

MILLCON STEEL

ANNUAL REPORT



2019

THINK BEYOND STEEL

MISSION

“To drive evolution in the value chain and deliver the best solution to the construction and production industries”

VISION

“We will create SYNERGY from people, technology, and expertise of our partners to deliver solution BEYOND STEEL to the ASEAN region.”

“Our corporation will elevate the construction and production industries by delivering unparalleled values through the VALUE CHAIN. “

“The key to our success is our LEVERAGE OF INNOVATION in products, services, processes, and business model to unlock full value potentials for customers, shareholders and business partners”

CORE VALUE

INTEGRITY

CHANGE & CONTINUOUS IMPROVEMENT

CHALLENGE TOWARD EXCELLENCE

COMMITMENT & EXECUTION

COLLABORATION



CONTENT

02

Mission, Vision,
Core Value

04

Message from the
Chairman of the Board
and Chief Executive
Officer

06

Report of the Corporate
Governance
Committee

09

General Information
of Mill

12

General Information
of Subsidiaries

16

Summary of Financial
Information

18

Board of Directory
name lists

19

Executive Officer
name lists

20

Directors and
Management
Biography

37

Business Overview

47

Steel Industry
Overview

51

Guidelines for the
Operation 2020

53

Risk Management

59

Shareholding Structure
and Mangement

77

Compliance with
Good Corporate
Governance Principles

95

Internal Control

101

Corporate Social and
Viralment
Responsibility

109

Related Transactions

119

Discussion and Analysis
Management Analysis
and Explanation

124

Audit Committee's
Report

126

Board of Director
Statement of
Responsibility for
Financial Report

129

Independent Auditor's
Report

Message from the Chairman of the Board of Directors and Chief Executive Officer

Dear Shareholders

In the year 2019, the Thai economy has decreased growing from the previous year as a result of the slowing global economy as a result of a trade war between the United States and China since the year 2018, affecting to the steel industry causing the steel price to fluctuate and tend to decrease as a result, the Company's revenue decrease due to the trend of steel prices. However, due to the push of steel bar products for construction into the government projects and private construction causing this group of products to have higher sales volumes from the previous year as targeted as a result, the company can still maintain sales volume to be close with the previous year. Moreover, in the previous year the company also emphasizes the importance of controlling production costs seriously the whole supply chain. The Board of Directors has approved the purchase of machinery that uses for scrap handling processes which will help the group reduce production costs along with increasing the efficiency and quality of the product.

In addition, the Company has focused on working within the organization to be more efficient by changing the software system that helps management in the organization (ERP) in order to have a more international system and reduces the time required for the preparation of various reports. As a result, management can use information to make accurate and timely decisions and has assigned the Risk Management Committee to conduct an assessment of risks that may occur to the Company and to find ways to prevent and reduce risks for the business can continue to be sustainable.

For good corporate governance, the Company has provided training to educate the Board of Directors and Executives on the topic "Liability of a private company juristic person under the new constitutional law" to acknowledge the offense and penalties that may occur with private juristic persons from bribes and put into practice as well as providing training for educating employees at all levels regarding anti-corruption for reviewing and being informed of the correct guidelines for the said matter in which the Company conducts continuous training every year.

Finally, on behalf of the Board of Directors wish Shareholders, Stakeholders, Executives and all employees are in good health and thank you for your trust in the company. The Board of Directors will adhere to conduct business under the principles of ethics and good corporate governance principles for sustainable growth including creating the best benefits and rewards for all stakeholders.



Winai Phattiyakul

General Winai Phattiyakul

Chairman of the Board of Directors



Pravit Horungruang

Mr. Pravit Horungruang

Chief Executive Officer

Report of the Corporate Governance Committee for the year 2019



Dear Shareholders

Corporate Governance Committee, Millcon Steel PLC consisting of knowledgeable directors who has ability and experience as well as an understanding of business operations, consisting of 6 people, including

- | | |
|---|--|
| 1. Adjunct Professor Dr. Phakdi Photisiri | Chairman of the Corporate Governance Committee |
| 2. Mr. Apichart Chirabandhu | Committee member |
| 3. Mr. Pravit Horungruang | Committee member |
| 4. Ms. Suttirat Leeswadtrakul | Committee member |
| 5. Mr. Thirapong Khumruangrit | Committee member |
| 6. Miss Sureerat Leeswadtrakul | Committee member |

By having Miss Vattika Lertrikul acting as Secretary to the Corporate Governance Committee.

The Board of Directors attaches importance to business operations based on honesty, transparency, accountability, and anti-corruption in all forms, focusing on the company adhering to the principles of good corporate governance. Standards of ethics and business ethics in order to develop corporate governance for efficiency which creates confidence among all groups of stakeholders as well as developing towards the sustainable growth of the company.

The Board of Directors has assigned the Corporate Governance Committee to propose the guidelines for corporate governance to the Board of Directors for overseeing the operations of the directors and management in accordance with the good corporate governance principles of The Office of the Securities and Exchange Commission, The Stock Exchange of Thailand and suggestions from Corporate Governance Assessment Report by the Thai Institute of Directors Association (IOD). The Corporate Governance Committee also covers sustainability management and corporate anti-corruption operations of the company.



In the year 2019, the Corporate Governance Committee held 3 meetings as planned to supervise monitor, follow and evaluate the implementation of the corporate governance and anti-corruption program. Communication plan and corporate image, corporate social responsibility, community and environment and sustainable development Which can be summarized as following:

1. Review of the corporate governance policy by applying good corporate governance principles for listed companies in the year 2017 and recommendations from The Corporate Governance Assessment Report of the Thai Institute of Directors Association (IOD) to consider appropriate use for the business and improves the corporate governance policy for submission to the Board of Directors for approval.

2. Lecture on the topic private corporate juristic person liability under the new constitutional law by expert speakers, there are company directors and senior executives from various fields attend the objective lecture to promote knowledge, understanding and exchange of experience due to the changing laws that will lead to correct implementation.

3. Provide training on corporate governance for employees in the course to improve the work efficiency of personnel in accordance with the principles of corporate governance, conducting Workshop and Role Play to find out the risk of work fraud, giving and receiving bribes and opportunities for corruption with government agencies.

The Corporate Governance Committee is confident that operating on the basis of good corporate governance will cause the company to develop and grow sustainably for the benefit of all stakeholder groups as well as society and communities.

Adjunct Professor Dr. Phakdi Photisiri
Chairman of the Corporate Governance Committee

MILLCON
STEEL





MILLCON STEEL GENERAL INFORMATION

MILLCON STEEL PUBLIC COMPANY LIMITED

Head Office ((Rolling Mill – Bangkok)

9,11,13 Banggradee Soi 32, Banggradee Road,
Samaredum, Bangkhuntien, Bangkok 10150

Tel. +66 2896 4444

Fax +66 2896 9622, +66 2896 4420

Branch Office 1 (Admin Office)

52 Thaniya Plaza Building, Floor 29, Silom Road,
Suriyawongse, Bangrak, Bangkok 10500

Tel. +66 2652 3333

Fax +66 2632 9899

Branch Office 2 (Rolling – Rayong)

99 Moo 3 Tumbon Nikhom Phatthana,
Amphoe Nikhom Phatthana, Rayong 21180

Tel. +66 3860 6041-2

Fax +66 3860 6043

Type of Business Production and distribution
of steel bar, deformed steel and structural steel

Registration no. 0107550000076

Website: www.millconsteel.com

Authorized Capital 2,613,513,343.60 Baht

Common Stock 6,533,783.359

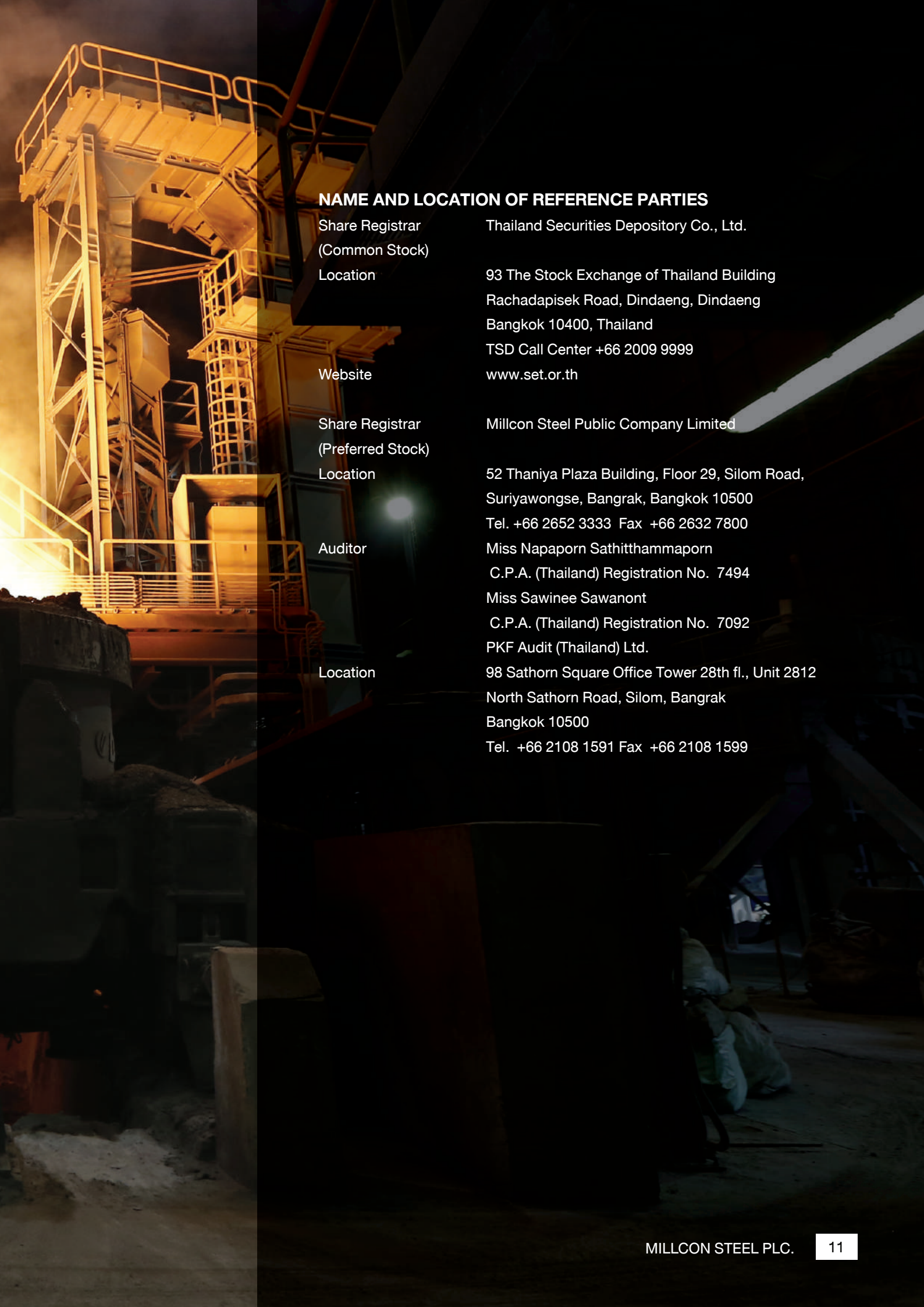
Preferred Stock -

Paid Capital 1,810,114,210.40 Baht

Common Stock 4,525,285.526

Preferred Stock -

Share Type and Value Ordinary shares / Preferred shares each
of Baht 0.40 par value



NAME AND LOCATION OF REFERENCE PARTIES

Share Registrar (Common Stock)	Thailand Securities Depository Co., Ltd.
Location	93 The Stock Exchange of Thailand Building Rachadapisek Road, Dindaeng, Dindaeng Bangkok 10400, Thailand TSD Call Center +66 2009 9999
Website	www.set.or.th
Share Registrar (Preferred Stock)	Millcon Steel Public Company Limited
Location	52 Thaniya Plaza Building, Floor 29, Silom Road, Suriyawongse, Bangrak, Bangkok 10500 Tel. +66 2652 3333 Fax +66 2632 7800
Auditor	Miss Napaporn Sathitthammaporn C.P.A. (Thailand) Registration No. 7494 Miss Sawinee Sawanont C.P.A. (Thailand) Registration No. 7092 PKF Audit (Thailand) Ltd.
Location	98 Sathorn Square Office Tower 28th fl., Unit 2812 North Sathorn Road, Silom, Bangrak Bangkok 10500 Tel. +66 2108 1591 Fax +66 2108 1599

GENERAL INFORMATION OF SUBSIDIARIES

MILLCON BURAPA COMPANY LIMITED

Head Office Location (Factory)	99 Moo 3 Tumbon Nikhom Phatthana, Amphoe Nikhom Phatthana, Rayong 21180 Tel. +66 3860 6041 - 2 Fax +66 3860 6043
Branch Office 1 (Admin Office)	52 Thaniya Plaza Building, Floor 29, Silom Road, Suriyawongse, Bangrak, Bangkok 10500 Tel. +66 2652 3333 Fax +66 2632 9899
Type of Business	Production and distribution of Billet
Registration no.	0215537001304
Authorized Capital	3,399.99 Million Baht
Paid Capital	3,399.99 Million Baht
Share Type and Value	Common Stock each of Baht 5.00 per share
Shareholding	99.10%

MILLCON STEEL BAR COMPANY LIMITED

Head Office Location	99 Moo 3 Tumbon Nikhom Phatthana, Amphoe Nikhom Phatthana, Rayong 21180
Type of Business	Production and distribution of steel bar
Registration no.	0215562007761
Authorized Capital	1,000,000 Baht
Shareholding	99.99%



MILLCON (HK) LIMITED

Head Office Location	WYNDHAM PLACE 26/F 44 WYNDHAM ST CENTRAL, HONGKONG
Type of Business	Acquisition TSSI's assets
Registered Capital	\$32,000 USD
Shareholding	100 %

MILLCON THIHA LIMITED

Head Office Location	NO. 68/C SAYAR SAN ROAD. BAHAN TOWNSHIP, YANGON REGION, MYANMAR
Type of Business	Distribution Steel and construction equipment
Registration no.	NO.17FC of 2014-2015
Authorized Capital	\$200,000 USD
Shareholding	51.00 %

SAHARUAM CONSTRUCTION MATERIAL COMPANY LIMITED

ที่ตั้งสำนักงานใหญ่	9,11,13 Banggradee Soi 32, Banggradee Road, Samaredum, Bangkhuntien, Bangkok 10150
Type of Business	Distribution Steel and construction equipmen
Registration no.	0105558082487
Authorized Capital	50,000,000 Baht
Shareholding	99.99 %

MILLCON STEEL PIPE COMPANY LIMITED

Head Office Location	11, Banggradee Soi 32, Banggradee Road, Samaredum, Bangkhuntien, Bangkok 10150
Type of Business	Production and distribution of structural steel
Registration no.	0105558082452
Registered Capital	150,000,000 Baht
Shareholding	99.99 %

SUNTECH METALS COMPANY LIMITED

Head Office Location	11, Banggradee Soi 32, Banggradee Road, Samaredum, Bangkhuntien, Bangkok 10150
Type of Business	Production and distribution of structural steel
Registration no.	0105558082452
Registered Capital	716,000,000 บาท
Shareholding	99.99 %

SIAM SOLAR GENERATION COMPANY LIMITED

Head Office Location	89 Moo.11 Tumbol Bantan, Bamnetnarong, Chaiyaphum Province
Type of Business	Production and distribute of electricity
Registration no.	0505551003901
Registered Capital	1,111,111,000 Baht
Shareholding	90.00 %

GENERAL INFORMATION OF ASSOCIATES

IGEN POWERTECH COMPANY LIMITED

ที่ตั้งสำนักงานใหญ่	552 Thaniya Plaza Building, Floor 27, Silom Road, Suriyawongse, Bangrak, Bangkok 10500
Type of Business	Production and distribution of busduct
Registration no.	0105559076481
Authorized Capital	140,000,000 Baht
Paid Capital	140,000,000 Baht
Shareholding	49.00 %

KOBELCO MILLCON STEEL COMPANY LIMITED

Head Office Location	119 Ban Leang – Nata kwan Road, Ban Leang, Muang Rayong, Rayong 21000
Type of Business	Production and sale of special steel and ordinary steel wire rods
Registration no.	0105557054161
Registration no.	2,830,000,000 บาท
Paid Capital	2,830,000,000 บาท
Shareholding	50.00 %

BEGISTICS PUBLIC COMPANY LIMITED

Head Office Location	3656/64 Green Tower Building, 19th Floor, Unit K, Rama 4 Road, Klongton, Klongtoey Bangkok, 10250
Type of Business	Transportation & Logistics
Registration no.	0107545000357
Authorized Capital	1,757,131,698.04 Baht
Paid Capital	904,019,533.88 Baht
Shareholding	32.77 %

WISDOM TREE INVESTMENT(S) PTE. LIMITED

Head Office Location	1 Raffles Place #39-01 One Raffles Place Singapore (048616)
Type of Business	Investment in Millcon Thiha GEL Limited at Myanmar
Registration no.	201422739E
Authorized Capital	\$12,000,100 USD
Shareholding	45.00 %

MOONSHOT VENTURE CAPITAL COMPANY LIMITED

Head Office Location	The Great room (25.37) 127 Ratchadamri Road Lumpini, Unit A, Level 25 Gaysorn Tower, Pathumwan, Bangkok Thailand 10330
Type of Business	Investment in technology Business both domestic and oversea
Registration no.	0105561083243
Authorized Capital	200,000,000 Baht
Shareholding	31.25 %



MILLCON
STEEL

Summary of Financial Information

Summary of Financial Information of MILLCON STEEL Public Company Limited and its Subsidiaries for Fiscal Years Ending December 31, 2017 to December 31, 2019

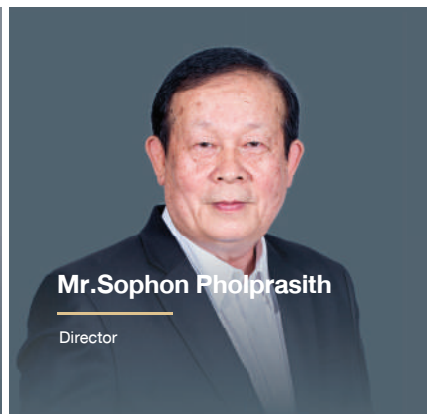
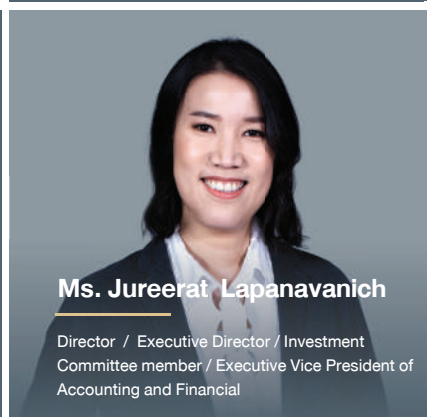
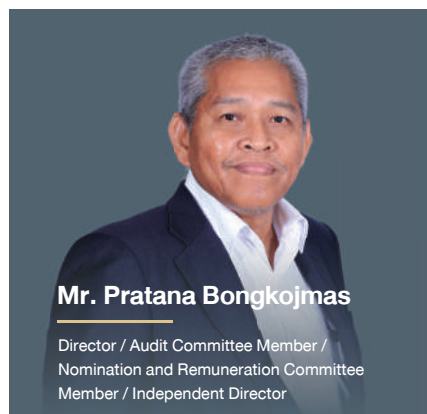
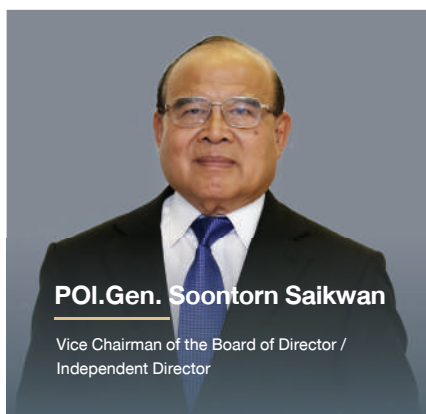
(Unit:MB)

Financial Information	Consolidated		
	2562	2562	2562
Consolidated Financial Statement			
Sales of goods and services	17,326.92	20,318.73	19,623.76
Total revenues	17,704.50	21,601.25	19,810.30
Profit for the year	-12.36	184.25	123.08
Net cash inflows (out flows) from operating activities	842.32	-1,847.06	1,135.90
Total assets	22,082.01	23,455.64	19,442.09
Total liabilities	16,339.08	17,543.23	13,565.45
Total shareholders 'equity	5,742.92	5,912.12	5,876.63
Investor ratio			
BVS	1.33	1.36	1.45
EPS	-0.01	0.04	0.03
Financial Ratio			
Gross profit margin ratio	5.65	1.45	7.39
Operating profit margin	4.04	4.42	3.84
Net profit margin	-0.07	0.85	0.62
Return on equity	-0.21	3.12	2.16
D/E Ratio	2.85	2.97	2.31



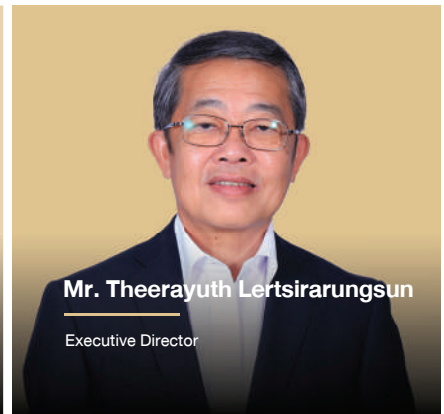
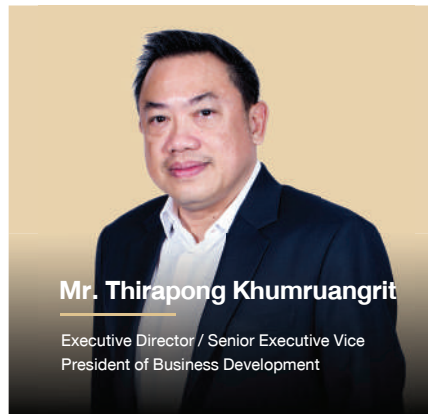
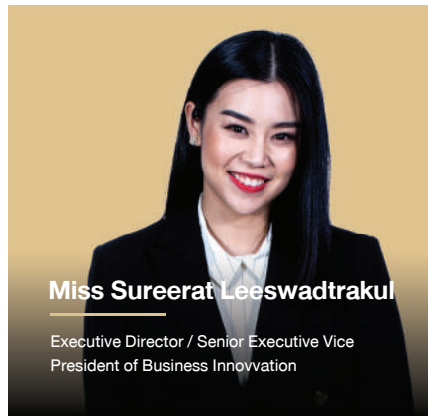
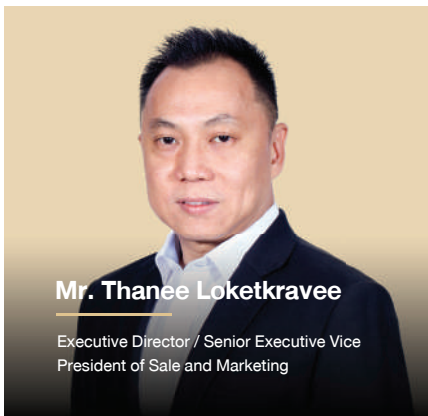
**MILLCON
STEEL**

BOARD DIRECTORY NAME LISTS



รายนามคณะผู้บริหาร

Executive Officers name lists



DIRECTORY AND MANAGEMENT BIOGRAPHY

General Winai Phattiyakul

Age 72 Years

Chairman of the Board of Director/ Independent Director
Chairman of Audit Committee
Director of Millcon Burapa Co., Ltd.



Position in Other Organization:

- Vice Chairman of the Board of Director of Thai Life Insurance Plc.
- President of Thailand Practical Shooting Association
- Chairman of Pituk Prachachart Foundation
- Chairman of Admiral Sa-ngud Chalo-u Foundation
- Director of Rakmuangtha Foundation
- Committee and Secretary of Than Puying Prapasri Kamlung-ekeFoundation
- Chairman of the Board of Director of Kobelco Millcon Steel Co., Ltd.

Education:

- Saint Gabriel's College, Class 33
- Triamudom Suksa Scool (Sampran), Ckass 6
- Armed Forces Academies Preparatory School, Class 6
- Chulachomklao Royal Military Academy, Class 17
- Command and General Staff College, Class 57
- Command and General Staff College, US Army 1982
- Thailand National Defense College, Class 41

Working Experiences last 5 year:

- Present Chairman of the Board Director Millcon Steel Plc.
- Present Director of Millcon Burapa Co., Ltd.
- Present Chairman of the Board of Director of Kobelco Millcon Steel Co., Ltd.
- Present Vice Chairman of the Board of Directors of Thai Life Insurance Plc.
- Present President of Thailand Practical Shooting Association
- Present Chairman of Pituk Prachachart Foundation

- Present Chairman of Admiral Sa-ngud Chalo-u Foundation
- Present Director of Rakmuangtha Foundation
- Present Committee and Secretary of Than Puying Prapasri Foundation

Relationship : -none

Training Course:

- Capital Market Academy, Class 8
- Public Director Certification Program, Class 1
Top Executive Program in Commerce and Trade (TEPCoT), Class 4
- Executive Program of Energy Literacy for Sustainable Future, Class 1

(%) Shareholding (as at December 31, 2019) : -none-

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

Incase Independently Directors:

- Being a director that take part in managing day-to-day operation, or being an employee, or advisor who receive a regular salary or fee : No
- Being a professional service provider (i.e., auditor, lawyer) : No
- Having the significant business relations that may affect the ability to perform independently : No



POI.Gen. Soontorn Saikwan

Age 75 Years

Vice Chairman of the Board of Director /
Independent Director / Chairman of the Board of Director of
Millcon Burapa Co., Ltd

Position in Other Organization:

- Director of Vanachai Group Plc
- Chairman of the Board of Director / Independent Director of PTG Energy Plc.

Education:

- Master of Arts (Political Science), Ramkhamhaeng University
- Diploma, National Defiance Collage (Class 36)
- Bachelor of Political administrative Science, Thai Police Cadet Academy

Working Experiences last 5 year:

- 2013 - Present Vice Chairman of the Board of Director of Millcon Steel Plc.
- 2013 - Present Chairman of the Board of Director of Millcon Burapa Co., Ltd.
- 2012 - Present Chairman of the Board of Director Independent / Director of PTG Energy Plc.
- 2007 -2013 Chairman of the Board of Director of Millcon Steel Plc.
- 2005 - Present Director of Vanachai Group Plc.

Relationship : -none-

Training Course:

- Senior Executive Program for Nation-Building, Class6/2018
- Director Certification Program (DCP), Class 201/2015
- Monitoring Fraud Risk Management (MFM), Class 9/2016
- Monitoring the Internal Audit Function (MIA), Class 15/22013

- Monitoring the Quality of Financial Reporting (MFR), Class 18/2013
- Monitoring the System of Internal Control and Risk Management (MIR), Class 14/2013
- Audit Committee Program (ACP), Class 42/2013
- Director Accreditation Program (DAP), Class 41/2005

(%) Shareholding (as at December 31, 2019) : 0.00

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

Incase Independently Directors:

- Being a director that take part in managing day-to-day operation, or being an employee, or advisor who receive a regular salary or fee : No
- Being a professional service provider (i.e., auditor, lawyer) : No
- Having the significant business relations that may affect the ability to perform independently : No

Mr. Pratana Bongkojmas

Age 60 Years

Director / Audit Committee Member / Nomination and Remuneration Committee Member / Independent Director



Position in Other Organization:

- Managing Director of Unicorn Advance Technology Co.,Ltd.
- Director of Hydroquip Co., Ltd.
- Director of MPS Business and Accounting Co., Ltd.

Education:

- Bachelor of Business Administration (Accounting), Ramkhamhaeng University
- Advanced Certificate Course in Public Economics Management for Executives #Class 14

Working Experiences last 5 year:

- 2019 – Present Director of MPS Business and Accounting Co., Ltd.
- 2017 – Present Director of Hydroquip Co., Ltd.
- 2016 – 2019 Chairman of Risk Management Committee of Millcon Steel Plc.
- 2010 – Present Nomination and Remuneration Committee Member of Millcon Steel Plc.
- 2007 – Present Director / Audit Committee Member of Millcon Steel Plc.
- 1993 – Present Managing Director of Unicorn Advance Technology Co.,Ltd.

Relationship: -none-

Training Course:

Director Accreditation Program (DAP) Class 61/2007

(%) Shareholding (as at December 31, 2019): 0.02

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

Incase Independently Directors:

- Being a director that take part in managing day-to-day operation, or being an employee, or advisor who receive a regular salary or fee : No
- Being a professional service provider (i.e., auditor, lawyer) : No
- Having the significant business relations that may affect the ability to perform independently : No



Mr. Apichart Chirabandhu

Age 62 Years

Director / Audit Committee Member /
Chairman of Nomination and Remuneration Committee /
Corporate Governance Committee Member / Independent Director

Position in Other Organization:

- Independent Director / Audit Committee Member / Chairman of Nomination and Remuneration Committee / Director of Subcommittee for Lufthansa Technik AG of Nok Air Plc.
- Independent Director / Audit Committee Member / Chairman of the Corporate Governance Committee / Nomination and Remuneration Committee Member of Tripple I Logistics Plc.
- Director of AC Worldwide Co., Ltd.
- Director and Treasurer of Business Lawyers Foundation
- Independent Director / Chairman of Audit Committee / Nomination and Remuneration Committee Member of TVO Thai Plc.
- Director of Siam Premier International Law Office Limited
- Present Present Independent Director / Audit Committee Member / Chairman of Nomination and Remuneration Committee / Director of Subcommittee for Lufthansa Technik AG of Nok Air Plc.
- 2009–Present Director of AC Worldwide Co., Ltd.
- 2009–Present Director and Treasurer of Business Lawyers Foundation

Relationship : -none-

Training Course :

- Director Accreditation Program (DAP) Class 103/2013
- Politics and Governance in Democratic Systems for Executives, Class 18/2014 King Prajadhipok's Institute
- Advanced Audit Committee Program (AACCP) Class 31/2018
- Corporate Governance for Executives (CGE) Class 15/2019

(%) Shareholding (as at December 31, 2019): -none-

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

Property Prohibited :

- Being a director that take part in managing day-to-day operation, or being an employee, or advisor who receive a regular salary or fee : No
- Being a professional service provider (i.e., auditor, lawyer) : No
- Having the significant business relations that may affect the ability to perform independently: No

Education :

- The National Defence College (NDC)
- Bachelor of Law – Ramkhamhaeng University
- Certificate – King Prajadhipok's Institute, Class 18

Working Experiences last 5 year :

- 2018–2019 Advisor to the Minister of Tourism and Sports
- 2018–Present Independent Director / Chairman of Audit Committee / Nomination and Remuneration Committee Member of TVO Thai Plc.
- 2017–Present Independent Director / Audit Committee Member / Corporate Governance Committee Member / Nomination and Remuneration Committee Member of Tripple I Logistics Plc.
- 2557–Present Independent Director / Audit Committee Member / Chairman of Nomination and Remuneration Committee / Corporate Governance Committee Member of Millcon Steel Plc.

Ms. Suttirat Leeswadtrakul

Age 39 Years

Director / Executive Director / Corporate Governance Committee Member / Nomination and Remuneration Committee Member / Chairman of Human Resource Committee

Director who are authorized signatories of the company
Director of Millcon Burapa Co.,Ltd



Position in Other Organization:

- Director of Begistics Plc.
- Director of Nimitr Holding Co., Ltd

Education:

- Master of Business Economics, Thammasat University.
- Bachelor of Communication Arts, Bangkok University.

Working Experiences last 5 year:

- 2018 – Present Director of Begistics Plc.
- 2018 – Present Director of Nimitr Holding Co., Ltd
- 2016 – Present Corporate Governance Committee Member
- 2015 – Present Chairman of Chairman of Human Resource Committee of Millcon Steel Plc.
- 2015 – 2018 Director of Saharuam Construction Material Co., Ltd.
- 2008 - Present Nomination and Remuneration Committee Member of Millcon Steel Plc.
- 2008 - Present Director of Millcon Burapa Co., Ltd.
- 2007 - Present Director / Executive Director of Millcon Steel Plc.

Relationship:

Sister of Ms. Sittichai Leeswadtrakul who is major shareholder of the Company

Training Course:

Director Accreditation Program (DAP), Class 61/2007

(%) Shareholding (as at December 31, 2019): 0.62

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.



Ms. Jureerat Lapanavanich

Age 43 Years

Director / Executive Director / Investment Committee member / Risk Management Committee member / Human Resource Committee member / Executive Vice President of Accounting and Financial Director who are authorized signatories of the company
Director of Millcon Burapa Co., Ltd.
Director of Wisdom Tree Investment(s) Pte Limited
Director of Millcon Steel Bar Co., Ltd.
Company Secretary of Millcon Steel Plc.

Position in Other Organization: -none-

Education:

- Master of General Management, Mahidol University.
- Bachelor of Internation Management, Chulalongkorn University.

Working Experiences last 5 years:

- 2019 – Present Director of Millcon Steel Bar Co., Ltd.
- 2019 – Present Risk Management Committee Member of Millcon Steel Plc.
- 2015 – Present Director of Millcon Steel Plc.
- 2015 – Present Executive Vice President of Accounting and Financial of Millcon Steel Plc.
- 2015 – Present Investment Committee Member of Millcon Steel Plc.
- 2014 – Present Director of Wisdom Tree Investment(s) Pte Limited
- 2010 – Present Director of Millcon Burapa Co., Ltd.
- 2009 – Present Executive Director of Millcon Steel Plc.

Relationship: -none-

Training Course:

- Refreshment of the Role and Expectation of A CFO 2018
- Orientation for CFO #Class 3
- Strategic CFO in Capital Market Program #Class 1
- Director Accreditation Program (DAP) Class 106/2013
- Company Secretary Program Class 21/2008

(%) Shareholding (as at December 31, 2019): -none-

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

Mr. Pravit Horungruang

Age 55 Years

Director / Corporate Governance Committee Member / Risk Management Committee Member / Human Resource Committee Member / President of Executive Director / Chief Executive Officer

Director who are authorized signatories of the company
Chief Executive Officer of Suntech Metals Co., Ltd.
Director of Saharuam Condruction Material Co., Ltd
Director of Siam Solar Generation Plc.
Director of Millcon Steel Bar Co., Ltd.



Position in Other Organization: -none-

Education:

- Bachelor of Business Administration, Assumption University.
- Mini MBA, Thammasat University.
- Modern Manager Program, Chulalongkorn Business School.

Working Experiences last 5 year:

- 2019 – Present Director of Siam Solar Generation Plc
- 2019 – Present Director of Millcon Steel Bar Co., Ltd
- 2019 – Present Risk Management Committee Member of Millcon Steel Plc.
- 2019 – Present Human Resource Committee Member of Millcon Steel Plc.
- 2019 – Present President of Executive Director / Chief Executive Officer of Millcon Steel Plc.
- 2017 – Present Corporate Governance Committee Member of Millcon Steel Plc.
- 2017 – 2018 Director of Ocean Supply Co., Ltd.
- 2016 – Present Director of Millcon Steel Plc.
- 2016 – Present Director of Saharuam Construction Material Co., Ltd.
- 2007 – Present Chief Executive Officer of Suntech Metals Co., Ltd.

Relationship: -none-

Training Course:

Director Certified Program (DCP) รุ่นที่ 249/2018

(%) Shareholding (as at December 31, 2019): -none-

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.



Mr. Theerayuth Lertsirarungsun

Age 63 Years

Director / Executive Director / Human Resource Committee Member
Director who are authorized signatories of the company
Director of Millcon (HK) Limited

Position in Other Organization: -none-

Education:

- Master of MS (Metallurgical Engineering), Henry Krumb, School of Mines, Columbia University.
- Bachelor of Engineering (Mechanical Engineering) Chulalongkorn University.

Working Experiences last 5 years:

- 2019 – Present Human Resource Committee member of Millcon Steel Plc.
- 2016 – Present Director of Millcon Steel Plc.
- 2016 – 2018 Co-Chief Executive Office of Kobelco Millcon Steel Co., Ltd.
- 2013 – Present Director of Millcon (HK) Limited.
- 2012 - 2015 Director of Zentra-wartung Engineering Co., Ltd.
- 2011 - 2015 Vice President of Sales and Marketing of Millcon Steel Plc.
- 2009 – Present Executive Director of Millcon Steel Plc.

Relationship: -none-

Training Course: -ไม่มี-

(%) Shareholding (as at December 31, 2019): -ไม่มี-

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

Mr. Sophon Pholprasith

Age 68 Years

Director



Position in Other Organization:

Vice Chairman of the Board of Directors of General engineering Plc.

Education:

- Master of Business Administration, Ramkhamhaeng University
- Advanced Certificate of Public Management and Public Law (Class 6th) King Prajadhipok's Institute
- B.Sc. Civil Sanitary and Environment, Mapua Institute of Technology, Phillipines

Working Experiences:

- 2014 – Present Vice Chairman of the Board of Directors / Independent of General engineering Plc.
- 2014 – Present Director of Millcon Steel Plc.

Relationship: -none-

Training Course: -none-

(%) Shareholding (as at December 31, 2019): -none-

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

Incase Independently Directors:

- Being a director that take part in managing day-to-day operation, or being an employee, or advisor who receive a regular salary or fee : No
- Being a professional service provider (i.e., auditor, lawyer) : No
- Having the significant business relations that may affect the ability to perform independently : No



Mr. Vipoota Trakulhoon Age 54 Years

Director / Chairman of Investment Committee

Position in Other Organization:

- Director / Independent Director of General Engineering Plc.
- Director / Independent Director of Triple I Logistics Plc.
- Director / Independent Director of Business Alignment Plc
- Director of Kobelco Millcon Steel Co., Ltd.

Education:

- Master of Business Administration Degree, Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Bachelor of Business Administration degree, Chulalongkorn University
- Director Accreditation Program (DAP) Class 120/2015, Thai Institute of Directors (IOD)

Working Experiences last 5 year:

- 2019 – Present Director / Independent Director Chairman of the Nomination and Remuneration Committee / Corporate Governance Committee Member / Risk Management Committee Member of General Engineering Plc.
- 2016 – Present Director of Kobelco Millcon Steel Co., Ltd.
- 2016 – Present Independent Director / Audit Committee Member of Triple I Logistics Plc.

- 2015 – Present Independent Director / Audit Committee Member of Business Alignment Plc.
- 2014 – Present Director / Chairman of Investment Committee of Millcon Steel Plc
- 2014 – Present Director of Creative Power Co., Ltd.

Relationship: -none-

Training Course:

Director Accreditation Program (DAP) Class 117/2015

(%) Shareholding (as at December 31, 2019): -none-

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

Incase Independently Directors:

- Being a director that take part in managing day-to-day operation, or being an employee, or advisor who receive a regular salary or fee : No
- Being a professional service provider (i.e., auditor, lawyer) : No
- Having the significant business relations that may affect the ability to perform independently : No

Mrs. Nantaphat Thinprateep

Age 55 years

Executive Director / Risk Management Committee Member /
Human Resource Committee Member /
Senior Executive Vice President of Supply Chain
Director of Millcon Burapa Co., Ltd.
Director of Suntech Metals Co., Ltd.



Position in Other Organization: -none-

Education:

- Master of Business Administration, Siam University.
- Bachelor of Business Administration, Thongsook College.

Working Experiences last 5 years:

- 2018 – Present Risk Management Committee Member of Millcon Steel Plc.
- 2017 – Present Director of Suntech Metals Co., Ltd.
- 2016 – 2017 Director of Millcon Steel Plc.
- 2015 – Present Human Resource Committee Member of Millcon Steel Plc.
- 2011 - Present Senior Executive Vice President of Supply Chain of Millcon Steel Plc.
- 2009 - Present Executive Director of Millcon Steel Plc.
- 2007 – Present Director of Millcon Burapa Co.,Ltd

Relationship: - none-

Training Course: - none-

(%) Shareholding (as at December 31, 2019): -none-

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.



Mr. Puchong Jungwilikasem

Age 53 Years

Executive Director / Investment Committee Member /
Risk Management Committee Member / Human Resource
Committee Member / Senior Executive Vice President of Production
Director of Millcon Burapa Co., Ltd
Director of Suntech Metals Co., Ltd.
Director of World Wire Processing Co., Ltd.

