 2020	24,467,648	(9,667,486)	(1,815,597)	309,681	13,294,246
Issuance of new ordinary shares	2	(2)	-	-	-
Total comprehensive loss for the period	-	-	(326,295)	-	(326,295)
Balance as at March 31, 2020	<u>24,467,650</u>	<u>(9,667,488)</u>	<u>(2,141,892)</u>	<u>309,681</u>	<u>12,967,951</u>
Balance as at January 1, 2021	24,467,650	(9,667,488)	(2,449,325)	309,681	12,660,518
Total comprehensive income for the period	-	-	270,383	-	270,383
Balance as at March 31, 2021	<u>24,467,650</u>	<u>(9,667,488)</u>	<u>(2,178,942)</u>	<u>309,681</u>	<u>12,930,901</u>

G J STEEL PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021

"UNAUDITED"
"REVIEWED"

	In Thousand Baht	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit (loss) for the period	270,383	(326,295)
Adjustments to reconcile profit (loss) for the period to net cash provided by (used in) operating activities:		
Depreciation and amortization	126,740	120,885
Work roll amortization	16,456	21,222
Finance costs	54,605	61,585
Unrealized loss on foreign exchange - net	57,077	107,976
Reversal allowance for decline in value of inventories	(168)	(22,723)
Loss on confirmed purchase orders for undelivered raw materials	-	8,673
Provision for employee retirement benefit	2,746	2,585
Reversal of allowance for impairment losses on property, plant and equipment	-	(108)
Loss on write-off of fixed assets	19	7
Decrease (Increase) in Operating Assets:		
Trade account receivables	(30,195)	(39,219)
Inventories	(357,414)	(15,486)
Other current assets	(108,692)	(60,913)
Other non-current assets	(16,289)	(8,394)
Increase (Decrease) in Operating Liabilities:		
Trade account payables	(31,512)	53,223
Advances received from customers	62,564	76,389
Other payables and accrued expenses	13,977	6,364
Other current liabilities	4,843	(422)
Employee retirement benefit paid	(127)	-
Loss for court case claim paid	(2,615)	-
Net Cash Provided by (Used in) Operating Activities	62,398	(14,651)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(14,099)	(40,859)
Purchases of other intangible assets	-	(1,567)
Cash Used in Investing Activities	(14,099)	(42,426)

G J STEEL PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (Continued)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021

"UNAUDITED"
"REVIEWED"

	In Thousand Baht	
	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of liabilities under rehabilitation plan	(367)	(906)
Repayment of lease liabilities	(1,439)	(1,358)
Finance costs paid	(23,579)	(52,066)
Cash Used in Financing Activities	(25,385)	(54,330)
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 22,914	 (111,407)
 CASH AND CASH EQUIVALENTS, AT BEGINNING OF PERIOD	 106,594	 424,062
 Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	 123	 1,079
 CASH AND CASH EQUIVALENTS, AT END OF PERIOD	 129,631	 313,734
 Additional cash flow information :		
1) Property, plant and equipment increased by means of :		
- Other account payables - net	5,049	4,665
- Lease liabilities	-	9,839
- Cash payments	14,099	40,859
Total	19,148	55,363
 2) Write-off inventories	 30,952	 -
 3) Write-off other current assets	 1,111	 -
 4) Issuance of new ordinary shares from exercised warrants	 -	 2

G J STEEL PUBLIC COMPANY LIMITED
Notes to Interim Financial Statements
March 31, 2021 (Unaudited/Reviewed)

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G J STEEL PUBLIC COMPANY LIMITED
Notes to Interim Financial Statements (Continued)
March 31, 2021 (Unaudited/Reviewed)

The interim financial statements were approved and authorized for issue by the Board of Directors on May 12, 2021.

1. GENERAL INFORMATION, THE SHAREHOLDING STRUCTURE AND GOING CONCERN

1.1 General information

G J Steel Public Company Limited (the “Company”) is incorporated in Thailand and has its registered office as follows:

Head office : 88 Paso Tower, 24th Floor, Silom Road, Suriyawong, Bangrak, Bangkok

Factory : 358 Moo 6, Hemaraj Industrial Estate (Bowin) Highway 331, Tambol Bowin, Amphur Sriracha, Chonburi

The Company was listed on the Stock Exchange of Thailand (the “SET”) on July 2, 1996.

