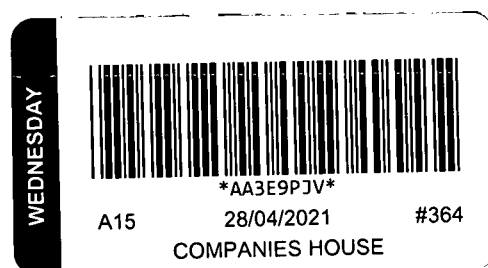


Company Registration No. 08820259

Stemcor France Limited

Report and Financial Statements

31 December 2020



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Corporate information

Directors

Andrew Checketts

Steve Graf

Julian Verden

Auditors

Ernst & Young LLP

1 More London Place

London

SE1 2AF

Registered Office

Longbow House

14-20 Chiswell Street

London

EC1Y 4TW

United Kingdom

Strategic report

The directors present their strategic report for the year ended 31 December 2020.

Review of the business

The Company is a wholly owned subsidiary of Stemcor Global Holdings Limited ("the Group"). The Company's principal activity during the period was that of an investment holding company of the Group. At the date of this report, the directors are not aware of any significant changes to the Company's activities in the year ahead.

The Group manages its operations on a divisional basis. For this reason, the Company's directors believe that key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

Principal Risks and Uncertainties

Financing covenants

Stemcor France Limited's principal risk is that the wider Stemcor Group fails to comply with its covenanted obligations under the terms of its financing agreements. A covenant breach could lead to a default, which in turn could close trade finance funding to the Group.

Covid-19

The rapid spread of the Covid-19 outbreak on a global scale at the start of 2020 resulted in the worldwide threat to health, the subsequent restrictions on travel and the disruption of many supply chains. The Group immediately recognised the significance of the pandemic and took a series of measures to mitigate the following risks.

- **Operational:** Throughout 2020 the safety of Stemcor employees was paramount. In line with local government guidelines, the Group transitioned employees to a combination of working from home and office rotations, where required, with safety measures. The remote and agile working arrangements were successfully supported by a robust IT infrastructure, with employees seamlessly accessing Group systems through a secure virtual desktop infrastructure.
- **Governance and risk management:** The Group enhanced its robust internal governance and risk management structures, with the Trading Management Team meeting weekly and focused on Covid-19 response activities. The meeting frequency and reporting of the Groups' other risk management related teams were also increased at the onset of the pandemic.
- **Counterparties:** The Group maintained its very close relationships with its lenders and credit insurers to ensure flexibility to secure support for customers and suppliers enabling the successful execution of trades.

At the start of 2021, local restrictions continue with many of the Group's employees, suppliers and customers still working from home, however with the rollout of the Covid-19 vaccines globally there is a potential pathway to return to a more normal trading environment.

Other

Other operating, financial and strategic risks which affect the Company are discussed in the Stemcor Global Holdings Limited's 2020 Annual Report, which does not form part of this report.



Andrew Checketts

Director

22 April 2021

Directors' report

The directors present their report for the year ended 31 December 2020.

Directors of the company

The current directors are shown on page 2.

Indemnities

The Company's articles of association provide, subject to the provisions the Companies Act, that the Company may indemnify any director or former director of the Company in respect of any losses or liabilities he or she may incur in connection with any proven or alleged negligence, default, breach of duty or breach of trust in relation to the Company (including by funding any expenditure incurred or to be incurred by him or her). In addition, directors and officers of the Company and its subsidiaries are covered by Directors' & Officers liability insurance.

Results

The results for the year are set out on page 9.

Dividends

No dividends were paid during the year and no dividend is proposed in relation to 2021.

Future developments and subsequent events

The Company has no significant future developments. Subsequent events are reported in note 12.

Going Concern

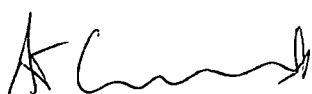
After having considered the uncertainties disclosed in note 1, the directors believe that the Company has an expectation of managing these risks. Therefore, the directors have prepared the financial statements on a going concern basis.

Political donations

No political donations were made during the year.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.



Andrew Checketts
Director
22 April 2021

Directors' responsibility statement

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the member of Stemcor France Limited

Opinion

We have audited the financial statements of Stemcor France Limited for the year ended 31 December 2020 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern to the period ending May 2022 being a period of at least a year from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Stemcor France Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 financial statements.