Position in Other Organization: -none-

Education:

Bachelor of Engineering, Chulalongkorn University.

Working Experiences last 5 year:

- 2019 – Present Risk Management Committee member of Millcon Steel Plc.
- 2015 – Present Human Resource Committee member of Millcon Steel Plc.
- 2015 – Present Director of Suntech Metals Co., Ltd.
- 2015 – Present Investment Committee member of Millcon Steel Plc.
- 2011 – Present Senior Executive Vice President of Production of Millcon Steel Plc.

Relationship: -none-

Training Course: -non-

(%) Shareholding (as at December 31, 2019): 0.00

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

Mr. Thanee Loketkravee

Age 48 Years

Executive Director / Investment Committee Member / Risk Management Committee Member / Human Resource Committee Member / Senior Executive Vice President of Sale and Marketing Director of Suntech Metals Co., Ltd.



Position in Other Organization:

Director of Begistics Plc.

Education:

- Certificate of Management Development Program at Wharton school of Business, University of Pennsylvania
- Master of Business Administration of Loyola University of Chicago
- Bachelor of Financial Management of Southern Illinois University

Working Experiences last 5 years:

- 2019 –Present Risk Management Committee member of Millcon Steel Plc.
- 2018 – Present Director of Begistics Plc.
- 2016 – Present Human Resource Committee member of Millcon Steel Plc.
- 2016 – Present Investment Committee member of Millcon Steel Plc.
- 2016 – Present Executive Director of Millcon Steel Plc.
- 2016 – 2019 Director of Builk One Group Co., Ltd.
- 2016 – 2019 Director of Builk Asia Co., Ltd.
- 2015 – Present Senior Executive Vice President of Sale and Marketing
- 2015 – Present Director of Suntech Metals Co., Ltd.

Relationship: -none-

Training Course:

Director Certified Program (DCP) Class 228/2017

(%) Shareholding (as at December 31, 2019): -none-

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.



Ms. Sureerat Leeswadtrakul

Age 31 Years

Corporate Governance Committee Member / Risk Management Committee Member / Human Resource Committee Member / Senior Executive Vice President of Business Innovation
 Director of Saharuam Construction Materials Co., Ltd
 Director of Millcon Steel Pipe Co., Ltd.
 Director of Siam Solar Generation Co., Ltd.
 Director of Millcon Steel Bar Co., Ltd.

Position in Other Organization:

- Director of Nimitr Holding Co., Ltd.
- Director of IGEN Engineering Co., Ltd.
- Director of IGEN Powertech Co., Ltd.
- Director of Moonshot Venture Capital Co., Ltd.

Education:

- Master of Business Administration, Bangkok University.
- Bachelor of Economics, Thammasat University.

Working Experiences last 5 years:

- 2019 – Present Director of Moonshot Venture Capital Co., Ltd.
- 2019 – Present Risk Management Committee Member of Millcon Steel Plc.
- 2019 – Present Corporate Governance Committee Member of Millcon Steel Plc.
- 2019 – Present Human Resource Committee Member of Millcon Steel Plc.
- 2019 – Present Director of Millcon Steel Bar Co., Ltd.
- 2019 – Present Director of Siam Solar Generation Plc.
- 2019 – Present Director of IGEN Powertech Co., Ltd.
- 2019 – Present Director of IGEN Engineering Co., Ltd.
- 2019 – Present Senior Executive Vice President of Business Innovation of

- 2018 – Present Millcon Steel Plc. Director of Saharuam Construction Materials Co., Ltd
- 2018 – Present Director of Nimitr Holding Co., Ltd.
- 2017 – Present Director of Millcon Steel Pipe Co., Ltd.
- 2016 – 2019 Director of Builk One Group Co., Ltd.
- 2016 – 2019 Director of Builk Asia Co., Ltd.
- 2559 – 2562 กรรมการ บจก. มิลค์ สเต็ล

Relationship:

Ms. Suttirat Leeswadtrakul's sister

Training Course:

Director Accreditation Program (DAP) Class 155/2018

(%) Shareholding (as at December 31, 2019): 0.12

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.

Mr. Kasem Juntaboon

Age 66 Years

Risk Management Committee Member / Human Resource Committee Member / (Acting) Senior Executive Vice President of Human Resource and Administration
Director of Millcon (HK) Limited



Position in Other Organization: -none-

Education:

- Master of Business Administration, Ramkhamhaeng University
- Bachelor of Political Science, Ramkhamhaeng University

Working Experiences last 5 years:

- 2019 – Present Risk Management Committee Member of Millcon Steel Plc.
- 2019 – Present Human Resource Committee Member of Millcon Steel Plc.
- 2019 – Present (Acting) Senior Executive Vice President of Human Resource and Administration of Millcon Steel Plc.
- 2015 – Present Human and Administration Manager of Kobelco Millcon Steel Co., Ltd.
- 2014 – Present Director of Millcon (HK) Limited
- 2013 – 2015 Director of Millcon Steel Plc.
- 2011 – 2015 Executive Vice President of Human Resource of Millcon Steel Plc.

Relationship: -none-

Training Course: -none-

(%) Shareholding (as at December 31, 2019): 0.00

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during



Mr. Thirapong Khumruangrit

Age 55 Years

Executive Director / Investment Committee Member /
Corporate Governance Committee Member / Risk Man-
agement Committee Member / Human Resource
Committee Member / Senior Executive Vice President of
Business Development

Director of Millcon Steel Pipe Co., Ltd.

Director of Siam Solar Generation Co., Ltd.

Position in Other Organization:

- Director of IGEN Engineering Co., Ltd.
- Director of IGEN Powertech Co., Ltd.

Education:

- Mini MBA, Assumption University
- Bachelor of Business Administration, Bangkok University

Working Experiences last 5 years:

- 2019 – Present Risk Management Committee Member of Millcon Steel Plc.
- 2019 – Present Corporate Governance Committee Member of Millcon Steel Plc.
- 2019 – Present Director of Siam Solar Generation Plc.
- 2019 – Present Senior Executive Vice President of Business Development
- 2019 – Present Director of IGEN Powertech Co., Ltd.
- 2017 – Present Human Resource Committee Member of Millcon Steel Plc.
- 2017 – Present Executive Director of Millcon Steel Plc.
- 2017 – Present Investment Committee Member of Millcon Steel Plc.
- 2017 – Present Director of Millcon Steel Pipe Co., Ltd.

- 2017 – Present Director of IGEN Engineering Co., Ltd.
- 2017 – 2019 Senior Executive Vice President of CEO Office of Millcon Steel Plc.
- 2011 – 2017 Senior Executive Vice President of Financial and Accounting of Master Car Rental Co., Ltd.

Relationship: -none-

Training Course:

- 2Morrow Scaler course 2019
- Director Certified Program (DCP) Class 245/2017
- Director Accreditation Program (DAP) Class 89/2011

(%) Shareholding (as at December 31, 2019): 0.0024

Property Prohibited:

- No criminal record, guilty of an offense related to property, which was done in good faith.
- No any historical record of transactions that may be a conflict of interest with the Company during the past year.



BUSINESS OVERVIEW

Business Overview

For main product of the Company can be classified three groups as follows.

1. Steel Bar
 - Round Bar
 - Deformed Bar
 - High Tensile Thread Steel Bar
2. Billet
3. Structural Steel
4. Wire rod
5. Metal Scrap
6. Renewable energy



Steel Bar



Round Bar and Deformed Bar

Group produces and distributes plain round steel bar in conformity to the industrial standards with a diameter of 6 – 40 mm. and a length of 10-12 m. at SR 24 quality, and deformed bar with a diameter of 10-63.5 mm. and a length of 10-12 m. at SD 30 SD 40 and SD 50 quality. Steel at each quality level is different in chemical and mechanical properties and has undergone both domestic and international quality standard certification, thus enabling applications for construction works with the specifications and quality as required by customers.

For reinforcing steel produced by the Group, which is major raw material for all types of concrete structure works, the types and sizes to be used depend on the design and structure of such construction works. The Group can serve all types of construction works with its diversified products from sophisticated machinery; hence responding to demand of customers at all levels.

In addition, the Group also produces thread deformed bar called One Bar as the latest innovation developed to remove steel joining problem. One Bar is generated through the hot rolling process with threading made along the entire length. Steel can splice with coupler because of such thread. This will better strengthen the steel joining than fastening or welding and reduce waste of steel texture during the process. One Bar can be used in substitution for deformed bar in general. However, it will help save time and cost of construction. The Group's deformed bar is offered in two quality levels, i.e. SD 40 and SD 50, and compliance with TIS 24-2548.



High Tensile Thread Steel Bar

The Group can produce high tensile thread steel bar according to the ASTM A 722 ISO 6934-5 for use in large construction works and geological constructions which require high tensile strength. These include construction of earthquake resistant buildings.

High tensile thread steel bar is the thread steel bar that splice with coupler the same as thread steel bar (One Bar) but it is specially produced to withstand weight and have high tensile strength suitable for large constructions that require high tensile strength than other construction in general such as electric train system, bridge, tunnel, deep sea port, dam, and others. At present, the Group is the sole local producer of high tensile thread steel bar which can achieve international standard.



Billet

Billet This is a new line of business to produce billets for use as raw materials in the production of steel bars, deformed bars and other high quality steel products, both of general use grade for general construction and of special quality grade for linkage industries such as sling, welding wire, and automotive parts. The Company produces billets of standard sizes and shapes, with a dimension of 130 mm x 130 mm and 150 mm x 150 mm and a length as required by customers of 6 m. and 12 m



Structural Steel



The Company produces and distributes a variety of formed steel products, i.e. hot rolled coil (HRC), and cut steel of diversified sizes. Moreover, the Group also produces structural steel products that meet Thai industrial standard (TIS 1228-2549). Details are as below:

Hot rolled coil (HRC)

The Group distributes HRC to steel wholesalers and steel plants for processing into such steel work parts as steel sheet, C - channel steel, strip and structural steel, etc. The HRC widely used is in sizes of 4 feet in width and 5 feet in width; and has varied thickness depending on the types of products to be produced by the customers.

Cut steel and structural steel

The Group provides steel cutting service on customer orders and produces structural steel using its efficient machinery line. There are five product types as follows:

1. Slitting Coil

The Group feeds HRC and has it stretched and cut by the slitting machine by the width specified by the customers. With the slitting finished, the HRC will be rolled back ready for distribution. The slitting machine can generate slitting coil with 50 mm. to 500 mm. in width. Customers mainly use slitting coil for further cutting or forming into other steel work parts and products such as C - channel steel, steel pipe, rail, etc.

2. Steel Sheet

The Group feeds HRC and has it cut into different width and length of sheet. The HRC is stretched and cut by the cutting machine to get the standard size and shape of steel sheet. The steel sheet so generated will have standard sizes: 4 x 8 feet, 5 x 10 feet and 5 x 20 feet, with thickness of 1.2 - 12.00 mm., 2.90 - 12.00 mm. and 2.90 - 12.00 mm. respectively. End-users of steel sheet are mainly steel processing plants including automobile plants, etc.



3. Flat Plate

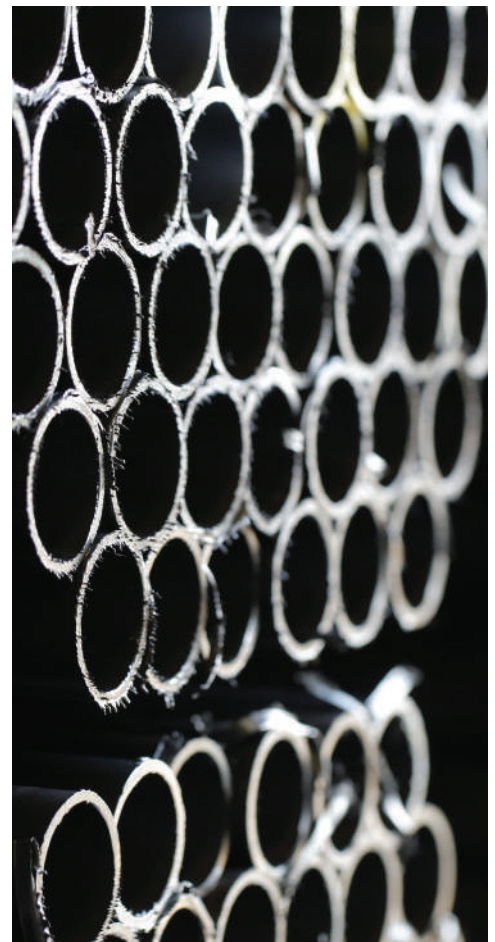
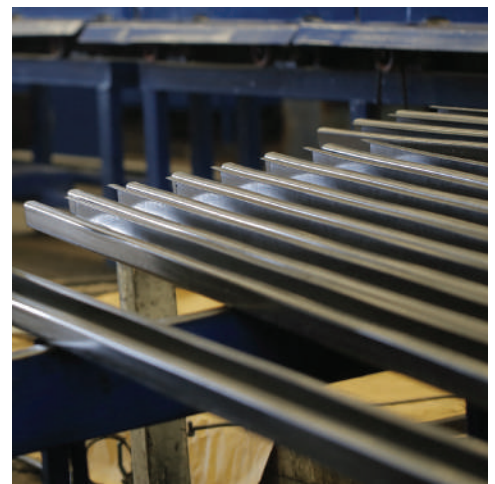
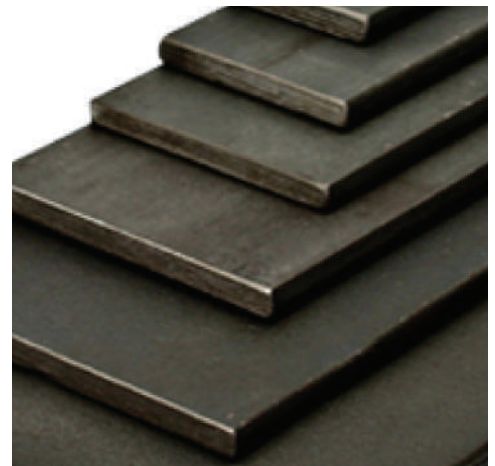
The HRC is cut into sizes and shapes as required by the customers. Flat plate so generated has standard length of 6 m. but diversified width range from 1 inch to 36 inch 44 mm. and 1100 mm., with thickness from 1.90 mm. to 6 mm. depending on customer requirement. It can be processed in diversified products, such as wire mesh, gate, etc., and also as raw material for automobile, furniture and parts manufacturing, etc.

4. Lip - Channel Steel

It is a product that looks like alphabet C and with different thickness and width. The product is generated from forming (produced by cold forming) process the slitting coil of the required size into C-shape. C - channel steel is mainly used in construction works, particularly roof structure. It is.

5. Steel Pipe

The Group produces and distributes steel pipe, i.e. round, square and flat, for use as raw material in various industries, such as construction materials, furniture parts and automotive parts. They can also be applied to other types of industries depending on customer requirements. Round steel pipe produced has a diameter range of ½ inch - 4 inches, thickness range of 1.2 mm. - 3.25 mm., and standard length of 6 m. Its square pipe has the size in a range of 1 x 1 inch - 4 x 4 inch, thickness range of 1.2 mm. - 3 mm., and standard length of 6 m. Its flat pipe has the size in a range of 2 x 1 inch - 2 x 6 inch and thickness range of 1.2 mm. - 3 mm.



Wire Rod

The Group produces distributes low carbon wire rod, medium carbon wire rod and high carbon wire rod which are raw material in automotive industry, machinery industry and furniture industry. The Group can produces wire rod with a diameter of 5.5 mm. to 16 mm.



Metal Scrap

Metal scrap are raw material in produces billet. The group will buy scrap and scrap processing by shear and shred process from product which have steel as a component for produce billets further. The processing will reduce cost of producing billet because scrap processing are small which will melting scrap faster large scrap.



Renewable Energy

Renewable energy is solar energy. The Group has a solar farm projects, which has entered into nine power purchase agreements with nine Provincial Electricity Authority (PEA) for nine projects to sell 2.5 megawatts of electricity per project. The contract period is 25 years and receives an adder of 6.50 baht for 10 years and granted promotion privileges from the Board of Investment for a period of 8 years. These 9 power plants are located at Chaiyaphum Province and already commenced commercialization (“COD”).



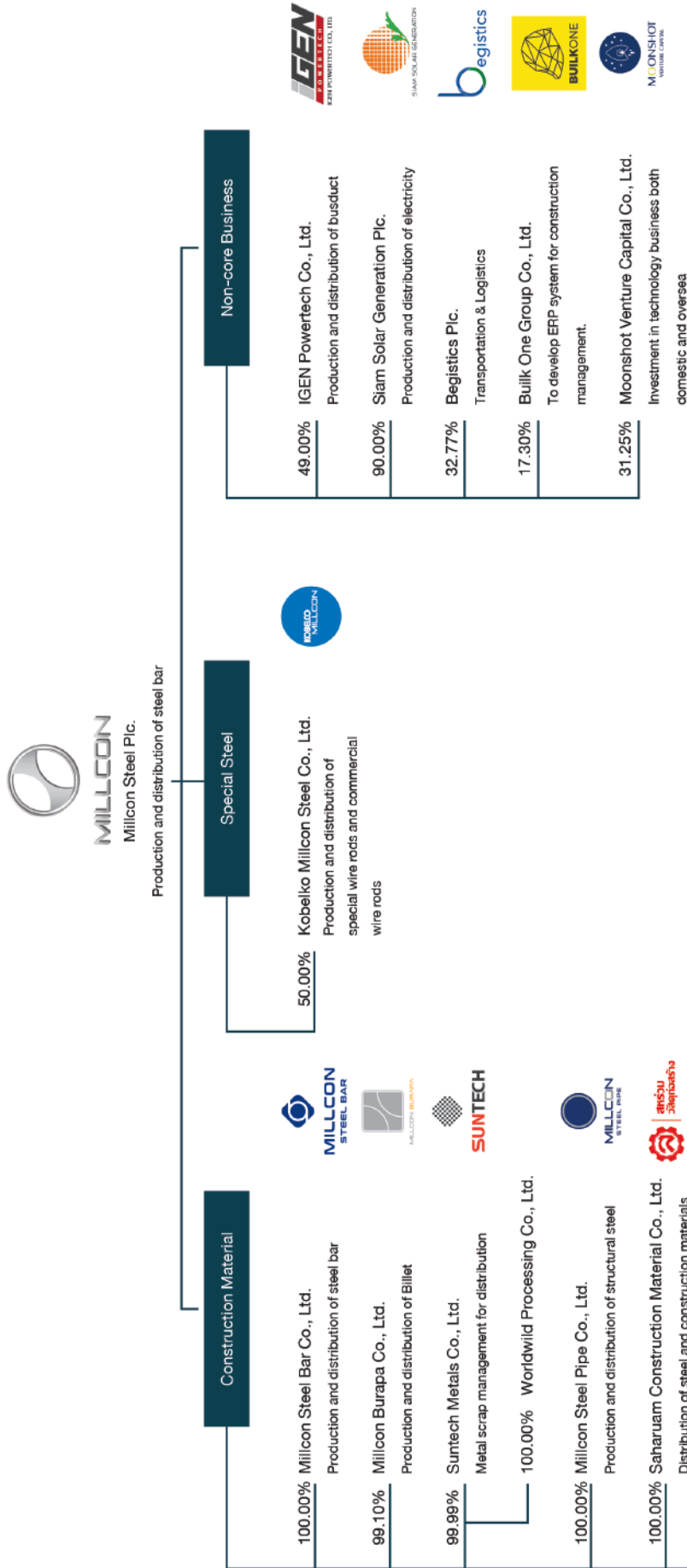
Production Capacity

	Millcon Steel	Millcon Burapa	Millcon Steel Pipe	Kobelco Millcon Steel	Suntech Metals	Millcon Thiha GEL
Production capacity (tons/year)						
Round bars & deformed bars	800,000	-	-	-	-	-
Structural Steel	-	-	96,000	-	-	64,397
Billet	-	800,000	-	-	-	-
Wire Rod	-	-	-	500,000	-	-
Metal Scrap	-	-	-	-	460,000	-
Total Capacity	800,000	800,000	96,000	500,000	460,000	64,397



Shareholding Structure Group

As at December 31, 2019 the Company structure is as follows:



Revenue Structure

Revenue structure of company breakdown (Financial Statement of Company)

Unit: Million Baht

Company	Business	Company Holding	2019		2018		2017	
			Value	%	Value	%	Value	%
Millcon Steel PLC.	Production and distribution of steel bar	-	13,767	56.67	14,394	50.38	11,379	47.59
Millcon Burapa Co., Ltd.	Production and distribution of Billet	99.10	6,660	27.42	9,379	32.83	8,781	36.73
Millcon Steel Pipe Co., Ltd.	Production and distribution of structural steel	100	986	4.06	811	2.84	611	2.56
Saharum Construction Material Co., Ltd.	Distribution of steel and construction materials	100	437	1.8	1,202	4.21	901	3.77
Suntech Metals Co., Ltd	Metal scrap management for distribution	99.99	1,338	5.51	2,353	8.24	1,889	7.9
Millcon Thiha Limited	Distribution of steel and construction materials	51	735	3.02	255	0.89	348	1.45
Siam Solar Generation PLC.	Production and distribution of electricity	90	369	1.52	177	0.61	-	-
Millcon Steel Bar Co., Ltd.	Production and distribution of steel bar	100	-	-	-	-	-	-

Revenue by Product (Financial Statement of Consolidate)

Unit: Million Baht

Products	2019			2018			2017		
	Ton	Value	%	Ton	Value	%	Ton	Value	%
Steel Bar	647,814	10,923	63.04	574,323	10,880	53.55	592,804	9,979	50.85
Structural Steel	55,750	1,133	6.54	45,543	1,057	5.20	40,713	852	4.34
Wire rod	78,047	1,358	7.84	42,929	865	4.26	36,159	658	3.35
Billet	160,328	2,526	14.58	324,400	5,707	28.09	474,726	7,057	35.96
Other	103,214	1,386	8.00	142,607	1,810	8.90	87,368	1,078	5.50
Services	-	370	2.13	-	-	-	-	-	-
Grand Total	1,045,153	17,327	100.00	1,129,802	20,319	100.00	1,231,770	19,624	100.00



STEEL INDUSTRY OVERVIEW

The amount of steel production and consumption of Thailand

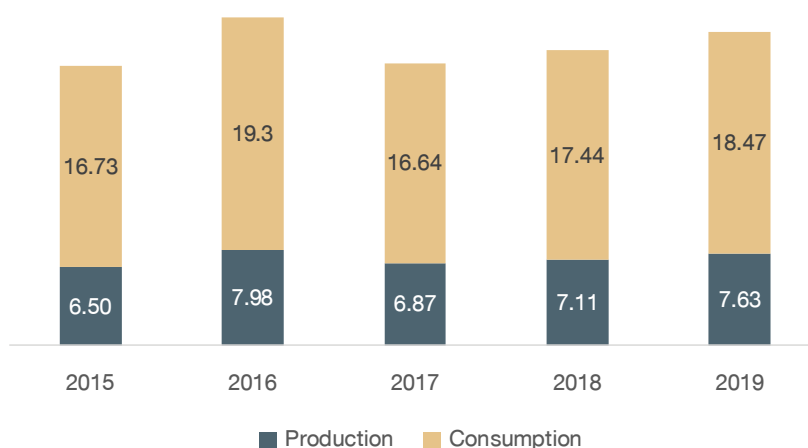
From Iron and Steel Institute of Thailand Information, the price of steel in the world market in the year 2019, the price level has decreased compared with the year 2018 due to economic conditions slowdown in many countries, it makes demand steel products also slowdown. Especially the economic conditions of China which is both the manufacturer and the number one steel user in the world including the impact of the trade war situation resulting in the intensifying competition in the steel industry. The price level therefore fluctuates and decreases, since the begin of the year 2019 until the end of the year, the price trend in Southeast Asia has a downward trend.

The global steel price fluctuations caused by the effects of the trade war has affected the raw material prices resulting in fluctuations as well. Especially the price drop of scrap which has the direction of reducing since the mid year 2019 onward by the price has decreased by about 14 percentage, with an average price of approximately USD 315 per ton touch the lowest price level at around USD 242 per ton, in part of Coking Coal price also decreased since May of 2019 with by the highest price being around USD 212 per ton and the lowest is in during the month of November the price is about USD 132 per ton and price of Iron Ore likely to increase since early 2019 touch the highest price level in August . The price is about 139 USD per

ton and the downward trend is at the lowest price at the end of the year in November. The price is around USD 102 per ton.

In the year 2019, Asia’s crude steel production reached 1,341.6 million ton, grew 5.57 percentage compared with the previous year. China’s crude steel production, the largest steel producer in the world, has crude steel production at 996.3 million ton, grew 8.3 percentage. The proportion of China’s crude steel production increased from 50.9 percentage to 53.3 percentage of total steel production around the world while the world’s second-largest crude steel production in 2019 is still owned by India has production of crude steel grew by 111.2 million ton, grew 1.8 percentage compared with the previous year considered to expand well in accordance with the government’s policy of aiming to be the main steel producer in the world, for crude steel production of Japan in the year 2019. The production of crude steel fell by 48 percentage at 99.3 million ton.

From Iron and Steel Institute of Thailand Information, consumption Finished Steel of Thailand in the year 2019 stood at 18.47 million ton contracting at 4.5 percentage, as a result of product consumption of long steel and flat steel product decreased 7.3 percentage and 2.7 percentage respectively and consumption of long steel stood at 6.9 million ton by consumption of steel bar stood at 4.4 million ton, decreased 12 percentage



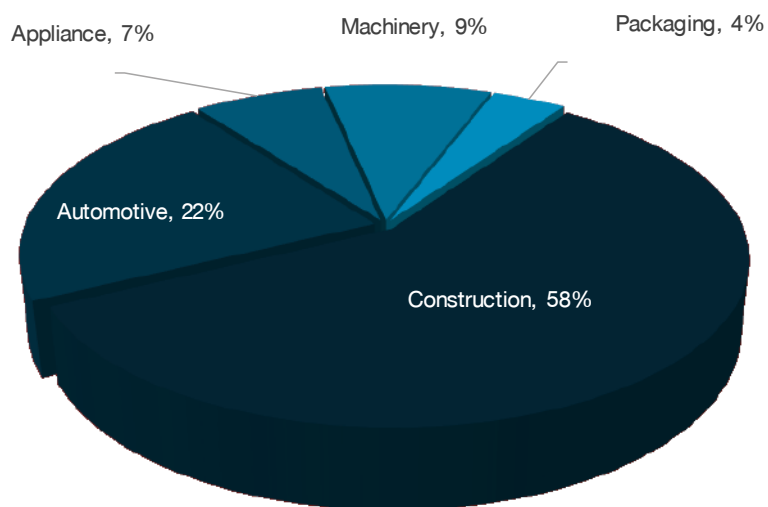
Picture: The amount of steel production and consumption of Thailand

compared with the same period of the previous year. Consumption of wire rod stood at 2.3 million ton which expensed 1.6 percentage, consumption of flat steel stood at 11.5 million ton, contracting at 2.7 percentage compared with the same period of the previous year while the real steel consumption in Thailand in the year 2019 stood at 18.6 million ton, contracted by 4.7 percentage compared to the previous year.

Consumption of steel of the downstream industries

As for the downstream industries of the Thai steel industry is still slow down in some industries, in the year 2019, resulting in a decrease in domestic consumption of steel products by the construction industry, cement production grew by 2.1 percentage mainly due to the construction of public infrastructure and private housing construction, automotive industry the total automobile production in 2019 decreased by 7.1 percentage compared with the previous year due to the contraction of both domestic and oversea markets, appliance industry. refrigerator production grew by 7.2 percentage compared to the previous year and compressor production contracted by 4.9 percentage, packaging industry the total production of canned seafood grew by 1.9 percentage, while the canned fruit production dropped by 34.1 percentage compared to the previous year.

Considering the steel consumption in various industries in Thailand, it is found that in the construction industry, steel usage accounts for 58 percentage from the total steel consumption, which is considered an important industrial sector in the use of steel products by investing in infrastructure from both the public and private sectors followed by being used in the automotive industry with steel consumption at 22 percentage of the total steel consumption, steel usage in the machine tool industry 11 percentage and steel usage in electrical appliances and packaging stood at 10 percentage and 4 percentage respectively.

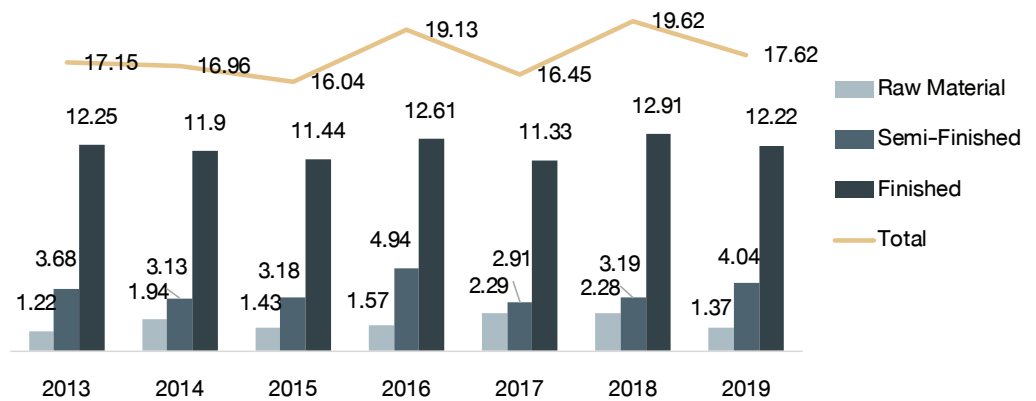


Graph showing consumption of steel of the downstream industries

2019 Steel Imports Report, Thailand

Thailand's total imports of steel products in the year 2019 stood at 17.62 million ton increased of 5.8 percentage, with imports of semi-finished steel and finished steel products increasing by 26.4 percentage and 1.4 percentage respectively, while imports of raw materials contracted by 39.7 percentage. Import of raw materials in the year 2019 stood at 1.37 million ton, equivalent to import value of 402,276 million baht by importing iron product, Ferro Alloy and

Scrap decreased by 49.1 percentage, 15.4 percentage and 39.1 percentage respectively. The import of semi-finished steel products in 2019 stood at 4 million ton, equivalent to 58,540 million baht. Import of finish steel of Thailand in the year 2019 stood at 12.21 million ton, with an import value of 324,216 million baht. Most of the imports have expanded, except for steel bars, hot-rolled coil, cold rolled coil, steel pipe and cold forming steel products.

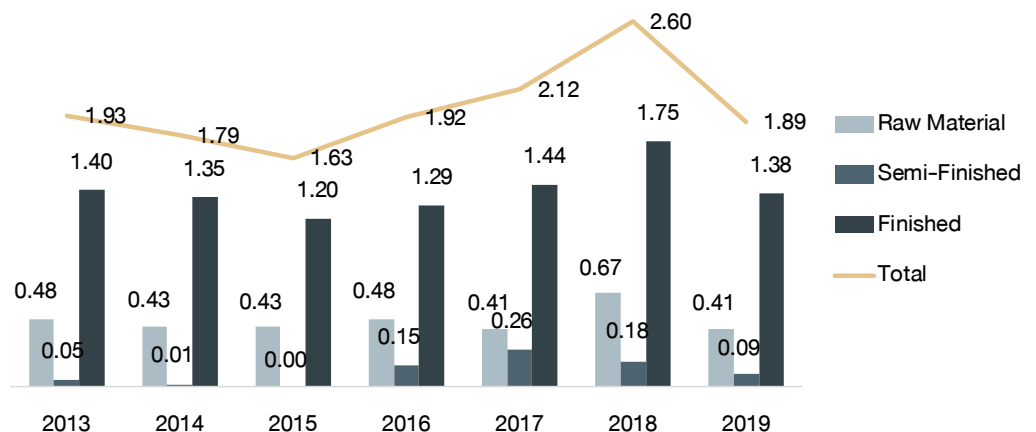


Source : Iron and Steel Institute of Thailand

2019 Steel Exports Report, Thailand

Thai steel exports are the lowest in 3 years since the year 2017, Thai steel product exports in the year 2019 stood at 1.88 million ton, contracting 28 percentage compared to the same period of the previous year. Exports decreased in all product groups, the export of semi-finished steel products declined by 49 percentage and the finished steel products decreased by 21 percentage, while the export of raw materials decreased by 39 percentage

and the exports of finished steel products in the year 2019 stood at 1.38 million ton, with a total export value of 40,767 million baht. The most exported products are Pipes & Tubes (excl. Pipe Fittings) 333,993 ton, followed by hot rolled structural steel 291,675 ton and steel bar 226,502 ton respectively for the main export markets include ASEAN, The United States and India respectively.



Source : Iron and Steel Institute of Thailand

World Steel Association predicts global demand for finished steel products in the year 2020 is expected to grow by 1.7 percentage stood at 1,805.7 million ton. According to the global demand for finished steel in the year 2020 in various regions around the world is likely to expand increased if compared to the previous years by The European Union (28 countries) forecasts that demand for finished steel in 2020 will grow by 1.1 percentage at 168.6 million ton. The CIS predicts that demand for finished steel expanded 2 percentage in the ASEAN countries,

World Steel Association predicts that demand for finished steel products would increase by 5.6 percentage which demand for finished steel will increase compared to other regions. It is estimated at 83.9 million ton, which is a result of investment in infrastructure construction and investment expansion to ASEAN countries, while World Steel Association predicts Chinese demand for finished steel, which is The world's largest steel producer and user by in the year 2020,

demand for finished steel will increase by 1 percentage, with the demand approximately at 909.1 million ton

Iron and Steel Institute of Thailand forecasts that the demand for steel products in the year 2020 will increase slightly from the year 2019 by 0.7 percentage with the demand expected to be around 18.6-19 million ton, which is the result of expectations of an economic recovery from a trade war that tensions which is an opportunity to expand in the downstream industries that use steel products especially the construction industry which is expected to grow from the acceleration of large-scale investment by the government which has a construction plan. The large amount of investment and private investment is expected to grow as confidence increases. Appliance Industry with a better direction, demand from domestic and international markets although in some industries, there is a slight growth forecast but overall is expected that the demand for Thai steel in 2020 will continue to grow.

The company group has emphasized the implementation of the company strategy in accordance with the vision and the mission has been established to increase the potential and competitiveness in the steel industry sustainably.

Strengthening Sturdiness in Core Business

Steel products group for construction is the main business of the company group in addition to create value for the product, controlling production costs is something that the company also values, by using renewable energy in the factory for sustainable growth, including the use of related technology to help manage the whole supply chain to increase product efficiency and quality.

Expand the Customer Base with Special Grade Steel

Previously that customer group is in the construction industry, the automotive parts industry is another industry that

requires steel for production in which the company group can produce special grade steel and can be sold in addition to expanding the customer base in the country. The company group still aims to expand its customer base to foreign countries as well.

Looking for Opportunities to Create Compensation

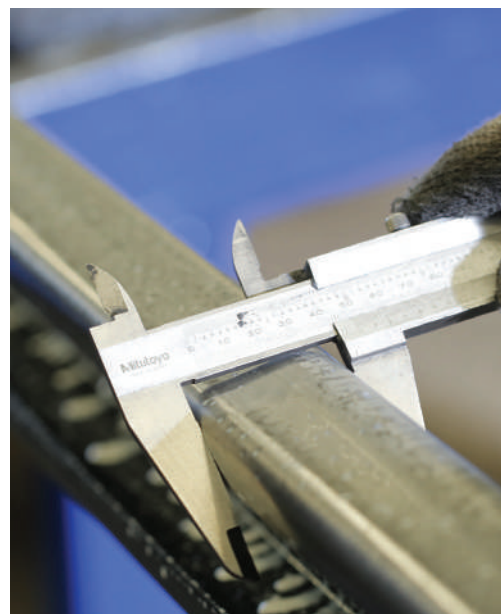
The company is also looking for investments in other businesses that will help support the company's business including the introduction of innovations and new technologies used to enhance management competency and the potential of the personnel in addition the company focuses on finding suitable learning courses to develop the knowledge of the personnel in the company including position adjustments in order to have all round knowledge and prepare for future growth.



RISK MANAGEMENT

Risk Management

Regarding to the arising risks over the last several years, Millcon Steel PLC' s group have been developed the structure of risk management. Under this establishing in company s policy, this enables to manage and mitigate the risks by accordingly monitoring. Furthermore, the company and its group members have been held the meeting in each month. The risk management committee consists of knowledgeable people from various areas in our organization to create the measurements to control and mitigate all risks deliberately. To accept the control and manage risk for our group, this will use as approach of risk management to reach the objective efficiently.



Business Risk

Marketing Risk

Thai Steel industries face the highest risk from the fluctuation on demand and seasonal price, which is the main effect for considering in this business. However, the Company has improved its production efficiency and developed its products for higher value added and product differentiation. For example, in addition to thread steel bar, high tensile thread steel bar is developed and produced to serve constructions that need special tensile strength such as mass transit electric train system, bridge, tunnel, deep-sea port, dam, etc. At present, MILL is the sole domestic producer of high tensile thread steel bar with product quality certification by several global institutions. This has enabled the Company to better compete with its peers and mitigate demand fluctuation risk. It can even expand its market overseas where such special steel product is required for construction works.

In addition, the Company is committed to developing its product range to respond to the needs of customers in more diversified industries, especially linkage industries that have high growth potential. Upon the completion of the implementation of the Green MILL Project which employs world class production technology, MILL will be the sole producer in Southeast Asia that can produce special grade steel of smooth

surface which is of high demand among automobile producers. This will help drive the Company toward being part of the automobile and other related industries that require steel of special grade, and at the same time diversify its risk of dependence only on construction industry as the target customer.

In addition, the Company has expanded business to wire rod products. It plans to develop the product into special grade wire rod for used as raw material in automotive industry. Currently, Thailand is still importing special grade wire rod from abroad. If the Company can produce special grade wire rod feed into the automotive industry to replace imported ones. This is another way to reduce the risk of fluctuations in steel prices. It can also be profitable for the Company.

Risk in Raw Material Procurement

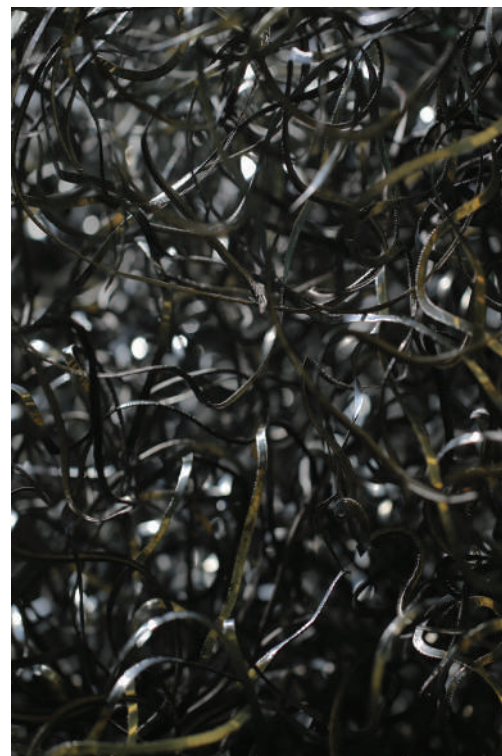
Risk from uncertainty in raw material procurement

In the production of billet which is the raw material for production of steel bar and deformed steel, the Company may face risk of longer duration of time for procurement of raw material, i.e. steel scrap, for electric arc furnace (EAF) and inconsistency of the scrap so procured. The Company has minimized such risk by collaborating with business alliances including both direct suppliers which are large local distributors of steel scrap and suppliers of imported scrap, and also by recycling steel scrap which is by-product from its steel production into the EAF. Moreover, the Company has laid down prudent and definite production and raw material procurement plans, and created and managed relationship with steel scrap suppliers to ensure that there are sufficient raw material supplies for the production.

Risk from fluctuation of raw material prices

Formerly MILL Group has to rely on imports for its raw material procurement to serve the steel production. They have thus risked facing raw material price fluctuations in line with global market mechanism; hence impact on raw material cost in production of

steel bar and deformed steel. However, by the end of 2011, when the Group will be able to produce such primary raw material as billet upon the successful implementation of the Green MILL Project, the Company will be able to reduce its exposure to raw material price fluctuations.