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

1.2 The shareholding structure

The Company’s major shareholders as follows:

Shareholders’ Name	Proportionate of share (%)	
	March 31, 2021	December 31, 2020
Asia Credit Opportunities I (Mauritius) Limited (“ACO I”) - incorporated in the Republic of Mauritius	40.45	40.45
G Steel Public Company Limited (“G Steel”)	8.24	8.24
Mrs. Jarunee Chinvongvorakul	7.39	7.38
Superior Overseas (Thailand) Company Limited	1.62	1.62
GS Securities Holdings Co., Ltd. (“GS Securities”) GS Securities are 99.99% owned by G Steel	1.21	1.21

1.3 Going concern

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

Risk effected to the going concern	In Million Baht			
	March 31,		As at	
	2021	2020	March 31, 2021	December 31, 2020
(1) Profit (loss) for the three-month period ended	270	(326)		
(2) Deficit			(2,179)	(2,449)

As at March 31, 2021 and December 31, 2020, there were no factors that may cause significant doubt on going concern since the Company has accomplished its plan by negotiating debt restructuring with major creditors by repaying partial debt and conversion of debts-to-equity successfully in year 2017 and obtained credit facility for additional working capital as discussed in Note 25. Furthermore, the capital restructuring plan as approved by the Extraordinary Shareholders’ Meeting No. 1/2019 on January 14, 2019 combined with increase in additional paid-up capital registered with the Ministry of Commerce on May 3, 2019 from the allocation of new ordinary shares to the existing shareholders of the Company in the proportion to their respective shareholdings (Rights Offering). In addition, the Company still has various plans to increase the profitability in future as followings:

G J STEEL PUBLIC COMPANY LIMITED
Notes to Interim Financial Statements (Continued)
March 31, 2021 (Unaudited/Reviewed)

a) The production

The Company has the production strategy to utilize the off-peak period (which has lower demand for electricity and hence lower tariff rate) and the Company has adjustment plan in respect of various projects aiming to reduce production cost in order to be competitive with the competitors and the importers. Various projects in the form of energy reduction, increase efficiency as well as minimize loss in the production process, etc., are under progress.

b) The Governmental support

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

Anti-Dumping Measures (5-year term)

	Import Goods	Origin	Anti-Dumping Duty Rate	Effective
1	Hot-rolled steel flat products in coil and not in coil	14 countries	Various rate from 0% up to 128.11% of C.I.F. value	May 20, 2020 to May 19, 2021*
2	Hot-rolled steel flat products in coil and not in coil	China and Malaysia	China at 30.91% of C.I.F. value, Malaysia at 23.57% - 42.51% of C.I.F. value	Jun 23, 2017 to Jun 22, 2022
3	Hot-rolled steel flat products in coil and not in coil	Brazil, Iran and Turkey	Brazil at 34.40% of C.I.F. value, Iran at 7.25% - 38.27% of C.I.F. value, Turkey at 6.88% - 38.23% of C.I.F. value	May 16, 2017 to May 15, 2022
4	Boron-added steel hot rolled flat products in coil and not in coil	China	at 14.28% - 19.47% of C.I.F. value	Dec 13, 2018 to Dec 12, 2023

* The domestic industry filed petition to Department of Foreign Trade along with the evident information concerned requesting for continuation review of the imposition of antidumping measure for the next 5 years. The Department later issued on May 5, 2020 (published on the royal gazette on May 20, 2020) the “Notification for Initiation of Expiry Review for Continuation of the Anti-dumping Measure on Hot-Rolled Steel Flat Products in coils and not in coils Originated from Japan, Republic of South Africa, Russian Federation, Republic of Kazakhstan, Republic of India, Republic of Korea, Taiwan, Republic of Venezuela, Argentina, Ukraine, Algeria, Republic of Indonesia, Slovak Republic and Romania”, as the start of the anti-dumping measure continuation review procedure, in which several interested parties were participating. And during Expiry review process, the collateral for paying the anti-dumping duty on the said goods have to be collected in the same anti-dumping rate for a period not exceeding 1 year, after the previous measure expiry on May 22, 2020.