Independent auditor's report to the members of Stemcor France Limited (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

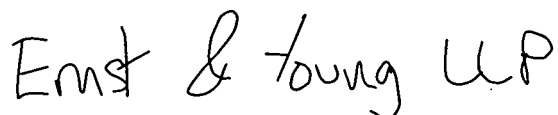
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102) Companies Act 2006, Bribery Act 2010, Companies (Miscellaneous Reporting) Regulation 2018, and the relevant direct and indirect tax compliance regulation in the United Kingdom.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand the policies and procedures in place as well as reviewing corroborative evidence as necessary.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by enquiring with management to understand the policies and procedures in place to detect fraud and action accordingly and by considering the risk of management override. We assessed that manual statutory adjustments were an area of the audit which might be more susceptible to fraud. We carried out audit procedures particularly focusing on any manual adjustments to the statutory financial statements.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reviewing minutes from the Board of Directors, enquiring with key management personnel and testing journals identified by specific risk criteria.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



William Binns (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
London

26 April 2021

Income Statement

For the year ended 31 December 2020

	Notes	2020 €'000	2019 €'000
Administrative expenses		(5)	(1)
Operating loss	3	(5)	(1)
Interest receivable and similar income	4	441	-
Interest payable and similar charges	5	(218)	(672)
Profit/(loss) on ordinary activities before taxation		218	(673)
Tax on profit/(loss) on ordinary activities	6	-	-
Profit/(loss) for the financial year		218	(673)

The results above are derived solely from continuing operations.

The accompanying notes are an integral part of the annual accounts.

Statement of Comprehensive Income

For the year ended 31 December 2020

	2020 €'000	2019 €'000
Profit/(loss) for the financial year	218	(673)
Other comprehensive income	-	-
Total comprehensive profit/(loss) for the year	218	(673)

Statement of Changes in Equity

For the year ended 31 December 2020

	Share capital €'000	Profit & loss account €'000	Shareholders' equity €'000
At 1 January 2019	-	713	713
Loss for the year	-	(673)	(673)
At 31 December 2019	-	40	40
Profit for the year	-	218	218
At 31 December 2020	-	258	258

Statement of Financial Position

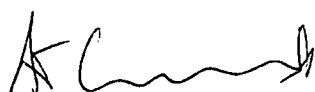
At 31 December 2020

	Notes	2020 €'000	2019 €'000
Fixed assets			
Investments	7	8,230	8,230
Current assets			
Debtors: amounts falling due within one year	8	28	31
Creditors: amounts falling due within one year	9	(8,000)	(8,221)
Net current liabilities		(7,972)	(8,190)
Total assets less current liabilities		258	40
Net assets		258	40
Capital and reserves			
Share capital	10	-	-
Profit and loss account		258	40
Shareholders' equity		258	40

The accompanying notes are an integral part of the annual accounts.

The financial statements of Stemcor France Limited (registered number 08820259) were approved by the Board of Directors and authorised for issue on 22 April 2021.

They were signed on its behalf by:



Andrew Checketts
Director

Notes to the Financial Statements

1. Accounting policies

Stemcor France Limited (the Company) is a private limited company limited by shares incorporated in England and Wales. The registered office is Longbow House, 14-20 Chiswell Street, London, EC1Y 4TW.

The Company's financial statements have been prepared in compliance with FRS 102 as it applies to financial statements of companies for the year ended 31 December 2020.

Basis of preparation

The financial statements of Stemcor France Limited were authorised for issue by the Board of Directors on 22 April 2021. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in Euros which is the functional currency of the Company and rounded to the nearest €'000.

Exemptions

As permitted by FRS 102 Section 1.12, the company has taken advantage of the exemptions available under that standard in relation to presentation of cash flow statement and the aggregate remuneration of key management personnel. Where required, equivalent disclosures are given in the consolidated financial statements of Stemcor Global Holdings Limited.

Going Concern

As part of the directors assessment of the Company's ability to continue as a going concern, a parental support letter has been received from Stemcor Global Holdings Limited outlining its agreement to provide assistance to the Company in meeting its liabilities as and when they fall due (but only to the extent that money is not otherwise available to meet such liabilities) for the period to the end of May 2022. The directors have also then considered the going concern assessment undertaken at the Stemcor Group level, with further details included in Stemcor Global Holdings Limited's Annual Report, which does not form part of this report.

After making reasonable enquiries and having carefully considered the matters described above, the directors believe that the Company is a sustainable business, will be able to meet its liabilities as they fall due and will have adequate resources to continue in operational existence until at least the end of May 2022. Accordingly, the directors continue to adopt the going concern basis in preparing the Strategic Report, the Directors' Report and the financial statements of Stemcor France Limited.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of the exchange ruling at the balance sheet date. All differences are taken to the income statement.

Notes to the Financial Statements

1. Accounting policies (continued)

Taxation

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimates are required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 6.

Investments

Investments are initially valued at cost and reviewed annually for signs of impairment. If an impairment loss is identified this is recognised immediately in the income statement and the value of the investment is reduced accordingly.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement.

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of the cash payable. After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in finance costs in the income statement.

Share capital and reserves

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. All issued shares are fully paid and hold the rights to dividends and votes in shareholder meetings.