Financial Risk

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

Exchange Rate risk

In 2019 and 2018, the group's has an estimated purchase order from overseas 38% and 20% of the total orders respectively. While, estimated value of exports to foreign countries 6% and 3% of total sales. It caused to the group's exposed to fluctuations in exchange rates. In the past, the group's

reduced the impact of exchange rate risk by entering into forward contracts or convert the debt into Baht debt based on the suitability of the cash flow and the situation at that time.

In the future, the group's expected to still need order from overseas and still look at exports to foreign countries. As a result, the Group's continue to maintain its policy to mitigate the effects of exchange rate fluctuations on a case by case basis.

Interest Rate Risk

As of 31 December 2019, The Group has liabilities arising from borrowings financial institutions in both short term and long term debt amount of Baht 13,975 million or 85% of total liabilities. Most of the Group's loans are short-term loans in the form of promissory notes, Trust receipt and letter of credit to use as working capital to order products from manufacturers will be repayment period longer than the payment for trade receivables of the Group.

Changes in interest rates in the market may be affect the Group's interest expenses and operating results. However, the interest expenses in 2019 about 4% of revenues from sales and services while 2018 represents 4% of revenues from sales and service. While, the ability to pay interest in 2019 is 1 times, based on operating profit before interest and taxes.

Credit Risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial

institutions. The Group has policies to limit the amount of credit exposure to each financial institution.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and investments in supported market, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. As of 31 December 2019, the Group's also had unutilized credit facilities amount of Baht 3,437 million and has worked with financial institutions to find adequate liquidity in the Group. As a result, management team believe that the Group's will continue to operate continuously.



Other Risk

Environmental risk

In view of environmental risk or risk associated with work environment, the Company may be exposed to danger related to manufacturing process. It has thus relieved such risk and stepped up safety for staff by enforcing the use of Personal Protective Equipment (PPE). There is medical check-up provided for staff and people in the community. It has also disseminated knowledge to people in the community nearby the factory for them to understand and be aware of how to protect themselves from surrounding dangers.

Moreover, the Group has carried out Health Impact Assessment (HIA) regarding any incidents arisen and possible incidents as one of the major issues of its Corporate Social Responsibility commitments and under the ISO and IPPC certification. It has installed the Fume Treatment Plant and Quenching Tower to relieve any environmental impact on the community



MILLCON
STEEL



SHAREHOLDING STRUCTURE AND MANAGEMENT STRUCTURE

As of 31 December 2019, the Company's registered capital was at Baht 2,613,513,343.60, which Baht 1,810,114,210.40 has been paid up. The paid-up capital comprises 4,525,285,526 ordinary shares with a par value of Baht 0.40 per share.

Major shareholders	Shares	%
	Ordinary shares	
1. Mr.Sittichai Leeswadtrakul	1,773,517,509	39.19%
2. General Engineering PLC.	778,559,998	17.20%
3. Bangkok Bank PCL.	320,000,000	7.07%
4. Millcon Steel PLC.	184,904,000	4.09%
5. Brooker Group PLC.	114,526,566	2.53%
6. CITI (NOMINEES) LIMITED-PBG CLIENTS H.K.	77,708,384	1.72%
7. Mrs. Suchada Leeswadtrakul	60,077,120	1.33%
8. Nimitr Holding Co., Ltd.	54,438,620	1.20%
9. Danieli Co.,Ltd.	54,062,089	1.19%
10. Mrs. Areerat Leeswadtrakul	53,924,246	1.19%
11. Others	1,053,566,994	23.28%
Grand Total	4,525,285,526	100.00%

Dividend Payment Policy

The Company has a policy to pay dividend to ordinary shareholders at the rate of at least 40 percent of net profit after corporate income tax according to company-only financial statements and after legal reserve and other accumulated amount as prescribed by the Company. Such dividend payment may change depending on the Company's financial status, operating results, investment plan, necessity and appropriateness in the future as deemed appropriate by the Board of Directors and/or shareholders of the Company.

In addition, pursuant to the resolution of the Board meeting, the Company was approved to issue preferred shares Type A, Type B and Type C. Rights and status of the

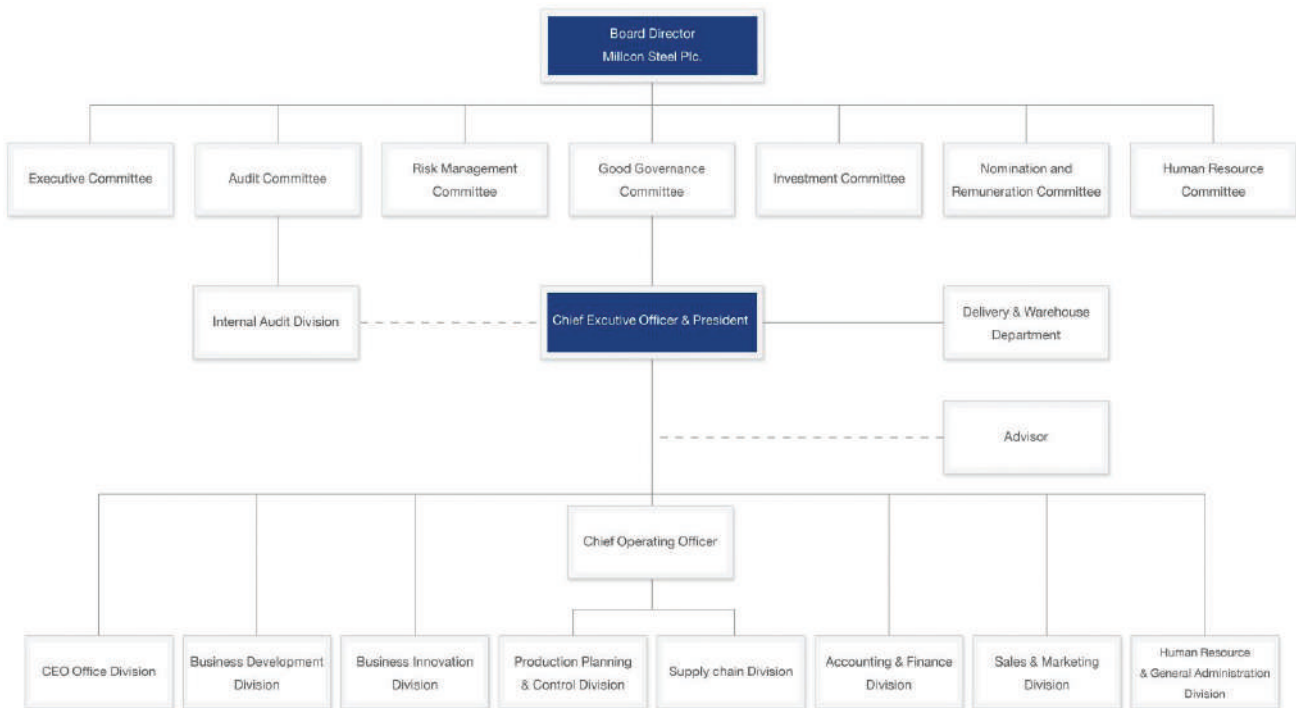
preferred shares preferred shares Type A, Type B and Type C in relation to dividend payment shall be as below:

"In any year when the Company has profit after legal reserve and other reserves as deemed necessary, and in case where there is no accumulated loss, the Company shall pay dividend to preferred shareholders. Preferred shareholders have the right to receive accumulated dividend out of the Company's profit at the rate of 5 percent per year of the investment amount duly paid by the shareholders on each of the preferred share held ("preferred dividend"). Preferred dividend shall rank in priority order to dividend entitled to by ordinary shareholders."



Management Structure

As of December 31, 2019, the Company's management structure was composed of the Board of Directors and seven board committees, namely, Audit Committee, Executive Committee, Nomination and Remuneration Committee, Corporate Governance Committee, Investment Committee, Risk Management Committee and Human Resource Development Committee, including the management team, details of which are shown in the diagram below:



MILL's management structure is composed of Board of Directors, and Board or supporting committees, namely (A) Board of Directors (B) Audit Committee (C) Nomination and Remuneration Committee (D) Corporate Governance Committee (E) Executive Committee, (F) Risk Management Committee (G) Investment Committee and (H) Human Resource Development Committee. The members of these committees are

competent persons with full qualifications pursuant to Section 68 of the Public Companies Act, B.E. 2 535 (1992) and the Securities and Exchange Commission Notification No. KorJor. 12 / 2000 regarding application for and permission of offering of newly issued shares dated March 22, 2000 in all respects. Scope of authority and duties and responsibilities of each Board committee are as follows

(A) Board of Directors

MILL's Board of Directors is currently composed of 10 directors. The 6 directors are non-executives and 4 of whom are independent directors, and 4 are executives. This aims at ensuring efficient performance of duties. The Board meets at least four times a year, for each of which clear meeting agenda are set and details supporting the matters on the agenda are sent to the Board members in advance for their prior study.

Consideration of each matter on the agenda is made taking into account the interests of the shareholders and concerned parties on a fair basis. Directors are allowed to express opinions independently. Chairman of the meeting is in charge of controlling allocation of time properly for each matter.

Board of Directors consists of 10 members as following

Member of the Board of Directors	Position	Appointment date
1. General Winai Phattiyakul	Chairman of the Board / Independent	22 September 2014
2. Pol.Gen.Soontorn Saikwan	Vice Chairman of the Board / Independent	1 June 2007
3. Mr. Pratana Bongkojmas	Director / Independent	1 June 2007
4. Mr. Apichart Chirabandhu	Director / Independent	22 September 2014
5. Ms. Suttirat Leeswadtrakul	Director who are authorized signatories of the company	1 June 2007
6. Ms. Jureerat Lapanavanich	Director who are authorized signatories of the company	27 April 2015
7. Mr. Pravit Horungruang	Director who are authorized signatories of the company	28 April 2017
8. Mr. Theerayuth Lertsirarungsun	Director who are authorized signatories of the company	28 April 2017
9. Mr. Sophon Pholprasith	Director	14 August 2014
10. Mr. Vipoota Trakulhoon	Director	14 November 2014

With Miss. Sureerat Leeswadtrakul as Secretary to the Board of Directors.

Directors authorized to sign and bind the Company

Directors authorized to sign and bind on behalf of the Company: Ms. Suttirat Leeswadtrakul is authorized to sign jointly with Ms. Jureerat Lapanavanich or Mr. Pravit Horungruang or Mr.Theerayuth Lertsirarungsun with the Company seal affixed.

Term of office of members of the Board of Directors

At each annual general meeting of shareholders, one-third of the total directors are due to retire by rotation. If the number of directors cannot be divided by three, the

closest number to one-third shall apply. The directors who are in office the longest shall retire. The retiring directors may be re-elected to be in office for another term.

Selection of qualified persons as directors shall be made from among the competent persons with diversified background and expertise, leadership and vision, adherence to code of ethics and morality, and having transparent and flawless professional track records, as well as being able to give comments and opinions independently.

Scope of authority and duties and responsibilities of the Board of Directors

1. The Board has the power to administer the Company pursuant to the laws, and the Company's objectives, articles of association and shareholders' meeting resolutions with integrity, honesty and due regards of the interests of the Company.
2. The Board has the duty to set the Company's business targets, framework, policies, plans and budget, monitor and supervise the operations of the management or any persons as may be assigned to ensure their performance in accordance with the policies set forth by the Board.
3. The Board has the power to examine, consider and approve the policies, guidelines and action plans of the Company's large investment projects as proposed by the supporting committees and/or the management.
4. The Board has the power to appoint, assign or instruct the supporting committees or any working committees to consider or take action in any issues as may be deemed proper by the Board.
5. The Board has the power to follow up or monitor the business operations to be in line with the Company's operational plans and budget.
6. The Board has the duty to monitor and ensure that the Company has efficient internal control and audit systems in place, with the internal audit work unit designated to follow up and compile information thereon as well as coordinate with the Audit Committee.
7. The Board has the power to consider and approve any issues deemed necessary and related to the Company, or deemed proper for the interests of the Company

(B) Audit Committee

Audit committee consists of 3 members as following

Member of Audit committee	
1. General Winai Phattiyakul	Chairman of Audit Committee
2. Mr. Pratana Bongkojmas	Audit Committee Member
3. Mr. Apichart Chirabandhu	Audit Committee Member

With Miss Vattika Lertritikul are Secretary of Audit Committee

Scope of authority, duties, and responsibilities of the Audit Committee

1. Review the Company's financial reports to ensure accuracy and adequacy, by coordinating with the external auditor and the executive in charge of preparing financial reports, both quarterly and yearly. The Audit Committee may suggest or recommend that the auditor review or examine any particular issues considered necessary and essential in the course of the auditing of the Company.
2. Review and ensure in collaboration with the external auditor and the internal auditors that the Company has proper and efficient internal control and audit systems in place.
3. Review and ensure that the Company operates and performs in compliance with the laws on securities and securities exchange, regulations of the Stock Exchange of Thailand, or any laws relevant to the business of the Company.
4. Select and propose the appointment of the auditor for the Company and the fixing of audit fee, based on the criteria of the reliability, sufficiency of resources and audit volume of the audit firm, as well as the experience of the personnel assigned to do the auditing of the Company.

5. Consider the Company's disclosure of information in case of a connected transaction or a transaction that may have conflict of interests to ensure accuracy and completeness, and give opinions as to the necessity and the reasonableness of the transaction.
6. Perform any other function as may be assigned by the Board of Directors and with consent of the Audit Committee.
7. Prepare and disclose the report of the Audit Committee in the Company's Annual Report.
8. Report the operations of the Audit Committee to the Board for acknowledgment at least once a year.
9. Have power to examine and investigate as deemed necessary any issues as well as seek independent opinions from professional advisors as deemed proper with the expenses on which to be borne by the Company to ensure the achievement of the performance of duties.

(C) Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of 3 members as following

Member of Nomination and remuneration Committee

- | | |
|-------------------------------|---|
| 1. Mr. Apichart Chirabandhu | Chairman of the Nomination and Remuneration Committee |
| 2. Mr. Pratana Bongkojmas | Nomination and Remuneration Committee |
| 3. Ms. Suttirat Leeswadtrakul | Nomination and Remuneration Committee |

With Mr. Kasem Juntaboon are Secretary of Nomination and remuneration Committee

Term of office of members of Nomination and Remuneration Committee

Term of office of Committee members is three years. Upon the completion of the term of office, the vacating members may be reappointed to be in office for another term.

Scope of Authority and Duties and Responsibilities of Board of Directors / Supporting Committees

Provide recommendation to the Board in selection of qualified persons for appointment as members of the Committee and in determination of remuneration for directors for proposal to the shareholders' meeting for approval, and also provide recommendation to the Board in appointment of top executives and take charge of determining remuneration including fringe benefits for top executives of the Company and its subsidiaries, as well as perform other duties as may be assigned by the Board.

(D) Corporate Governance Committee

Corporate Governance Committee consist of 6 member as following

Member of Corporate Governance Committee	
1. Professor Pakdee Pothisiri	Chairman of the Corporate Governance Committee
2. Mr. Apichart Chirabandhu	Corporate Governance Committee member
3. Ms. Suttirat Leeswadtrakul	Corporate Governance Committee member
4. Mr. Pravit Horungruang	Corporate Governance Committee member
5. Mr. Thirapong Khumruangrit	Corporate Governance Committee member
6. Miss Sureerat Leeswadtrakul	Corporate Governance Committee member

With Miss Vattika Lertritikul are Secretary of the Corporate Governance Committee.

Scope of authority and duties and responsibilities of the Corporate Governance Committee.

1. To provide advice on practices guideline and corporate governance policy to the Board of Director.
2. Duties on corporate governance, as assigned by the Board of Director.
3. Review practices and corporate governance policy
4. Compliance of the Board of Director and management team.
5. The monitor and evaluate the performance of the Board of Director.
6. Proposed to practice guideline for Code of Ethics on business.

(E) Executive Committee

Executive Committee consists of 10 members as following

Member of Executive Committee	
1. Mr. Pravit Horungruang	Chairman of Executive Committee
2. Ms. Suttirat Leeswadtrakul	Executive Committee Member
3. Mrs. Phatnaree Thitiariyakul	Executive Committee Member
4. Mrs. Nathaphat Thianpratheap	Executive Committee Member
5. Mr. Taveechai Kittichanajaroen	Executive Committee Member
6. Ms. Jureerat Lapanavanich	Executive Committee Member
7. Mr. Theerayuth Lertsirarungsun	Executive Committee Member
8. Mr. Thanee Loketkravee	Executive Committee Member
9. Mr. Puchong Jungwilikasem	Executive Committee Member
10. Mr. Thirapong Khumruangrit	Executive Committee Member

Scope of authority and duties and responsibilities of the Executive Committee

1. Consider and endorse the allocation of annual budget as proposed by the management before submitting to the Board for approval, and consider and approve the change in or addition to the annual expenditure budget during the period when no Board meeting is held and such case is considered urgent and submit it for the upcoming Board meeting's acknowledgment.
2. Approve the purchase or sale of goods that are in the normal course of business operations of the Company in the amount up to Baht 1,000 million.

3. Approve the amount for the purchase of assets in the manner of investment in the normal course of business operations of the Company other than that indicated in the annual budget up to Baht 50 million.
4. Approve the amount for the significant investment duly earmarked in the annual expenditure budget as assigned by the Board or as earlier resolved and approved in principle by the Board.
5. Perform as the advisory body to the management in the matters relating to policies on finance, investment, marketing, general administration and other aspects of operations.
6. Allocate bonus under the framework approved by the Board to the employees or contract employees or any persons performing duty for the business of the Company.
7. Monitor and supervise the day-to-day operations or administration of the Company, excluding the approval of any transactions that may have conflict of interest or those in which the Committee members or the related persons thereof have vested interests in the manner contradictory to the Company or subsidiary (if any) in compliance with the regulations of the Stock Exchange of Thailand, subject to the submission to the Board meeting and/or the shareholders' meeting for consideration and approval thereof as prescribed by the Company's articles of association or the relevant laws.

(F) Risk Management Committee

Risk management Committee consists of 10 members as following

Member of Risk Management Committee	
1. Mr. Nivat Bangsangiam	Chairman of Risk management Committee
2. Mrs. Nathaphat Thianpratheap	Risk management Committee Member
3. Mr. Pravit Horungruang	Risk management Committee Member
4. Ms. Jureerat Lapanavanich	Risk management Committee Member
5. Mr. Puchong Jungwilikasem	Risk management Committee Member
6. Mr. Theerayuth Lertsirarungsun	Risk management Committee Member
7. Mr. Thanee Loketkravee	Risk management Committee Member
8. Mr. Thirapong Khumruangrit	Risk management Committee Member
9. Miss Sureerat Leeswadtrakul	Risk management Committee Member
10. Mr. Kasem Juntaboon	Risk management Committee Member

With Miss Vattika Lertritikul are Secretary of the Risk Management Committee.

Scope of authority and duties and responsibilities of the Risk Management Committee

1. Map out policy to consider overall risk management issues, involving risks of such significant perspectives as financial risk, operational risk, business risk, external risk, etc.
2. Monitor, control, follow up and assess the operations in order to review and develop risk management system to ensure efficiency in assessing possible risks that may impact the Company's business operations, covering both internal and external risks.

3. Report the operations of the Risk Management Committee to the Board.
4. Perform other functions as may be assigned by the Board.

(G) Investment Committee

Investment Committee consists of 6 members as following

Member of Investment Committee	
1. Mr. Vipoota Trakulhoon	Chairman of Investment Committee
2. Mr. Puchong Jungwilikasem	Investment Committee Member
3. Mr. Thirapong Khumruangrit	Investment Committee Member
4. Ms. Jureerat Lapanavanich	Investment Committee Member
5. Mr. Thanee Loketkravee	Investment Committee Member
6. Ms. Peeraya Potiprasart	Investment Committee Member

With Mr. Tanachai Bovornsombat are Secretary of the Investment Committee.

Scope of authority and duties and responsibilities of the Investment Committee

1. Determine the Company's investment policy, guidelines and scope, and monitor and supervise its investment activities to be in line with the policy, guidelines and scope set forth.
2. Follow up to ensure the investment activities comply with the regulatory criteria and regulations.
3. Assess investment risks.
4. Perform other functions as may be assigned by the Board.
5. Report the results of operations, rectifications and recommendations to the Board for acknowledgment

(H) Human Resource Committee

Human Resource Committee consists of 10 members as following

Member of Human Resource Committee	
1. Ms. Suttirat Leeswadtrakul	Chairman of Human Resource Committee
2. Mr. Pravit Horunruang	Human Resource Committee member
3. Mr. Puchong Jungwilikasem	Human Resource Committee member
4. Ms. Jureerat Lapanavanich	Human Resource Committee member
5. Mrs. Nathaphat Thianpratheap	Human Resource Committee member
6. Mr. Taveechai Kittichanajaroen	Human Resource Committee member
7. Mr. Thanee Loketkravee	Human Resource Committee member
8. Mr. Thirapong Khumruangrit	Human Resource Committee member
9. Miss Sureerat Leeswadtrakul	Human Resource Committee member
10. Mr. Kasem Juntaboon	Human Resource Committee member

With Miss Piyawan Rojkasemsri are Secretary of the Human Resource Committee.

Scope of authority and duties and responsibilities of Human Resource Committee

1. Consider the policy of the management and human resource development that will be added, revised, improve, changed before being submitted to the Board of Directors for approval.
2. Review, improve, revise of the announcement of human resource management or determined to be available in the future to suit the

situation of the Company, Labor law and the Company's goal.

3. Consider the criteria of salary, Bonus. Including, promotion appointment of employees. To propose the CEO or the Chairman of Executive Committee.

Company secretary

Company secretary

According to the Meeting of the Board of Director 6/2008 held on August 14, 2008 had approved and appointed Ms. Jureerat Lapanavanich to be a company secretary whose responsibilities as follows:

1. Prepare and keep following documents:
 - (a) Director Register
 - (b) A Board of Directors' Meeting Invitation and Report
 - (c) A Shareholders' meeting Invitation and Report
2. Keep Self Declaration (report of stakeholder) of Directors or Managers (Secretary should delivery copies of Declaration to Chairman of the Board of Directors and Chairman of Audit Committee within 7 days after acknowledged the Declaration)
3. Act in according to the Securities and Exchange Commission Announcement.

Board and committee meetings are held regularly. In 2019, the Company convened 9 meetings of the Board of Directors, 6 meetings of the Audit Committee, 3 meetings of the Nomination and Remuneration Committee, 3 meetings of the Corporate Governance Committee, 2 meetings of the Investment Committee, 1 meeting of the Risk Management Committee, 12 meetings of the Executive Committee, 15 meetings of the Human Resource Committee and 1 shareholders' meeting, details of which are as follows:



Statistics of attendance of the various committees

Directors' Name	Number of meetings attended								
	The Board of Directors Meetings	Audit Committee meetings	Nomination and Remuneration Committee meetings	Corporate Governance Committee meetings	Investment Committee meetings	Risk Management Committee meetings	Executive Committee Meeting	HR Committee meeting	Shareholders meeting
General Winai Phattiyakul	9/9	6/6							1/1
Pol.Gen.Soonthorn Saikwan	7/9								1/1
Mr. Pratana Bongkojmas	9/9	6/6	3/3						1/1
Mr. Apichart Chirabandhu	7/9	5/6	3/3	3/3					1/1
Mr. Sakchai* Tanaboonchai	2/9								-/1
Ms. Suttirat Leeswadtrakul	9/9		3/3	3/3			9/12	15/15	1/1
Ms. Jureerat Lapanavanich	9/9				2/2	-/1	9/12	11/15	1/1
Mr. Theerayuth Lertsirarungsun	7/9					1/1	11/12	10/15	1/1
Mr. Pravit Horunruang	9/9			3/3		1/1	12/12	15/15	1/1
Mr. Sophon Pholprasith	8/9								1/1
Mr. Vipoota Trakulhoon	9/9				2/2				1/1
Professor Pakdee Pothisiri				3/3					
Miss Sureerat Leeswadtrakul				1/3*		1/1		12/15	
Ms.Peeraya Pothiprasart					2/2				
Mr. Puchong Jungwilikasem					1/2	1/1	12/12	14/15	
Mrs. Nantaphat Thinprateep						1/1	12/12	14/15	
Mr. Thanee Loketkravee					2/2	1/1	11/12	15/15	
Mr. Thirapong Khumruangrit				1/3*	1/2	1/1	10/12	13/15	
Mr. Nivat Bangsangiam						1/1			
Mr. Kasem Juntaboon						1/1		13/15	
Mr. Taveechai Kittichanajaroen							11/12	8/15	
Mrs. Phatnaree Thitiariyakul							1/12	-/15	

Remark : * Mr. Sakchai Tanaboonchai resigned from being a director on 2 May 2019.

** Mr. Thirapong Khumruangrit and Miss Sureerat Leeswadtrakul had appointed Corporate Governance Committee member on 15 May 2019.

At December 31, 2019, the Company's executive manager as follows:

Executive Manager	Position
1. Mr. Pravit Horungruang	President
2. Mrs. Nantaphat Thianprateep	Senior Executive Vice President of Supply Chain
3. Mr. Puchong Jungwilikasem	Senior Executive Vice President of Production
4. Mr. Thanee Loketkravee	Senior Executive Vice President of Sale and Marketing
5. Mr. Thirapong Khumruangrit	Senior Executive Vice President of Business Development
6. Miss Sureerat Leeswadtrakul	Senior Executive Vice President of Innovation
7. Mr. Theerayuth Lertsirarungsun	Senior Executive Vice President of CEO Office
8. Ms. Jureerat Lapanavanich	Executive Vice President of Accounting and Finance
9. Mr. Kasem Juntaboon	(Acting) Senior Executive Vice President of Human Resource & General Administration

Scope and Power of President

- Control and advice in operating and management business.
- Conduct and operate pursuant to the Company's policy and budget plan, approved by the meeting of the Board of Directors.
- Operate the business pursuant to objectives, policy, regulation, agreement, order, and resolution of Board of Directors Meeting and/or of Shareholders Meeting.
- Order, regulate or announce for the purpose of pursuant policy and interest of the Company and to maintain discipline of organization
- Review and estimate operation results of the Company to be prepared and manage any risk occurred by any factor.
- Approve any act relating to the Company's business, including, buy and sell contract, procurement a material for production, operation cost relating business, investment, supplying and providing of equipment, asset, and services, or authorize other person to act for the profit of the Company, provided that the approve and authorize is under limit, set by the Company.
- Act or represent as representative of the Company to third person, necessarily of operating the business.
- Operate any duty assigned by the Board of Directors.

In case the power of an executive committee conflicts with interest of the Company, as stated in regulation and announcement of Stock and Exchange Commission or Stock Exchange of Thailand, that executive committee shall not has the power or right to vote or to assign a person in any act doing relating to the conflict. To do the conflicting acts, shall be approved, with prior approval of Audit Committee, by the Board of Directors or the Shareholder's Meeting, according to the Laws and the regulation of the Company.

(A) Financial Remuneration

The Nomination and Remuneration Committee has reviewed the remuneration for the Company's directors for 2019 to ensure it is commensurate with their roles and responsibilities and has then resolved to propose the remuneration for directors as follows:

Directors' Remuneration

Chairman of the Board of Director	60,000 Baht/Month
Vice Chairman of the Board of Director	25,000 Baht/Month
Director	20,000 Baht/Month

Chairman of the Audit Committee	10,000 Baht/Month
Audit Committee member	5,000 Baht/Month
Chairman of the Corporate Governance Committee	30,000 Baht/Month

Meeting allowance is also provided based on number of meetings attended*:

Chairman of the Board of Director	10,000 Baht/Time
Vice Chairman of the Board of Director	5,000 Baht/Time
Director	5,000 Baht/Time

Remark.-

* The attendance fee to be paid to director who attended the meeting shall not more than 8 times per year and the director who is an audit committee is not entitled to receive an attendance fee in each meeting. In addition, the director who is a nomination and remuneration committee / Corporate

Governance Committee / risk management committee / investment committee is entitled to receive additional attendance fee in amount of 5,000 Baht per time with the maximum rate of 8 times per year. The above remuneration shall not be applied for executive director of the company.

In 2019, remuneration for the 10 board members totaled Baht 16.62 million, divided into

1) Baht 2.74 million for the independent directors and non-executive directors are 7 persons

Name	Remuneration for Board Members						Total
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	CG Committee	Investment Committee	Risk Management	
1. General Winai Phattiyakul	720,000	120,000	-	-	-	-	840,000
2. Pol.Gen. Soontorn Saikwan	300,000	-	-	-	-	-	300,000
3. Mr.Pratana Bongkojmas	240,000	60,000	10,000	-	-	-	310,000
4. Mr.Apichart Chirabandhu	240,000	60,000	10,000	20,000	-	-	330,000
5. Mr.Sakchai Tanaboonchai	80,000	-	-	-	-	-	80,000
6. Mr.Sophon Pholprasith	240,000	-	-	-	-	-	240,000
7. Mr.Vipoota Trakulhoon	240,000	-	-	-	-	-	240,000
8. Professor Dr. Pakdee Pothisiri	-	-	-	400,000	-	-	400,000
Total	2,060,000	240,000	20,000	420,000			2,740,000

2) In 2019, remuneration for executive 4 directors totaled Baht 13.88 million Baht. These amounts include director's remuneration, additional remuneration, executive bonus, the company contributed to the EJIP project, contribution to Social Security, contribution to provident fund and other benefits.

(B) Other Remuneration -none- Manpower

2019 (as of December 31, 2019)

Operating staff (persons)	300
Office staff (persons)	193
Total (persons)	493
Total employee remuneration (Million Baht)	217.78
Provident fund contribution (Million Baht)	4.46

Shareholdings of the Company by Directors and Management

As of December 31, 2019, securities holding of Millcon Steel Public Company Limited “MILL” had been changed as shown here:

(A) Change in securities holding of directors

Name	Shareholding in MILL (Shares)		
	As of Dec 31, 18	As of Dec 31, 17	Change + (-)
1. General Winai Phattiyakul	-	-	-
Spouse and minor children	-	-	-
2. Pol.Gen. Soontorn Saikwan	58	58	-
Spouse and minor children	-	-	-
3. Mr.Pratana Bongkojmas	835,172	835,172	-
Spouse and minor children	-	-	-
4. Mr.Apichart Chirabandhu	-	-	-
Spouse and minor children	-	-	-
6. Ms. Suttirat Leeswadtrakul	28,244,809	28,244,809	-
Spouse and minor children	-	-	-
7. Ms. Jureerat Lapanavanich	-	-	-
Spouse and minor children	-	-	-
8. Mr. Pravit Horungruang	-	-	-
Spouse and minor children	-	-	-
9. Mr. Theerayuth Lertsirarungsun	-	-	-
Spouse and minor children	-	-	-
10. Mr.Sophon Pholprasith	-	-	-
Spouse and minor children	-	-	-
11. Mr.Vipoota Trakulhoon	-	-	-
Spouse and minor children	-	-	-
12. Mr. Puchong Jungwilikasem	440	440	-
Spouse and minor children	-	-	-
13. Mr. Thanee Loketkravee	-	-	-
Spouse and minor children	-	-	-
14. Mr. Thirapong Khumruangrit	-	-	-
Spouse and minor children	106,666	106,666	-
15. Miss Sureerat Leeswadtrakul	5,550,666	5,550,666	-
Spouse and minor children	-	-	-
16. Mrs. Nantaphat Thianprateep	-	-	-
Spouse and minor children	-	-	-
17. Mr. Kasem Juntaboon	324,869	324,869	-
Spouse and minor children	-	-	-

Auditor's Remuneration

(A) Audit Fee

In 2019, the Company paid a total audit fee of Baht 5,070,000. In addition, PKF Audit (Thailand) Ltd. also served as auditor for 7 subsidiaries of the Company, Millcon Burapa Co., Ltd., Saharuam Construction Material Co., Ltd., Millcon Steel Pipe Co., Ltd. and Suntech Metals Co., Ltd., World Wilde Processing Co., Ltd, Siam Solar Generation PLC., Millcon Steel Bar Co., with a combined audit fee of Baht 6,075,000

(V) Non audit service

In year 2019, the Company group's cost for other service of Auditors, as follows:\

Millcon Steel Public Company Limited

1. Transportation fee relating to providing service 81,705 Baht.
2. Over – time fee, 177,410 Baht.
3. Postage fee 20,704 Baht.

Subsidiary company

1. Transportation fee relating to providing service 53,927 Baht.
2. Over – time fee 181,811 Baht
3. Postage fee, 34,047 Baht.

Yearly Summary of Auditor's Remuneration from 2017- 2019, as follows:

Auditor's Remuneration	Year 2019	Year 2018	Year 2017
1) Audit Fee of the Company and its Subsidiary	11,145,000 Baht	9,563,000 Baht	7,599,499 Baht
2) Other Services Charge	549,604 Baht	557,532 Baht	406,743 Baht



MILLCON
STEEL



COMPLIANCE WITH GOOD CORPORATE GOVERNANCE PRINCIPLES

Policy overview of company

The Committee of Millcon Steel Public Co., Ltd. and its group companies have operated the business with responsibility and equitability in compliance with the guideline of SEC which called compliance with good corporate governance principles. This principle can help the Company to have efficiency on the business operation with transparency and thinking of the benefit for all interested person and able to inspect which it can help the Company to increase the ability of competitiveness, products and added value to long term shareholders. The board of company and management division has made compliance with good corporate governance principles in writing and disseminates it to employees and group

companies to be their guideline of working in the Company's website www.millconsteel.com.

In addition, group company has set the policy of business operation system with the intention of enhance the ability especially of manufacturing and distributing, including with care of environment and social which the Company has disseminated to interested persons for notice, adhere and keep reviewing regularly and take it as main part of business operation.

Purpose of Business Operation

Our Company is one of topflight as steel manufacturer and trading, and being one stop center of steel products with several type of products such as Hot Rolled Coil, Slitting Coil, Steel Sheet, Flat Plate, Lip-Channel Steel, Steel Pipe and also expand to Rolled Steel, Round Bar, Deformed Bar, High Tensile Thread Steel Bar and High Value Added Steel such as One Bar which is our latest innovation on deformed bar that help us to safe cost for 20% and other products. Our products have been certified from the agency at the national and international level and we also keep developing in service by adding new service business line i.e. cut & bend and maintenance for being the real one stop center of steel products.

Furthermore, we have new products from our group companies' i.e. long shape steel or billet which support us to compete with the steel industry in intermediate level under the project of Green Mill. This project is for construct Electric Arc Furnace (EAF) with the intention to impel us to be the real one stop center of steel products. By the highest technology from Italy, the Company has an intention to product billet for both general use and special high quality for being raw material in manufacture of round bar and deformed bar and other special high quality steel. Technology of Electric Arc Technology (FASTARCTM) and Vacuum

Degassing Technology (VD) are using for product genuine and delicate skin of steel which is different from products produced from using other general technology. These technology is required from the related industry that have to use high quality of raw materials for their manufacture such as automobile industry. And because of high-technology of our machines including with good delivery system, we are able to fulfill our customers' demand.

Furthermore, we also manufactures wire rods using machines imported from the United States. It can produce both wire rods low carbon, wire rods medium carbon and wire rods high carbon. This wire rods was used as raw material for processing in automotive industry, Machinery Industry, Furniture industry with its joint venture with Kobe Steel Limited of japan. To take care of the production process and also check the product quality to ensure that the group's wire rod products Kobe Steel's standards are able to fulfill our customers' demand.

Section 1 Rights of Shareholders

1. The company has a policy not to deprive or create barriers to the opportunity for shareholders to communicate with each other.
2. The Company provide right shareholder to acknowledge information in advance of the meeting date. In addition, the Company will not add items to the meeting agenda to be voted which are not defined in Invitation Letter of AGM of Shareholders.
3. The Company support and encourage all shareholders, including institution shareholders attend the AGM, regard the location of the meeting, travel and shareholders' meeting date for facilitate attend meeting
4. Give opportunity for shareholders to propose in advance of AGM, items for inclusion on the meeting's agenda. Invitations and notifications with guideline and procedure on the methodology to propose agenda items was delivered to shareholders through the Stock Exchange of Thailand' s news portal as well as the Company's own.
5. At a shareholder meeting if there is any agenda item with vested interests of the director. The Company will identify the interests of the director in the invitation letter to the shareholders' meeting and at the shareholders' meeting, the chairman of the meeting will give notice prior to considering the agenda. If any director has any interest, that director will not attend the meeting and abstain on that agenda.
6. The company shall prepare the minutes of the shareholders' meeting and publish it on the company's website within 14 days from the date of the meeting by informing the shareholders through the Stock Exchange of Thailand's website and on the company website.
7. In 2019, the Company had the shareholder meeting one time is the Annual General Meeting of shareholder of 2019 held on, 26 April 2019 at 2 p.m. at Maenam Ramada Plaza Bangkok Hotel. Every shareholder meetings, the Company

determines the date, time and place of meeting which is consider convenience from traveling and making map to the meeting place in invitation letter and sent to all shareholders who have the right to attend the shareholders' meeting on 12 April 2019.

Section 2 Equitable Treatment of Shareholders

1. Give opportunity for shareholders to propose in advance of AGM, items for inclusion on the meeting's agenda. Invitations and notifications with guideline and procedure on the methodology to propose nominate directors was delivered to shareholders through the Stock Exchange of Thailand' s news portal as well as the Company's own.
2. The Company determine policy and practice guideline on use of internal information such use information wrongly, use of internal information for securities trading etc. to members of the Board, Management and employee from using such information for personal which inform policy and practice guidelines within the organization monitoring.
3. The Company enclosed the Proxy Form (A), Proxy Form (B), and Proxy Form (C) with the AGM invitation letter. This form may be used by shareholders who are unable to attend the meeting in person.
4. The Company prohibits directors, executives and employees from using material information that may materially affect the Company's share price and not publicly available yet, seeking benefits no matter for themselves or other. So, all directors, executives and employees must comply with the Securities and Exchange Act BE 2535, the rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand strictly.
5. Board of Director of the Company will be held AGM in accordance with the agenda item in the invitation letter. There

was no agenda item added without prior notice to the shareholders, other than those specified in the meeting invitation letter, for fairness to non-attendees except where necessary for the benefit of the company and strictly adhered to the relevant rules of law.

Section 3 Rights and Equitable Treatment of Stakeholders

1. The Company determines policy and measures to take care stakeholders for confidence and collaboration between stakeholders as shareholders, employees, customers, partners, suppliers, local communities appropriately and fairness to all parties.
2. The Company determines Code of Ethics and practice guidelines to stakeholders recognize and practice for fairness to all parties.
3. The Company determines Anti – Corruption Policy, measures to prevent and risk assessment form corruption.
4. The Company recognize social responsibility management which determines principle and practice guideline for social responsibility management achieve.

Section 4 Information Disclosure and Transparency

1. The company requires the company's directors and company executives must report trading including changes in the holding of securities issued by both self, spouses and minor children o to the board of director meeting and to the Securities and Exchange Commission.
2. The company requires directors and executives report on their own interests and related persons, including any change in stock information and Stock Exchange of Thailand by assigned the Company secretary to the report of the information under Section 89 to the board of director meeting every year to consider the company's transactions

(including changes). There may be conflicts of interest to the company as a whole. Directors and executives with any interest on the subject considered they must not participate in the voting and have no right to vote on the matter.

3. The Company must disclose information to the public immediately when there are events affect stock price and shareholders of the Company.
4. The Company must disclose information in annual report under the criteria of the Stock Exchange of Thailand and the Securities and Exchange Commission.
5. The Company has policy that the Audit Committee shall consider and opinion related transaction for present the Board of Director and/or propose the shareholder' meeting.
6. The Company has a corporate communication channel to provide shareholders, investors and interested parties, the company has easy access to the Company's information, including the Annual Report, Performance Report, Company Website including the activities organized by the Stock Exchange of Thailand, etc.
7. The Company establishes Investor Relations and channels where investors can contact information about the company you can contact the channels listed in the annual report.

Section 5 Duties and Responsibilities of the Board of Directors

1. The Board of Director elects the Chairman of the Board of Director. The Chairman of the Board of Director and Chief Executive Officer must not be the same person and there is a clear separation of boundaries and functions.
2. The Board of Director determines the company has corporate governance policy and code of ethics who determines scope of authority, duties and corporate governance, and assign directors, executives, employees and stakeholders practice.