Anti-Circumvention Measure

In order to make the enforcement of anti-dumping and subsidizing measures more effective that will benefit the protection of the domestic industry. The government has enacted the Act "The Anti-dumping and Subsidizing Foreign Products (No. 2) B.E. 2562" which amended "The anti-dumping and foreign goods subsidies Act, B.E. 2542" by announcement in the Government Gazette on May 22, 2019. The Act has added countermeasures of evasion of anti-dumping measures and subsidies: Anti Circumvention measure. On March 19, 2021, various notification of ministries of commerce that related to the enforcement of Anti Circumvention measure have been published in the Government Gazette making the Anti Circumvention law enforced from March 20, 2021 onwards.

Product Certification Made in Thailand: MiT

In addition to promoting fair trade through the enforcement of anti-dumping measures, the government is also encouraging the use of domestic products. The Comptroller General's Department has announced the Ministerial Regulation prescribing supplies and procurement methods that the government wants to promote or support (No. 2), B.E. 2563 published in the Government Gazette on December 22, 2020. This stipulates that government agencies are required to procure parcels mainly from local producers that have been listed with the Federation of Thai Industries (Made in Thailand : MiT certified products) to promote domestic production. And for construction work employment, the government agencies to define the details in the construction work list format that "Use the parcel to promote domestic production (MiT products) of not less than sixty percent of the parcel that will be used in the construction work" and proceed with the conditions that the government agencies to use iron or steel as a domestic product (MiT products) promotion first, which must not be less than ninety percent of the total value or quantity of iron or steel used in that construction work. The Company's hot rolled steel products already received MiT products certification from the Federation of Thai Industries. The revised Ministerial Regulation will contribute to promoting domestic products to be purchased from government agencies, especially steel products will benefit from this measure.

- c) Domestic demand of Hot-Rolled Steel Flat Products (Source: Iron and Steel Institute of Thailand)

For the 1st Quarter of year 2021

Total domestic demand for hot-rolled steel flat products for the 1st Quarter of year 2021 is 1.75 million metric tonnes ("mmt") (average 0.58 mmt per month), and increase by 0.28 mmt or (18.93%) increase from 1st Quarter of year 2020.

This consists of 0.74 mmt of domestic production (average 0.25 mmt per month), 1.01 mmt of import (average 0.34 mmt per month) and small volume 0.008 mmt of exports (average 0.003 mmt per month).

Coronavirus Outbreak Situation

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

However, based on the interim financial statements for the three-month period ended March 31, 2021, the Company had better operations. The Company will continuously monitor the impact of COVID-19 on its future financial position and financial performance. The Company will also be taking appropriate and timely measures to minimize the impact of the COVID-19 pandemic on the Company's future operations.

2. BASIS OF PREPARATION OF INTERIM FINANCIAL STATEMENTS

The Company maintains its accounting records in Thai Baht and in the Thai language in conformity with Thai Financial Reporting Standards. Accordingly, the interim financial statements are intended solely to present the financial position, financial performance and cash flows in accordance with Thai Financial Reporting Standards.

The interim financial statements have been prepared to provide an update on the financial statements for the year ended December 31, 2020. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2020.

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

G J STEEL PUBLIC COMPANY LIMITED
Notes to Interim Financial Statements (Continued)
March 31, 2021 (Unaudited/Reviewed)

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended December 31, 2020, except that the Company has adopted all the new and/or revised Thai Financial Reporting Standards that are effective for annual periods beginning on or after January 1, 2021.

3.2 Accounting standards that became effective in the current accounting period

The Company disclosed the accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after January 1, 2021, in the Notes to financial statements for the year ended December 31, 2020.

The Company's management has assessed the effects of the above accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, and believes that they do not have a significant impact to the interim financial information for the three-month period ended March 31, 2021.

4. TRANSACTIONS WITH RELATED PARTIES

For the purposes of these financial statements, connected persons or related parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Connected persons or related parties may be individuals or other entities.