2. Directors' emoluments

Other than the directors, the Company had no employees for the period ended 31 December 2020 (2019: nil).

None of the directors received any emoluments in respect of their services as directors of the company during the period ended 31 December 2020 (2019: €nil).

The remuneration of the directors is paid by the parent company (Stemcor Holdings 2 Limited), which makes no recharges to the Company. The directors act in a group capacity only and do not allocate specific time to the company and therefore it is not possible to make an accurate apportionment of their emoluments in respect of the Company.

3. Operating costs

Audit fees are borne by other group companies (Stemcor Holdings 2 Limited). Non-audit fees paid to the Company's auditor for the year amounted to \$nil (2019: \$nil).

Notes to the Financial Statements

4. Interest receivable and similar income

	2020	2019
	€'000	€'000
Foreign exchange gain	441	-

5. Interest payable and similar charges

	2020	2019
	€'000	€'000
Foreign exchange loss	-	424
Interest payable to group undertakings	218	248
	218	672

6. Tax on profit/(loss) on ordinary activities

The tax charge is made up as follows:

Current tax:	2020	2019
	€'000	€'000
UK corporation tax at 19% (2019: 19%)	-	-
Total current tax on profit/(loss) on ordinary activities	-	-

Factors affecting the total tax charge:

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are reconciled below:

	2020	2019
	€'000	€'000
Profit/(loss) on ordinary activities before tax	218	(673)
Expected tax charge/(credit) at 19% (2019: 19%)	41	(128)
Expenses not deductible	-	-
Group relief for nil consideration	(41)	128
Total tax expense	-	-

There were no deferred tax assets or liabilities at 31 December 2020 (2019 : €nil).

Notes to the Financial Statements

7. Investments

	Investment in subsidiary companies €'000
Cost and net book value 31 December 2020	8,230
Cost and net book value 31 December 2019	8,230

The subsidiary undertakings of Stemcor France Limited at 31 December 2020 were as follows:

Name of Company	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of Business
Stemcor France Holdings SAS	France	Ordinary shares	100%	Holding Company
Stemcor Aceros Especiales	Spain	Ordinary shares	100%	Steel Merchants
Oxbrookes *	France	Ordinary Shares	100%	Steel Merchants
Stemcor France SAS *	France	Ordinary Shares	100%	Steel Merchants
Acier Metal SA *	France	Ordinary Shares	100%	Steel Merchants

Undertakings marked * are held through intermediate holding companies. No preference shares are held in subsidiary undertakings.

Changes during the year:

- Stemcor Aceros Especiales – liquidated 15 January 2020

8. Debtors: amounts falling due within one year

	2020 €'000	2019 €'000
Amounts owed by group undertakings	28	31

Interest is not charged on the amounts owed by group undertakings.

9. Creditors: amounts falling due within one year

	2020 €'000	2019 €'000
Amounts owed to group undertakings	7,993	8,216
Other creditors	7	5
	8,000	8,221

Amounts owed to group undertakings are interest bearing at a rate of 3.1%/1.5% above a reference rate (2019: 3.1%/1.75%). The reference rate varies by agreement as GBP LIBOR or USD Libor.

Notes to the Financial Statements

10. Share capital

	2020	2019
	€'000	€'000
Called up, allotted and fully paid		
2 ordinary shares of £1 each	-	-

11. Contingent liabilities

At 31 December 2020, the company had no material contingent liabilities.

12. Events after the reporting period

The ongoing COVID-19 crisis is a significant non-adjusting post balance sheet event. The Company has, outlined its considerations of the impact of this crisis on the wider Stemcor Group within the Principal Risks section on page 3 and also within the Going concern section within note 1 on page 11.

13. Related party transactions

The Company has taken advantage of the disclosure exemption under FRS 102 regarding the requirement of Section 33 Related Party Disclosures paragraph 33.1A, and has not disclosed transactions with other wholly owned subsidiaries of Stemcor Global Holdings Limited.

14. Ultimate parent company and controlling party

The immediate parent company of Stemcor France Limited is Stemcor Holdings 2 Limited, which is incorporated in Great Britain and registered in England and Wales. As such the company has taken the exemption from preparing consolidated accounts on the basis that its immediate parent is established under the law of an EEA state. The ultimate parent company is Cedar Industrial Group Co. Limited, incorporated in China, whose registered office is Room 405, No.4 Hengjun Street, Baiyun District, Guangzhou City, China.

The smallest group which consolidates the Company's accounts at 31 December 2020 is Stemcor Global Holdings Limited. These consolidated accounts can be found on the Jersey Companies House website.

The largest group which consolidates the company's accounts at 31 December 2020 is Cedar Industrial Group Co. Limited. These consolidated accounts can be found on the Shanghai stock exchange website.