Treatment of Stakeholders Policy

3. The Board of Director has set up subcommittees. The roles and responsibilities are assigned by the Board of Director. The roles and responsibilities of each subcommittee are disclosed in the company's annual report. The Board of Director will review the roles and responsibilities of the Board of Director and committees every year.
4. The Board of Director consider and review the vision and mission of the company every 5 years.
5. The Board of Director determine to prepare a succession plan of Executive Vice President to CEO for the Company's operating are continuing.
6. The Board of Director has assigned the Nomination and Ruminantion Committee to perform the duty of recruiting and nominating Directors who considered the candidates qualified with competence,

experience, and ability to sufficiently devote their time. Further, the Company grant the shareholders the opportunity to propose the qualified candidates to be nominated as the Company's directors accordance with criteria of the Company.

7. New Director and Management will be an orientation for acknowledge the Company's information, rule, policy and performance of the Company
8. The Company encourages directors to training courses or seminar every year for enhance knowledge.
9. The Company provides annual performance evaluation of the Board of Directors, Committees and individual1 time per year. The Nomination and Remuneration Committee shall consider the criteria for the evaluation of each committee to the Board of Director and Committees have review the performance of duties during the past year.

The Board of Directors has set policy and measures in treatment of stakeholders as detailed below:

Shareholders

The Board of Directors has set policy in treatment of shareholders as follows:

1. The Company is duty-bound to protect and observe the basic rights of the shareholders, comprising right to buy, sell or transfer shares, right to profit sharing, right to adequately access news or information on the Company, right to attend shareholders' meeting to approve businesses on the agenda as prescribed by law, to elect or remove directors, to appoint auditor, to allocate dividend, and other businesses related to the basic rights of the shareholders.
2. The Company is duty-bound to support and encourage the shareholders to exercise their rights in the businesses on the agenda of the annual general meeting of shareholders, i.e. right to propose matters to be put on the agenda in advance, right to make prior nomination

of qualified persons for election of directors, right to send questions to the meeting in advance, right to raise questions and comments at the meeting, etc.

3. The Company shall commit no acts that will be violation or restriction to the rights of shareholders

Employees

The Board of Directors has set policy in treatment of employees as follows:

1. The Company shall give remuneration to employees performance-based, with fairness and generally accepted and adopted evaluation method and justifiable to the nature of the job of each employee. Remuneration comprises monthly salary/wage, overtime payment off-office hours and on holidays, annual bonus and extra payment, life insurance, health insurance, provident fund, and so on.
2. The Company shall promote and develop its personnel's skill and knowledge on a consistent basis, e.g. participation in training and seminars of executives and staff at all levels, etc.
3. 3) The Company shall treat all its em-

employees on a fair and equitable basis as regards performance evaluation, safeguarding of confidential personal and professional data, exercise of rights to fringe benefits, etc.

4. The Company shall observe the rights of all employees and treat them with honor and respect for individual right, and allow them to voice complaints through various channels in case they are treated unfairly.
5. The Company shall observe the employees' rights to set up and participate in labor organizations, labor unions, or other organizations, and give them opportunity to negotiate employment conditions.
6. The Company shall be duty-bound to manage and make available good working environment with safety, sanitation and contribution to work efficiency and effectiveness.

7. The Company shall respect and observe the basic right of employment, i.e. no forced labor, no child labor, or no employment of children aged lower than the minimum prescribed by law.
8. There shall be no discrimination of employees on the grounds of gender, religion, race, nationality or origination. All employees shall be treated equitably.
9. The Company shall determine employment conditions for employees of all levels and titles no inferior to the minimum set by law.

In 2019, the company secretary has report the performance evaluation to the directors including the performance of the entire board and individual directors. The criteria and result are detailed as follows:

Type of Committee and Type of Evaluation Form	Evaluation Result
Board of Directors	
Entire committee evaluation : Criteria of the evaluation consist of 6 topics	3.81/4.00
1. Structure and Qualification of the Board 2. Duties and Responsibilities of the Board 3. The Board of Directors' Meeting 4. Performance of the Board 5. Relationship with Management 6. Self-development of Directors and Executives	
Individual self-evaluation : Criteria of the evaluation consist of 3 topics	3.88/4.00
1. Structure and Qualification of the Board 2 The Board of Directors' Meeting 3. Duties and Responsibilities of the Board	
Audit Committee	
Entire committee evaluation : Criteria of the evaluation consist of 3 topics	3.90/4.00
1. Structure and Qualification of the Audit Committee 2. Performance of the Audit Committee 3. Duties and Responsibilities of the Audit Committee	
Individual self-evaluation : Criteria of the evaluation consist of 3 topics	3.91/4.00
1. Structure and Qualification of the Audit Committee 2. The Audit Committee's Meeting 3. Duties and Responsibilities of the Audit Committee	
Nomination and Remuneration Committee	
Entire committee evaluation : Criteria of the evaluation consist of 3 topics	3.73/4.00
1. Structure and Qualification of the Nomination and Remuneration Committee 2. Performance of the Nomination and Remuneration Committee 3. Duties and Responsibilities of the Nomination and Remuneration Committee	

Individual self-evaluation : Criteria of the evaluation consist of 3 topics	3.88/4.00
1. Structure and Qualification of the Nomination and Remuneration Committee 2. The Nomination and Remuneration Committee's Meeting 3. Duties and Responsibilities of the Nomination and Remuneration Committee	
Risk Management Committee	
Entire committee evaluation : Criteria of the evaluation consist of 3 topics	3.85/4.00
1. Structure and Qualification of the Risk Management Committee 2 Performance of the Risk Management Committee 3. Duties and Responsibilities of the Risk Management Committee	
Individual self-evaluation : Criteria of the evaluation consist of 3 topics	3.89/4.00
1. Structure and Qualification of the Risk Management Committee 2. The Risk Management Committee's Meeting 3. Duties and Responsibilities of the Risk Management Committee	
Corporate Governance Committee	
Entire committee evaluation : Criteria of the evaluation consist of 3 topics	3.83/4.00
1. Structure and Qualification of the Corporate Governance Committee 2. Performance of the Corporate Governance Committee 3. Duties and Responsibilities of the Corporate Governance Committee	
Individual self-evaluation : Criteria of the evaluation consist of 3 topics	3.89/4.00
1. Structure and Qualification of the Corporate Governance Committee 2. The Governance Committee Committee's Meeting 3. Duties and Responsibilities of the Corporate Governance Committee	
Investment Committee	
Entire committee evaluation : Criteria of the evaluation consist of 3 topics	3.82/4.00
1. Structure and Qualification of the Investment Committee 2. Performance of the Investment Committee 3. Duties and Responsibilities of the Investment Committee	
Individual self-evaluation : Criteria of the evaluation consist of 3 topics	3.88/4.00
1. Structure and Qualification of the Investment Committee 2. The Investment Committee Committee's Meeting 3. Duties and Responsibilities of the Investment Committee	
Executive Committee	
Entire committee evaluation : Criteria of the evaluation consist of 3 topics	3.86/4.00
1. Structure and Qualification of the Executive Committee 2. Performance of the Executive Committee 3. Duties and Responsibilities of the Executive Committee	
Individual self-evaluation : Criteria of the evaluation consist of 3 topics	3.91/4.00
1. Structure and Qualification of the Executive Committee 2. The Executive Committee Committee's Meeting 3. Duties and Responsibilities of the Executive Committee	
Human Resource Committee	
Entire committee evaluation : Criteria of the evaluation consist of 3 topics	3.91/4.00
1. Structure and Qualification of the Human Resource Committee 2. Performance of the Human Resource Committee 3. Duties and Responsibilities of the Human Resource Committee	
Individual self-evaluation : Criteria of the evaluation consist of 3 topics	3.89/4.00
1. Structure and Qualification of the Human Resource Committee 2. The Human Resource Committee Committee's Meeting 3. Duties and Responsibilities of the Human Resource Committee	

Customers

The Board of Directors has set policy in treatment of customers as follows:

1. The Company is duty-bound to build long-term relationship and cooperation with customers, with integrity, trust and reliability for one another.
2. The Company is duty-bound to create maximum customer satisfaction, with high sense of accountability and care and with priority concern about customers' demand and problems.

2.1 Adhere to offering and delivery of products and services of standard quality and meeting customer demand.

2.2 Fulfill all conditions agreed upon with customers to the best of their ability.

2.3 Offer equitable prices and business terms to customers classified or ranked in the same group.

2.4 Provide true information to customers about properties and quality of the products and services to ensure fairness and customer confidence.

2.5 Be ready to answer questions from customers and take relevant actions in dealing with their complaints, as well as give suggestions and follow up the progress thereof.

Business partners

The Board of Directors has set policy in treatment of trade partners as follows:

1. The Company shall be duty-bound to create good relationship with all business partners.
2. The Company shall be duty-bound to give equitable opportunity for all business partners to introduce or offer their products / services.

2.1 Transact with business partners with integrity and on equitable term.

2.2 Consider and make decision on the basis of comparison of quality and conditions with both short-term and long-term interests of the Company taken into account.

2.3 Safeguard confidential information of the business partners, take no bribe or obtain no commission from business partners and disclose no information or offer of one or more business partners to another one or more business partners either directly or indirectly.

3. The Company shall be duty-bound to procure or engage business partners that perform according to all rules and regulations relating to environmental protection and pollution control, and treatment of employees of business partners in relation to labor and employment on a fair basis and without discrimination.
4. The Company shall be duty-bound to provide training and give suggestions to business partners in performing duty in the premises of the Company and/or any other places as designated by the Company to ensure compliance with rules, regulations and criteria relating to safety and sanitation.

Creditors

The Board of Directors has set policy in treatment of creditors as follows:

1. The Company shall be duty-bound to nurture relationship and treat creditors on the basis of integrity, trust and reliability.
2. The Company shall be duty-bound to take responsibility for, take care of and observe the conditions agreed upon with the creditors' best as possible.

Community

The Board of Directors has set policy in treatment of community as follows:

1. The Company and employees shall strictly behave as good citizens, observe human right and treat the nearby community and surrounding locality with friendship and have good relationship with the community in the locality, as well as pay attention to, do no discrimination, or bar away the people

- who need special care, such as children, women, the disabled and the elderly.
- The Company shall be duty-bound to treat the community in the locality by allowing the community to participate, giving support and developing the community in various areas for their proper well-being, i.e. education, culture, public health, economy, and creation of jobs and income, etc.
 - The Company shall be duty-bound to open up opportunity for residents in the nearby community to work with the Company as appropriate and at the Company's discretion, and have the policy to hire or employ people there as necessary and proper.

- The Company shall be duty-bound to take care of and support activities that are beneficial to the society and give cooperation to the public sector and various agencies with willingness and sacrifice for public interests.

The company has a policy to promote learning and potential development of employees at all levels to give employees the opportunity to advance in careers on an equal basis and without discrimination as appropriate. The company also focuses on health care and health of employees at all levels by providing an employee annual health checking. Moreover, the Board of Directors has set policies regarding employee care as following:

- The company provides compensation to employees by adhering to the principles of fairness evaluation and can be measured using commonly used and

accepted measurement methods that are suitable for the work characteristics of employees by employee compensation including wage income and monthly compensation, income from overtime and holiday work, annual bonuses and special remuneration, life insurance and health insurance, provident fund, etc.

- The company intends to continuously promote and develop personnel to have knowledge and ability, such as training and seminars for executives and employees at all levels, etc.

Development of work potential from the year 2017-2019

Subjects	Unit	2019	2018	2017
Number of courses	course	94	87	51
Number of staff trained	person	450	452	365
Average training hours per person per year	hour	15.04	13.46	17.64

- The company treats all employees with fairness and equality, such as employee performance evaluation, confidentiality regarding personal and work history, exercise of various welfare benefits, etc.
- The company considers the rights of employees as a priority and uphold all employees with respect to dignity and

personal rights as well as providing opportunities for employees to make complaints through various channels in the event that the employees do not receive fair treatment.

Statistics of employee complaints / suggestions from 2017-2019

Complaints / suggestions of employees / Regarding labor practices	2019	2018	2017
Complaints / suggestions of employees regarding labor practices	-	-	-
Number of employee complaints regarding labor practices	-	-	-
The number of complaints that have been resolved	-	-	-

5. The company respects the right to establish and participate in labor organizations, trade unions or other organizations including giving employees the opportunity to bargain on employment conditions.
6. The company has a duty to look after and arrange a working environment that is safe, hygienic and conducive to work with effectiveness and efficiency.

Work safety statistics from 2017-2019

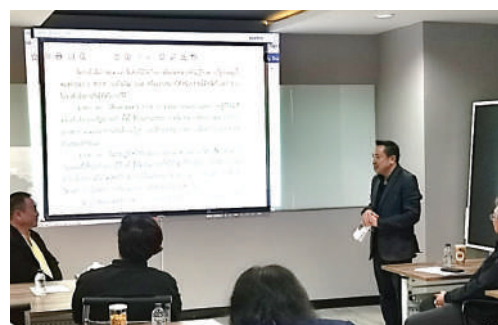
Subjects	Unit	2019	2018	2017
Number of accidents from work	Time	27	14	28
Number of accidents to stop work	Person	15	7	6
Number of deaths from work	Person	-	-	-

7. The company respects and considers basic rights in employment which the company will not proceed with forced labor, hire child labor or hiring someone lower aged than law determined.
8. The company will not discriminate against employees regardless of gender, religion, ethnicity, nationality or race and does not discriminate in any way and will treat all employees equally.
9. The company agreed to stipulate employment conditions for all employees at all levels and positions, by not less than the criteria stipulated by law.

1. All directors, executives and employees of the Company must not support or do anything that expresses the intent of corruption, offer bribery, or take bribes of stakeholders with the Company group in matter of which they are responsible either direct or indirect to get the benefit to the organization, self or relevant persons by accepting or following the anti-corrupt practices of the Company.
2. The Board of Directors assign the audit committee and Corporate Governance committee to follow and supervise the corporate governance policy.
3. The Company operates with transparency, honestly by prohibiting directors, executives and employees get bribes or incentives including gifts, prizes and endorsements in whatever format by following the business ethics or practical guide of the Company.
4. The Company provides training and education on anti-corruption to directors, executives and employees of the Company continuously to fully acknowledge the anti-corruption action policy including the consciousness of all employees to work with honestly and in accordance with ethics, moral and governance which is an important foundation to help employees to be clear and concrete, successful according to the Company policy.
5. The Company provides an internal control system. It is responsible for reviewing the implementation of the anti-corruption policy to prevent potential fraud and may affect the financial position and the Company performance.
6. The Company has set guidelines for charitable donations or sponsor any organization to act on behalf of the company or its affiliates only, and must assist or support the organization for the public benefit, is obtained a legitimate license and other public safety, amount must be appropriate not more than necessary as the case may be. The Company must proceed with transparency, follow the Company's prescribed procedures as well as follow up and monitor to ensure that donations are not being used as an excuse for corruption or bribery.
7. The Company has established guidelines on business relations and procurement with the public sector or private agencies including contact with the public or government officials or the private sector as well as those involved in running the business of the Company and its affiliates must be careful, transparent, honest, through the company's prescribed procedures and can be checked.
8. The Company provides channels for reporting clues or complaints when there is enough corruption and policies to protect and provide fairness for employees who report clues or report corruption related to the Company or affiliates by protecting the complainant or those who cooperate to report corruption including the Company has imposed penalties and disciplinary action against employees who violate the implementation of this anti-corruption corruption policy in accordance with ethics and practical guide of company.
9. The Company has a policy of political neutrality, all personnel have legal rights and political liberties and be aware not to take action or do any activities including any resources of the Company and its affiliates for political action or activities. This will cause the company group to lose its neutrality or be affected by its involvement or political support.

In the year 2019, the Company arranged Corruption training course for the Board of Directors, Executives and employees. The detail are as follows;

On 12 December 2019, the Company has provided training to educate the Board of Directors and Executives on the topic “Liability of a private company juristic person under the new constitutional law” by Mr. Phumvat Rattanaphol as lecturer, to acknowledge the offense and penalties that may occur with private juristic persons from bribes. Including, liabilities under Constitution Anti – Corruption ACT, B.E. 2561 (2018)



The Company arranged training course in subject “ Human resource development in accordance with Corporate Governance” to drive employees to know the corporate governance policy of the Company group. Especially the Anti-Corruption policy which had workshop and Role play for searching the risk of corruption from working and the possibility of corruption with government agencies.



Clue reporting
and
whistleblowing
channel

Compliance
Millcon Steel Public Company Limited
52 Thaniya Plaza Building 29th Floor, Silom
Road, Suriyawongse Bangrak
Bangkok 10500
Tel. 0-2652-3333 #207
Fax. 0-2632-9899
Email : compliance@millconsteel.com

1. Organization governance

The Company is determined to operate its business with integrity and taking public and national interests into account, and in compliance with the relevant rules, regulations and criteria, as well as observe the interests of others to whom the Company has relations. All executives and staff must perform duties with adherence to the Company's rules and regulations together with provisions of the laws; assistance, support and cooperation with other private agencies and public sector or organizations that are regulators or supervisors of the Company. Moreover, executives and staff shall perform duty with due prudence, and they shall be prevented from participating or getting involved in any activity in an illegitimate manner that may impair the business of the Company.

2. Fair competition

The Company has confidence that fair competition will empower the Company to develop consistently. It sets its policy for all the executives and staff to have self-learning and self-development all the time, and use no unfair method or no method that contradicts the business ethics to take advantage of competitors by whatsoever means.

3. Equitable treatment

The Company has a policy for all executives and staff to treat all the people with whom they have transactions fairly and equitably, namely staff in the organization, customers, business partners, shareholders, investors, government agencies, other private agencies and surrounding community and society, with due consideration of basic rights and interests of these people; and have no special treatment of any person or group of persons because of personal relationship or personal benefits.

4. Employee relations

The Company sets a policy to treat all employees equitably and with respect for human right under international standard, and to have all employees treat one another with respect for individual dignity and rights

having information on personal profile of the employees only as required for work performance and by law gathered and kept in confidence, which may be allowed for disclosure only when required by the persons with lawful rights to access such information.

The Company sets a policy to promote learning and potential development of employees of all levels so that they have progress in their career path on an equitable and non-discriminatory basis as appropriate.

In addition, the Company sets guidelines for arranging work environment that is safe, sanitary and conducive to efficient and effective work performance. Each employee shall be responsible for and render support to the colleagues and the organizations in his/her work performance, and not behave in a way that will cause deterioration of the work environment.

5. Customer relations

The Company sets a policy to create long-term relationship and cooperation with the customers, with adherence to principles of integrity, trust and reliability among one another, and most importantly, customers' maximum satisfaction in their use of products and/or services of the Company with due care and responsibility, and awareness of customers' demand and problems as the first priority. Executives and staff shall:

5.1 Adhere to offer and deliver products and services that are of standard quality and meet customers' demand.

5.2 Comply with all conditions agreed upon with the customers to the best of their ability.

5.3 Offer fair and equitable price and conditions to and among customers in the same group.

5.4 Give the customers true and correct information regarding features and quality of products and services to ensure confidence among and fairness to the customers.

5.5 Be prepared to answer the questions of the customers, and handle the customers' complaints and suggestions, as well as follow up the progress of all such issues.

6. Business partner relations

The Company sets a policy to create good relationship with its business partners by giving equitable opportunity for all business partners to introduce or offer their products / services, and all executives and staff to transact with business partners with integrity and on equitable term, and consider and make decision on the basis of comparison of quality and conditions with both short-term and long-term interests of the Company taken into account; as well as safeguard confidential information of the business partners, take no bribe or obtain no commission from business partners and disclose no information or offer of one or more business partners to another one or more business partners either directly or indirectly.

7. Conflict of interest

The Company expects all executives and staff to make business decision by taking into consideration the maximum benefits of the Company and those of the Company's customers, without being influenced by personal reasons or those of family members to deviate from the above principle, or falling in the purview of matters of personal interests that are in conflict with those of the Company and the customers, thereby

7.1 Executives and staff shall not perform in a way to seek benefits or to take over assets that are or should have been under ownership of the Company or the customers.

7.2 Executives and staff should avoid inducing any situation or having personal activity and having financial benefits that may conflict with the duty and function in their engagement.

7.3 Executives and staff should not participate in making decision on the matters from which their positions and duties and responsibilities can contribute directly or indirectly to making benefits to such executives and staff or to their family members and relatives or to any outside parties.

7.4 The Company shall avoid delegating duties and responsibilities to executives and staff in case that may lead to conflict of interest with the Company or contradict the interests of the customers of the Company.

7.5 In the event where executives and

staff participate in any outside activity or hold position outside the organization, such as being directors, advisors, representatives or employees of the entities outside the organization, such activity must cause no conflict of interest with the Company and the customers of the Company, either directly or indirectly, no damage to the Company, and no impact on the performance of duties of such persons.

7.6 Executives and staff are prohibited from participating in or taking any position in the organization engaging in the business of the same nature as the Company and the business in competition with that of the Company and companies in the Group or the business that may have conflict of interest with the Company.

8. Confidentiality

The Company shall have commitment in and responsibility for safeguarding confidentiality of the customers and business partners as regards information on transactions between customers or business partners of the Company, including personal data received from customers and/or business partners. Use of such information shall accord with the Company's normal business objectives. No confidential information shall be used for personal interests of any person. Executives and staff shall have the duty to safeguard confidentiality of the information of the customers and/or business partners. Consideration with due prudence shall always be made when such information is going to be used. Safeguarding of confidentiality of the information of customers and/or business partners shall remain the duty of executives and staff even after the end of their employment with the Company.

9. Misuse of information

The Company sets a policy for executives and staff to have duty to control, monitor and maintain all information inside the organization relating to the Company and the business of the Company in strict confidence. Executives and staff shall not use such information they may have obtained during their performance of duties to seek interests, either directly or indirectly,

for themselves, their family members, their relatives or any other persons, without prior consent from the Company. The responsibility for no misuse of information shall be binding on them during their employment and after the end of their employment with the Company for a period of time as prescribed. Disclosure of information to external parties shall be under monitoring and responsibility of the supervisors and top executives.

10. Insider trading of stocks

The company recognizes the importance of inside information, which is a significant factor to decision making of investors, whether it is information on operational performance, business expansion plan, or other information related to the Company. There may be any person who has access to and uses inside information for the benefit of trading of the Company stock while such information has not yet been disclosed to the Stock Exchange of Thailand (SET) and the public. The Company has thus set a policy prohibiting any use of inside information not yet disclosed to the SET and the public for the benefit of trading of the Company stock, including:

10.1 Executives and staff shall strictly perform in compliance with the Securities and Exchange (SEC) Act B.E. 2535 (1992), rules and regulations of the Office of the SEC, the SEC, the SET and rules and regulations of other relevant agencies.

10.2 Use of inside information that is of material essence and may impact the Company's stock price and has not yet been disclosed to the public for the benefits either of oneself or others shall be regarded as an offense against the law and the work regulations of the Company.

10.3 Executives and staff as well as their family members shall not trade the Company stock during the time of their possession of inside information that has not yet been disclosed to the public in general.

10.4 Executives and staff shall not disclose to any uninvolved persons the inside information that is of material essence and that may affect the Company's stock price.

11. Bribery and incentive

The Company sets a policy prohibiting executives and staff from receiving or calling for any bribe or incentives in whatsoever form and from assigning any person to do the same on his/her behalf that will lead to business advantage, privileges or financial benefits, as well as from offering bribe either directly or indirectly to government officials or politicians or any other person to induce them to commit any act that will benefit the Company in a way that contradicts the code of ethics, rule of law or moral principles.

12. Gift, reward and entertainment offer

The Company has instituted no policy for executives and staff to receive any gift, reward or entertainment offered by business partners or prospective business partners of the Company in a manner beyond the normal gesture of compliment in business operations. Executives and staff who receive gift, reward or entertainment shall give explanation on their proper reasons for the receipt thereof including detailed information thereon, and report the matter for the supervisor's acknowledgment. The gift or reward so received shall also be sent to be kept to relevant work unit for further management.

In 2019, the Company held a press conference and activities for shareholders as follow:

Meeting with Shareholders and Analysts	Frequency (per year)
Analyst Meeting	-
Road Show	-
Opportunity Day	-

13. Monitoring and review of compliance with code of ethics

Internal Audit Department of the Company shall be in charge of monitoring and ensuring compliance with code of ethics and reporting result thereof to Audit Committee, as well as recording or keeping all information on any acts conducted in violation to or in breach of this code of ethics. All executives and staff shall be duty-bound to give cooperation in ensuring and providing correct and complete information to Internal Audit Department.

The Company expects all its executives and staff to take part in the responsibility for monitoring the compliance with this code of ethics, as any contradicting act to this code of ethics shall be deemed disciplinary offense as prescribed in the work regulations, and may be deemed legal offense, which will impair and do damage to the good values of the organization, which will in turn cause damage to the organization both short term and long term. Executives and staff thus have duty to forthwith report to Internal Audit Department or supervisors or top executives when seeing or learning about any acts that are seen as violation or suspicious of violation to this code of ethics.

14. Penalty

The Company shall take penal action against the employees who breach this code of ethics, thereby the supervisor in the supervision line is authorized to consider such offense and take penal action against such employee who has been in misconduct or in breach of this code of ethics. The consideration of penal action shall be made based on the nature and the severity of the offense on a case by case basis. Such penal action is classified as below:

- Verbal warning
- Written warning
- Employment suspension without pay
- Employment termination, removal or dismissal





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INTERNAL CONTROL

The audit committee of Millcon steel PLC. ("The Company) assessed the adequacy of the internal control system of the Company based on the Internal Control Assessment Form prescribed by the Securities and Exchange Commission with enquiries of data made with the management in charge of the following five areas:

Organization and environment

- Board has monitored and supervised the determination of operational targets, covering short-term, medium-term and long-term, and setting of annual budget, with follow-up of results made from time to time, and having operational plan reviewed and revised during implementation to suit the circumstances at the moment as appropriate. Such issues are submitted to the Board for approval.
- The Board has considered setting of operational targets prudently and with review made to ensure the targets can be achieved and analysis undertaken on the reasonableness of incentive or compensation scheme for the employees.
- The Company has mapped out clear organization structure with administration classified into two sections, one at the managing section and the operating plants section, which will facilitate and contribute to the efficient management of the management team.
- The Company has worked out ethical criteria and procedure, covering prohibition of the management and employees from performing in a way that may cause conflict of interest with the Company and the business partners of the Company, and clear determination of penal provisions in case of violation.
- The Company has instituted written work policy and procedure regarding financial transactions, procurement and general administration on a prudent basis in order to fend off any fraud. Procurement manual worked out has been consistent with such quality standard certification as ISO 9001: 2008 and 14001: 2004. Regarding financial and administrative operations, flow chart and delegation of approval authority with clearly set approval amount are put in place. The Company has also developed its IT system consistently for use to control and prevent fraud.

To determine operational policy and plan, the Company has taken into account fairness to business partners for mutual benefits in the long run, which are prescribed as code of ethics for the management and employees.

Risk management

- The Company has established Risk Management Committee to review risk management system and assess the effectiveness thereof at least once a year and every time when a change of risk level has been found. It also gives importance to the institution of any alert signal and identification of risk events.
- Risk Management Committee will analyze and report progress of risk profile and risk management guidelines to Audit Committee within the specified time for the maximum benefit of the Company.
- Risk Management Committee has set measures for risk control effectiveness assessment in various perspectives and worked out risk mitigation methodology to prevent loss to the organization.
- Risk Management Committee has formulated annual risk management plan and follow up implementation thereof, together with reporting relevant progress to Audit Committee.

Oversight of management

- The Company has segregated duties and responsibilities concerning (1) approval, (2) recording book items and information memorandum, (3) safekeeping of assets with clear classification and work flow of operational procedure.
- The Company has drawn up measures and procedures for related party transactions and set as a policy on conflict of interest integrated as part of code of ethics for executives and staff. Internal Audit Department is assigned to conduct the audit work and report directly and consistently to Audit Committee. Persons with beneficial interest are prohibited from participating in consideration and approval of transactions that may have conflict of interest. In

making decision to approve any transactions, the Company mainly brings into account long-term maximum benefits. Transactions with possible conflict of interest shall be reported for Audit Committee's acknowledgment or comments, as the case may be.

- The Company has monitored compliance with contracts or agreements in transactions with related parties that are in a manner with long-term binding and continued commitment of contractual clauses. It is evident that the Company has never been faced with any bad debt problem so far. In this regard, measures on making transactions have been set forth and integrated in the code of ethics for executives and staff.
- The Company has regularly monitored the business operations of subsidiary companies in case of having investments in subsidiary companies thereby representative directors will be appointed as authorized directors of such subsidiary companies.
- The Company has measures in place to ensure compliance with the relevant laws as risk mitigation in its operations. It has engaged external legal advisor with specialized expertise to assist in the review of documents and give advice on various areas of operations. It also had engaged Internal Audit Service of specialize and non-related/beneficial person in charge of examining compliance with relevant rules, regulations, criteria and laws.
- The Company has no past records of performance in breach of the law and has duly instituted preventive and remedy measures.

Information and communications infrastructure

- For each Board meeting, Board Secretary and the management have made available before the meeting information and documents as well as details of the businesses on the agenda so that Board members can study in advance and use such resources to support decision making. Any additional information thereafter (if any) will be sent to them before the meeting or provided on the meeting date.
- The Company has sent Board meeting invitation notice and minutes of the previous Board meeting

together documents for the businesses on the agenda to the Board members for them to study averagely at least seven days before the meeting.

- The Company has prepared minutes of the meeting which include material information of the businesses tabled at the meeting together with recommendations, suggestions, remarks and objection (if any) raised at the meeting, and have the following Board meeting certify such minutes of the previous meeting. The Chairman have allowed Board members to independently propose amendment or addition to such minutes.
- The Company has made available specific place at Office of the Chairman, Head Office, for safekeeping documents relating to book recording and other accounts in an orderly manner. No remark of deficiency in safekeeping of documents has been made by the Auditor so far.
- The Company has adopted accounting policy in accordance with the generally accepted accounting principles under the monitoring and examination by external Auditor that is certified public accountant, without using any policy that allows for exhibition of deviated operating performance.

Follow-up and monitoring system

- The management has reported operating results to Executive Committee and Board of Directors on a quarterly basis. The Company has prepared annual budget plan for the following year operations and also for use as criteria in performance evaluation and gap analysis report systematically to Executive Committee.
- The Company has made available executive management meeting every month to track operational performance and compare it with the targets set forth in form of KPI (Key Performance Indicator), as well as to discuss rectification guidelines in case there remain gaps compared with the targets. Structure Committee has also been appointed to support operations vis-à-vis the targets with focus on development of operational work systems in order to control production cost under the budget.
- The Company has made available audit of perfor-

mance in compliance with the internal control system on a regular basis. Internal Audit Department is in charge of working out annual audit plan covering finance, operations and compliance with relevant laws, rules and regulations to assess efficiency and effectiveness, as well as audit of compliance with the internal control system in place. Internal Audit Department has been assigned to making audit result report and audit progress report directly to Audit Committee on a quarterly basis. For 2019, there have been no findings of any material irregularities. However, to prevent any future deficiencies, Internal Audit Department has examined and followed up work performance of each work unit regularly.

- The Company has a policy for its management to forthwith report to the Board of Directors in case of finding of or suspicion of fraud event, violation to the law and any other irregularities, which may tarnish the reputation and the financial status of the Company.

After the assessment, the Board has viewed that, under the current circumstances, the Company has put in place the internal control system that is adequate and consistent with the Internal Control Assessment Form of the Office of the SEC, especially on the part of internal control relating to transactions with major shareholders, directors, executives and related persons thereof. The Company has instituted the rigorous internal control system and appointed Internal Audit Department to take charge of reporting audit result to Audit Committee.

The process of product purchase

Every purchasing shall be approved by the authority about pricing, quantity and seller. The consideration of purchasing have to be meet with the demand in the best advantageous way to the Company, in addition, the Company also thought about quality, due date of delivery and condition of payment. Furthermore, the Company also has purchasing policy to compare at least 3 sellers, except the special products that the Company could not find more than 1 distributor.

The Fixing Price

In the present, the Company has considered and approved the selling price by the board of sale division in cooperation with the chief executive director as a signer every month under the market price standard. The main reason of selling the products under the market price may be from many factors such as the transportation, the demand from the purchaser and the condition of payment.

Presently, the Company has already improved the internal control and the meeting of the board of audit committee has appointed internal auditor from I.A.P Internal Audit Co., Ltd. for internal inspection in main systems of the Company. The internal inspector shall report such inspection in each system to the board of audit committee and shall report to the management division for their further improvement, which such step of improvement shall be reported to the board of audit committee periodically.



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CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Operation with fairness and anti-corruption

The Company has set the policies, business ethics and related guidelines for the fairness business operation and for anti-corruption which will be disseminated for understanding, including specifying the guidelines to all employee levels starting from orientation of new employees and/or the conference of each division. The dissemination has been done on website for all stakeholders at www.millconsteel.com, also provide stakeholders the various channels to complain to the group company

if saw any unfair treats or corruption i.e. complaint box, telephone, e-mail, Company website, letter and other channels. The received complaints will be gathered and transferred to related division for consideration and resolve them respectively.

The operations affecting to social responsibility

The Company has emphasize on enhancing the quality of life of the community along with an environmental conversation and always has responsibility to social. Regardless with any factors from inbound or outbound, the Company still carries on the business with awareness of unstable situations in order to move forward steadily by upholding good governance principles for the extremely advantages to the Company and shareholders.

Principle and way to accomplish the Company goals in social responsibility management

1. To operate with integrity and concerning on common interest and nation, including comply with regulations and rules relating to the business operating.
2. To uphold the principle of equality in each group relationship among internal employees, customers, partners, shareholders, investors, government sectors, other private sectors as well as nearby community and society.
3. To have equality practice to employees, maintain the confidential, enhance the acquisition of knowledge and potentiality of all employees level in order to provide opportunities for better career and provide safety and sanitary in working surrounded.

4. To have the operation in reducing the environmental impacts and concerning on developing the quality of life and preserve the surrounding environment.
5. To support the fair operation by not using unfair competition methods or conflict with business morality in order to take advantage from competitors.
6. To maintain standardize of propose, transfer products and services to meet customer's requirements.
7. To support the participation between the Company and community including participating in continue development of community as appropriated i.e. education, culture, and public health and Job creation.

Activities to social and environment

Good management is the key factor to the business. Thinking of the business eternity, paying attention to social, community, and environmental shall be kept in mind which help the Company able to run the business along with society and community in the future. Beside the global standardize (ISO 2600 : Social Responsibility), we have an intention to have activities for benefit society with the continued projects and new projects emphasizing on quality of life, spirit and coordinate from all relating parts, including being a supporter and participator on public event in 2018

Community and Environmental Responsibility

Targeting Area for Community Relations Project

The company focuses on community development located in the vicinity within a radius of 5 kilometer, Total 6 Sub-districts comprising 21 villages.

Nikhom Pattana Sub-district Administration Organization	Phana Nikhom Sub-district Administration Organization	Mabkha Sub-district Municipal	Mabkha Pattana Sub-district Municipal	Makhamkhu Sub-district Municipal	Mueng Mabtaput Municipal
Village No. 1, Bann Nikhom Pattana, KM. 12	Village No. 2, Baan Soi 8	Soi 2 Pattana Community	Village No. 5, Baan Mabkha	Village No. 1 Baan Nong Wa	Huay Pong Nai 1 Community
Village No. 2, Bann Nikhom 1	Village No. 3 Baan Khlong Ta Tai	Soi 13 Pattana Community	Village No. 6 Baan Tung Samnak	Village No. 6, Baan Chak Ooy	Mabkha Community – Ai Ngon Office
Village No. 3, Bann Mai Samakkee		Ruamjai Pattana Community	Village No. 7 Baan Chak Daw Rueng	Village No. 7, Baan Khao Jom Hae	Huay Pong Nai Community – Nam Tuam Bridge (Huay Pong Nai 3)
Village No. 4, Bann Nongbon		Nonghin Kawna Community			
Village No. 5, Baan Chak Pak Kood					
Village No. 6, Baan Khlong Ta Tai					

Education

1. Millcon Steel PLC Group organizes activities “give your heart to smile” giving sports equipment to Wat Chak Phak Kut School to promote the health of students exercising, keep the body healthy and use free time to be useful.
2. Millcon Steel PLC Group organizes “Millcon Makes Children’s Dream Come True “ Project for a continuous year 7 scholarships and learning equipments in order to promote education for juvenile who lack funds for education in area of Nikom Pattana Sub-district, Nikom Pattana District, Rayong Province.
3. Millcon Steel PLC Group donates a projector to Wat Chak Phak Kut School to use for teaching media and public activities of the school.
4. Millcon Steel PLC Group promotes the development of learning and sports skills development by giving sports equipment to the disabled children at the learning center for the disabled in Nikom Pattana Sub-district in order to create encouragement for students and promote sustainable management of body, mind and muscles.



Health

Millcon Steel PLC Group organizes the activity “Sports Connection for the Year 2019” to play sports with the community around the factory to build good relationships between factory and communities while also encouraging employees and villagers have a

healthy body, have a happy heart, have joint activities together, create unity in the squad and good relations between the community committee with emphasis on fun and teamwork, have collaborative planning within each color.



Religion, Culture and Traditions

Millcon Steel PLC. Group joins the tradition of large candle procession and the tradition of offering rain showers cloth at Pakorn Thammaram Temple, Chak Phak Kut Temple and Nong Bon Temple which is a tradition that shows faith, the unity of the community and the inheritance of Buddhism to maintain existence but if everyone helps to carry on this beautiful tradition, the tradition of casting candles and large candle procession for the Buddhist will be continue a tradition in Thailand.

Millcon Steel PLC Group is co-hosted the Kathin Ceremony at Nong Bon Temple and Chak Phak Kut Temple for employees to make merit to maintain good Thai's tradition and good relations between factory and communities



Society and Environment

26 July 2019, Bicycle and Planting Activity in the project of community and factory conserving the environment in the year 2019 to increase the green space creating good awareness about the conservation of natural resources of environment and encouraging to use bicycles to carry out more activities in daily life.



4 December 2019, Project “ Millcon Join the Power for Protection Environment” Millcon and villagers around the factory join to plant Thong Urai Tree to improve the landscape on both sides of the road on Soi 4 in front of Millcon Burapa Co., Ltd., amount 100 trees.



Millcon Steel PLC Group joins the project “ Nicom Volunteer for preventing Dengue Fever” with Nikom Pattana Sub-district Administration Organization and Nong Bon Sub-district Health Promoting Hospital campaigning against Dengue Fever, spraying mosquitoes in houses complete with the distribution of abate sand to community and people bringing to sprinkle in places with waterlogging sources, resident to prevent mosquito larvae and dengue carriers.



“Doing Good Deeds for the Queen Mother” Project, employees of Millcon Steel PLC Group joins volunteer activities perform cleaning Nong Bon Temple to be given as a royal charity on the birthday of Her Majesty Queen Sirikit The Queen Mother on 12 August 2019.



From flooding in Ubon Ratchathani Province made many people get in trouble, Millcon Steel PLC Group offers food, utensils, and Millcon Brand drinking water for relieving the suffering of the people.



Millcon Steel PLC Group arranges activity “Millcon Volunteer Dream Paint” for adjusting classroom to be livable by painting new color to be bright and clean, no longer a source of pathogens including support employees join activity for social also at Nikhom Sang Ton Eng School 5, Rayong Province, for 3 rooms.



Awards

On 19 September 2019, Mr Theerayut Vanichchang, Deputy Minister of Industry is the award president of the Department of Primary Industries and Mines, Ministry of Industry of the year 2019, by Ms. Sureerat Leeswadtrakul, Senior Executive Vice President, Business Innovation Division, on behalf of Millcon Steel PLC and Millcon Burapa Co., Ltd., received the CSR-DPIM Continuous Award 2019 in “Excellent Level” at the Grand Ballroom Meeting Room, The Emerald Hotel Bangkok.



On 29 October 2019, Mr. Theerayut Lertsirangsan, Senior Executive Vice President, Millcon Steel PLC. is the representative to receive the “STAR STEMS Awards, Good Citizen with outstanding discipline 2019” from Professor Dr. Sriracha Wongsarayangkun, Chairman of the Educational Reform Coordination Committee and follow the policies of the Deputy Minister, Ministry of Education and Deputy Ministry’s Representative as the STAR STEMS principles can be applied to use in the factory to increase work efficiency at the Vayupak Convention Center, Centra by Centara Hotel, Government Center and Convention Center, Chaeng Watthana, Bangkok Metropolis.