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ Nationality	Type of business	Nature of relationships
G Steel Public Company Limited ("G Steel")	Thailand	Manufacture and sale of steel	Parent company
Siam Professional Holding Co., Ltd. ("SPH")	Thailand	Holding company	Subsidiary of G Steel
GS Securities Holding Co., Ltd. ("GS Securities")	Thailand	Special-purpose restructuring entity	Subsidiary of G Steel
Oriental Access Co., Ltd. ("OAC")	Thailand	Business consulting services	Indirect subsidiary of G Steel (The Central Bankruptcy Court ordered such company to be bankruptcy on August 31, 2020)
Asia Credit Opportunities I (Mauritius) Limited ("ACO I")	Republic of Mauritius	Special-purpose for investment	Major shareholder which is a wholly-owned subsidiary of Ares SSG Capital Partners III, L.P. ("Ares SSG III")
Link Capital I (Mauritius) Limited ("Link Capital I")	Republic of Mauritius	Special-purpose for investment	Related party which is a wholly- owned subsidiary of Ares SSG Capital Partners III, L.P. ("Ares SSG III")
Synergy Strategic Solutions Management DMCC ("Synergy")	United Arab Emirates	Business advisory	Common director
Asia Metal Public Company Limited	Thailand	Manufacture and sale of steel	Common shareholder of G Steel
Panichsawad Co., Ltd.	Thailand	Sale of Steel	Connected person with the Company and G Steel
Arnoma Hotel Bangkok Co., Ltd.	Thailand	Hotel, food and beverage	Common director with G Steel

G J STEEL PUBLIC COMPANY LIMITED
Notes to Interim Financial Statements (Continued)
March 31, 2021 (Unaudited/Reviewed)

Name of entities	Country of incorporation/ Nationality	Type of business	Nature of relationships
Felix River Kwai Resort (Kanchanaburi) Co., Ltd.	Thailand	Hotel, food and beverage	Common shareholder with the Company
Wallstreet Tullet Prebon Co., Ltd.	Thailand	Brokerage financial instruments	Common director
Wallstreet Tullet Prebon Securities Ltd.	Thailand	Brokerage trading securities	Common director
Anda Development Co., Ltd.	Thailand	Residential real estate trading	Common director
Key management personnel	Thai	-	Persons having authority and responsibility for planning directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company

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

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

Significant transactions for each of the three-month periods ended March 31, 2021 and 2020 with related parties were as follows:

	In Million Baht	
	2021	2020
Parent (G Steel)		
Sales of raw materials	1	-
Other related parties		
Sales of finished goods	-	57
Business advisory services	-	2
Finance costs	49	56
Key management personnel		
Key management personnel compensation		
Short-term benefits	25	6
Long-term benefits	0.1	0.1

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

	Notes	In Million Baht	
		March 31, 2021	December 31, 2020
Long-term loan from related party - net			
Other related party			
Link Capital I	18	1,098	1,050
Accrued interest expense			
Other related parties			
Link Capital I	16	106	78

G J STEEL PUBLIC COMPANY LIMITED
Notes to Interim Financial Statements (Continued)
March 31, 2021 (Unaudited/Reviewed)

5. CASH AND CASH EQUIVALENTS

	In Million Baht	
	March 31, 2021	December 31, 2020
Cash at banks - savings account	130	107

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

	In Million Baht	
	March 31, 2021	December 31, 2020
Thai Baht	125	105
United States Dollars	5	2
Total	130	107

6. TRADE ACCOUNT RECEIVABLES

	In Million Baht	
	March 31, 2021	December 31, 2020
Other parties	58	28
Reversal of allowance for expected credit losses during the period/year	-	(352)
Write-off bad debts during the period/year	-	352

Aging analyses for trade accounts receivable were as follows:

	In Million Baht	
	March 31, 2021	December 31, 2020
Within credit-term	20	2
Overdue - Not over 3 months	38	26
Total	58	28

The normal sales terms granted by the Company are cash and credit not over 7 working days for domestic sales, and cash and letter of credit at sight for export sales.

The Company had no sales transactions for each of the three-month periods ended March 31, 2021 and 2020 with the Non-Performing Domestic Customers.

The currency denomination of trade accounts receivable, gross amount as at March 31, 2021 and December 31, 2020 was as follows:

	In Million Baht	
	March 31, 2021	December 31, 2020
Thai Baht	58	28

G J STEEL PUBLIC COMPANY LIMITED
Notes to Interim Financial Statements (Continued)
March 31, 2021 (Unaudited/Reviewed)

7. INVENTORIES - Net

	In Million Baht	
	March 31, 2021	December 31, 2020
Finished goods	307	361
Work in process	2	-
Raw materials	788	445
Consumables	108	85
Spare parts	372	415
Goods in transit	146	90
Total	1,723	1,396
Less: Allowance for decline in value of inventories	(4)	(35)
Net	1,719	1,361
Reversal of allowance for decline in value of inventories during the period/year	(31)	(84)
Write-off inventories during the period/year	31	-
Carrying value of inventories pledged to secure trade account payable (Note 14)	-	61

8. OTHER CURRENT ASSETS - Net

	In Million Baht	
	March 31, 2021	December 31, 2020
Advances to suppliers - other parties	115	120
Less: Allowance for impairment loss	(10)	(11)
	105	109
Suspense input tax	8	9
Prepaid expenses and others	147	34
Net	260	152

On September 13, 2019 the Company filed a lawsuit against a local company representative to the Southern Bangkok Criminal Court due to the defendant counterfeited the bank account in such sale and purchase documents of a foreign company which is a manufacturer of electrode for an amount of Baht 2.3 million together with the interest 7.5% p.a. from the date the defendant had committed the offense. The Court made an appointment for reconciliation session on November 13, 2019, but the parties could not reach an agreement. Subsequently, on August 17, 2020 and August 31, 2020, the Court made an inquiry with the plaintiff, which has not yet been completed. The Court, therefore, ordered an additional hearings on May 25, 2021 and May 27, 2021.

G J STEEL PUBLIC COMPANY LIMITED
Notes to Interim Financial Statements (Continued)
March 31, 2021 (Unaudited/Reviewed)

9. ADVANCE PAYMENT FOR PURCHASE OF LAND AND BUILDING

On September 29, 2015, the Company and the land seller agreed to mortgage 5 land title deeds which are presented as part of advances for purchase of land and building amounting to Baht 210 million as collateral to the Revenue Department, as security of tax installment for both of the Company and G Steel totalling Baht 330 million (For the Company amounting to Baht 206 million). In April 2020, the Company already paid remaining balances of such tax installment payable in full amount and released one mortgaged land title deed in August 2020. Subsequently on April 8, 2021, the ownership of such land was transferred to the Company.

10. PROPERTY, PLANT AND EQUIPMENT - Net

The movements of property, plant and equipment - net during the three-month period ended March 31, 2021 were as follow:

	<u>In Million Baht</u>
Net book value as at January 1, 2021	12,651
Additions	19
Depreciation charge for the period	(127)
Net book value as at March 31, 2021	<u>12,543</u>
Owned assets	12,536
Right-of-use assets	7
Total	<u>12,543</u>

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

	<u>In Million Baht</u>	
	<u>March 31, 2021</u>	<u>December 31, 2020</u>
Galvanizing line	5,038	5,038
Reversing Mill line	1,525	1,525
Others	298	295
Total	6,861	6,858
Less: Allowance for impairment losses	(3,122)	(3,122)
Net	<u>3,739</u>	<u>3,736</u>

Mortgaged property, plant and equipment

The Company filed a lawsuit to Southern Bangkok Civil Court against three defendants, in their capacities of bondholder trustee and security agent, to release the lien and security interests on the Company's property, plant and equipment which the Company has completely settled debt under rehabilitation plan to such creditors. On October 28, 2013, the Southern Bangkok Civil Court ruled in favour of the Company ordering the three defendants to release the mortgaged assets. Currently, two defendants have released the mortgaged assets and the Company is in the process of release of the collateral from the third defendant.

The Company's property, plant and equipment, which have net book values as at March 31, 2021 and December 31, 2020 totalling Baht 7,477 million and Baht 7,571 million, respectively, are mortgaged first ranking security against the bondholders as mentioned above, and are mortgaged second ranking security against credit facilities from a foreign related party (at mortgage amount of Baht 6,619 million) as discussed in Notes 13, 18 and 25.