Related Transactions

Nature of Relationship

The Company has related transactions with related party which might have conflict of interest. The transactions occur, which the transactions with shareholders and/or directors of the Company and related party which might have conflict of interest who are shareholders and/or directors of the Company which are summarize nature relation as follow as:

Related party which might have Conflict of Interest	Nature of Relationship
Mr. Somphop Leeswadtrakul	Ms. Suttirat Leeswadtrakul's father who is major shareholders and Board of Directors of Millcon Steel PLC.
Mr. Sittichai Leeswadtrakul	Major shareholders and Ms. Suttirat Leeswadtrakul's brother who is Board of Directors of Miicon Steel PLC.
Ms. Suttirat Leeswadtrakul	Major shareholders and Board of Director of Millcon Steel PLC.

Related Party

Related party which might have Conflict of Interest	Nature Business	Nature of Relationship
Million Miles Co., Ltd	Transportation Services	As the director of Million Miles and being the husband of Ms. Sutthirat Leeswardtrakul which is the company's director.
R.S.P. Steel Co., Ltd	Steel Products	As the director of RSP and being the husband of Ms. Sutthirat Leeswardtrakul which is the company's director.
General Engineering Plc.	Construction materials and services	เป็นผู้ถือหุ้นใหญ่ของบริษัทจำนวนร้อยละ 17.20 ของจำนวนหุ้นที่ชำระแล้ว
	Being a major shareholder of the Company 18% of paid-up capital.	การร่วมค้าทางอ้อม (จนถึงวันที่ 14 มีนาคม 2561)
Ocean Supply	Distribution of metal scrap	กิจการที่เกี่ยวข้องกันโดยการถือหุ้นทางอ้อม
	Joint Venture by Indirect Shareholding (until 14 March 2018)	กิจการที่เกี่ยวข้องกันโดยการถือหุ้นทางอ้อม
IGEN Powertech Co., Ltd.	Production and distribution of Busduct	Related Company Indirect Shareholding
IGEN Energy Co., Ltd.	Distribution of renewable energy	Related Company Indirect Shareholding
McTric Plc.	Construction	Related Company with Director

Nature of related transactions

In 2019, The Company has related transactions, which the Company summarize nature and amount of the related transaction as follow as

- Guarantee loan from financial institutions/Creditors

Millcon Steel PLC.

Related party which might have Conflict of Interest	Nature of Transactions	Value of Outstanding Loans (Million Baht)		Opinion and Conditions
		As of Dec 31, 2019	As of Dec 31, 2018	
Mr. Sittichai Leeswadtrakul	Guarantee Long- term loans in domestic	298.4	397.58	The transaction is beneficial to the Company. As the Company will has long-term capital for support the Company's business.
Mr. Somphop Leeswadtrakul Mr. Sittichai Leeswadtrakul	Guarantee loans by L/C for international and Domestic or T/R and Loans, By Issued P/N and credit limit for advance foreign currency.	4,097.61	6,053.63	The transaction is beneficial to the Company. As the Company will has working capital for support the Company's business.

Millcon Burapa Co., Ltd.

Related party which might have Conflict of Interest	Nature of Transactions	Value of Outstanding Loans (Million Baht)		Opinion and Conditions
		As of Dec 31, 2019	As of Dec 31, 2018	
Mr. Somphop Leeswadtrakul Mr. Sittichai Leeswadtrakul Millcon Steel PLC.	Guarantee loans by L/C for international and Domestic or T/R and Loans, By Issued P/N and credit limit for advance foreign currency.	2,173.91	2,185.09	The transaction is beneficial to the Company. As the Company will has working capital for support the Company's business
Mr. Somphop Leeswadtrakul Mr. Sittichai Leeswadtrakul Millcon Steel PLC.	Guarantee Long- term loans domestic	-	49.67	The transaction is beneficial to the Company. As the Company will has working capital for Green Mill Project.
Mr. Sittichai Leeswadtrakul Millcon Steel PLC.	Guarantee Long- term loans domestic	1,467.08	1,443.91	The transaction is beneficial to the Company. As the Company will has long-term capital for support the Company's business

Millcon Steel PiPe Co., Ltd.

Related party which might have Conflict of Interest	Nature of Transactions	Value of Outstanding Loans (Million Baht)		Opinion and Conditions
		As of Dec 31, 2019	As of Dec 31, 20178	
Mr. Sittichai Leeswadtrakul Millcon Steel PLC.	Guarantee loans by L/C for international and Domestic or T/R and Loans, by Issued P/N and credit limit for advance foreign currency.	101.00	248.73	The transaction is beneficial to the Company. As the Company will has working capital for support the Company's business

Suntech Metals Co., Ltd.

Related party which might have Conflict of Interest	Nature of Transactions	Value of Outstanding Loans (Million Baht)		Opinion and Conditions
		As of Dec 31, 2019	As of Dec 31, 20178	
Mr. Sittichai Leeswadtrakul Millcon Steel PLC.	Guarantee loans by L/C for international and Domestic or T/R and Loans, by Issued P/N and credit limit for advance foreign currency.	250.61	246.87	The transaction is beneficial to the Company. As the Company will has working capital for support the Company's business

IGEN Engineering Co., Ltd.

Related party which might have Conflict of Interest	Nature of Transactions	Value of Outstanding Loans (Million Baht)		Opinion and Conditions
		As of Dec 31, 2019	As of Dec 31, 20178	
Millcon Steel PLC.	Guarantee loans by working capital	83.47	23.30	The transaction is beneficial to the Company. As the Company will has working capital for support business of associate

IGEN Powertech Co., Ltd.

Related party which might have Conflict of Interest	Nature of Transactions	Value of Outstanding Loans (Million Baht)		Opinion and Conditions
		As of Dec 31, 2019	As of Dec 31, 20178	
Millcon Steel PLC.	Guarantee loans by O/D, by Issued P/N and long term loans	157.56	34.46	The transaction is beneficial to the Company. As the Company will has working capital for support business of associate

The opinion of audit committee

A consideration of the list as above did by the administrator who is a major shareholder. The audit committee has checked list as above and saw that it necessary and reasonable because of the condition of Commercial Bank loan and loan creditor use it for business that will make benefits for the company and subsidiaries without any fee of loan insure.

13.3 Measure or procedure of the approval related transactions.

Nowadays, procedure of the approval related party transactions of the company must ensue compliance with the securities and exchange law, and regulations, announcement, command or regulations of the Stock Exchange of Thailand by the committee or a person who might have conflict of interest or might have conflict of interest in any benefit with the company or subsidiaries, they will not have the right to vote for the approval consideration in any related transactions.

Related transactions policy

The company policy for the approval a related transaction, generally classify follow these.

- General business account and General Business support account with general merchandise condition such as purchasing or distribute products and service. The company has determined the related transaction policy to any conditions follow a general merchandise character in the price market that could compared with the price happening to outside person and must practice follow the agreement contract by strictly including price determined and other conditions with clearly, fairness and do not cause to transfer any benefits. So that, the internal audit will check the information and do the report to the audit committee to consider and comments for the appropriate of the price and a reasonable of every three months.
- General business account and General Business support account without general merchandise condition and other related transaction. The company has a policy for the audit committee to consider and comments about a reasonable and a necessary of a transaction before do it and must practice to ensure compliance with the securities and exchange law, and regulations, announcement, command or regulations of the Stock Exchange of Thailand including practicing follow the regulation of the information disclose involving and received or distribute a very important asset of the company or subsidiaries (if have), Related transactions such as a transaction involved the asset or other

services such as assets' rented or rental and acquisition or sale of asset ect., and a transaction for received or given a financial fund such as loan, guarantee and using asset as a guarantee ect. In case of the audit committee have no expertise in a consideration related transactions; the company will hire a freelance expert to comments related transactions to consist of a decision of the committee or a shareholder depends on the case and the company will disclose related transactions in the remarkable with financial budget which pass the check by the company accounting audit including Form 56-1 and annual report. So that, a person who might have conflict of interest or gain or loss any related transactions will not have the right to vote in related transaction.

So that, related transaction may happen in the future, the committee must practice follow the regulations that determined and the committee must not approve any transaction which themselves or a person who might have a conflict of interest in other character with the company and must disclose the above transaction to the company committee for a consideration.

Transactions between the Company and its subsidiaries, subsidiaries and subsidiaries, Company and related companies and subsidiaries and related companies. Transactions with business alliances, Transactions between the Millcon Burapa Co., Ltd. and business alliances

In 2019, the Company had transactions with its subsidiaries and related companies at the same conditions and prices as it had with any third party. Details on December 31, 2019 are as followings.

1) Transactions between the Company and its subsidiaries

Transactions	Millcon Burapa	Millcon (HK)	Millcon Thiha
	Amount (Baht)	Amount (Baht)	Amount (Baht)
1. Revenues			
1.1 Revenues from sale and services	797,040,325.00	-	187,576,748.90
1.2 Interest receivable	-	-	-
1.3 Rental Income	-	-	-
1.4 Other revenues	16,800,000.00	-	780,000.00
2. Expenses			
2.1 Purchase of goods	4,821,177,498.60	-	-
2.2 Selling and services expenses	-	-	-
2.3 Cost of sales of goods and services	11,012,880.00	-	-
3. Outstanding balances arising from purchases and sale of goods and services			
3.1 Account receivable	-	-	64,749,557.56
3.2 Short term loans	-	-	-
3.3 Advance payments for goods	43,502,773.19	-	-
3.4 Advance payment	1,105,112,982.81	107,293.25	-
3.5 Accrued interest income	-	-	-
3.6 Other receivables	1,498,000.00	-	5,239,511.08
3.7 Long-term loans	-	-	-
3.8 Trade accounts payable	-	-	-
3.9 Advance received for goods	393,908,236.01	-	-
3.10 Advance received for assets	-	-	-

Transactions	Saharuam Construction Material	Millcon Steel Pipe	Suntech Metals
	Amount (Baht)	Amount (Baht)	Amount (Baht)
1. Revenues			
1.1 Revenues from sale and services	196,058,025.74	57,405,375.50	209,497,839.99
1.2 Interest receivable	-	-	12,237,230.78
1.3 Rental Income	-	-	147,000.00
1.4 Other revenues	360,000.00	3,000,000.00	3,727,095.00

Transactions	Saharuum Construction Material	Millcon Steel Pipe	Suntech Metals
	Amount (Baht)	Amount (Baht)	Amount (Baht)
2.Expenses			
2.1 Purchase of goods	255,466.00	2,674,353.75	-
2.2 Selling and services expenses	-	-	-
2.3 Cost of sales of goods and services	-	-	-
3.Outstanding balances arising from purchases and sale of goods and services			
3.1 Account receivable	15,476,765.92	-	11,251,041.57
3.2 Short term loans	-	61,500,000.00	38,500,000.00
3.3 Advance payments for goods	-	-	-
3.4 Advance payment	-	-	-
3.5 Accrued interest income	-	-	28,564,714.04
3.6 Other receivables	-	13,600,080.71	-
3.7 Long-term loans	-	-	233,090,111.00
3.8 Trade accounts payable	-	728,403.58	-
3.9 Advance received for goods	-	-	-
3.10 Advance received for assets	-	-	-

Transactions	Siam Solar Generation	Millcon Steel Bar	Millcon Thiha (HK)
	Amount (Baht)	Amount (Baht)	Amount (Baht)
1. Revenues			
1.1 Revenues from sale and services	-	-	222,668,190.33
1.2 Interest receivable	-	-	-
1.3 Rental Income	-	-	-
1.4 Other revenues	24,000,000.00	-	-
2.Expenses			
2.1 Purchase of goods	-	-	-
2.2 Selling and services expenses	-	-	-
2.3 Cost of sales of goods and services	-	-	-
3.Outstanding balances arising from purchases and sale of goods and services			
3.1 Account receivable	-	-	113,104,607.32
3.2 Short term loans	-	-	-
3.3 Advance payments for goods	-	-	-
3.4 Advance payment	-	6,710.00	-
3.5 Accrued interest income	-	-	-
3.6 Other receivables	29,960,000.00	-	-
3.7 Long-term loans	-	-	-
3.8 Trade accounts payable	-	-	-
3.9 Advance received for goods	-	-	-
3.10 Advance received for assets	-	1,000,000.00	-

2) Transactions between the company with associate and joint venture

Transactions	Kobelco Millcon Steel	Wisdom Tree Investment	IGEN Engineering	Builk One Group	Begistics
	Amount (Baht)	Amount (Baht)	Amount (Baht)	Amount (Baht)	Amount (Baht)
1.Revenues					
1.1 Revenues from sales and services	50,287.50	-	-	-	809.20
1.2 Interest receivable	-	-	289,726.03	-	-
1.3 Rental Income	960,000.00	-	-	-	-
1.4 Other revenues	2,577,530.33	-	450,000.00	165,000.00	-
2.Expenses					
2.1 Purchase of goods	1,576,341,541.26	-	-	-	-
2.2 Selling and services expenses	-	-	-	320,000.00	101,345,137.71
2.3 Cost of sales of goods and services	5,674,662.00	-	562,500.00	-	24,452,964.39
3.Outstanding balances arising from purchases and sale of goods and services					
3.1 Account receivable	-	-	-	-	-
3.2 Short term loans	-	-	-	-	-
3.3 Advance payments for goods	-	-	-	-	-
3.4 Advance payment	3,169,038.00	1,851,872.20	-	-	-
3.5 Other advance payment	-	-	1,190,621.07	-	-
3.6 Accrued income	482,395.51	-	-	-	-
3.7 Accrued interest income	-	-	-	-	-
3.8 Other receivables	167,350.90	-	2,201,929.06	-	-
3.9 Long-term loans	-	-	-	-	-
3.10 Trade accounts payable	150,208,850.63	-	-	-	-
3.11 Accrued expense	-	-	-	-	15,519,375.20

3) Transactions between the company and related companies.

Transactions	R.S.P. Steel	General Engineering	Millcon Thiha GEL	Builk Asia	IGEN Powertech
	Amount (Baht)	Amount (Baht)	Amount (Baht)	Amount (Baht)	Amount (Baht)
1.Revenues					
1.1 Revenues from sales and services	38,745,566.57	10,822,974.08	113,141,289.00	75,228,282.40	-
1.2 Gain on disposal of assets	-	-	4,604,653.65	-	-
1.3 Other income	-	-	3,600,000.00	-	-
2.Expenses					
2.1 Purchase of goods	-	-	-	-	-
2.2 Selling and services expenses	429,792.00	-	-	-	-
2.3 Cost of sales of goods and services	433,083.79	-	-	-	-

Transactions	R.S.P. Steel	General Engineering	Millcon Thiha GEL	Bulk Asia	IGEN Powertech
	Amount (Baht)	Amount (Baht)	Amount (Baht)	Amount (Baht)	Amount (Baht)
3.Outstanding balances arising from purchases and sale of goods and services					
3.1 Account receivable	7,728,725.51	-	54,918,936.41	-	-
3.2 Short term loans	-	-	-	-	14,300,000.00
3.3 Advance payments for goods	-	-	-	-	-
3.4 Advance payment	-	-	436,182.87	-	-
3.5 Other receivables	-	-	33,398,339.75	-	-
3.6 Trade accounts payable	-	-	-	-	-
3.7 Advance receive for goods	31,088,785.05	-	-	-	-
3.8 Advance receive for assets	-	-	-	-	-
3.9 Accrued expense	145,533.07	-	-	-	-

4) Transactions with business alliances

Transactions	Insight Steel	Jarasrunroj
	Amount (Baht)	Amount (Baht)
1.Revenues from sale goods	122,640,319.41	9,825,896.30
2.Purchase of goods and services		
2.1 Purchase of goods	105,442,480.00	-
3.Outstanding balances arising from purchases and sale of goods and services		
3.1 Account receivable	111,398,898.87	-
3.1 Trade accounts payable	112,823,453.60	-

Pricing Condition and Policy

The above related party transactions were executed between MILL and its subsidiaries and related companies, using the trading policy that was based on market mechanism.

Necessity and Reasonableness of Related Party Transactions

The said related party transactions were entered into under the usual course of business between MILL and its subsidiaries and related companies and were subject to the similar terms and conditions for non-related party transactions. That is, in executing the transactions on raw material procurement, the Company was confident in quality and consistency of raw material supply, while the transactions on product selling were a means of broadening the Company's distribution channels.

Measure or Procedure for Approval of Related Party Transactions

The individual member companies of MILLCON Group have clearly defined rules on delegation of approval

authority for entering into related party transactions. Under the rules, the transactions are subject to approval from the president or board of directors of each subsidiary or from the Executive Committee Chairman or the management or the Board of Directors of the Company within the specified approval limits and under an adequate internal control system that could prevent frauds. Such approval authority is regularly reviewed to ensure smoothness and flexibility in the business operation.

If there are any future transactions that may involve a conflict of interest, the Company will strictly abide by all measures and procedures under the notifications and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, in relation to the seeking of approval from the Board of Directors and/or the shareholders of the Company under recommendation from the Audit Committee. The director/s and executive/s who has/have a conflict of interest is/are not entitled to participate in the meeting or must abstain from voting to ensure that a decision is made with fairness by the Board of Directors and the management.



DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND OPERATING RESULTS

Management Analysis and Explanation

Industry Overview

From the Iron and Steel Institute of Thailand information, Thailand's finished steel consumption in the year 2019 was at 18.47 million ton, contracting by 4.5 percentage due to the reduction of 7.3 and 2.7 percentage of long and flat steel products compared to the same period of the previous year respectively. Consumption of long steel products stood at 6.9 million ton, divided into steel bars consumption stood at 4.4 million ton, decreased 12 percentage and consumption of wire rods stood at 2.3 million ton, increasing by 1.6 percentage for the consumption of flat steel products was at 11.5 million ton, contracted by 2.7 percentage following the slowdown in the downstream industry.

As for the trend of the steel industry in the year 2020 expected that the consumption of steel products will increase by approximately 0.5 percentage compared to the same period of the previous year with supporting factors from continuous industrial expansion such as Construction Industry. Especially, the government infrastructure construction project and various government stimulus measures.

Company Performance

Revenue from Sales and Other Incomes

Table: Revenues by products

(unit : Million Baht)

Product Type	Year 2019			Year 2018			Year 2017		
	QTY (Ton)	Value	%	QTY (Ton)	Value	%	QTY (Ton)	Value	%
Steel Bar	647,814	10,923	63.04	574,323	10,880	53.55	592,804	9,979	50.85
Structural Steel	55,750	1,133	6.54	45,543	1,057	5.2	40,713	852	4.34
Wire rod	78,047	1,358	7.84	42,929	865	4.26	36,159	658	3.35
Billet	160,328	2,526	14.58	324,400	5,707	28.09	474,726	7,057	35.96
Other	103,214	1,017	5.87	142,607	1,810	8.9	87,368	1,078	5.5
Services	-	370	2.13	-	-	-	-	-	-
Grand Total	1,045,153	17,327	100	1,129,802	20,319	100	1,231,770	19,624	100

From the above table when considering the sales of the company group by product type can be seen that in the year 2019, the company has been able to drive sales of steel bar for construction which is the main product of the company group, increased by 9 and 13 percentage from the year 2017 and 2018 respectively while structural steel increased by 37 and 22 percentage respectively but due to the effects of the trade war between the United States and China. It makes steel prices in the world market have

declined, the average steel selling price therefore decreases according to the mentioned situation as above result, the company has revenue from sales and services in the year 2019 decreased from the year 2017 and 2018 by 12 and 15 percentage respectively

Table: Revenues by geographic

(Unit: Million Baht)

รายได้จากการขายสินค้าของกลุ่มบริษัท	ปี 2562		ปี 2561		ปี 2560	
	ล้านบาท	ร้อยละ	ล้านบาท	ร้อยละ	ล้านบาท	ร้อยละ
ภายในประเทศ	16,353	94	19,680	97	17,329	89
ต่างประเทศ	974	6	639	3	2,295	11
รวมรายได้จากการขาย	17,327	100	20,319	100	19,624	100

For the geographic sales of the company group in the year 2017-2019, the ratio of revenue from domestic sales to total sales was 89 percentage, 97percentage and 94percentage respectively, while the sales ratio to foreign countries stood at 11 percentage, 3 percentage, 6 percentage respectively.

Other incomes since the year 2017 - 2019 stood at 151 million baht, 1,283 million baht and 377 million baht respectively, calculated for proportion 1 percentage, 6 percentage and 2 percentage of total revenue respectively, which in the year 2019 the company has profit from the sale of investment such as the sale of shares of IGEN Engineering Company Limited in the amount of 118 million baht, Builk One Group Company Limited of 61 million baht and Ocean Supply Company Limited of 10 million baht. Moreover, there was a gain on exchange rates of 74 million baht, compensation income of 29 million baht, profits from debt restructuring of subsidiaries companies of 22 million baht, profits from assets of 2 million baht and other income of 62 million baht, resulting in the year 2019 the company has total revenue at 17,705 million baht.

Gross Profit

The company's gross profit margin in the year 2017-2019 stood at 7 percentage, 1 percentage and 6 percentage respectively, in the year 2019 due to the situation of lower steel prices in the world market. Therefore the raw material prices also decreased according to the world steel prices including improving the efficiency of the steel bar production process resulting in the production cost in the year 2019 stood at 16,349 million baht, decreasing from the year 2017 and 2018 by 10 percentage and 18 percentage respectively resulting in the year 2019 the company has increased gross profit from the year 2018.

Selling and Services Expenses

Selling and Service Expenses of the company group in the year 2017-2019 stood at 755 million baht, 701 million baht and 609 million baht respectively. In the year 2019, Selling and Service Expenses decreased when compared to the year 2017 and 2018, 19 percentage and 13percentage respectively due to the management of administrative expenses according to the company's strategic plan.

Net profit (loss)

The company group has a net profit (loss) since the year 2017 - 2019 equal to 123 million baht, 184 million baht and (12) million baht respectively, based on the operations described above resulting in the year 2019 operating results a loss but if considering only the EBITDA from the year 2017 - 2019 stood at 1,047 million baht, 1,326 million baht and 1,055 million baht respectively.

Statement of Financial Position

Assets

Account Receivable and Notes Receivable-Net

Table showing the Age of Trade Accounts and Notes Receivable-Net from 2017 to 2019

Description	Statement of Financial Position					
	Year 2019		Year 2018		Year 2017	
	Value	Ratio	Value	Ratio	Value	Ratio
Not yet due	2,182,600	79.57%	2,271,861	59.93%	775,811	59.93%
Overdue not more than 3 months	322,439	11.76%	233,962	7.43%	96,141	7.43%
Overdue more than 3 to 6 months	197,112	7.19%	63,852	0.59%	7,640	0.59%
Overdue more than 6 to 12 months	2,780	0.10%	7,107	0.58%	7,517	0.58%
Overdue more than 12 months	38,002	1.39%	49,927	31.47%	407,321	31.47%
Grand Total	2,742,933	100%	2,626,709	100.00%	1,294,430	100.00%
Less allowance for doubtful accounts	-28,235	1.03%	-51,208	31.40%	-406,515	31.40%
Grand Total Trade Accounts Receivable-net	2,714,698	98.97%	2,575,501	68.60%	887,915	68.60%

As on December 31, of the year 2017 - 2019, the company group had net account receivables in the amount of 888 million baht, 2,576 million baht and 2,715 million baht respectively. In the year 2019 this amount of account increased from the year 2017 and 2018 by 1,688 million baht and 139 million baht due to be awaiting payment for the due product.

For receivables with outstanding balances over 3 months, the company has followed up and expedite debt collection at all stages closely preventing loss of benefits In addition. Moreover, the company group has a policy to set up allowance for doubtful accounts when the debtor is overdue more than 12 months but if the debtor has collateral covering the debt for the company group, the company will not set up allowance for doubtful accounts.

Inventories

Table showing the list of net inventories at the end of the year 2017 - 2019

(Unit: Million Baht)

Description	Statement of Financial Position					
	Year 2019		Year 2018		Year 2017	
	Value	Ratio	Value	Ratio	Value	Ratio
Raw Materials	783	28%	1,069	23%	1,067	26%
Semi - finished goods	34	1%	32	1%	49	1%
finished goods	893	31%	2,221	49%	1,959	48%
Work in progress	4	0%	-	0%	-	0%
Spare parts and supplies	885	31%	762	17%	857	21%
Goods in transit	246	9%	470	10%	168	4%
Total Inventory	2,844	100%	4,553	100%	4,100	100%
Less allowance for decline in value of goods	-22	-1%	-236	-5%	5	0%
Less allowance for differences in finished goods	-	0%	-	0%	-	0%
Net inventory	2,822	99%	4,317	95%	4,095	100%

The company group's inventories as on 31 December of the year 2017 - 2019 stood at 4,095 million baht, 4,317 million baht and 2,822 million baht respectively. In the year 2019, the company has reduced inventories due to deliver the finished products to the customer according to the increasing steel bar order.

Land, Building and Equipment

As on 31 December of the year 2017 - 2019, the company group has land, building and equipment - net stood at 9,036 million baht, 10,504 million baht and 10,667 million baht, calculated to be 46 percentage, 45 percentage and 48 percentage of total assets respectively. Land, building and equipment - net increased by 163 million baht in the year 2019 from the purchase of machinery to increase efficiency in the production of long steel bars which are the main raw materials for the production of steel bars.

From the above information as a result as on 31 December in the year 2017 - 2019, the total assets of the year 2017-2019 stood at 19,442 million baht, 23,456 million baht and 22,082 million baht.

Source of Funds

Liabilities

At the end of the year 2017 - 2019, the company group had total liabilities of 13,565 million baht, 17,543 million baht and 16,339 million baht with the decrease in liabilities came from the company paid for raw materials and goods result in account payable and other payables total reduced by 757 million baht together with the delivery of goods to customers resulting in advance payment of goods reduced by 703 million baht. Moreover, employee benefits burden increased by 12 million baht due to changes in labor laws regarding compensation.

Shareholders' Equity

At the end of the year 2017 - 2019, the company group had shareholders' equity worth 5,877 million baht, 5,912 million baht and 5,743 million baht respectively. In the year 2019, shareholders' equity decreased by 169 million baht because the company paid dividends to shareholders both for ordinary shares and preferred shares totaling 149.5 million baht and according to the performance in the year 2019.

Liquidity

From the table showing important financial ratios comparing between the year 2017 - 2019, has found that the liquidity of the company group by considering the current ratio stood at 0.80 times, 0.66 times and 0.65 times respectively while the quick ratio stood at 0.44 times, 0.45 times and 0.42 times respectively, by in the year 2019 is slightly down from previous years.

Regarding the profitability of the company in the year 2017 - 2019, the company has gross margin of 7.39 percentage, 1.45 percentage, 5.65 percentage, by the year 2019, the gross profit margin has increased, the price of raw materials has decreased in accordance with the world steel price and improving the efficiency of the steel bar production process resulting in reduced production costs and EBITDA stood at 1,055 million baht respectively.

Audit Committee's Report

Dear Shareholders,

The Board of Directors appointed an Audit Committee, which is composed of three independent directors, namely General Winai Phattiyakul, as Chairman of the Audit Committee, Mr. Apichart Chirabandhu and Mr. Pratana Bongkojmas, as Audit Committee Members. All of Committee members are experts with skills in various fields such as accounting and finance and corporate management, and have met the qualifications as prescribed by the Stock Exchange of Thailand, with no shareholding, no involvement in the business operations and no vested interests in the Company.

The Audit Committee has performed duty and rendered opinion independently under the scope of duty and responsibility entrusted by the Board of Directors with respect to the oversight of the Company's operation to ensure transparency and compliance with the regulations, standards and requirements under relevant laws, with cooperation from the management, internal auditors and external auditors.

In 2019, 6 meetings were held, with details of meeting attendance of each Audit Committee member as shown below:

	Number of attendance
1. General Winai Phattiyakul	6/6
2. Mr. Pratana Bongkojmas	6/6
3. Mr. Apichart Chirabandhu	5/6

At the meetings, consideration was made on various matters, of which material details together with the Audit Committee's opinion could be summed up as follows:

1. Opinion on the quarterly and yearly financial statements of the Company

Furthermore, in Year 2019, Audit Committee, after reviewed the Quarterly to Yearly Financial Statement, significant Accounting Policy of the Company, adequacy of Information Publicity, through the Auditing Plan, Method, and by working with the management team of the Company, the Audit Committee opine that Financial Statement of the Company is appropriated.

2. Consideration on appropriateness of internal control system

The Audit Committee held meetings with the internal auditors, who are independent, to follow up on the operation of all departments to ensure conformity with the established system, as well as to revise the Company's internal control system to be aligned and compatible with its current circumstance. The Audit Committee is of the opinion that the Company's internal control system is appropriate and adequate and has not discovered any material mistake in the past year.

In additional, the Audit Committee had reviewed the internal Audit' Plan, which was appropriated, independent and complied with COSO (the Committee of Sponsoring Organizations) policy.

3. Review of regulatory and legal compliance

The Company has engaged an internationally-recognized legal consultant to advise on compliance with regulations of concerned authorities, laws on securities and exchange, regulations of the Stock Exchange of Thailand, the Public Limited Companies Act, and other legislations related to the Company's business. The Company has exercised cautions to avoid any action that could violate rules and regulations of the concerned regulatory bodies.

4. Consideration and opinion on connected transactions or transactions with possible conflict of interest

The Audit Committee has examined the Company's related party transactions taking place during the past year and viewed that they were executed on an arm's-length basis, which is consistent with the auditor's opinion. Details of the transactions were correctly and completely disclosed and presented in the financial statements and notes to the financial statements.

5. Consideration on appropriation, and appointment of the auditors

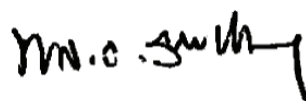
The audit committee selected auditor for an accounting year 2020. PKF Audit (Thailand) Ltd. is an appropriate and non-related/beneficial from the company / subsidiaries / management / major shareholder or individual. Miss Sawinee Sawanont, Certified Public Accountant (Thailand) No. 7092 and/or Miss Napaporn Sathitthammaporn Certified Public Accountant (Thailand) No. 7494 and/or Mr. Pitinan Lilamethwat are appointed for the Financial year 2020.

The Annual General Meeting of Shareholder 1/2020 to consider appointment the Auditors, The Company invites the shareholders of the company to attend the meeting for vote on the date, time and place.

6. Opinion and self-estimate of Audit Committee

The Audit Committee had self-estimated their performance in Year 2019 in 2 parts which are 1. Overall Performance and 2. Specifically Performance which is 1) Review the adequacy and appropriation of Financial Statement, 2) Review the adequacy and efficiency of Internal Audit, 3) Review the adequacy and appropriation of Compliance to SEC Regulation and other relevant Laws, 4) Consider and Select the external Auditor, 5) Review the transaction with person might be related 6) Prepare and Report the Audit Committee's opinion , the Audit Committee estimated and opined that the performances were duly and efficient conducted.

On behalf of the Audit Committee



(General Winai Phattiyakul)

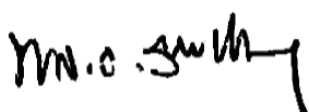
Chairman of the Audit Committee

Board of Directors' Statement of Responsibility for Financial Reports

The Board of Directors of Millcon Steel Public Company Limited strongly values the duties and responsibilities in accordance with good corporate governance principles. The Board of directors is responsible for the financial statements of the Company and its subsidiaries including financial information presented in the annual report and the annual financial statements for the year ended December 31, 2019, which are prepared according to Generally Accepted accounting Standards of Thailand. The Board of Directors has selected and consistently followed an appropriate accounting policy. The aforementioned financial statements are prepared using careful judgment and the best estimation. In addition, important information is adequately disclosed in the notes to the financial statements. The financial statements have been examined by an independent external auditor and the auditor has expressed an unqualified opinion. Therefore, the financial statements accurately and transparently reflect the Company's financial status and operating performance in the past year and can be used for the benefit of shareholders and investors.

The Board of Directors has appointed the Audit Committee, which comprises of independent directors, to review the quality of the financial reports and to evaluate the internal control system, risk management system, and various systems to support effective financial documentation to ensure that accounting records are correct, complete, timely and able to prevent fraud or materially irregular operations. The Audit Committee's opinion is presented in the Audit Committee's report which is a part of this annual report.

Directors Believes that the Company's overall internal control system is able to create credibility and reliability for the financial and its subsidiaries for the period ended December 31, 2019.



(General Winai Phattiyakul)
Chairman of the Board



(Mr. Pravit Horungruang)
Chairman of Executive Committee / President



**MILLCON
STEEL**

**Millcon Steel Public Company Limited
and its subsidiaries**

Financial statements for the year ended
31 December 2019
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders and Board of Directors of Millcon Steel Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Millcon Steel Public Company Limited and its subsidiaries (the "Group"), and of Millcon Steel Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2019, 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 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 2019 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basic 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 the 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.

Material Uncertainty Related to Going Concern

I draw attention to note to the financial statements No. 3, which indicated that, as at 31 December 2019, the Group and the Company have current liabilities in excess of the current assets amounting to Baht 4,122.22 million and Baht 2,936.86 million respectively (*31 December 2018: Baht 4,897.81 million and Baht 2,572.04 million respectively*) and that the Group and the Company incurred a loss after tax of Baht 12.36 million and Baht 108.27 million respectively for the year then ended (*2018: Profit after tax of Baht 184.25 million and Baht 295.57 million respectively*). The current liabilities mainly include short-term loans in the term of promissory note and trust receipt and letter of credit. The Group and the Company have remaining credit facilities not drawn of Baht 3,436.75 million and Baht 2,602.39 million respectively (*31 December 2018: Baht 2,326.80 million and Baht 1,547.48 million respectively*), Management is implementing strategic operational and financial restructuring plans to seek to ensure adequate liquidity in the Group and the Company, and the ability to meet liabilities and to continue to trade. These factors, whereby liquidity in the Group and Company and their ability to meet liabilities as they fall due and to continue to trade may be dependent upon the success of managements plans, indicate

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the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern. Hereby, my opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the *Material Uncertainty Related to Going Concern* and *Emphasis of matter* sections, we have determined the matters described below to be the key audit matters to be communicated in our report.

The key audit matter	How the matter was addressed in the audit
<p>Valuation of inventory</p> <p>The Group’s inventories are highly significant to the financial statements and are measured at the lower of cost and net realisable value. Therefore, the Group’s inventories have an exposure to the volatility market prices. Many items are price sensitive commodity goods and the raw materials have been reserved for finished goods production and sales of raw materials and finished goods were fixed prices of sale in advance. Significant management judgment is therefore required to considering the net realisable value.</p> <p>The Group considers the allowance for decline in value by the management as significant estimates and judgment. Consequently, I consider that this is a key audit matter.</p> <p><i>Refer to Note 5.6 and 13</i></p>	<p>My audit procedures, which were designed to assess the appropriateness of the allowance for decline in value of inventories, included:</p> <ul style="list-style-type: none"> - understanding the policies and procedures that the Group’s management applied for setting up allowance for decline in value of inventories. - performing tests on a sample basis of net realisable value of inventories by investigating with the sales documents after period end whether there were any sales at price lower than cost to assess management’s estimates and decision whether the allowance for decline in value of inventories was appropriate and adequate. - considering the historical accuracy of the allowance for decline in value of inventories, evaluating the appropriateness of the assumptions made in the current year and assessing the reasonableness of assumptions made by management on the extent of long-outstanding inventories, sales at price lower than cost, and the future operating plan to consider the appropriateness of the decline in value. - assessing the adequacy of the group’s disclosures in accordance with the related Thai Financial Reporting Standards.

The key audit matter	How the matter was addressed in the audit
<p>Recognition of revenue from sale of goods</p> <p>Revenue from sales is a highly significant account to the financial statements. Moreover, the sales volumes and selling prices of the Group's are sensitive to the variability of the market price of steel. I consider that this is a key audit matter.</p> <p><i>Refer to Note 5.20</i></p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> - considering and testing the efficiency of the Group's internal control system related to the revenue recognition by interviewing the responsible staff, understanding and selecting sample transactions to test the operation of the controls designed by the Group. - performing tests sales supporting documents during the year, including near the reporting period end and subsequently to the reporting period end by sample basis. - analysing and comparing accounting information of the revenue from sales to investigate the unusual transactions that may have incurred during the accounting period. - assessing the adequacy of the group's disclosures in accordance with the related Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to note of financial statement No. 6, whereby the statements of financial position as at 31 December 2018, as presented herein for comparative purpose, have been adjusted for the correction of allowance for difference and allowance for decline in value of finished goods and for joint venture liabilities. The correction effects to retained earnings in the consolidated and separate statements of financial position, net increase amounting to Baht 595.58 million and Baht 464.44 million, respectively. It effects to cost of sales of goods increase amounting to Baht 51.83 million, loss from difference in finished goods decrease amounting to Baht 516.27 million in the consolidated and separate statements of comprehensive income and share of loss of joint venture decrease amounting to Baht 131.15 million in the consolidated financial statements only. Hereby, my conclusion is not modified in respect of this matter.

I draw attention to note of financial statement No. 34, whereby the Group's has revenue from sales to two external parties from the scrap division amounting to Baht 65.18 million (2018: Baht 3,005.63 million). However, the goods as mentioned above is the same type of goods that a subsidiary purchased from those parties during the same period or within short intervals. Those parties have no known relation with the Group, so these transactions are considered to be in the normal course of business. Hereby, my conclusion is not modified in respect of this matter.

Other Matter

The consolidated and separate statements of financial position of Millcon Steel Public Company Limited and its subsidiaries and of Millcon Steel Public Company Limited as at 31 December 2018, as presented herein for comparative purpose, was audited by another auditor who expressed qualified opinion, regarding inability to obtain sufficient appropriate audit evidence over the investment in overseas subsidiary and joint venture. There are also, emphasis of matters regarding the significant doubt on the entity's ability to continue as a going concern, recording loss from difference in finished good because the warehouse inventory report had less finished goods than those in the accounting inventory report, the advance payment for goods is paid by avals and revenues from sales to partners as report dated 8 March 2019. The consolidated and separate statements of financial position as at 31 December 2018, as presented herein for comparative purpose, have been adjusted as described in note of financial statement No. 6.

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 the management of the Company.

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.