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

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11. DEFERRED TAX

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

	In Million Baht	
	March 31, 2021	December 31, 2020
Temporary differences		
- Allowance for decline in value of inventories	1	7
- Allowance for impairment on advances to suppliers	2	2
- Allowance for impairment losses on property, plant and equipment	722	722
- Allowance for impairment loss on other intangible assets	2	2
- Depreciation gap	543	538
- Allowance for impairment loss on other non-current assets	411	411
- Non-current provision for employee retirement benefit	26	26
- Other payables and accrued expenses	-	3
	<u>1,707</u>	<u>1,711</u>
Tax loss carried forwards	392	449
Total	<u>2,099</u>	<u>2,160</u>

Tax loss carried forwards will expire in 2024 to 2025. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognized in the financial statements of the Company in respect of these items because it is not certain that future taxable profit will be generated against which the Company can utilize the benefits there from.

The Company had no tax expense for the three-month period ended March 31, 2021 since the Company utilized unrecognized tax loss carryforwards.

12. OTHER NON-CURRENT ASSETS - Net

	In Million Baht	
	March 31, 2021	December 31, 2020
Suspended construction in progress	2,086	2,086
Less: Allowance for impairment loss	(2,053)	(2,053)
	<u>33</u>	<u>33</u>
Restricted deposits at financial institutions		
for purchase of natural gas and fleet card usage	46	46
Deferred cost of roll - net	261	261
Refundable deposits	1	1
Others	3	3
Net	<u>344</u>	<u>344</u>

Suspended construction in progress

Suspended construction in progress represented the Direct Reduced Iron plant ("DRI Facility"). The management of the Company decided to suspend this project since 1999. On July 29, 2014, the Board of investment ("BOI") had ordered the revocation of privilege in the production of Direct Reduced Iron. However, there is no burden of import duty on machinery and raw materials.

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Notes to Interim Financial Statements (Continued)
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13. INTEREST-BEARING LIABILITIES

		In Million Baht	
	Notes	March 31, 2021	December 31, 2020
Current			
Trade account payables - Unsecured	14	49	47
Other payables and accrued expenses - Unsecured	15	18	21
Liabilities from terminated rehabilitation plan - Unsecured	17	172	169
Current portion of long-term borrowings from related party - Secured	4, 18	988	311
Current portion of lease liabilities - Secured		5	6
Total current		1,232	554
Non-Current			
Long-term borrowings from related party - net - Secured	4, 18	110	739
Lease liabilities - net - Secured		2	2
Total non-current		112	741
Total		1,344	1,295

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

	In Million Baht	
	March 31, 2021	December 31, 2020
Not later than 1 year	1,232	554
Later than 1 year but not later than 5 years	112	741
Total	1,344	1,295

Secured interest-bearing liabilities as at March 31, 2021 and December 31, 2020 were secured on the following assets:

	<i>Note</i>	In Million Baht	
		March 31, 2021	December 31, 2020
Property, plant and equipment - net	10	7,477	7,571

The currency denomination of interest-bearing liabilities as at March 31, 2021 and December 31, 2020 were as follows:

	In Million Baht	
	March 31, 2021	December 31, 2020
Thai Baht	98	103
United States Dollars	1,234	1,181
Euro	8	8
Singapore Dollars	4	3
Total	1,344	1,295

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Notes to Interim Financial Statements (Continued)
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14. TRADE ACCOUNT PAYABLES

	In Million Baht	
	March 31, 2021	December 31, 2020
Other parties	297	328

The currency denomination of trade accounts payable as at March 31, 2021 and December 31, 2020 were as follows:

	In Million Baht	
	March 31, 2021	December 31, 2020
Thai Baht	137	207
United States Dollars	150	121
Euro	10	-
Total	297	328

As at March 31, 2021 and December 31, 2020, the Company has agreements to purchase raw materials from various suppliers. The Company withdrew raw materials and had not paid for the raw materials withdrawn under consignment agreements totaling Baht 45 million and Baht 44 million, respectively.

As at December 31, 2020, one trade account payable guaranteed by inventories totalling Baht 61 million (March 31, 2021: Nil), as discussed in Note 7.