(Sawinee Sawanont)
Certified Public Accountant
Registration No. 7092

PKF Audit (Thailand) Ltd.
Bangkok
27 February 2020

Millcon Steel Public Company Limited and its subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018 (Restated)
			<i>(in Baht)</i>		
				31 December	31 December
Current assets					
Cash and cash equivalents	10	514,695,713	297,038,157	393,387,556	227,761,611
Restricted cash at financial institution	25	584,009,415	877,037,923	548,873,284	559,518,134
Short term loan to related party	8	14,300,000	-	114,300,000	-
Trade accounts receivable	11	2,714,697,528	2,575,500,659	1,904,332,190	1,934,975,714
Other receivables	12	331,237,937	293,897,394	1,227,656,710	353,187,603
Inventories	13	2,821,608,126	4,316,524,916	1,007,036,949	1,997,882,616
Advance Payments for Inventories		782,955,687	962,418,094	154,111,170	83,268,073
Other current financial assets		15,214,532	4,463,054	4,938	353,788
Asset held for sale	14	39,496,497	-	52,000,128	-
Total current assets		7,818,215,435	9,326,880,197	5,401,702,925	5,156,947,539
Non-current assets					
Restricted cash at financial institution	25	40,000,000	-	-	-
Investments in associates	15	362,853,227	307,673,339	377,719,307	329,396,522
Investments in subsidiaries	16	-	-	5,458,375,894	5,457,376,194
Investments in joint venture	18	107,363,978	149,580,827	1,574,015,735	1,592,553,148
Other long-term investments	19	-	-	-	-
Long-term loans to subsidiaries	8	-	-	233,090,111	233,090,111
Investment properties	20	38,970,280	38,970,280	107,912,810	109,220,217
Property, plant and equipment	21	10,667,414,971	10,504,473,515	1,823,899,526	1,810,892,297
Goodwill	22	1,907,470,032	1,907,470,032	-	-
Other intangible assets	23	32,895,413	35,057,004	32,812,840	34,256,123
Right to generate and sell electricity	24	938,566,703	984,915,676	-	-
Other non-current assets		168,257,645	200,623,841	52,372,668	90,961,651
Total non-current assets		14,263,792,249	14,128,764,514	9,660,198,891	9,657,746,263
Total assets		22,082,007,684	23,455,644,711	15,061,901,816	14,814,693,802

Millcon Steel Public Company Limited and its subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		2019	31 December 2018 (Restated)	2019	31 December 2018 (Restated)
			(in Baht)		
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	25	9,556,947,892	10,590,980,759	6,834,668,088	5,144,816,027
Trade accounts payable	26	1,242,694,592	1,698,383,791	691,885,163	1,174,825,532
Other payables	27	358,565,436	659,590,418	175,672,362	399,247,119
Advances received for Inventories		166,297,216	868,905,736	525,079,787	870,471,932
Short-term loans from related parties	8	-	-	-	1,018,542
Current portion of long-term loans from financial institutions	25	587,957,195	355,093,528	100,322,195	100,093,528
Current portion of liabilities under debt restructuring agreement	28	12,000,000	-	-	-
Current portion of finance lease liabilities	25	15,967,763	17,110,610	10,931,725	10,935,900
Income tax payable		-	22,211,172	-	21,349,611
Other current liabilities		3,000	12,417,820	-	6,226,205
Total current liabilities		11,940,433,094	14,224,693,834	8,338,559,320	7,728,984,396
Non-current liabilities					
Joint venture liabilities	6	-	-	-	-
Long-term loans from financial institutions	25	3,830,221,852	2,807,875,888	197,167,319	297,489,514
Liabilities under debt restructuring agreement	28	73,000,000	-	-	-
Finance lease liabilities	25	25,273,093	43,356,715	17,785,707	30,387,878
Deferred tax liabilities	29	413,626,621	422,791,170	40,946,567	40,946,566
Non-current provisions for employee benefit	30	56,528,438	44,511,322	31,684,970	22,692,928
Total non-current liabilities		4,398,650,004	3,318,535,095	287,584,563	391,516,886
Total liabilities		16,339,083,098	17,543,228,929	8,626,143,883	8,120,501,282

Millcon Steel Public Company Limited and its subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		2019	31 December 2018 (Restated)	2019	31 December 2018 (Restated)
Equity					
Share capital:					
Authorised Share Capital	31	2,613,513,343	2,773,515,332	2,613,513,343	2,773,515,332
Issued and paid-up share capital		1,810,114,504	1,810,114,210	1,810,114,504	1,810,114,210
Premium on ordinary shares		3,890,221,975	3,890,220,261	3,890,221,975	3,890,220,261
Retained earnings (Deficit)					
Appropriated					
Legal reserve	33	93,518,370	93,518,370	93,518,370	93,518,370
Legal reserve for treasury shares		317,705,790	317,705,790	317,705,790	317,705,790
Unappropriated		-261,228,872	-85,767,938	478,136,119	736,572,714
Treasury shares	32	-317,705,790	-317,705,790	-317,705,790	-317,705,790
Other component of equity		252,580,594	262,331,673	163,766,965	163,766,965
Equity attributable to owners of the parent		5,785,206,571	5,970,416,576	6,435,757,933	6,694,192,520
Non-controlling interests	17	-42,281,985	-58,000,794	-	-
Total equity		5,742,924,586	5,912,415,782	6,435,757,933	6,694,192,520
Total liabilities and equity		22,082,007,684	23,455,644,711	15,061,901,816	14,814,693,802

Gain on exchange rates		13,330,110	32,047,270	33,233,310
Gain on claims		29,365,902	7,120,076	0
Gain on debt restructuring	28	21,999,187	59,970,975	-
Gain (loss) on disposals of assets	20, 21	1,872,471	1,088,743,847	683,322
Dividend income		-	6,999,930	-
Other income		62,034,846	67,634,804	81,677,095
Total income		17,704,500,693	21,601,247,143	14,054,356,766
Expenses	8, 9			
Cost of sales of goods and rendering services		16,348,723,650	20,024,978,536	13,335,531,567
Distribution costs	35	216,441,378	251,342,574	169,423,948
Administrative expenses	36	392,995,855	449,947,415	244,949,690
Reversal of doubtful debt		(25,136,724)	(138,143,491)	(11,682,309)
Finance costs		737,950,952	753,102,655	424,377,801
Total expenses		17,670,975,111	21,341,227,689	14,162,600,697
Share of loss of associates and joint venture	6, 15, 18	(55,028,013)	(59,424,158)	-
Profit (loss) before income tax expense		(21,502,431)	200,595,296	(108,243,931)
Tax income (expense)	39	9,142,824	(16,350,272)	(21,725)
Profit (loss) for the year		-12,359,607	184,245,024	-108,265,656
Other comprehensive income (expense)				
Items that will be subsequently reclassified to profit or loss	15, 18			
Exchange differences on translating foreign operations		5,333,154	(1,340,095)	-
Share of other comprehensive income (expense) of associates and joint venture		(13,870,358)	(966,254)	-
Total items that will be reclassified subsequently to profit or loss		(8,537,204)	(2,306,349)	-
Items that will not be subsequently reclassified to profit or loss	15, 18			
Share of other comprehensive income (expense) of associates and joint ventures		-	384,509	-
Gains (losses) on remeasurements of defined benefit plans		(378,509)	(2,411,257)	(459,655)
Total items that will not be subsequently reclassified to profit or loss		(378,509)	(2,026,748)	(459,655)
Total other comprehensive income (expense) for the year		(8,915,713)	(4,333,097)	(459,655)
Total comprehensive income (expense) for the year		(21,275,320)	179,911,927	(108,725,311)
Profit (loss) attributable to:				
Owners of the parent		(25,370,411)	198,679,153	(108,265,656)
Non-controlling interests	17	13,010,804	(14,434,129)	-
Profit (loss) for the year		(12,359,607)	184,245,024	(108,265,656)
Total comprehensive income (expense) attributable to:				
Owners of the parent		(35,500,729)	195,014,596	(108,725,311)
Non-controlling interests	17	14,225,409	(15,102,669)	-
Total comprehensive income (expense) for the year		(21,275,320)	179,911,927	(108,725,311)
Earnings per share (in Baht)	40			
Basic earnings per share		(0.010)	0.043	(0.030)
Diluted earnings per share		-	0.046	-

Milicon Steel Public Company Limited and its subsidiaries
Statement of changes in equity
For the year ended 31 December 2018

Note	Consolidated financial statements													
	Issued and Paid-up share Capital	Treasury shares	Share premium	Legal reserve	Retained earnings Legal reserve for treasury shares	Unappropriated	Translating foreign operations	Revaluation surplus from assets (in Baht)	Share of other comprehensive income of subsidiaries and associates	Share of other comprehensive income of associates and joint ventures	Total other components of shareholders' equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Year ended 31 December 2018														
Balance at 1 January 2018	1,621,786,862	-	3,673,192,112	45,222,059	217,028,149	244,302,841	-63,705,702	368,497,756	-3,376,107	263,850,031	5,846,363,905	28,270,333	5,876,634,238	
Transactions with owners, recorded directly in equity														
<i>Contributions by owners of the parent</i>														
31 Issue of ordinary shares	80,000,000	-	217,028,149	-	-	-	-	-	-	-	297,028,149	-	297,028,149	
31 Shares options exercised	1,000,000	-	-	-	-	-	-	-	-	-	37	-	37	
41 Dividends	108,327,316	-	-	-	-	-	-	-	-	-	-	-	-	
41 Shares repurchased	-	-	-	-	-	-	-	-	-	-	-	-	-	
33 Legal reserve	-	-	-	48,286,311	-	-	-	-	-	-	-	-	-	
32 Treasury shares	-	-	-	-	317,705,790	-	-	-	-	-	-	-	-	
Total transactions with owners	188,327,348	(317,705,790)	217,028,149	48,286,311	317,705,790	(526,725,479)	-	-	-	-	(73,083,671)	-	(73,083,671)	
Changes in ownership interests in subsidiaries														
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	121,746	-	121,746	-	-	
Acquisition of non-controlling interests with a change in control	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	121,746	-	121,746	-	-	
Total transactions with owners, recorded directly in equity	188,327,348	(317,705,790)	217,028,149	48,286,311	317,705,790	(526,725,479)	-	-	121,746	-	121,746	-	-	
Comprehensive income for the year														
Profit (loss) - restated	-	-	-	-	-	198,679,153	(673,850)	-	(966,254)	(1,640,104)	198,679,153	(14,434,129)	184,245,024	
Other comprehensive income (loss)	-	-	-	-	(2,024,453)	-	-	-	(3,664,557)	-	(3,664,557)	(668,540)	(4,333,097)	
Total comprehensive income (loss) for the year	-	-	-	-	(2,024,453)	-	(673,850)	-	(966,254)	(1,640,104)	195,014,596	(15,102,669)	179,911,927	
Balance at 31 December 2018	1,810,114,210	(317,705,790)	3,890,220,261	93,518,370	317,705,790	(85,767,938)	(64,379,552)	368,497,756	(4,342,361)	262,331,673	5,970,416,576	(58,000,794)	5,912,415,782	

Milicon Steel Public Company Limited and its subsidiaries
Statement of changes in equity
For the year ended 31 December 2019

Note	Consolidated financial statements													
	Issued and Paid-up share Capital	Treasury shares	Share premium	Legal reserve	Retained earnings Legal reserve for treasury shares	Unappropriated	Translating foreign operations	Revaluation surplus from assets (in Baht)	Share of other comprehensive income of subsidiaries and associates	Share of other comprehensive income of associates and joint ventures	Total other components of shareholders' equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Year ended 31 December 2019														
Balance at 1 January 2019 - as reported	1,810,114,210	(317,705,790)	3,890,220,261	93,518,370	317,705,790	(85,767,938)	(64,379,552)	368,497,756	(37,444,170)	262,331,673	5,374,834,250	(58,000,794)	5,316,833,456	
Cumulative effects of adjustments in respect of prior year														
6	-	-	-	-	-	-	-	-	-	-	595,582,326	-	595,582,326	
Balance at 1 January 2019 - restated	1,810,114,210	(317,705,790)	3,890,220,261	93,518,370	317,705,790	(85,767,938)	(64,379,552)	368,497,756	(37,444,170)	262,331,673	5,970,416,576	(58,000,794)	5,912,415,782	
Transactions with owners, recorded directly in equity														
<i>Contributions by owners of the parent</i>														
31 Dividends	294	-	1,714	-	-	(149,711,284)	-	-	-	-	2,008	-	2,008	
41 Shares options exercised	-	-	-	-	-	(149,711,284)	-	-	-	-	(149,711,284)	-	(149,709,276)	
Total transactions with owners	294	-	1,714	-	-	(149,711,284)	-	-	-	-	2,008	-	(149,709,276)	
Changes in ownership interests in subsidiaries														
Call-up additional of registered share capital of subsidiaries from non-controlling interests	-	-	-	-	-	(25,370,411)	-	-	-	-	(25,370,411)	13,010,804	(12,359,607)	
16	-	-	-	-	-	(329,239)	-	-	-	-	(329,239)	1,214,605	(6,915,713)	
Total changes in ownership interests in subsidiaries	-	-	-	-	-	(25,709,650)	(882,573)	-	-	-	(25,709,650)	14,225,409	(21,275,320)	
Total transactions with owners, recorded directly in equity	294	-	1,714	-	-	(149,711,284)	(882,573)	-	-	-	(149,709,276)	14,225,409	(148,215,876)	
Comprehensive income for the year														
Profit (loss) - restated	-	-	-	-	-	3,355,701	(882,573)	-	(12,119,207)	(9,751,079)	3,355,701	13,010,804	(8,455,278)	
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-	-	1,214,605	(6,915,713)	
Total comprehensive income (loss) for the year	-	-	-	-	-	3,355,701	(882,573)	-	(12,119,207)	(9,751,079)	3,355,701	14,225,409	(21,275,320)	
Balance at 31 December 2019	1,810,114,504	(317,705,790)	3,890,221,975	93,518,370	317,705,790	(261,228,872)	(65,367,125)	368,497,756	(16,461,568)	252,580,594	5,785,206,571	(42,281,985)	5,742,924,586	

Millicon Steel Public Company Limited and its subsidiaries
Statement of changes in equity
For the year ended 31 December 2018

	Note	Issued and paid-up share capital	Treasury shares	Share premium	Separate financial statements		Total other components of shareholders' equity	Total equity
					Legal reserve	Retained earnings Legal reserve for treasury shares (in Baht)		
Year ended 31 December 2018								
Balance at 1 January 2018		1,621,786,862	-	3,673,192,112	45,232,059	-	163,766,965	6,473,627,293
Transactions with owners, recorded directly in equity								
<i>Contributions by owners of the parent</i>								
Issue of ordinary shares	31	80,000,000	-	217,028,149	-	-	-	297,028,149
Shares options exercised	31	32	-	-	-	-	-	32
Dividends	41	108,327,316	-	-	-	(160,733,378)	-	(52,406,062)
Legal reserve	33	-	-	-	48,286,311	(48,286,311)	-	-
Treasury shares	32	-	(317,705,790)	-	-	(317,705,790)	-	(317,705,790)
Total contributions by owners of the parent		188,327,348	(317,705,790)	217,028,149	48,286,311	317,705,790	-	(73,083,671)
Total transactions with owners, recorded directly in equity		188,327,348	(317,705,790)	217,028,149	48,286,311	(526,725,479)	-	(73,083,671)
Comprehensive income for the year								
Profit (loss) - restated		-	-	-	-	295,565,904	-	295,565,904
Other comprehensive income (loss)		-	-	-	-	(1,917,006)	-	(1,917,006)
Total comprehensive income (loss) for the year		-	-	-	-	293,648,898	-	293,648,898
Balance at 31 December 2018		1,810,114,210	(317,705,790)	3,890,220,261	93,518,370	317,705,790	163,766,965	6,694,192,520

Millicon Steel Public Company Limited and its subsidiaries
Statement of changes in equity
For the year ended 31 December 2019

	Note	Issued and paid-up share capital	Treasury shares	Share premium	Separate financial statements		Total other components of shareholders' equity	Total equity
					Legal reserve	Retained earnings Legal reserve for treasury shares (in Baht)		
Year ended 31 December 2019								
Balance at 1 January 2019 - as reported		1,810,114,210	(317,705,790)	3,890,220,261	93,518,370	317,705,790	163,766,965	6,229,756,113
Cumulative effects of adjustments in respect of prior year	6	-	-	-	-	464,436,407	-	464,436,407
Balance at 1 January 2019 - restated		1,810,114,210	(317,705,790)	3,890,220,261	93,518,370	736,572,714	163,766,965	6,694,192,520
Transactions with owners, recorded directly in equity								
<i>Contributions by and distributions to owners of the parent</i>								
Shares options exercised	31	294	-	1,714	-	-	-	2,008
Dividends	41	-	-	-	-	(149,711,284)	-	(149,711,284)
Total contributions by and distributions to owners of the parent		294	-	1,714	-	(149,711,284)	-	(149,709,276)
Total transactions with owners, recorded directly in equity		294	-	1,714	-	(149,711,284)	-	(149,709,276)
Comprehensive income for the year								
Profit (Loss)		-	-	-	-	(108,265,656)	-	(108,265,656)
Other comprehensive income (loss)		-	-	-	-	(459,655)	-	(459,655)
Total comprehensive income (loss) for the year		-	-	-	-	(108,725,311)	-	(108,725,311)
Balance at 31 December 2019		1,810,114,504	(317,705,790)	3,890,221,975	93,518,370	317,705,790	163,766,965	6,435,757,933

Millcon Steel Public Company Limited and its subsidiaries
Statement of cash flows
For the year ended 31 December

	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018 (Restated)
	(in Baht)			
Cash flows from operating activities				
Profit (loss) for the year	(12,359,607)	184,245,024	(108,265,656)	295,565,904
<i>Adjustments to reconcile profit (loss) to cash receipts (payment)</i>				
Tax expense (benefit)	(9,142,824)	16,350,272	21,725	21,714,249
Finance costs	685,619,958	670,663,876	392,261,497	356,138,888
Amortisation right to generate and sell electricity	46,348,973	23,174,486	-	-
Depreciation	287,070,588	347,772,328	87,812,201	75,908,479
Amortisation of intangible assets	4,772,491	1,731,306	4,054,183	925,030
Reversal doubtful debts expenses - trade account receivable and other current account receivable	(25,136,724)	(138,143,491)	(11,682,309)	(156,862,954)
Gain on debt restructuring	(21,999,187)	(59,970,975)	-	-
Losses on decline in value of inventories (reversal)	(214,186,613)	231,922,796	(125,820,681)	129,676,797
Expense for financing loans	706,472	2,543,501	706,472	883,042
Doubtful debts expenses (reversal) - advance payments	(14,311,045)	613,296	(14,202,645)	(540,531)
Gain on disposal of claimant's right of trade account receivable	-	(150,000)	-	(150,000)
Provisions for employee benefits	12,975,025	5,705,208	8,532,387	2,543,659
Gain on disposals of assets	(1,872,471)	(1,088,639,516)	(683,322)	(1,088,050,137)
Loss on write - off of assets	403,087	404,458	-	76,958
Loss on write - off of income tax	1,303,570	1,943,195	-	-
(Gain) Loss on sales of investment	(188,710,428)	100	(161,333,440)	-
Loss on impairment of other long-term investment	-	18,791,506	17,088,469	-
Unrealized fair value gain on derivative financial instruments	(17,219)	16,741,225	(4,938)	10,452,966
Gain on measuring the previously held interests before business combination	-	(17,451,520)	-	-
Unrealised (gain) loss on exchange rate	(2,474,185)	(4,463,010)	(2,602,098)	(341,828)
Share of loss of associates and joint venture	55,028,013	59,424,158	-	-
Dividend income	-	(6,999,930)	-	-
Interest income	(16,940,543)	(22,096,454)	(18,245,505)	(19,412,038)
	<u>587,077,331</u>	<u>244,111,839</u>	<u>67,636,340</u>	<u>(371,471,516)</u>
Changes in operating assets and liabilities				
Trade accounts receivables and other receivables	(138,493,361)	(2,010,663,072)	(824,574,183)	(1,470,512,382)
Inventories	1,686,728,242	(492,245,154)	1,111,585,414	(49,375,553)
Advances payment for inventories	791,904,293	1,339,691,322	(92,416,052)	1,906,831,065
Other current assets	(15,214,532)	-	-	-
Other non-current assets	(603,710)	(100,502,773)	40,828,600	(4,164,112)
Trade accounts payable and other payables	(1,347,835,748)	8,162,528	(710,965,196)	(1,523,240,444)
Advances received for inventories	(702,608,519)	(832,526,160)	(345,392,145)	(59,997,281)
Employee benefits paid	(1,336,418)	(1,986,576)	-	(1,533,276)
Interest received in cash	7,334,899	8,983,567	6,004,882	6,303,428
Cash generated from (used in) operating activities	<u>866,952,477</u>	<u>(1,836,974,479)</u>	<u>(747,292,340)</u>	<u>(1,567,160,071)</u>
Tax paid (received)	<u>(24,636,767)</u>	<u>(10,085,442)</u>	<u>(23,610,953)</u>	<u>(1,280,748)</u>
Net cash from (used in) operating activities	<u>842,315,710</u>	<u>(1,847,059,921)</u>	<u>(770,903,293)</u>	<u>(1,568,440,819)</u>
Cash flows from investing activities				
(Increase) Decrease in restricted in cash at financial institution	253,028,509	(127,969,133)	10,644,850	(154,497,065)
Proceeds from repayment of short-term loans to related parties	29,400,000	-	214,600,000	-
Cash paid for short-term loans to related parties	(43,700,000)	(40,000,000)	(328,900,000)	-
Proceeds from repayment of long-term loans to related parties	-	190,700,000	-	30,700,000
Proceeds from sale investment	259,333,372	-	249,333,472	-
Payment of investment in associates	(186,874,000)	(262,845,307)	(186,874,000)	(262,845,307)
Payment of investment in subsidiary	-	(426,633,519)	(999,700)	(434,379,170)
Purchases of property, plant and equipment	(322,469,316)	(338,476,969)	(69,606,971)	(69,965,728)
Purchases of intangible assets	(130,900)	(1,919,800)	(130,900)	(1,874,300)
Proceeds from disposals of property, plant and equipment	19,819,775	1,556,797,169	13,459,632	1,556,049,243
Interest received	286,334	13,869,165	-	1,187,412
Dividend received	-	6,999,930	-	-
Net cash from (used in) investing activities	<u>8,693,774</u>	<u>570,521,536</u>	<u>(98,473,617)</u>	<u>664,375,085</u>

Millcon Steel Public Company Limited and its subsidiaries
Statement of cash flows
For the year ended 31 December

	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018 (Restated)
	<i>(in Baht)</i>			
Cash flows from financing activities				
(Increase) Decrease in bank overdrafts	(421,134)	541,802	-	-
Proceeds from issue ordinary shares	2,008	297,028,181	2,008	297,028,181
Payment to owners to acquire or redeem the entity's shares	-	(317,705,790)	-	(317,705,790)
Proceeds from short-term loans from financial institutions	48,014,761,223	41,320,428,766	33,551,468,497	27,028,248,813
Repayment of short-term loans from financial institutions	(47,528,851,438)	(39,135,577,310)	(31,834,508,924)	(25,732,335,390)
Proceeds from short-term loans from related parties	-	-	5,000,000	-
Repayment of short-term loans from related parties	-	-	(6,018,542)	(2,053,460)
Proceeds from long-term loans from financial institutions	293,862,249	164,679,424	-	-
Repayment of long-term loans from financial institutions	(532,940,923)	(493,985,698)	(100,800,000)	(100,800,000)
Payment of finance lease	(21,491,446)	(10,275,491)	(12,606,345)	(5,441,787)
Cash received from non-controlling interest	1,493,400	-	-	-
Dividend paid	(149,711,284)	(52,402,279)	(149,711,284)	(52,402,279)
Finance costs paid	(710,280,884)	(751,302,454)	(417,822,555)	(342,783,732)
Net cash from (used in) financing activities	(633,578,229)	1,021,429,151	1,035,002,855	771,754,556
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	217,431,255	(255,109,234)	165,625,945	(132,311,178)
Exchange differences on translating financial statements	226,301	(1,340,095)	-	-
Net increase in cash and cash equivalents	217,657,556	(256,449,329)	165,625,945	(132,311,178)
Cash and cash equivalents, at 1 January	297,038,157	553,487,486	227,761,611	360,072,789
Cash and cash equivalents, at 31 December	514,695,713	297,038,157	393,387,556	227,761,611
Non-cash transactions				
Off-set between accounts receivable and accounts payable	111,398,899	-	-	-
Transfer inventories to equipment	22,375,161	39,077,560	5,080,934	19,637,429
Purchase of fixed assets without payment	85,477,381	81,045,711	1,824,827	2,088,928
Purchase of fixed assets under financial lease agreement	1,865,670	23,384,660	-	13,680,548
Purchase of intangible assets under financial lease agreement	2,480,000	15,686,300	2,480,000	15,686,300
Investment in subsidiary increase by the transfer of claimant	-	-	-	182,000,000
Payable for shares	100,352,048	305,500,000	100,352,048	305,500,000
Debt restructuring from other payable	85,000,000	-	-	-

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

Note Contents

1	General information
2	Basis of preparation of the financial statements
3	Going concern basis
4	Changes in accounting estimates
5	Significant accounting policies
6	Adjustments in respect of prior year
7	Acquisitions of subsidiaries
8	Related parties
9	Transactions with business alliances
10	Cash and cash equivalents
11	Trade accounts receivable
12	Other receivables
13	Inventories
14	Assets held for sale
15	Investments in associates
16	Investments in subsidiaries
17	Non-controlling interests
18	Investments in joint venture
19	Other long-term investments
20	Investment properties
21	Property, plant and equipment
22	Goodwill
23	Intangible assets
24	Right to generate and sell electricity
25	Interest-bearing liabilities
26	Trade accounts payable
27	Other payables
28	Liabilities under debt restructuring agreement
29	Deferred tax liabilities
30	Non-current provisions for employee benefit
31	Share capital
32	Treasury shares
33	Legal reserve
34	Segment information
35	Distribution costs
36	Administrative expenses
37	Employee benefit expenses
38	Expenses by nature
39	Income tax
40	Earnings (loss) per share
41	Dividends
42	Financial instruments
43	Commitments with non-related parties
44	Promotional privileges
45	Events after the reporting period
46	Thai Financial Reporting Standards (TFRS) not yet adopted
47	Reclassification of accounts

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

These notes form an integral part of the financial statements.

The financial statements issued for Thai 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 authorized for issue by the Board of Directors of the Company on 27 February 2020.

1 General information

Millcon Steel Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at No. 9,11,13 Soi Banggradee 32, Banggradee Road, Samaedum, Bangkhuntien, Bangkok.

The Company was listed on the Stock Exchange of Thailand in June 2007.

The Company’s major shareholder during the financial period was Mr.Sittichai Leesawattrakul who held 39.19% shareholding.

The principal activities of the Company and its subsidiaries are manufacturing and trading of steel products and generation and sale of electricity from alternative energy sources. Details of the associates, subsidiaries and joint ventures as at 31 December 2019 and 2018 are given in notes 15,16 and 18.

2 Basis of preparation of the financial statements

2.1 Statement of compliance

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.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements. The company has initial applied TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”) which replaces TAS 18 *Revenue* (“TAS 18”), TAS 11 *Construction Contracts* (“TAS 11”) and related interpretations. The details of accounting policies are disclosed in note 5.20.

The Group has assessed the impact of initial adoption of TFRS 15 using the cumulative effect method, taking into account the effect of initially applying this standard only to contracts that were not completed before 1 January 2019. The impact on retained earnings as at 1 January 2019 was not material. Therefore, the Group has not adjusted the retained earnings as at 1 January 2019 and not restated the information presented for 2018, as previously reported under TAS 18 and related interpretations. The disclosure requirements of TFRS 15 have not generally been applied to comparative information.

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. the Group has assessed

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

<i>Items</i>	<i>Measurement bases</i>
Derivatives	Fair value
Land	Revaluation to fair value
Consideration transferred in a business combination	Fair value
Defined benefit liability	Present value of the defined benefit obligation

2.3 Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Group's functional currency.

All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

2.4 Use of judgements and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainty that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 4 and 21	Estimation useful life of assets
Note 7	Acquisition of subsidiary: fair value of the consideration transferred and fair value of the assets acquired and liabilities assumed.
Note 11 and 12	Allowance for doubtful accounts to net accounts receivables.
Note 13	Allowance for decline in value of inventories adjusted to net realisable value.
Note 15, 18 and 19	Measurement of investments adjusted for impairment
Note 21	Estimated useful lives of Property, Plant and Equipment
Note 22	Impairment test of goodwill: key assumptions underlying recoverable amounts.
Note 30	Measurement of defined benefit obligations: key actuarial assumptions.

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

Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

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 (unadjusted) in active markets for identical assets or liabilities.
- ⌋ *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- ⌋ *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

Further information about the assumptions made in measuring fair values is included in note 42 Financial Instruments.

3 Going concern basis

As at 31 December 2019, the Group and the Company have current liabilities in excess of the current assets amounting to Baht 4,122.22 million and Baht 2,936.86 million respectively (2018: Baht 4,897.81 million and Baht 2,572.04 respectively) and that the Group and the Company incurred a loss after tax of Baht 12.36 million and Baht 108.27 million respectively for the year then ended (2018: Profit after tax of Baht 184.25 million and Baht 295.57 million respectively). The current liabilities mainly include short-term loans in the term of promissory note and trust receipt and letter of credit. The Group and the Company have remaining credit facilities not drawn of Baht 3,436.75 million and Baht 2,602.39 million respectively (2018: Baht 2,326.80 million and Baht 1,547.48 million respectively), Management is implementing strategic operational and financial restructuring plans to seek to ensure adequate liquidity in the Group and the Company, and the ability to meet liabilities and to continue to trade. These factors, whereby liquidity in the Group and Company and their ability to meet liabilities as they fall due and to continue to trade may be dependent upon the success of managements plans, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

4 Changes in accounting estimates

Since 1 April 2019, the Group has changed useful lives of machinery assets by changing the depreciation method from the straight-line method to the productive-output method. The effects of the change in accounting estimates on the financial statements are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Profit for the year increased (decreased)	<u>89,702</u>	<u>-</u>	<u>(2,972)</u>	<u>-</u>

5 Significant accounting policies

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

5.1 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 and joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to 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 acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

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

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration

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

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

Step acquisition

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

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

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

Subsidiaries

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 interests at its proportionate interest in the identifiable net assets of the acquiree.

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

Interests in equity-accounted investees

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

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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

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

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees 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.

5.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

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

Foreign currency differences are generally recognized in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

5.3 Derivatives

Derivatives are used to manage exposure to foreign exchange, interest rate and commodity price risks arising from operational, financing and investment activities. Derivatives are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

5.4 Cash and cash equivalents

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

Restricted deposits at financial institutions are separately presented as "Restricted deposits at financial institutions".

5.5 Trade and other accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at value less allowance for doubtful accounts which are assessed on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

5.6 Inventories

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

Cost is calculated using the first in first out principle, cost of raw material (Billet) is calculated using the specific identification method, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost and is calculated using standard cost adjusted to approximate average cost and 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.

5.7 Non-current assets classified as held for sale

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.

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

5.8 Investments

Investments in associates, joint ventures and subsidiaries

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

Investments in other equity securities

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

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

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

5.9 Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Land improvement	5 - 25 years
Building	10 - 50 years

No depreciation is provided on freehold land

5.10 Property, plant and equipment

Recognition and measurement

Owned assets

Land has been revalued to fair value. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

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

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

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss. When there is a disposal of revalued assets, the amount recognised in revaluation surplus is reclassified to retained earnings.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Subsequent costs

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

Depreciation

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

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

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

Land improvement	5-20 years
Buildings and improvement	10-50 years
Machinery	Sum of production
Power generation equipment	20 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 years
Utilities	50 years

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

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

5.11 Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 7. Subsequent to initial recognition, goodwill is measured at cost less impairment losses. The Group reevaluates the impairment of goodwill every year regardless of any indication of impairment.

Goodwill is allocated to the cash-generating unit of the Group that is expected to benefit from the business combination.

5.12 Intangible assets

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

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

Subsequent expenditure

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

Amortisation

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

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

Computer software	10 years
New product development costs	10 years

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

5.13 Right to generate and sell electricity

The Group recognised initial cost of right to generate and sell electricity by acquisitions through business combinations at the fair value of the assets. Subsequent to initial recognition, right to generate and sell electricity is measured at cost less accumulated amortisation and accumulated impairment losses

The Group amortises on a straight-line basis over the remaining period of right to generate and sell electricity agreement.

5.14 Impairment

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

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

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

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

Reversal of impairment

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

5.15 Interest-bearing liabilities

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

5.16 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

5.17 Employee benefits

Defined contribution plan

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized 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 recognized 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.

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

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.

5.18 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 cost.

5.19 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon approval by the Company's shareholders.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

Repurchase of treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, 'Surplus on treasury shares'. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

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

5.20 Revenue

Accounting policies for revenue recognition in 2019

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 and volume rebates.

Sale of goods and services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur

Revenue for rendering of services is recognised over time as the services are provided. The stage of completion is assessed based on surveys of work performed. The related costs are recognized in profit or loss when they are incurred.

For bundled packages, the Group accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items and a customer can benefit from it) or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

Accounting policies for revenue recognition in 2018

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

Sale of goods and services

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Revenue for rendering of services is recognised as the services are provided.

Investment income

Investment income comprises rental income, dividend income and interest income from investments and bank deposits.

Dividend income

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

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

Interest income

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

Rental income

Rental income is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

5.21 Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

5.22 Operating Lease

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

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

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group incremental borrowing rate.

5.23 Income tax

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

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

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

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

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

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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.

5.24 Earnings per share

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

5.25 Segment reporting

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

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.

6 Adjustments in respect of prior year

The Company has adjustments in respect of prior year that have the effects to the consolidated and separate financial statements which are presented as comparative due to;

- 1) The Company under recorded in inventory from allowance for difference in finished goods and allowance for decline in value in inventories in the financial statements for the year ended 31 December 2018. This arose from change in enterprise-level software. This effects to inventories report as at 31 December 2018 which shown quantity lower than the accounting report amounting to Baht 516.27 million. Subsequently during the year 2019, management has taken action on inspecting all finished goods transactions including understanding the reason for differences and identified that the finished goods in inventory accounting records was maintained accurately.
- 2) The Company over recorded an obligation to contribute to share of loss of joint venture in the financial statements for the year ended 31 December 2018, amounting to Baht 131.14 million, recorded in joint venture liabilities and share of loss of joint venture.

Consequently, the Company retrospectively adjusted in consolidated and separate financial statements presuming that the accounting errors are corrected in the period that the transaction had occurred. The accumulated effect of this adjustments in respect of a prior period is as follows:

Statement of financial position as at 31 December 2018

	Consolidated financial statements		
	Before restatement	Adjustment <i>(in thousand Baht)</i>	As restated
Allowance for decline in value in inventories	(184,624)	(51,833)	(236,457)
Allowance for difference in finished goods	(516,269)	516,269	-
Joint venture liabilities	131,146	(131,146)	-
Retained earnings (Deficit)	(681,350)	595,583	(85,767)

	Separate financial statements		
	Before restatement	Adjustment <i>(in thousand Baht)</i>	As restated
Allowance for decline in value in inventories	(80,798)	(51,833)	(132,631)
Allowance for difference in finished goods	(516,269)	516,269	-
Retained earnings	272,136	464,436	736,572

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

***Statement of comprehensive income
for the year ended 31 December 2018***

	Consolidated financial statements		
	Before restatement	Adjustment <i>(in thousand Baht)</i>	As restated
Cost of sales	19,973,146	51,833	20,024,979
Loss of difference in finished goods	516,269	(516,269)	-
Share of loss of joint venture	190,570	(131,146)	59,424
Profit (loss) for the year			
Owners of the parent	(396,904)	595,583	198,679
Earnings per share			
Basic earnings per share (in Baht)	(0.097)	0.140	0.043
Diluted earnings per Share (in Baht)	(0.089)	0.135	0.046

	Separate financial statements		
	Before restatement	Adjustment <i>(in thousand Baht)</i>	As restated
Cost of sales	14,466,591	51,833	14,518,424
Loss of difference in finished goods	516,269	(516,269)	-
Profit (loss) for the year			
Owners of the parent	(168,870)	464,436	295,566
Earnings per share			
Basic earnings per share (in Baht)	(0.044)	0.111	0.067
Diluted earnings per Share (in Baht)	(0.038)	0.107	0.069

7 Acquisitions of subsidiaries

On 21 December 2017, the Company entered into the share purchase agreement to acquire share capital 1,984,000 shares in ownership interest 19.84% of Siam Solar Generation Company Limited (Siam Solar), paid for by transfer the claim in a trade receivable in amount of Baht 182 million.

Then, on 14 March 2018, the Board of Directors Meeting approved to acquired share capital of Siam Solar 8.16 million shares, ownership interest 80.16%, in amount of Baht 735 million. The Company has made the payment in 2018.

Later, on 29 June 2018, Siam Solar increased in authorised share capital in amount of Baht 200 million from debt restructuring condition with the financial institution and compliance with the condition set by the financial institution to joint investment in Siam Solar. The Company waived its right to subscribe for new shares. As a result, the Company's ownership interest on completion of share purchase would decreased from 99% to 90%.

On 6 July 2018, the Company complied with conditions of share purchase agreement. As a result, the Company has power of control in Siam Solar.

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

The information of the recognized business combination of Siam Solar Generation Company Limited at the acquisition date in the consolidated financial statements is summarized as follows:

	<i>(in thousand Baht)</i>
The fair values of the identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	2,866
Trade and other current receivables	68,411
Property, plant and equipment	1,377,839
Right to generate and sell electricity	1,008,090
Other non-current assets	2,944
Trade and other current payables	(226,509)
Long-term borrowings	(2,722,057)
Deferred tax liabilities	(222,051)
Net identifiable assets	(710,467)
Less Non-controlling interests	(71,047)
The Company's interests in the net identifiable assets	(639,420)
Carrying amount of the Company's previously held interests before business combination	182,000
Gain on remeasuring	17,452
Fair value of the Company's previously held interests before business combination	199,452
Fair value of the consideration transferred	917,000
Gain on remeasuring	17,452
Less The Company's interests in the net identifiable assets	(639,420)
Goodwill	1,573,872
Cash paid as the consideration transferred	917,000
Offset account receivable	(182,000)
Payable for shares	(305,500)
Net	429,500
Less Cash and cash equivalents of the subsidiary acquired	2,866
Cash paid for purchase of business	426,634

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

18 Investments in joint venture

Consolidated		Separate	
financial statements		financial statements	
2019	2018	2019	2018

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

8 Related parties

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

Relationships with subsidiaries, associates and joint ventures are described in note 15, 16 and 18, Relationships with management or other related parties were as follows:

Related parties	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Ocean Supply Co., Ltd.	Thai	Joint Venture by Indirect Shareholding (Until 14 March 2018)
General Engineering Public Company Limited	Thai	Shareholder of the Company
Million Miles Company Limited	Thai	Common Director
R.S.P. Steel Company Limited	Thai	Common Director
I-Gen Powertech Company Limited	Thai	Related Company by Indirect Shareholding
I-Gen Energy Company Limited	Thai	Related Company by Indirect Shareholding
McTRIC Public Company Limited	Thai	Related Company with Director
Joint venture of Thep Mongkol Sukothai - Hi Media	Thai	Joint Venture by McTRIC Public Company Limited
Millcon Thiha GEL Limited	Myanmar	Subsidiary of Joint Venture

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

Transactions	Pricing policies
Purchase/Sales of goods	Comparable to market price
Purchase/Sales of assets	Agreed price
Dividend income	The right to received dividend
Rental income	Contract price
Other income	Agreed price
Interest income	MLR-1 per year
Other expense	Agreed price
Interest expense	MLR-1 per year
Key management personnel compensation	As determined by the nomination and remuneration committee

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

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

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Subsidiaries</i>				
Sales of goods	-	-	1,670,247	3,296,794
Purchase of goods	-	-	4,824,107	3,718,192
Rental income	-	-	147	10,316
Other income	-	-	48,667	34,908
Interest income	-	-	12,237	12,237
Other expenses	-	-	11,013	23,235
<i>Associates</i>				
Sales of goods	4	2,347	1	-
Purchase of goods	-	95	-	-
Purchase of assets	-	2,600	-	2,600
Rental income	278	232	-	-
Other income	615	2,680	615	2,680
Interest income	290	389	290	389
Other expenses	175,445	236,259	126,681	140,396
<i>Joint ventures</i>				
Sales of goods	1,571,388	1,949,585	50	-
Purchase of goods	1,641,969	1,480,708	1,576,342	946,483
Rental income	960	-	960	-
Other income	2,578	8,142	2,578	8,041
Interest income	-	3,197	-	-
Other expenses	5,675	13,129	5,675	13,129
<i>Other related parties</i>				
Sales of goods	511,561	583,519	237,938	317,194
Purchase of goods	1,209	216,404	-	-
Sales of assets	6,670	228	4,605	228
Dividend income	-	7,000	-	-
Other income	3,600	14,538	3,600	14,400
Interest income	-	5,742	-	478
Other expenses	22,501	667	863	448
<i>Key management personnel</i>				
Key management personnel				
Short-term employee benefits	50,841	71,947	38,978	39,525
Post-employment benefits	1,254	1,420	1,112	1,194
Total key management personnel compensation	52,095	73,367	40,090	40,719

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

Balances as at 31 December 2019 and 2018 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Trade account receivable - related parties				
Subsidiaries	-	-	204,582	494,295
Associates	-	15	-	-
Joint venture	502,502	617,163	-	-
Related parties	138,171	89,580	62,648	67,559
Total	640,673	706,758	267,230	561,854
Less allowance for doubtful accounts	-	(7,640)	-	(7,362)
Net	640,673	699,118	267,230	554,492
Advance payment for goods - related parties				
Subsidiaries	-	-	43,503	-
Associates	-	89,525	-	-
Related parties	-	794	-	-
Total	-	90,319	43,503	-
Other receivable - related parties				
Subsidiaries	-	-	1,184,089	244,746
Associates	3,415	2,790	3,393	2,335
Joint venture	5,671	11,495	5,670	11,495
Related parties	33,835	42,824	33,835	26,774
Total	42,921	57,109	1,226,987	285,350
Less allowance for doubtful accounts	(15,904)	(31,954)	(15,904)	(15,904)
Net	27,017	25,155	1,211,083	269,446
Deposit - related parties				
Associates	-	1,191	-	1,191
Total	-	1,191	-	1,191
Short-term loan to related parties				
Subsidiaries	-	-	100,000	-
Related parties	14,300	-	14,300	-
Total	14,300	-	114,300	-

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

Movements during the year ended 31 December 2019 and 2018 of short-term loans to related party was as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries				
At 1 January	-	-	-	-
Addition	-	-	285,200	-
Repayment	-	-	(185,200)	-
At 31 December	-	-	100,000	-

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Associates				
At 1 January	-	-	-	-
Addition	20,000	30,700	20,000	30,700
Repayment	(20,000)	(30,700)	(20,000)	(30,700)
At 31 December	-	-	-	-

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Related parties				
At 1 January	-	120,000	-	-
Addition	23,700	40,000	23,700	-
Repayment	(9,400)	(160,000)	(9,400)	-
At 31 December	14,300	-	14,300	-

As at 31 December 2019, the short-term loans to related party, bear no interest.