15. OTHER PAYABLES AND ACCRUED EXPENSES

	In Million Baht	
	March 31, 2021	December 31, 2020
Electricity payable	64	99
Others	243	190
Total	307	289

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

	In Million Baht	
	March 31, 2021	December 31, 2020
Thai Baht	273	255
United States Dollars	26	20
Euro	8	14
Total	307	289

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Notes to Interim Financial Statements (Continued)
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16. ACCRUED INTEREST EXPENSE

	In Million Baht	
	March 31, 2021	December 31, 2020
Trade account payables	2	1
Other payables and accrued expenses from related party	-	13
Other payables and accrued expenses from other parties	7	6
Liabilities from terminated rehabilitation plan	119	114
Borrowings from related party	106	65
Total	234	199

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

	In Million Baht	
	March 31, 2021	December 31, 2020
Thai Baht	58	58
United States Dollars	167	133
Euro	6	6
Singapore Dollars	3	2
Total	234	199

17. LIABILITIES FROM TERMINATED REHABILITATION PLAN

In 1998, the Company faced the financial problems from financial crisis causing the Company to be unable to repay the existing debt. And in April 2000, the Company entered into the business rehabilitation process administered by the Central Bankruptcy Court. In 2002, the Central Bankruptcy Court approved the business rehabilitation plan. Later on November 28, 2008, the Company filed a petition to terminate the business rehabilitation with the Central Bankruptcy Court and on March 2, 2009, the Central Bankruptcy Court issued an order to terminate the rehabilitation proceeding of the Company.

The movement of liabilities from terminated rehabilitation plan for the three-month period ended March 31, 2021 was as follows:

	In Million Baht
As at January 1, 2021	169
Exchange rate adjustments during the period	3
As at March 31, 2021	172

Liabilities from terminated rehabilitation plan as at March 31, 2021 and December 31, 2020 were included in the financial statements as follows:

			In Million Baht	
			March 31, 2021	December 31, 2020
Creditor		Due date		
Class 4	Employees	July 2015	4	4
Class 5	Equipment Claims	October 2011	9	8
Class 13	Other Creditors	October 2011	159	157
Total			172	169

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The repayment schedules of each creditor under Class 4 and Class 13 are not entirely consistent in terms of date, as they depend on the date of the conclusion of the debt. However, the first due date of creditors under Class 4 and Class 13 is October 31, 2011.

The Company's liabilities from terminated rehabilitation plan were due on October 31, 2011 but fell into default. The Company entered into negotiations with the creditors to extend the payment period. Accordingly, the Company presented the outstanding liabilities from terminated rehabilitation plan as at March 31, 2021 and December 31, 2020 as current liabilities in the Company's statements of financial position. As a consequence of this default, the outstanding balances are payable on demand and accrued interest at a rate of 7.5% per annum from the date of default.

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

	In Million Baht	
	March 31, 2021	December 31, 2020
Thai Baht	73	74
United States Dollars	88	84
Euro	8	8
Singapore Dollars	3	3
Total	172	169

18. LONG-TERM BORROWINGS FROM RELATED PARTY - Net

Credit facilities	Amount (In Million USD)	In Million Baht	
		March 31, 2021	December 31, 2020
First loan facility - Cash loan	30	945	906
Second loan facility - Cash loan	5	158	151
Total		1,103	1,057
Long-term borrowings from related party		1,103	1,057
Less: Deferred loan arrangement fee		(5)	(7)
		1,098	1,050
Less: Portion due within one year		(988)	(311)
Net		110	739

The movements of long-term borrowings from related party for the three-month period ended March 31, 2021 were as follows:

	In Million Baht
As at January 1, 2021	1,050
Amortization of deferred loan arrangement fee during the period	(1)
Exchange rate adjustments during the period	49
As at March 31, 2021	1,098

The currency denomination of loan from related party as at March 31, 2021 and December 31, 2020 were as follows:

	In Million Baht	
	March 31, 2021	December 31, 2020
United States Dollars	1,103	1,057

Long-term borrowings from related party were guaranteed by the mortgaged property, plant and equipment of the Company as discussed in Note 10.