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Long-term loans to subsidiaries				
Subsidiaries	-	-	233,090	233,090
At 31 December	-	-	233,090	233,090

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

Movements during the year ended 31 December 2019 and 2018 of long-term loans to subsidiaries was as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Subsidiaries</i>				
At 1 January	-	-	233,090	233,090
At 31 December	<u>-</u>	<u>-</u>	<u>233,090</u>	<u>233,090</u>

As at 31 December 2019, the long-term loans to subsidiaries were promissory note. Such loans bear interest rate at 5.25% per annum for both years.

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Trade account payables - related parties</i>				
Subsidiaries	-	-	728	868
Associates	-	429	-	333
Joint venture	150,209	144,630	150,209	102,558
Related parties	3,246	3,513	-	-
Total	<u>153,455</u>	<u>148,572</u>	<u>150,937</u>	<u>103,759</u>
<i>Advance received for goods – related parties</i>				
Subsidiaries	-	-	393,908	5,608
Related parties	31,089	9,874	31,089	9,874
Total	<u>31,089</u>	<u>9,874</u>	<u>424,997</u>	<u>15,482</u>
<i>Other payable - related parties</i>				
Subsidiaries	-	-	1,000	222
Associates	18,260	92,803	15,519	31,071
Related parties	154	91	146	74
Total	<u>18,414</u>	<u>92,894</u>	<u>16,665</u>	<u>31,367</u>
<i>Short-term loans from related party</i>				
Subsidiary	-	-	-	1,018
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,018</u>

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

Movements during the year ended 31 December 2019 and 2018 of short-term loans from subsidiaries were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Subsidiaries</i>				
At 1 January	-	-	1,018	3,072
Addition	-	-	5,000	-
Repayment	-	-	(6,018)	(2,054)
At 31 December	-	-	-	1,018

As at 31 December 2019, short-term loan from subsidiary in 2018 and 2019 were interest-free promissory notes and being payable at call.

Commitment - related parties

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Future minimum lease payments under non-cancellable operating lease commitment</i>				
Within one year	-	-	6,424	11,013
After one year but within five years	-	-	-	6,424
Total	-	-	6,424	17,437

Other commitment with related parties

As at 31 December 2019 and 2018, the Company had guarantee with related parties as follow;

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
Guarantee of related parties' liabilities <i>(in thousand Baht)</i>	157,564	193,744	157,564	193,744
Guarantee of associates' liabilities <i>(in thousand Baht)</i>	83,469	31,404	83,469	31,404

As at 31 December 2019 and 2018, the Company has given guarantee of credit limit with financial institutions for subsidiary in amount of Baht 525 million. The facility is fully guaranteed by the subsidiary's land and machinery and its director.

The Company had guarantee of syndicate loan agreement for a joint venture with two financial institutions align with share proportion in joint ventures of 50% in amount of Baht 325 million.

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

As at 31 December 2019 and 2018, the Company and related parties have given a guarantee of credit limit with a financial institution in amount of USD 5.83 million to guarantee the credit facility of joint venture, which secured by common shares of joint venture hold by the Company.

The Company has guarantee on credit facility to a related entity (formerly, the Company's associate). The Company has notified to the related entities which prohibit to use additional of credit facility because the Company has reduced its portion of shareholding so that such company is not company's associate. Therefore, it was suspended for use of all credit facility which the Company has guaranteed. If the related entity need to use credit facility, the related entity has to change its collaterals and the Company is in the process to enable release of its guarantee on such credit facility to the financial institutions.

9 Transactions with business alliances

According to Section 89/1 of the Securities and Exchange Act BE 2535 (including its amendments) and Clause 2 (3) of the Notification of the Capital Market Supervisory Board No. Tor Chor 21/2008 Re: Rules on Connected Transactions, and its definition stated in the notification, the Company has numbers of significant transactions dealt with these business alliances, being individuals or entities which are management's relatives or a former employee of a related party. The detail is below;

Business alliances	Country of incorporation/ nationality	Nature of relationships
Insight Steel Co., Ltd.	Thailand	A major shareholder and the authorised director are relatives of management of the Company
Jarasrunroj Co., Ltd.	Thailand	A major shareholder and the authorised director are relatives of management of the Company

The significant transactions with business alliances for the year ended 31 December 2019 and 2018 were as follows;

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
For the year ended 31 December				
Revenue from sales of goods	255,629	406,368	132,466	233,314
Purchase of goods	105,442	15,504	105,442	385

Outstanding balances with business alliances as at 31 December 2019 and 2018 were as follows;

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Trade account receivables	118,283	153,689	111,399	141,729
Trade account payables	112,823	105	112,823	-

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

12 Other receivables

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Deposit for goods	120,000	-	-	-
A/R revenue department	41,383	77,879	-	45,429
Advance payment	36,862	5,900	1,107,014	180,071
Accrued income	30,141	24,788	-	-
Undue input vat	24,791	108,541	8,130	5,400
Accrued interest income	17,164	7,844	29,452	17,211
Others	78,379	102,449	99,268	121,395
Total	348,720	327,401	1,243,864	369,506
Less allowance for doubtful accounts	(17,482)	(33,504)	(16,207)	(16,318)
Net	331,238	293,897	1,227,657	353,188
Bad and doubtful debts expense for the year (Reversal of)	(16,356)	32,021	(111)	15,903

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

13 Inventories

		Consolidated		Separate	
	<i>Note</i>	financial statements		financial statements	
		2019	2018	2019	2018
			(Restated)		(Restated)
		<i>(in thousand Baht)</i>			
Raw materials		782,504	1,069,152	284,092	364,048
Semi-finished goods		34,172	31,567	17,977	7,185
Finished goods		892,932	2,220,609	444,014	1,167,223
Work in progress		3,901	-	-	-
Spare parts and supplies		884,590	761,829	267,666	268,941
Goods in transit		245,780	469,826	98	323,117
		2,843,879	4,552,983	1,013,847	2,130,514
<i>Less allowance for decline in value</i>	6				
- Raw materials		(636)	(104,473)	(41)	(26,658)
- Work in progress		(378)	(641)	-	-
- Finished goods		(21,257)	(131,343)	(6,769)	(105,973)
<i>Less allowance for difference in finished goods</i>	6	-	-	-	-
		(22,271)	(236,457)	(6,810)	(132,631)
Net		2,821,608	4,316,526	1,007,037	1,997,883
Carrying value of inventories subject to retention of title clauses or otherwise pledged to secure liabilities		1,638,907	3,303,538	746,083	1,538,456
<i>For the year ended 31 December</i>					
Inventories recognised as an expense in 'costs of sales of goods':					
- Cost		16,562,910	19,793,057	13,461,353	14,388,747
- Write-down to net realisable value (reversal of)	6	(214,186)	231,922	(125,821)	129,677
Net		16,348,724	20,024,979	13,335,532	14,518,424

As at 31 December 2019 and 2018, the Company and subsidiary company had pledged finished goods to guarantee with financial institutions as collateral for borrowings; overdrafts, long-term borrowings and credit facilities from financial institutions in Note 25.

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

14 Assets held for sale

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
At 1 January		-	-	-	-
Transfer from investment in associates	15	99,801	-	130,552	-
Disposal		(60,305)	-	(78,552)	-
At 31 December		39,496	-	52,000	-

15 Investments in associates

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
Associates				
At 1 January	307,673	52,425	329,397	66,551
Acquisition	186,874	262,846	186,874	262,846
Disposals	(5,211)	-	(8,000)	-
Share of loss of investment in associates	(23,997)	(7,982)	-	-
Share of other comprehensive income (loss) of investment in associates	(2,685)	384	-	-
Transfer to asset held for sale	(99,801)	-	(130,552)	-
At 31 December	362,853	307,673	377,719	329,397

Begistics Public Company Limited

At the Board of Directors Meeting of the Company on 7 December 2017, Board of Directors approved to have an investment in Begistics Public Company Limited, for providing transportation service to the Company. Issued and paid-up capital of the Company is in the amount of Baht 883.35 million (1,299 million ordinary shares, with a Baht 0.68 per value). The Company holds 22.94% of its authorised share capital. During 2018 the Company made an additional investment in this company for a consideration of Baht 180 million (200 million shares, with a Baht 0.90 per value).

At the Board of Directors Meeting of the Company on 16 July 2018, has approved to purchase ordinary shares of Begistics Public Company Limited, with Baht 10.85 Million. The Company holds 24.98% of its authorised share capital.

At the board of director meeting of the Company held on 14 August 2019, the board of director has approved to purchase additional ordinary shares of Begistics Public Company Limited in 217.8 million shares with par value of Baht 0.68 exercise price of Baht 0.33 each in the amount of Baht 71.9 million. The Company holds 32.77% of its authorized share capital.

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

I-Gen Engineering Company Limited

At the Board of Directors Meeting of the Company on 14 March 2018, has approved to purchase ordinary shares of I-Gen Engineering Company Limited, Registered capital increased from Baht 90 million to Baht 270 million by issued additional shares in amounting to 1.8 million shares with a par value of Baht 100 the payment has been paid by the shareholders equal to Baht 72 million. I-Gen Engineering Company Limited. has registered increase in the share capital of the Ministry of Commerce on 3 April 2018.

On 12 December 2019, the Company entered into an agreement to sell wholly investment in I-Gen Engineering Company Limited, at that date the Company and the Group classified this investment to asset held for sale because the Company has the agreement for sale by amounting to Baht 270 million and the gain on disposal in amounting to Baht 108 million.

Builk One Group Co., Ltd.

On 29 March 2019, the Company entered into an agreement to sell wholly investment in Builk One Group Co., Ltd. to Moonshot Venture Capital Company Limited, at that date the Company and the Group classified this investment to asset held for sale because the Company has the agreement for sale by amounting to Baht 138.67 million divided into four installments as shown in the below table. The right of share will be transferred immediately after payment of each instalment and the gain on disposal in amounting to Baht 106.66 million by recognised in profit for the year 2019 in amounting to Baht 53.33 million.

Payment period	Number of shares	Selling amount <i>(in thousand Baht)</i>
At contract date	83,333	34,666
Within 180 days from contract date	83,334	34,667
Within 360 days from contract date	83,334	34,667
Within 540 days from contract date	83,334	34,667
Total	333,335	138,667

Subsequently, the Company has made a separate commitment to invest in Moonshot Venture Capital Company Limited.

Moonshot Venture Capital Company Limited

At the Board of Directors Meeting of the Company on 28 August 2019, the Board of Directors has approved to purchase ordinary shares of Moonshot Venture Capital Company Limited by amounting 1,000,000 shares with a par value of 100 baht in the amount of Baht 100 million. The Company holds 31.25% of its authorized share capital. The total shares has been paid by the shareholders equal to Baht 25 million (25% paid up).

I-Gen Powertech Company Limited

At the Board of Directors Meeting of the Company on 12 December 2019, has approved to purchase ordinary shares of I-Gen Power Company Limited, in the proportion of 49% of the registered capital by amounting 686,000 shares with a par value of 100 baht and paid Baht 246.47 million as the contract which the company has entered into a share purchase agreement by requiring all shares to be completed within 3 months from the contract date. Later, the Company sold 250,264 shares in

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

the amount of 90 million baht. As a result, 31 December 2019, the Company holds 17.88% of its authorized share capital.

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

Investments in associates as at 31 December 2019 and 2018 were as follows:

	Country of incorporation	Consolidated financial statements							
		Ownership interest (%)		Paid-up capital		Cost		Equity	
		2019	2018	2019	2018	2019	2018		
		<i>(in thousand Baht)</i>							
Associates									
I-Gen Engineering Company Limited ⁽¹⁾	Thailand	40.00	40.00	52,500	52,500	-	106,552	-	102,901
Builk One Group Company Limited ⁽²⁾	Thailand	-	34.60	3,333	3,333	-	32,000	-	20,845
Begistics Public Company Limited ⁽³⁾	Thailand	32.77	24.98	904,020	592,797	262,719	190,845	248,239	183,927
I-Gen Powertech Company Limited ⁽⁴⁾	Thailand	17.88	-	140,000	-	90,000	-	90,000	-
Moonshot Venture Capital Company Limited ⁽⁵⁾	Thailand	31.25	-	320,000	-	25,000	-	24,614	-
Total				377,719	329,397	362,853	307,673		

- (1) Associate operates the businesses of supply and installation of high voltage equipment in Thailand. Now transferred to Assets Held for Sale.
(2) Associate operates the businesses of manufacturing services and consulting program in Thailand. Now transferred to Assets Held for Sale.
(3) Associate operates the businesses of operation of a port and warehousing including transportation service in Thailand.
(4) Associate operates the businesses of manufacturing and distributing substitution products of the large wire in Thailand.
(5) Associate operates the businesses of investing but not mainly invest in financial business in Thailand.

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

	Country of incorporation	Separate financial statements									
		Ownership interest (%)		Paid-up capital		Cost		Impairment		At cost - net	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
		<i>(in thousand Baht)</i>									
Associates											
I-Gen Engineering Company Limited ⁽¹⁾	Thailand	40.00	40.00	52,500	52,500	-	108,000	-	(1,448)	-	106,552
Builk One Group Company Limited ⁽²⁾	Thailand	-	34.60	3,333	3,333	-	32,000	-	-	-	32,000
Begistics Public Company Limited ⁽³⁾	Thailand	32.77	24.98	904,020	592,797	262,719	190,845	-	-	262,719	190,845
I-Gen Powertech Company Limited ⁽⁴⁾	Thailand	17.88	-	140,000	-	90,000	-	-	-	90,000	-
Moonshot Venture Capital Company Limited ⁽⁵⁾	Thailand	31.25	-	320,000	-	25,000	-	-	-	25,000	-
Total				377,719	330,845	-	(1,448)	377,719	377,719	329,397	

- (1) Associate operates the businesses of supply and installation of high voltage equipment in Thailand. Now transferred to Assets Held for Sale.
- (2) Associate operates the businesses of manufacturing services and consulting program in Thailand. Now transferred to Assets Held for Sale.
- (3) Associate operates the businesses of operation of a port and warehousing including transportation service in Thailand.
- (4) Associate operates the businesses of manufacturing and distributing substitution products of the large wire in Thailand.
- (5) Associate operates the businesses of investing but not mainly invest in financial business in Thailand.

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

Associates

The following table summarises the financial information of the 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 summarized financial information to the carrying amount of the Group's interest in these companies.

	I-Gen Engineering Company Limited 2019	2018	491,548	124,187	478,246	392,836	Begistics Public Company Limited 2019 <i>(in thousand Baht)</i>	2018	570,838	I-Gen Powertech Company Limited 2019	2018	35,518	40	Moonshot Venture Capital Company Limited 2019	2018	-
Revenue	457,907	491,548	124,187	478,246	392,836	570,838	35,518	40	-	-	-	-	-	-	-	-
Profit (Loss) for the year	(60,191)	(6,655)	(5,833)	(16,512)	(27,561)	(49,012)	(48,683)	(9,391)	-	-	-	-	-	(9,391)	-	-
Other comprehensive income	(833)	879	736	96	3	(252)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income (100%)	(61,024)	(5,776)	(5,097)	(16,416)	(27,558)	(49,264)	(48,683)	(9,391)	-	-	-	-	-	(9,391)	-	-
Total income of the Group's interest	(14,535)	5,388	(1,514)	(5,713)	(7,562)	(6,918)	-	-	-	-	-	-	-	(386)	-	-
Elimination of unrealised profit on downstream sales	-	(739)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group's share of total income	(14,535)	4,649	(1,514)	(5,713)	(7,562)	(6,918)	(7,562)	(6,918)	(386)	-	-	-	-	(386)	-	-

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

	I-Gen Engineering Company Limited		Bulk One Group Company Limited		Begistics Public Company Limited		I-Gen Powertech Company Limited		Moonshot Venture Capital Company Limited	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Current assets	-	442,988	-	81,667	457,140	463,503	103,053	-	72,169	-
Non-current assets	-	474,147	-	23,435	475,558	337,858	380,772	-	77,802	-
Current liabilities	-	(418,223)	-	(68,384)	(118,650)	(133,044)	(122,021)	-	(205)	-
Non-current liabilities	-	(161,437)	-	(33,831)	(130,414)	(108,159)	(297,816)	-	(304)	-
Non-controlling interests	-	(54,666)	-	-	-	-	-	-	-	-
Net assets (100%)	-	282,809	-	2,887	683,634	560,158	63,988	-	149,462	-
Group's share of net assets	-	113,123	-	999	204,239	139,927	11,441	-	23,353	-
Elimination of unrealised profit on downstream sales	-	(10,222)	-	-	-	-	-	-	-	-
Goodwill	-	-	-	19,846	44,000	44,000	78,559	-	1,261	-
Carrying amount of interest in associate	-	102,901	-	20,845	248,239	183,927	90,000	-	24,614	-

None of the Group's associates and joint ventures are publicly listed and consequently do not have published price quotations, except for Begistics Public Company Limited which is listed on the Stock Exchange of Thailand. Based on the closing price of Baht 0.22 at 31 December 2019 (2018: Baht 0.4), the fair value of the Group's investment in Begistics Public Company Limited was Baht 95.83 million (2018: Baht 84.94million).

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

16 Investments in subsidiaries

	Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
At 1 January	5,457,376	4,535,497
Acquisition	1,000	921,879
At 31 December	<u>5,458,376</u>	<u>5,457,376</u>

Siam Solar Generation Public Company Limited

At the board of directors meeting the Company held on 6 July 2018, the board of directors approved to purchase additional ordinary shares of Siam Solar Generation Public Company Limited from 19.84% to 90.00% for gradually combined business. The Company had changed from the type of investment to subsidiary companies in the separate financial statements and began to consolidate the financial statements of that company in the preparation of the consolidated financial statements of the Group.

At the extraordinary general meeting of the shareholders of Siam Solar Generation Co., Ltd., a subsidiary, held on 10 July 2019, the shareholders had the resolution to approve to transform the company into a public company in order to support the expansion of business investment and ease of funding and also approve to change the company name to "Siam Solar Generation Public Company Limited".

Millcon Steel Bar Company Limited

Regarding to the Executive Committee on 14 August 2019, the meeting resolved to approve to establish a new subsidiary, Millcon Steel Bar Company Limited to engage in manufacture and distribution of steel bars, with an initial authorised share capital of Baht 1 million (10,000 ordinary shares with par value of Baht 100 each), as the Company to hold 99.9% of interest in the amount of Baht 1 million. Such subsidiary was registered on 23 August 2019.

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

Investments in subsidiaries as at 31 December 2019 and 2018 were as follows:

	Country of incorporation	Ownership interest (%)		Paid-up capital		At cost	
		2019	2018	2019	2018	2019	2018
						<i>(in thousand Baht)</i>	
Separate financial statements							
Direct subsidiaries							
Millcon Burapa Co., Ltd. ⁽¹⁾	Thailand	9	9	Baht 3,400 million	Baht 3,400 million	3,524,115	3,524,115
Millcon (HK) Limited ⁽²⁾	Hongkong	10	100	USD 32,000	USD 32,000	95	95
Millcon Thiha Limited ⁽³⁾	Myanmar	0	0	USD 100,000	USD 100,000	8276	8276
Millcon Steel Pipe Co., Ltd. ⁽⁴⁾	Thailand	0	0	Baht 150million	Baht 150million	150,000	150,000
Saharuam Construction Materials Co., Ltd. ⁽⁵⁾	Thailand	0	0	Baht 50million	Baht 50million	50,000	50,000
Suntech Metals Co., Ltd. ⁽⁶⁾	Thailand	9	9	Baht 716million	Baht 716million	807,000	807,000
Siam Solar Generation Co., Ltd. ⁽⁷⁾	Thailand	0	0	Baht 1,111 million	Baht 1,111 million	917,000	917,000
Millcon Steel Bar Co., Ltd. ⁽⁸⁾	Thailand	9	-	Baht 1 million	-	1,000	-
Total						5,458,376	5,457,376
Indirect subsidiaries							
World Wire Processing Company Limited. ⁽⁹⁾	Thailand	9	9	Baht 1.4 million	Baht 1.4 million	-	-
Millcon Thiha (HK) Limited. ⁽¹⁰⁾	Hongkong	10	100	HKD 1	HKD 1	-	-
Quest Capital Investment Limited. ⁽¹¹⁾	Hongkong	10	100	USD 50,000	USD 50,000	-	-

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

- (1) Subsidiary operates the business of Manufacture and distribution of round bars, deformed bars.
- (2) Subsidiary operates the business of Purchase of the right on claim for asset.
- (3) Subsidiary operates the business of Trading of steel, products and construction material.
- (4) Subsidiary operates the business of Production and distribution of all types of steel products.
- (5) Subsidiary operates the business of Trading all kinds of steels product and building materials.
- (6) Subsidiary operates the business of Production of scrap and trading steel products.
- (7) Subsidiary operates the business of Generation and sale of electricity alternative energy source.
- (8) Subsidiary operates the business of manufacturing and trading of steel products.
- (9) Subsidiary operates the business of Stainless steel extrusion for all metals
- (10) Subsidiary operates the business of trading of steel products.
- (11) Subsidiary operates the business of trading of steel products

During the year 2019 and 2018, the subsidiaries did not pay dividends.

⁽¹¹⁾ Millcon Thiha (Hong Kong) Company Limited incorporated in 2014 has not previously been consolidated in the financial statements in past years due to the indirect subsidiary had not stated its major business of trading until 2019. There are transactions in its bank accounts in prior years. Most of the transactions are due to and due from related parties that if they were recorded, then they would be eliminated for the consolidated financial statements. Accumulated transactions from previous years in cash at bank recorded in the consolidated financial statements amounting to Baht 0.27 million.

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

17 controlling interests-Non

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interests, before any intra-group eliminations:

	31 December 2019				Total
	Millcon Burapa Company Limited	Millcon Thiha Limited	Siam Solar Generation Public Company Limited	Other individually immaterial subsidiaries	
	<i>(in thousand Baht)</i>				
Non-controlling interests percentage	0.90	49.00	10.00		
Current assets	3,095,247	165,807	110,075		
Non-current assets	6,399,487	802	1,431,666		
Current liabilities	(4,204,827)	(243,239)	(322,808)		
Non-current liabilities	(1,301,856)	-	(2,463,809)		
Net assets	3,988,051	(76,630)	(1,244,876)		
Carrying amount of non-controlling interests	35,892	(37,549)	(124,488)	1	(42,282)
Revenue	6,705,303	737,072	396,312		
Profit (loss) for the year	(9,655)	(9,485)	210,030		
Other comprehensive income	81	2,477	-		
Total comprehensive income	(9,574)	(7,008)	210,030		
Profit (loss) allocated to non-controlling interests	(87)	(4,648)	21,003	-	(3,257)
Other comprehensive income allocated to non-controlling interests	1	1,214	-	-	1,215
Cash flows from operating activities	1,084,197	28,793	259,473		
Cash flows from investing activities	212,342	(631)	(91,739)		
Cash flows from financing activities	(1,302,936)	-	(167,400)		

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

Net increase (decrease) in cash and cash equivalents	(6,397)		28,162		334		31 December 2018		Total
	Millcon Burapa Company Limited	Millcon Thiha Limited	Siam Solar Generation Public Company Limited	Other individually immaterial subsidiaries	in thousand Baht				
Non-controlling interests percentage	0.90	49.00	10.00						
Current assets	4,169,148	323,506	83,613						
Non-current assets	6,673,172	313	2,530,222						
Current liabilities	(6,211,606)	(389,210)	(448,095)						
Non-current liabilities	(167,368)	-	(2,732,438)						
Net assets	4,463,346	(65,391)	(566,698)						
Carrying amount of non-controlling interests	40,170	(32,042)	(56,670)				1	(9,460)	(58,001)
Revenue	9,425,977	255,397	236,575						
Profit (loss) for the year	(70,916)	(53,616)	143,769						
Other comprehensive income	(255)	(1,360)	-						
Total comprehensive income	(71,171)	(54,976)	143,769						
Profit (loss) allocated to non-controlling interests	(638)	(26,272)	14,377				-	(1,901)	(14,434)
Other comprehensive income allocated to non-controlling interests	(2)	(667)	-				-	-	(669)
Cash flows from operating activities	(165,265)	(19,798)	251,505						
Cash flows from investing activities	(158,924)	(267)	(34,572)						
Cash flows from financing activities	216,242	4,879	(210,541)						
Net increase (decrease) in cash and cash equivalents	(107,947)	(15,186)	6,392						

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

18 Investments in joint venture

	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018
	40			
		<i>(in thousand Baht)</i>		
Joint venture				
At 1 January	149,581	220,781	1,592,553	1,592,553
Share of loss of joint ventures	(31,031)	(51,443)	-	-
Share of other comprehensive income (loss) of joint ventures	(11,186)	(966)	-	-
Transfer to other long-term investment	-	(18,791)	-	-
Impairment losses	-	-	(18,537)	-
At 31 December	107,364	149,581	1,574,016	1,592,553

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

Investments in joint venture as at and 31 December 2019 and 2018 were as follows:

	Country of incorporation	Consolidated financial statements							
		Ownership interest 2019 (%)	Ownership interest 2018 (%)	Paid-up capital 2019 thousand USD	Paid-up capital 2018 thousand USD	At Cost - net 2019	At Cost - net 2018	Equity 2018 (Restated)	
Joint venture									
Wisdom Tree Investment PTE. Limited ⁽¹⁾	Singapore	45.00	45.00	12,000	12,000	159,016	177,553	107,364	149,581
Kobelco Millcon Steel Company Limited ⁽²⁾	Thailand	50.00	50.00	2,830,000	2,830,000	1,415,000	1,415,000	107,364	149,581
Total						1,574,016	1,592,553	107,364	149,581
Joint venture									
Wisdom Tree Investment PTE. Limited ⁽¹⁾	Singapore	45.00	45.00	12,000	12,000	177,553	177,553	159,016	177,553
Kobelco Millcon Steel Company Limited ⁽²⁾	Thailand	50.00	50.00	2,830,000	2,830,000	1,415,000	1,415,000	1,415,000	1,415,000
Total						1,592,553	1,592,553	1,574,016	1,592,553

(1) Joint venture operates the business of oversea investment.

(2) Joint venture operates the business of manufacturing and trading of wire rod.

None of the Group's joint ventures are publicly listed and consequently do not have published price quotation.

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

Joint venture

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

	Wisdom Tree Investment PTE. Limited		Kobelco Millcon Steel Company Limited		Ocean Supply Company Limited	
	2019	2018	2019	2018	2019	2018
Revenue	303,568	277,703	4,189,233	2,817,615	-	1,590,687
Profit (loss) for the year	(68,959)	(33,079)	(333,571)	(423,959)	-	2,720
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income (100%)	(68,959)	(33,079)	(333,571)	(423,959)	-	2,720
Total income of the Group's interest	(31,031)	(14,885)	-	(37,918)	-	1,360
Elimination of unrealised profit on downstream sales	-	-	-	-	-	-
Group's share of total income	(31,031)	(14,885)	-	(37,918)	-	1,360

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

	Wisdom Tree Investment PTE. Limited		Kobelco Millcon Steel Company Limited		Ocean Supply Company Limited	
	2019	2018	2019	2018	2019	2018
Current assets	217,381	197,018	2,122,661	2,117,944	-	-
Non-current assets	407,052	449,984	4,737,394	4,866,153	-	-
Current liabilities	(366,245)	(239,260)	(3,535,985)	(3,592,069)	-	-
Non-current liabilities	(25,023)	(75,340)	(1,747,580)	(1,479,329)	-	-
Net assets (100%)	233,165	332,402	1,576,490	1,912,699	-	-
Group's share of net assets	107,364	149,581	788,245	956,350	-	-
Elimination of unrealised profit on downstream sales	-	-	(788,245)	(956,350)	-	-
Carrying amount of interest in associate	107,364	149,581	-	-	-	-
Remark:						
Includes:						
– depreciation and amortisation	11,955	10,006	188,493	154,191	-	-
– interest expense	13,083	11,628	123,266	87,687	-	-

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

19 Other long-term investments

Other long-term investments as at and 31 December 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Ocean Supply Company Limited	-	18,792	-	-
Thai Special Steel Industry Public Company Limited	220,000	220,000	-	-
Total	220,000	238,792	-	-
Less Allowance for Impairment in Investment	(220,000)	(238,792)	-	-
Net	-	-	-	-

The Board of Directors Meeting of the Company No.2/2018 on 14 March 2018 approved Suntech Metals Company Limited, a subsidiary, to waive purchase of capital from increase in ordinary shares in portion to Ocean Supply Company Limited. The subsidiary has shareholding in Ocean Supply Company Limited reduced to 19.99% from 50%. The Company has reclassified the investment to other long term investments.

The Board of Directors Meeting of Ocean Supply Company Limited No.1/2018 on 27 February 2018, approved the dividend payment to ordinary shareholder of 200,000 shares, at rate of Baht 70.00 per share, amount of Baht 14 million.

On 24 September 2019, a subsidiary entered into an agreement to sell whole investment in Ocean Supply Company Limited. The agreement for sale was in the amount of Baht 10 million. The subsidiary has recorded a profit from sales of Baht 10 million.

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

20 Investment properties

	Consolidated financial statements			
	Land			
	<i>(in thousand Baht)</i>			
Cost				
At 1 January 2018				501,918
Disposals				(462,948)
At 31 December 2018 and 1 January 2019				38,970
At 31 December 2019				38,970
Accumulated Depreciation				
At 1 January 2018				-
At 31 December 2018 and 1 January 2019				-
At 31 December 2019				-
Net book value				
At 31 December 2018				38,970
At 31 December 2019				38,970
	Separate financial statements			
	Land	Land Improvement	Building	Total
	<i>(in thousand Baht)</i>			
Cost				
At 1 January 2018	496,568	26,419	79,502	602,489
Disposals	(462,948)	-	-	(462,948)
At 31 December 2018 and 1 January 2019	33,620	26,419	79,502	139,541
At 31 December 2019	33,620	26,419	79,502	139,541
Accumulated Depreciation				
At 1 January 2018	-	1,294	27,720	29,014
Depreciation charge for the year	-	96	1,211	1,307
At 31 December 2018 and 1 January 2019	-	1,390	28,931	30,321
Depreciation charge for the year	-	96	1,211	1,307
At 31 December 2019	-	1,486	30,142	31,628
Net book value				
At 31 December 2018	33,620	25,029	50,571	109,220
At 31 December 2019	33,620	24,933	49,360	107,913

At the board of directors meeting of the Company held on 14 May 2018, the board of directors had the resolution to approve to enter into purchase and sale agreement of land amounting to Baht 1,646.41

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

million. The Company recognized gain on sale of land amounting to Baht 1,087.82 million and collected cash from sale in full on 26 July 2018.

In 2015, the fair value of investment properties of the Group and the Company amounting to Baht 90.15 million and Baht 90.15 million respectively which was determined by independent professional valuers, at open market values on an existing use basis/discounted cash flow using risk-adjusted discount rates. The fair value measurement for investment property has been categorised as a Level 3 fair value and the present fair value has no significant change.

Collateral

As at 31 December 2019, the Group and the Company has mortgaged its investment properties as collateral against bank overdraft and credit facilities received from financial institution.

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

21 Property, plant and equipment

Cost	Consolidated financial statements <i>(in thousand Baht)</i>									
	Land	Land Improvement	Building and Building Improvement	Machinery	Power Generation Equipment	Furniture, fixtures and Equipment	Vehicles	Utilities	Assets under construction and installation	Total
At 1 January 2018	668,736	69,773	2,021,156	5,815,575	-	39,692	41,124	834,139	552,141	10,042,336
Additions	-	-	1,152	28,470	-	4,650	16,408	2,925	363,311	416,916
Acquisitions through business combinations (Note 7)	13,138	-	9,057	-	1,253,354	120	-	-	-	1,275,669
Transfers	-	-	2,809	64,383	-	1,294	89	14,801	(57,245)	26,931
Disposals	-	-	-	(9,650)	-	(4,518)	(1,395)	(298)	(5,051)	(20,907)
At 31 December 2018 and 1 January 2019	681,874	69,773	2,034,174	5,898,778	1,253,354	41,238	57,026	851,572	853,156	11,740,945
Additions	-	1,446	-	18,492	-	3,867	3,374	9,795	431,381	468,355
Transfers	(26,419)	26,419	502	610,126	-	12,923	4	721	(624,268)	-
Disposals	-	-	-	(24,907)	-	(940)	(470)	(12,926)	(5,490)	(48,965)
At 31 December 2019	655,455	97,638	2,034,676	6,502,489	1,253,354	57,088	55,694	849,162	654,779	12,160,335

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

	Consolidated financial statements										Total	
	Land	Land Improvement	Building and Building Improvement	Machinery	Power Generation Equipment <i>(in thousand Baht)</i>	Furniture, fixtures and Equipment	Vehicles	Utilities	Assets under construction and installation			
Accumulated Depreciation												
At 1 January 2018	-	23,655	323,002	948,361	-	27,816	12,943	133,155	-	-	1,468,932	
Depreciation charge for the year	-	3,598	32,740	272,270	-	3,177	5,999	29,988	-	-	347,772	
Disposals	-	-	-	(9,530)	-	(4,346)	(1,237)	(292)	-	-	(15,405)	
At 31 December 2018 and												
1 January 2019	-	27,253	355,742	1,211,101	-	26,647	17,705	162,851	-	-	1,801,299	
Depreciation charge for the year	-	3,602	29,056	140,494	66,855	5,071	8,804	33,189	-	-	287,071	
Disposals	-	-	-	(22,049)	-	(213)	(2,421)	(5,939)	-	-	(30,622)	
At 31 December 2019	-	30,855	384,798	1,329,546	66,855	3,455	24,088	190,101	-	-	2,057,748	
Increment on revaluation												
At 1 January 2018	462,658	-	-	-	-	-	-	-	-	-	462,658	
Acquisitions through business combinations (Note 7)	179,048	-	26,168	-	(103,046)	-	-	-	-	-	102,170	
At 31 December 2018 and												
1 January 2019	641,706	-	26,168	-	(103,046)	-	-	-	-	-	564,828	
At 31 December 2019	641,706	-	26,168	-	(103,046)	-	-	-	-	-	564,828	

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

		Consolidated financial statements							Assets under construction and installation		Total
		Land	Land Improvement	Building and Building Improvement	Machinery	Power Generation Equipment	Furniture, fixtures and Equipment	Vehicles	Utilities		
		<i>in thousand Baht</i>									
Net book value											
At 31 December 2018											
Owned assets	1,323,580	42,520	1,704,600	4,675,226	1,150,308	14,591	30,908	688,721	853,156	10,483,610	
Assets under finance leases	-	-	-	12,451	-	-	8,413	-	-	20,864	
	1,323,580	42,520	1,704,600	4,687,677	1,150,308	14,591	39,321	688,721	853,156	10,504,474	
Net book value											
At 31 December 2019											
Owned assets	1,297,161	66,783	1,676,046	5,162,287	1,083,453	25,583	19,959	659,061	654,779	10,645,112	
Assets under finance leases	-	-	-	10,656	-	-	11,647	-	-	22,303	
	1,297,161	66,783	1,676,046	5,172,943	1,083,453	25,583	31,606	659,061	654,779	10,667,415	

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

	Separate financial statements							Assets under construction and installation	Total
	Land	Land Improvement	Building and Building Improvement	Machinery	Furniture, fixtures and Equipment	Vehicles	Utilities		
Cost									
At 1 January 2018	160,147	70,539	125,819	1,430,045	25,994	7,640	66,593	23,658	1,910,435
Additions	-	-	656	61,761	3,036	6,070	2,600	35,933	110,056
Transfers	-	-	-	-	542	-	2,151	(2,693)	-
Disposals	-	-	-	(2,062)	(1,326)	(1,030)	-	(26,352)	(30,770)
At 31 December 2018 and									
1 January 2019	160,147	70,539	126,475	1,489,744	28,246	12,680	71,344	30,546	1,989,721
Additions	-	1,446	-	-	2,401	1,194	-	107,240	112,281
Transfers	-	-	-	18,651	9,151	-	-	(27,802)	-
Disposals	-	-	-	-	-	(457)	(12,926)	(5,463)	(18,846)
At 31 December 2019	160,147	71,985	126,475	1,508,395	39,798	13,417	58,418	104,521	2,083,156
Accumulated Depreciation									
At 1 January 2018	-	25,319	38,091	201,913	21,104	3,784	23,091	-	313,302
Depreciation charge for the year	-	3,502	2,143	57,726	1,797	1,664	7,769	-	74,601
Disposals	-	-	-	(2,060)	(1,251)	(1,030)	-	-	(4,341)
At 31 December 2018 and									
1 January 2019	-	28,821	40,234	257,579	21,650	4,418	30,860	-	383,562
Depreciation charge for the year	-	3,506	2,172	68,985	3,157	2,361	6,323	-	86,504
Disposals	-	-	-	-	-	(138)	(5,939)	-	(6,077)
At 31 December 2019	-	32,327	42,406	326,564	24,807	6,641	31,244	-	463,989

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

		Separate financial statements								
		Land	Land improvement	Building and Building improvement	Machinery	Furniture, fixtures and Equipment <i>(in thousand Baht)</i>	Vehicles	Utilities	Assets under construction and installation	Total
Incremental on revaluation										
At 1 January 2018		204,733	-	-	-	-	-	-	-	204,733
At 31 December 2018 and 1 January 2019		204,733	-	-	-	-	-	-	-	204,733
At 31 December 2019		204,733	-	-	-	-	-	-	-	204,733
Net book value										
At 31 December 2018		364,880	41,718	86,241	1,232,165	2,452	8,262	40,484	30,546	1,806,748
Owned assets		-	-	-	-	4,144	-	-	-	4,144
Assets under finance leases		364,880	41,718	86,241	1,232,165	6,596	8,262	40,484	30,546	1,810,892
Net book value										
At 31 December 2019		364,880	39,658	84,069	1,181,831	8,170	6,776	27,174	104,521	1,817,079
Owned assets		-	-	-	-	6,821	-	-	-	6,821
Assets under finance leases		364,880	39,658	84,069	1,181,831	14,991	6,776	27,174	104,521	1,823,900

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

The gross amount of the Group and the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2019 amounted to Baht 851 million. (2018: Baht 771 million)

Collateral

As at 31 December 2019, the Group and the Company has mortgaged its assets with net book value of Baht 6,237 million and Baht 813 million respectively (2018: Baht 6,758 million and Baht 823 million respectively) as collateral against bank overdraft, long-term loans and credit facilities received from financial institution

In 2015, the Group constitute appraisal by independent appraiser which by analyzing the value market approach as the data of level 3 inputs and the present fair value has no significant change.

The quantitative data regarding the data that cannot observed and significant which is using measure the fair value of the land as the expected sale of land is brought to compare which issuing to appraise the fair value of land, the price is between 5,500 - 16,000 Baht / square wah.

22 Goodwill

	Consolidated financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Cost		
At 1 January	1,907,470	333,598
Acquired through business combinations (Note7)	-	1,573,872
At 31 December	<u>1,907,470</u>	<u>1,907,470</u>

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

23 Intangible assets

	Consolidated financial statements				
	Computer software	Customer relationship	New product development <i>(in thousand Baht)</i>	Computer software under development	Total
Cost					
At 1 January 2018	9,651	39,922	47,658	-	97,231
Additions	160	-	-	17,446	17,606
Transfers	-	-	-	12,094	12,094
Disposals	(269)	-	-	-	(269)
At 31 December 2018 and 1 January 2019	9,542	39,922	47,658	29,540	126,662
Additions	2,611	-	-	-	2,611
Transfers	29,540	-	-	(29,540)	-
At 31 December 2019	41,693	39,922	47,658	-	129,273
Accumulated Amortisation					
At 1 January 2018	4,049	39,922	29,787	-	73,758
Amortisation for the year	938	-	793	-	1,731
Disposals	(269)	-	-	-	(269)
At 31 December 2018 and 1 January 2019	4,718	39,922	30,580	-	75,220
Amortisation for the year	4,080	-	693	-	4,773
At 31 December 2019	8,798	39,922	31,273	-	79,993
Accumulated impairment					
At 1 January 2018	-	-	16,385	-	16,385
At 31 December 2018 and 1 January 2019	-	-	16,385	-	16,385
At 31 December 2019	-	-	16,385	-	16,385
Net book value					
At 31 December 2018	4,824	-	693	29,540	35,057
At 31 December 2019	32,895	-	-	-	32,895

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

	Separate financial statements		
	Computer software	Computer software under development <i>(in thousand Baht)</i>	Total
Cost			
At 1 January 2018	9,550	-	9,550
Additions	115	17,446	17,561
Transfers	-	12,094	12,094
Disposals	(269)	-	(269)
At 31 December 2018 and 1 January 2019	9,396	29,540	38,936
Additions	2,611	-	2,611
Transfers	29,540	(29,540)	-
At 31 December 2019	41,547	-	41,547
Accumulated Amortisation			
At 1 January 2018	4,024	-	4,024
Amortisation for the year	925	-	925
Disposals	(269)	-	(269)
At 31 December 2018 and 1 January 2019	4,680	-	4,680
Amortisation for the year	4,054	-	4,054
At 31 December 2019	8,734	-	8,734
Net book value			
At 31 December 2018	4,716	29,540	34,256
At 31 December 2019	32,813	-	32,813

24 Right to generate and sell electricity

	Consolidated financial statements <i>(in thousand Baht)</i>
Cost	
At 1 January 2018	-
Acquisitions through business combinations (Note 7)	1,008,090
At 31 December 2018 and 1 January 2019	1,008,090
At 31 December 2019	1,008,090
Accumulated Amortization	
At 1 January 2018	-
Amortisation for the year	23,174
At 31 December 2018 and 1 January 2019	23,174
Amortisation for the year	46,349
At 31 December 2019	69,523
Net book value	
At 31 December 2018	984,916
At 31 December 2019	938,567

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

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

25 bearing liabilities-Interest

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Bank overdrafts	120	542	-	-
Short-term loans - Promissory notes	5,948,807	6,319,649	3,461,291	3,167,753
Short-term loans - Trust				
Receipt/Letters of credit	862,914	2,122,585	636,311	1,305,901
Short-term loans - Discounted bills	2,802,590	685,428	2,778,514	685,428
Total	9,614,431	9,128,204	6,876,116	5,159,082
Add transfer from long-term loans	-	1,493,582	-	-
Less prepaid interest				
on promissory notes	(32,647)	(24,966)	(16,612)	(8,427)
Less prepaid Interest				
on discounted bills	(24,836)	(5,839)	(24,836)	(5,839)
Total short-term loans				
from financial institutions	9,556,948	10,590,981	6,834,668	5,144,816

As at 31 December 2019 the Company has short-term loans from promissory notes, trust receipt and discounted bills totaling Baht 3,461 million, Baht 636 million and Baht 2,779 million, respectively. (31 December 2018: Baht 3,168 million, Baht 1,306 million and Baht 685 million, respectively) and has interest rates of 3.00% - 5.53%, 3.00% - 5.53% and 1.95% - 5.25% per annum respectively. (31 December 2018: 4.50% - 5.53%, 4.50% - 5.53% and 2.00% - 6.00% per annum respectively) The loans are secured by land, buildings, machinery and assets of the director of subsidiary which are personal guarantee.

As at 31 December 2019 the Group has short-term loans from promissory notes, trust receipt and discounted bills totaling Baht 5,949 million, Baht 863 million and Baht 2,803 million, respectively. (31 December 2018: Baht 6,320 million, Baht 2,123 million and Baht 685 million, respectively) and has interest rates of 3.00% - 5.53%, 3.00% - 5.53% and 1.95% - 5.25% per annum respectively. (31 December 2018: 4.50% - 5.53%, 4.50% - 5.53% and 2.00% - 6.00% per annum respectively). The loans are secured by land, buildings, machinery and assets of the director of subsidiary which are personal guarantee.

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

Movements of short-term loans from financial institutions for the year ended 31 December 2019 and 2018, comprise the following:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	9,128,204	6,950,670	5,159,082	3,866,633
Increased	48,014,761	41,320,971	33,551,468	27,028,249
Repayment	(47,529,273)	(39,135,577)	(31,834,509)	(25,732,335)
Unrealized losses on exchange rate	739	(7,860)	75	(3,465)
Total	9,614,431	9,128,204	6,876,116	5,159,082
Add Transfer from long-term loans	-	1,493,582	-	-
Less prepaid interest on promissory notes	(32,647)	(24,966)	(16,612)	(8,427)
Less Prepaid Interest on discounted bills	(24,836)	(5,839)	(24,836)	(5,839)
At 31 December	9,556,948	10,590,981	6,834,668	5,144,816

As at 31 December 2019, the Group and the Company had unutilised credit facilities totaling Baht 3,436.75 million and Baht 2,602.39 million, respectively (31 December 2018: Baht 2,326.80 million and Baht 1,547.48 million, respectively).

Long - term loans

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Long-term loans from financial institutions	4,418,179	4,656,551	297,489	397,583
Less Current portion of long-term loans	(587,957)	(355,093)	(100,322)	(100,093)
Less Transfer to short-term loans	-	(1,493,582)	-	-
Total long-term loans from financial institutions	3,830,222	2,807,876	197,167	297,490

As at 31 December 2019 and 2018, the long-term loan was obtained from a local financial institution, bearing interest MLR decrease as agreed per annum. These borrowings guaranteed by land, building, machinery, finished goods, and share certificate which the parent company invested in the subsidiary, the Company's director and the parent entity. According to these loan agreements, the Company and its subsidiary has to comply with the requirement specified in the agreement such as compliance with debt covenants, etc.

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

Movements of long-term loans from financial institutions for the year ended 31 December 2019 and 2018, comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	4,656,551	2,261,257	397,583	497,500
Acquisitions through business combinations (note 7)	-	2,722,057	-	-
Increased	293,862	164,679	-	-
Repayment	(532,234)	(491,442)	(100,094)	(99,917)
At 31 December	4,418,179	4,656,551	297,489	397,583

Finance lease liabilities

Finance lease liabilities as at and 31 December 2019 and 2018 were as follows:

	Consolidated financial statements					
	2019			2018		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	<i>(in thousand Baht)</i>					
Due:						
Within one year	17,809	(1,841)	15,968	20,138	(3,027)	17,111
After one year but within five years	26,459	(1,186)	25,273	46,010	(2,653)	43,357
Total	44,268	(3,027)	41,241	66,148	(5,680)	60,468

	Separate financial statements					
	2019			2018		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	<i>(in thousand Baht)</i>					
Due:						
Within one year	12,136	(1,204)	10,932	12,839	(1,903)	10,936
After one year but within five years	18,593	(807)	17,786	32,144	(1,756)	30,388
Total	30,729	(2,011)	28,718	44,983	(3,659)	41,324

As at 31 December 2019, the Group has entered into vehicle finance lease with the company incorporated in Thailand for group's operations. The said lease granted until 2024 with interest rate 3.67% to 14.19% per annum (2018: 3.67% to 14.19% per annum)

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

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

26 Trade accounts payable

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related parties	8	153,455	148,572	150,937	103,759
Business alliances	9	112,823	105	111,399	-
Third parties		976,417	1,549,707	429,549	1,071,067
Total		<u>1,242,695</u>	<u>1,698,384</u>	<u>691,885</u>	<u>1,174,826</u>

27 Other payables

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Share payable		100,352	305,500	100,352	305,500
Accrued expense		84,006	166,782	64,965	76,618
Accrued interest expense		10,135	8,142	4,240	2,619
Advance receive		275	2,308	-	-
Others		163,797	176,858	6,115	14,510
Total		<u>358,565</u>	<u>659,590</u>	<u>175,672</u>	<u>399,247</u>

28 Liabilities under debt restructuring agreement

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	-	-	-	-
Debt restructuring during the year	85,000	-	-	-
At 31 December	<u>85,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

During December 2019, a subsidiary has entered into a debt restructuring agreement with a litigant by change in payment condition from payable in amount of Baht 110 million to Baht 85 million and payment on monthly basis for a total of 96 months. Months 1 to 48, pay Baht 1 million per month and Months 49 to 96 pay 770,833 Baht per month and has expense for debt restructuring by amounting to Baht 3 million. The Group has gain from restructuring amounting to Baht 22 million and the relevant legal cases (shown below) have been terminated.

The detail of debt restructuring cases as below;

Black case no. 8/2018 and Red case no. 102/2019 in case of breach the supply, procurement and construction agreement and claimed to repayment the payable in amounting to Baht 100.29 million. The Arbitral issued its award by August 6, 2019, ordered the Company to pay that amount. However, the subsidiary has submitted the statement of defense and counter claim to civil court for claim the damages from lack of revenue and damages in the future in amounting to Baht 570.24 million.

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

Black case no.136/2018 and Red case no. Por 922/2019 in case of breach the operation and management contract and claimed the damages by amounting of Baht 33.54 million, on 24 October 2019 the trial court ordered the subsidiary to pay that in amounting to Baht 29.35 million.

Black case no.900/2019 in case of breach the operation and management contract and claimed the damages by amounting to Baht 60.17 million.

29 Deferred tax liabilities

	Consolidated financial statements			31 December 2019
	1 January 2019	(Expense) Revenue in		
		Profit or Loss	Other Comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax liabilities				
Surplus from land revaluation	92,532	-	-	92,532
Fair value on business combination				
- Right to generate and sell electricity	196,983	(9,270)	-	187,713
- Land, building and equipment	133,276	106	-	133,382
Total	422,791	(9,164)	-	413,627

	Consolidated financial statements				31 December 2018
	1 January 2018	(Expense) Revenue in			
		Profit or Loss	Other Comprehensive income	Acquisitions of subsidiaries (Note 7)	
		<i>(in thousand Baht)</i>			
Deferred tax liabilities					
Gain on financial derivatives	937	(937)	-	-	-
Surplus from land revaluation	92,532	-	-	-	92,532
Fair value on business combination					
- Right to generate and sell electricity	-	(4,635)	-	201,618	196,983
- Land, building and equipment	116,185	(3,342)	-	20,433	133,276
Total	209,654	(8,914)	-	222,051	422,791

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

	1 January 2019	Separate financial statements (Expense) Revenue in		31 December 2019
		Profit Loss <i>(in thousand Baht)</i>	Other Comprehensive income	
Deferred tax liabilities				
Surplus from land revaluation	40,947	-	-	40,947
Total	40,947	-	-	40,947

	1 January 2018	Separate financial statements (Expense) Revenue in		31 December 2018
		Profit Loss <i>(in thousand Baht)</i>	Other Comprehensive income	
Deferred tax liabilities				
Gain on financial derivatives	916	(916)	-	-
Surplus from land revaluation	40,947	-	-	40,947
Total	41,863	(916)	-	40,947

For the year ended 2019 and 2018, tax loss occurred which were classified by expiring year of tax benefits as follows;

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Expiring year of Tax Benefit				
Year 2020	199,809	200,135	-	-
Year 2021	7,937	468,194	-	-
Year 2022	468,194	-	-	-
Year 2023	565,671	-	-	-
Year 2024	311,829	-	84,989	-
Total	1,553,440	668,329	84,989	-

The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these items as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilise such a tax benefit.

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

30 Non-current provisions foremployee benefit

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Statement of financial position				
Non-current provisions for:				
Post-employment benefits	<u>56,528</u>	<u>44,511</u>	<u>31,685</u>	<u>22,693</u>
	Consolidated financial statements		Separate financial statements	
For the year ended 31 December	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits	<u>14,922</u>	<u>5,755</u>	<u>8,532</u>	<u>2,544</u>
Recognised in other comprehensive income:				
Actuarial losses recognised in the year	<u>378</u>	<u>2,411</u>	<u>460</u>	<u>1,917</u>

The Group and the Company 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 are exposed to actuarial risks, such as longevity risk, currency risk.

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

Present value of the defined benefit obligations

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	44,511	38,332	22,693	19,765
Include in profit or loss:				
Current service cost	13,528	4,833	7,771	2,103
Interest on obligation	1,394	922	761	441
	<u>14,922</u>	<u>5,755</u>	<u>8,532</u>	<u>2,544</u>
Included in other comprehensive income				
Actuarial gain (loss)	378	2,411	460	1,917
Other				
Benefit paid	(1,336)	(1,987)	-	(1,533)
Transfers out	(1,947)	-	-	-
	<u>(3,283)</u>	<u>(1,987)</u>	<u>-</u>	<u>(1,533)</u>
At 31 December	<u>56,528</u>	<u>44,511</u>	<u>31,685</u>	<u>22,693</u>

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Demographic assumptions	-	377	-	-
Financial assumptions	(109)	2,258	-	1,549
Experience adjustment	487	(224)	460	368
Total	<u>378</u>	<u>2,411</u>	<u>460</u>	<u>1,917</u>

On 5 April 2019, Labour Protection Act (No.7), B.E.2562 (2019) was amended by requiring additional obligations of an employer to pay for special severance pay to employees who were terminated, including retirement at due date, the employment. An employee who has worked for a continuous period of twenty years and more shall be paid on amount not less than the last rate of wages for four hundred days. The Group revised the retirement benefit plan for employees in 2019 to comply with the revised Labor Protection Act. The Group recognized the retirement benefit obligation as at December 31, 2019 and the past service costs increased during the year ended in the consolidated and separate financial statements in the amount of Baht 18.91 million and Baht 5.11 million respectively from this amendment.

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

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	(%)			
Discount rate	2.50 - 2.80	2.47 - 2.80	2.80	2.80
Future salary growth rate	4.00 - 6.00	4.00 - 6.00	6.00	6.00
Employee turnover rate	1.91 - 45.84	1.91 - 45.84	2.87 - 34.38	2.87 - 34.38

Assumptions regarding future mortality have been based on published statistics and mortality tables 2560 (TMO 2017)

Sensitivity analysis

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

	Consolidated		Separate	
	financial statements		financial statements	
	(in million Baht)			
At 31 December 2019	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(4,519)	5,186	(2,525)	2,905
Future salary growth (1% movement)	4,684	(4,175)	2,639	(2,346)
Employee turnover (1% movement)	(4,579)	5,767	(2,920)	3,816

	Consolidated		Separate	
	financial statements		financial statements	
	(in million Baht)			
At 31 December 2018	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(3,741)	4,277	(2,029)	2,327
Future salary growth (1% movement)	3,857	(3,449)	2,113	(1,884)
Employee turnover (1% movement)	(3,695)	4,697	(2,294)	2,975

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

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

31 Sharecapital

<i>For the year ended 31 December</i>	Par value per share (in Baht)	2019		2018	
		Number (thousand shares)	Amount (in thousand Baht)	Number (in thousand shares)	Amount (in thousand Baht)
Authorised					
Preferred Shares at 1 January	0.40	192,118	76,847	192,118	76,847
Convert preferred shares into ordinary shares	0.40	(192,118)	(76,847)	-	-
Preferred shares at 31 December	0.40	-	-	192,118	76,847
Ordinary shares at 1 January	0.40	6,741,670	2,696,668	5,093,493	2,037,397
Increase of capital	0.40	-	-	1,377,359	550,944
Stock dividend	0.40	-	-	270,818	108,327
Convert preferred shares into ordinary shares	0.40	192,118	76,847	-	-
Decrease of capital	0.40	(400,005)	(160,002)	-	-
Ordinary shares at 31 December	0.40	6,533,783	2,613,513	6,741,670	2,696,668
Total authorized	0.40	6,533,783	2,613,513	6,933,788	2,773,515
Issued and paid-up					
Preferred shares at 1 January	0.40	192,118	76,847	192,118	76,847
Convert preferred shares into ordinary shares	0.40	(192,118)	(76,847)	-	-
Preferred shares at 31 December	0.40	-	-	192,118	76,847
Ordinary shares at 1 January	0.40	4,333,167	1,733,267	3,862,349	1,544,940
Increase of capital	0.40	-	-	200,000	80,000
Stock dividend	0.40	-	-	270,818	108,327
Convert preferred shares into ordinary shares	0.40	192,118	76,847	-	-
Ordinary shares at 31 December	0.40	4,525,285	1,810,114	4,333,167	1,733,267
Total issued and paid-up	0.40	4,525,285	1,810,114	4,525,285	1,810,114

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

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In respect of the Company's shares that are held by the Group (*'Treasury shares' (see note 32)*) all rights are suspended until those shares are reissued.

Convert preferred shares

On 1 May 2019, preferred shares amounting to 192.12 million shares totalling Baht 76.85 million were converted into ordinary shares with ratio of 1:1 of entire amount.

Increase of registered capital

At the annual general meeting of the shareholders of the Company held on 27 April 2018, the shareholders had the resolution to approve the increase of registered capital amounting to Baht 659 million by issuing 1,648 million shares with a Baht 0.40 par value, from the initial authorized capital of Baht 2,114 million to Baht 2,773 million.

Decrease of registered capital

At the annual general meeting of the shareholders of the Company held on 26 April 2019, the shareholders had the resolution to approve the decrease of registered capital amounting to Baht 160 million by releasing ordinary shares that has not yet been issued totaling 400 million shares with a Baht 0.40 par value, from the initial authorized capital of Baht 2,773 Million to Baht 2,614 million.

Warrants

Warrant at 31 December 2019 as follows:

Warrant	Warrant Issue Date	Exercise Price (Baht/Share)	Exercise Ratio (Warrant /Share)	No. of Shares Derived from Exercised Warrants Cumulative (Share)	No. of Reserved Shares for Exercise (Share)	Maturity Date
MILL-W4	12 July 2017	0.203	1 : 1.099	-	433,869,941	11 July 2022
MILL-W5	11 July 2018	.1748	1 : 1.030	80	905,058,004	10 July 2020

The exercise of warrants to purchase ordinary shares (MILL-W3)

During the year 2019, there were 671 units of MILL-W3 warrants exercised to purchase ordinary shares, converted into 735 ordinary shares, with a par value of 0.40 baht per share and a premium amounting to Baht 1,714. The remaining MILL-W3 warrants have expired.

Share premium

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

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“Share premium”). Share premium is not available for dividend distribution.

32 Treasury shares

The Board of Directors Meeting of the Company No. 4/2018 on 16 July 2018 approved the share repurchasing of the Company for financial management and excess liquidity by maximum fund for share repurchase amounting 452 million shares, in total value not exceed Baht 625 million and period of repurchase since 31 July 2018 to 30 January 2019.

The treasury shares account within equity comprises the cost of the Company’s own shares held by the Company.

As at 31 December 2019 and 2018, the Group held 184.90 million of the Company’s shares, comprising 4% of the Company’s issued share capital, at a total cost of Baht 317.71 million (31 December 2018: Baht 317.71 million)

Surplus on treasury shares

The surplus on treasury shares represents the accumulated surplus on sale of treasury shares, net of any deficits on sale or cancellation of treasury shares. The surplus on treasury shares is not available for dividend distribution.

33 Legal reserve

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

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.

Treasury shares reserve

The treasury shares reserve represents the amount appropriated from retained earnings equal to the cost of the Company’s own shares held by the Company. The treasury shares reserve is not available for dividend distribution.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company’s net investment in a foreign operation.

Valuation surplus

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

The valuation surplus account within equity comprises the cumulative net change in the valuation of property, plant and equipment included in the financial statements at valuation until such property, plant and equipment is sold or otherwise disposed of.

34 Segment Information

The Group has 3 reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- ⌞ Segment 1 Manufacturing segment
- ⌞ Segment 2 Trading segment
- ⌞ Segment 3 Others

Other operations, none of these segments meets the quantitative thresholds for determining reportable segments for the year ended 2019 and 2018.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment revenue, as included in the internal management reports that are reviewed by the Group's CODM. Segment revenue 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.

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

Information about reportable segments

	Manufacturing segment		Trading segment		Others		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
<i>For the year ended 31 December</i>								
Domestic revenue	11,906,146	14,149,282	4,077,036	5,354,298	369,340	176,592	16,352,522	19,680,172
Oversea revenue	239,499	236,116	734,898	402,440	-	-	974,397	638,556
Total revenue	12,145,645	14,385,398	4,811,934	5,756,738	369,340	176,592	17,326,919	20,318,728

Information about major customers

For the year ended 31 December 2019 and 2018, the information regarding the major customers involving the trade value of more than 10% of the revenue in the consolidated financial statements of the Group are one customer. The revenue generated from the sales to the major customer in 2019 and 2018 are amounting to Baht 6,284.33 million and Baht 6,715.49 million, respectively, which are domestic sales.

For the year ended 31 December 2019 and 2018, revenue from sales to external parties from the production of manufacturing segment are of Baht 65.18 million and Baht 3,005.63 million respectively, The goods as mentioned above are the same type of goods is that a subsidiary purchased from those business partners during the same time period or within short intervals. The business partners as mentioned have no relation with the Group so that the sale and purchase of the goods in this nature are considered to be sale and purchase under the normal course of business.

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

35 Distribution costs

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Transportation expenses	167,444	170,319	141,745	119,340
Employee benefit expenses	23,414	33,028	17,128	22,592
Others	25,583	47,996	10,551	28,032
Total	216,441	251,343	169,424	169,964

36 Administrative expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Employee benefit expenses	212,749	228,257	147,724	151,574
Impairment of investment	-	10,000	17,088	-
Depreciation	11,545	7,775	6,508	4,548
Repairs and maintenance	9,191	9,423	5,680	4,858
Utilities expenses	7,137	7,245	2,867	3,202
Amortisation	4,747	1,731	4,054	925
Others	147,627	185,516	61,029	125,489
Total	392,996	449,947	244,950	290,596

37 Employee benefit expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Wages and salaries	228,927	260,254	154,245	159,182
Transportation expenses	28,255	27,113	10,413	13,371
Overtime expenses	54,074	59,124	31,303	32,855
Other welfare	18,071	23,362	6,927	7,611
Post-employment benefits	13,812	5,289	8,532	2,544
Allowance and incentive expenses	7,753	10,505	5,300	5,635
Povident fund contribution	6,822	7,447	4,825	4,784
Social security fund contribution	6,150	7,174	4,128	4,187
Seminar expenses	1,679	3,185	1,464	2,713
Others	47,855	55,898	34,782	38,073
Total	413,398	459,351	261,919	270,955

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

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates 2 – 15 % of their basic salaries and by the Group at rates 3 – 5 % of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Managers.

38 Expenses by nature

The financial statements represent expense by function. Expenses by nature are disclosed as required by TAS as follows:

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Purchases of finished goods and raw material		13,073,898	17,416,057	11,959,149	13,254,611
Change in finished Goods		1,555,120	(513,504)	792,372	15,320
Supplies expenses		490,773	108,208	39,135	45,772
Utilities expenses		418,832	685,203	149,645	151,337
Employee benefit expenses	37	413,398	459,351	261,919	270,955
Oil/Gas		276,917	331,868	203,296	207,821
Depreciation		242,233	301,577	82,769	72,805
Transportation expenses		199,177	247,647	155,514	170,438
Repairs and maintenance		140,923	145,264	87,344	97,038
Cost of shutdown		129,057	56,846	12,596	7,650
Amortisation		51,096	24,905	4,054	925
Impairment on investment	18	-	10,000	17,088	-
Allowance for decline in value of inventories (Reversal of)	13	(214,186)	231,923	(125,821)	129,677
Others		180,923	1,220,924	110,845	554,636
Total cost of sales of goods, distribution costs and administrative expenses		16,958,161	20,726,269	13,749,905	14,978,985

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

39 Income tax (expense)

Income tax (expense) recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Current tax expense					
Current year		-	25,264	-	22,630
Adjustment for prior years		22	-	22	-
		<u>22</u>	<u>25,264</u>	<u>22</u>	<u>22,630</u>
Deferred tax expense					
Movements in temporary differences	29	(9,164)	(8,914)	-	(916)
Total tax income (expense)		<u>(9,142)</u>	<u>16,350</u>	<u>22</u>	<u>21,714</u>

Reconciliation of effective tax rate

	Consolidated financial statements			
	Rate (%)	2019 <i>(in thousand Baht)</i>	Rate (%)	2018 <i>(in thousand Baht)</i>
Profit (loss) before income tax expense		(21,502)		69,449
Income tax using the Thai corporation tax rate	20.00	9,913	20.00	(80,535)
Income tax using the Thai corporation tax rate	10.00	(1,289)	10.00	769
Effect of different tax rates in foreign jurisdictions		-		11,479
Recognition of previously unrecognised tax losses		(14,601)		(25,224)
Current year losses for which no deferred tax asset was recognised		49,817		4,461
Income not subject to tax		(80,116)		(169,634)
Expenses not deductible for tax purposes		27,112		275,034
Adjustment for prior years		22		-
Total	(0.10)	<u>(9,142)</u>	23.54	<u>16,350</u>

	Separate financial statements			
	Rate (%)	2019 <i>(in thousand Baht)</i>	Rate (%)	2018 <i>(in thousand Baht)</i>
Profit (loss) before income tax expense		(108,244)		317,280
Income tax using the Thai corporation tax rate	20.00	(19,069)	20.00	769
Income tax using the Thai corporation tax rate	10.00	(1,290)	10.00	(30,969)
Current year losses for which no deferred tax asset was recognised		15,708		-
Income not subject to tax		(293)		(1,304)
Expenses not deductible for tax purposes		4,944		53,218

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

	Adjustment for prior years		22		-
	Total	(0.02)	22	6.84	21,714
40	per share (loss) Earnings				

Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the year ended 31 December 2019 and 2018 were based on the profit (loss) for the period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the period.

	Consolidated financial statements		Separate financial statements	
	2019	2018 <i>(Restated)</i>	2019	2018 <i>(Restated)</i>
<i>(in thousand Baht/thousand shares)</i>				
<i>For the year ended 31 December</i>				
Basic earnings per share				
Profit (loss) attributable to ordinary shareholders of the Company	(25,370)	198,679	(108,266)	295,566
Less Dividends on preference shares	(19,500)	(19,500)	(19,500)	(19,500)
Profit attributable to ordinary shareholders of the Company	(44,870)	179,179	(127,766)	276,066
Number of ordinary shares issued as at 1 January	4,148,263	3,862,349	4,148,263	3,862,349
Adjustment for conversion of preference shares during the period	128,956	257,485	128,956	257,485
Weighted average number of ordinary shares outstanding	4,277,219	4,119,834	4,277,219	4,119,834
Earnings per share <i>(in Baht)</i>	(0.010)	0.043	(0.030)	0.067

Diluted earnings per share

The calculations of diluted earnings per share for the year ended 31 December 2019 and 2018 were based on the profit for the period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the period after adjusting for the effects of all dilutive potential ordinary shares as follows ;

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

	Consolidated financial statements		Separate financial statements	
	2019	2018 <i>(Restated)</i>	2019	2018 <i>(Restated)</i>
<i>(in thousand Baht)</i>				
For the year ended 31 December				
Diluted earnings per share				
Profit attributable to ordinary shareholders of the Company	-	179,179	-	276,066
Add Dividends on preference shares	-	19,500	-	19,500
Profit attributable to ordinary shareholders of the Company	-	198,679	-	295,566
Weighted average number of ordinary shares outstanding	-	4,119,834	-	4,119,834
Adjustment for conversion of preference shares	-	192,118	-	192,118
Weighted average number of ordinary shares outstanding (diluted)	-	4,311,952	-	4,311,952
Earnings per share (diluted) (in Baht)	-	0.046	-	0.069

The incremental shares from assumed conversions of warrant are not included in calculating the diluted per-share amounts for the consolidated and separate financial statements for the year ended 31 December 2019 due to loss to ordinary equity holders of the parent entity.

41 Dividends

At the Board of Directors' meeting held on 28 February 2019, the Board of Directors unanimously approved the dividend payment for the year 2018 to the preference shareholder group C in amounting to Baht 19.5 million accounting for 5% of investment or Baht 0.1015 per share. The said dividend was paid to the preference shareholders on 28 March 2019.

At the annual general meeting of the shareholders of the Company held on 26 April 2019, the shareholders unanimously approved the dividend payment for the year 2018 of Baht 0.03 per share, totaling Baht 130.2 million. The said dividend was paid to the shareholders to the Company on 24 May 2019.

At the Board of Directors' meeting held on 27 April 2018, the Board of Directors unanimously approved the dividend payment as follows:

- the dividend payment for the year 2017 and 2016 to the preference shareholder group C in amounting Baht 19.5 million each year, totaling Baht 39.0 million accounting for 5% of investment or Baht 0.1015 per share. The said dividend was paid to the preference shareholders on 15 May 2018
- the dividend payment to the shareholders unanimously approved the dividend payment of 270.8 million shares at the par value of Baht 0.40 per share, representing a dividend payment of Baht 0.0267 per share to existing shareholders in rate of 15 ordinary shares per 1 ordinary shares dividend, total value Baht 108.3 million. In the event that the ordinary shares resulting from the dividend payment are calculated as a fraction of shares, the Company will deduct such fraction and the dividend payment as cash totaling Baht 13.4 million.

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

42 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes. In addition, the Company has sold factoring account receivable to manage financial risk.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital Management

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

As at 31 December 2019, the Group and the Company has debt to equity ratio in amount of 2.85 and 1.34, respectively. (2018: 3.44 and 1.30, respectively)

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 financial assets and liabilities debt securities is primarily exposed to interest rate referencing to the market interest rate.

The effective interest rates of debt securities and loans receivable as at 31December and the periods in which the loans receivable and debt securities mature or re-price were as follows:

	Effective Interest rate (% per annum)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
2019					
Current					
Cash equivalents	0.125 - 0.625	514,696	-	-	514,696
Pledged Financial Institution Deposits	0.2 - 0.75	584,009	-	40,000	624,009
Bank overdrafts and short- term loans from financial institutions	1.95 - 5.53	9,556,948	-	-	9,556,948
Non-Current					
Long-term loans	MLR - 1	587,957	3,830,222	-	4,418,179
Finance lease liabilities	3.67 - 14.19	15,968	25,273	-	41,241

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

Total	Consolidated financial statements			
	11,259,578	3,855,495	40,000	15,155,073
2018				
Current				
Cash equivalents	0.125 - 0.625	297,038	-	297,038
Pledged Financial Institution Deposits	0.25 - 1.15	877,038	-	877,038
Bank overdrafts and short-term loans from financial institutions	4.50 - 5.525	9,097,399	-	9,097,399
Non-Current				
Long-term loans	MLR - 1.00	1,848,675	2,807,876	4,656,551
Finance lease liabilities	3.67 - 14.19	17,111	43,357	60,468
Total		12,137,261	2,851,233	14,988,494

	Effective Interest rate (% per annum)	Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
2019					
Current					
Cash equivalents	0.12 - 0.625	393,388	-	-	393,388
Pledged Financial Institution Deposits	0.375 - 0.75	548,873	-	-	548,873
Bank overdrafts and short-term loans from financial institutions	1.95 - 5.53	6,834,668	-	-	6,834,668
Non-Current					
Long-term loans	MLR - 1	100,322	197,167	-	297,489
Finance lease liabilities	4.20 - 14.19	10,932	17,786	-	28,718
Total		7,888,183	214,953	-	8,103,136

2018					
Current					
Cash equivalents	0.125 - 0.625	227,762	-	-	227,762
Pledged Financial Institution Deposits	1.00 - 1.15	559,518	-	-	559,518
Bank overdrafts and short-term loans from financial institutions	4.50 - 5.525	5,144,816	-	-	5,144,816
Non-Current					
Long-term loans	MLR - 1.00	100,093	297,490	-	397,583
Finance lease liabilities	4.20 - 14.19	10,936	30,388	-	41,324
Total		6,043,125	327,878	-	6,371,003

Foreign currency risk

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

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

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
United States Dollars				
Interest-bearing liabilities	760,053	1,185,529	308,663	335,624
Trade accounts payable	533,527	901,008	261,884	843,629
Gross balance sheet exposure	1,293,580	2,086,537	570,547	1,179,253
Currency forwards purchase and sales	(75,892)	(1,344,163)	(10,027)	(917,499)
Net exposure	1,217,688	742,374	560,520	261,754

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

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

Fair values of financial assets and liabilities

Fair values of short-term loans to related parties and short-term loans from related parties approximate to their carrying values due to the interest rates approximate to the market interest rates and these financial instruments have short-term maturity.

Fair values of installment receivables and finance lease liabilities approximate to their carrying values due to the interest rates referencing to the market interest rate.

Fair values of long-term loans approximate to their carrying values due to the interest rates referencing to the market interest rate.

Millcon Steel Public Company Limited and its subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

43 related parties-Commitments with non

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Future minimum lease payments under non-cancellable operating leases				
Within one year	15,066	21,063	10,906	13,753
After one year but within five years	9,552	27,550	7,053	21,746
Total	24,618	48,613	17,959	35,499

Capital commitments

Machinery and equipment				
- Thai Baht (in thousand Baht)	136,306	143,237	-	-
- United States Dollars (in thousand Dollars)	-	2,750	-	980
- Euro (in thousand Euro)	-	85	-	15

Other commitments

Unused letters of credit for goods and supplies				
- Thai Baht (in thousand Baht)	65,864	9,620	-	-
- United States Dollars (in thousand Dollars)	2,186	3,386	-	-
Bank guarantee of electricity usage (in Thousand Baht)	111,018	111,243	8,312	8,312
Bank guarantee of purchase of gas-petroleum (in Thousand Baht)	7,000	7,000	7,000	7,000
Bank guarantee of purchases of goods and services				
- Thai Baht (in thousand Baht)	15,400	20,400	-	-
- Euro (in thousand Euro)	1,500	1,500	-	-
- United States Dollars (in thousand Dollars)	1,465	1,465	1,465	1,465
Guarantees the use of untreated water (in thousand Baht)	563	455	-	-
Aval - not yet due (in thousand Baht)	399,202	600,000	-	-

Forward contracts to sell foreign currencies

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
US Dollar				
- Average exchange rate (Baht/USD)	30.03-30.33	32.-3733.29	30.22	32.37-32.88
- Amount in foreign (in Thousand USD)	2,517	40,993	332	28,065

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

- Amount in local currency (in Thousand Baht)	75,892	1,344,163	10,027	917,499
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44 Promotional privileges

The subsidiary has received investment promotional privileges as follows:

As at 31 December 2019, the subsidiaries have received an investment promotional privileges from the Board of Investment (BOI). According to Investment Promotion Act, B.E. 2520, the promoted shall be granted exemption from payment of import duties on machinery as be approved by the Board and exemption of import duties on the raw and essential materials imported for use specifically in producing, mixing, or assembling products or commodities for export. Also it shall be granted exemption of juristic corporate income tax on the net profit derived from the promoted activity for 5 - 13 years from the date income is first derived from such activity as follow;

Promotional Privileges No.	Issue Date	The type of activity eligible for promotion	Start date of income	Maturity Date
1653/2539	22 May 2010	Type 2.15 manufacturing of Wire rod, steel wire, round line, steel shaft or billet	26 March 2012	26 March 2025
62-1321-1-05-1-0	29 November 2019	Type 2.8 Intermediate production which is a modification of machinery to increase production efficiency	(Not started yet)	(Not started yet)
1771(1)/2556	6 June 2013	Type 7.1 Utilities and Infrastructure service	25 March 2015	24 March 2028
1772(1)/2556	6 June 2013	Type 7.1 Utilities and Infrastructure service	25 March 2015	24 March 2028
1773(1)/2556	6 June 2013	Type 7.1 Utilities and Infrastructure service	3 December 2013	2 December 2026
1774(1)/2556	6 June 2013	Type 7.1 Utilities and Infrastructure service	3 December 2013	2 December 2026
1775(1)/2556	6 June 2013	Type 7.1 Utilities and Infrastructure service	6 September 2013	5 September 2026
1776(1)/2556	6 June 2013	Type 7.1 Utilities and Infrastructure service	6 September 2013	5 September 2026
1777(1)/2556	6 June 2013	Type 7.1 Utilities and Infrastructure service	6 September 2013	5 September 2026
1778(1)/2556	6 June 2013	Type 7.1 Utilities and Infrastructure service	6 September 2013	5 September 2026
1779(1)/2556	6 June 2013	Type 7.1 Utilities and Infrastructure service	25 March 2015	24 March 2028

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

45 Events after the reporting period

The Board of Directors Meeting of the Company on 7 February 2020, approved to purchase ordinary shares of I-Gen Powertech Company Limited amounting to 735,000 shares with a par value of 100 baht and in the total of Baht 73.5 million.

At the Board of Directors Meeting of the Company on 27 February 2020, has approved to joint investment in established the new Company with the limit not exceed than Baht 700 million.

46 Thai Financial Reporting Standards (TFRS) not yet adopted

New and revised TFRS, which are relevant to the Group's operations, expected to have material impact on the consolidated and separate financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows:

<i>TFRS</i>	<i>Topic</i>
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments:
TFRS 16*	Leases
TFRS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

* *TFRS - Financial instruments standards*

(a) TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability, with recognition exemptions for short-term leases and leases of low-value items. As a result, the Group will recognise new assets and liabilities for its operating leases. As at 31 December 2019, the Group's and Company's future minimum lease payments under non-cancellable operating leases amounted to Baht 24.30 million and Baht 18.73 million, respectively, on an undiscounted basis. Lease accounting for lessor remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is currently considering the potential impact from these TFRS on the financial statements in the initial period adopted.

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

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

47 Reclassification of accounts

Certain accounts in the statement of financial position, which are included in the 2018 financial statement for comparative purposes, have been reclassified to conform to the presentation in the 2019 financial statements.

	Consolidated financial statements		
	Before reclass	Reclass	After reclass
	<i>(in thousand Baht)</i>		
Statement of financial position			
as at 31 December 2018			
<i>Assets</i>			
Trade account receivable	-	2,575,501	2,575,501
Other receivables	-	293,897	293,897
Trade account receivable and other receivables - current	2,869,398	(2,869,398)	-
Advance payments for Inventories	1,560,549	(598,131)	962,418
Other current financial assets	354	4,109	4,463
Current tax assets	4,109	(4,109)	-
		<u>(598,131)</u>	
<i>Liabilities</i>			
Trade account payable	-	1,698,384	1,698,384
Other payables	-	659,590	659,590
Trade account payable and other payables	2,956,105	(2,956,105)	-
		<u>(598,131)</u>	
Separate financial statements			
	Before reclass	Reclass	After reclass
	<i>(in thousand Baht)</i>		
Statement of financial position			
as at 31 December 2018			
<i>Assets</i>			
Trade account receivable	-	1,934,976	1,934,976
Other receivables	-	353,187	353,187
Trade account receivable and other receivables - current	2,288,163	(2,288,163)	-
		<u>-</u>	
<i>Liabilities</i>			
Trade account payable	-	1,174,826	1,174,826
Other payables	-	399,247	399,247
Trade account payable and other payables	1,574,073	(1,574,073)	-
		<u>-</u>	

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

	Consolidated financial statements		
	Before reclass	Reclass	After reclass
	<i>(in thousand Baht)</i>		
<i>Statement of comprehensive income</i>			
<i>For the year ended 31 December 2018</i>			
Administrative expenses	444,428	24,239	468,667
Other expenses	24,239	<u>(24,239)</u>	-
		<u>-</u>	

	Separate financial statements		
	Before reclass	Reclass	After reclass
	<i>(in thousand Baht)</i>		
<i>Statement of comprehensive income</i>			
<i>For the year ended 31 December 2018</i>			
Administrative expenses	268,870	21,726	290,596
Other expenses	21,726	<u>(21,726)</u>	-
		<u>-</u>	