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Notes to Interim Financial Statements (Continued)
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19. OTHER CURRENT LIABILITIES

	In Million Baht	
	March 31, 2021	December 31, 2020
Construction payables	11	11
Liabilities related to taxes	8	3
Others	1	1
Total	20	15

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

	In Million Baht	
	March 31, 2021	December 31, 2020
Thai Baht	9	4
United States Dollars	10	9
Euro	1	2
Total	20	15

20. NON-CURRENT PROVISION FOR EMPLOYEE RETIREMENT BENEFIT

	In Million Baht
Non-current provision for employee retirement benefit as at January 1, 2021	128
Current service cost and interest cost	3
Non-current provision for employee retirement benefit as at March 31, 2021	131

Expenses recognized in the statements of comprehensive income for each of the three-month periods ended March 31, 2021 and 2020 were as follows:

	In Million Baht	
	2021	2020
In profit (loss) for the period:		
Current service cost and interest cost	3	2

Actuarial assumptions:

Discount rate	1.79% per annum
Future salary increase	5.00% per year
Employee turnover rate	3.82% - 11.46% per year
Mortality rate	100% of Thai Mortality Table Year 2017

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21. OPERATING SEGMENTS

Segment information is presented in respect of the Company's geographical segments based on the Company's management and internal reporting structure.

Business segments

Management considers that the Company operates in a single line of business, namely manufacturing of flat-rolled steel products, and has, therefore, only one major business segment.

Geographic segments

In presenting information on the basis of geographic segments, segment revenue is based on the geographic location of customers.

Revenue and gross profit based on geographic segment, for the three-month periods ended March 31, 2021 and 2020 were as follows:

	In Million Baht	
	2021	2020
Segment revenue - Domestic	3,496	2,696
Segment result - gross profit	559	15

Information about major customers

During the three-month periods ended March 31, 2021, the Company had revenues from the domestic sales to 3 customers for the total amount of Baht 2,049 million (2020: 2 customers of Baht 1,592 million).

22. BASIC EARNINGS (LOSS) PER SHARE

The calculations of basic earnings (loss) per share for each of the three-month periods ended March 31, 2021 and 2020 were based on the profit (loss) for the periods attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the periods as follows:

	In Million Baht / Million shares	
	2021	2020
Profit (loss) for the period attributable to equity holders of the Company	270	(326)
Number of ordinary shares outstanding at January 1	25,487	25,487
Effect of issuance of new shares	-	-
Weighted average number of ordinary shares outstanding	25,487	25,487
Basic earnings (loss) per share (in Baht)	0.011	(0.013)

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23. COMMITMENTS AND CONTINGENT LIABILITIES WITH NON-RELATED PARTIES

As at March 31, 2021 and December 31, 2020, the Company had commitments and contingent liabilities with non-related parties as below:

	In Million Baht	
	March 31, 2021	December 31, 2020
<i>Commitments under lease and service agreements</i>		
Not later than 1 year	3	5
Later than 1 year but not later than 5 years	1	1
Total	4	6
<i>Capital commitments</i>		
Purchases of assets	137	136
<i>Commitments for purchases of raw materials and supplies</i>		
Purchases of raw materials	959	821
Purchases of natural gas	253	271
Total	1,212	1,092
<i>Contingent liabilities</i>		
Bank guarantees	159	159

24. LITIGATIONS

A former employee filed a complaint to the Central Labour Court against the Company for the unfair lay-off effective from December 10, 2019 and requested the Company to pay him amounting to Baht 23 million. Subsequently on September 29, 2020, the Court of First Instance determined the Company to pay the compensation to such employee totalling Baht 2.4 million plus interest at the rate of 7.5% per annum until settlement date. The Company had recorded provision loss for court case claim totalling Baht 2.4 million and interest charge of approximately Baht 0.2 million as a part of "Other payables and accrued expenses" and "Accrued interest expense", respectively, in the statement of financial position as at December 31, 2020. However, the Company's management filed a petition to the Appeal Court on November 11, 2020 and on March 8, 2021, the Appeal Court confirmed the judgement of the Central Labour Court. Subsequently on March 19, 2021, the Company has already paid such debts totalling of Baht 2.6 million.

25. CREDIT FACILITIES FOR OPERATION

As at March 31, 2021 and December 31, 2020, the Company was granted credit facilities from Link Capital I (Mauritius) Limited, related party, as below:

	In Million USD	
Credit facilities	March 31, 2021	December 31, 2020
The first loan facility - Cash loan	30	30
The second loan facility - Cash loan and Standby letter of credit	45	45
Total	75	75

These facilities from related party were guaranteed by the mortgaged property, plant and equipment of the Company as discussed in Note 10.