

# CONTENTS

---

	<b>Page</b>
Message from Managing Director	1
Audit Committee Report	2
Overall Performance	3
General Information	4
Business Overview	5
Company Background / Changes and development of the Company	6
Nature of the Business	7
Business Line	8
Revenue Structure	9
Major Shareholders / Dividend Policy	10
Management Structure	12
Risk Factors	20
Assets for the Business Used	22
Report of Practice under the Good Corporate Governance	25
Corporate Social Responsibility Activities	35
Summary of the transactions of the company for 2014	36
History of Executive and Director	44
Report of Director Relating to Responsibility to the Finance Statement	49
Report of Certificated Public Accountant	50

## MESSAGE FROM THE MANAGING DIRECTOR

---

### To all Shareholders

In 2016, Asia Metal Plc. and its subsidiary companies have made a total profit of 349 million baht which is considered the highest amount in the past 10 years. 2016 was also the year which the company had the highest sales volume of structural steel. This clearly showed the results of our relentless effort to increase the market share in the structural steel business. Moreover, the company has invested in a hot-rolled narrow strips coil factory at Amata City Industrial Estate (Rayong) which helped us to have a better management of raw materials.

Going through last year was not easy as there were many external factors which affected our business including excess production at a global level which led to the declining of world steel prices and the slowdown of Thai economy. These factors inevitably affected the consumption level of steel.

However, in the year 2017, Asia Metal Plc. will continue to improve the quality of our products and services as well as the efficiency of production. We always believe these are the foundations which serve as the right to grow, and ultimately to achieve our marketing and sales goals.

On this occasion and on behalf of the Board of Directors, I would like to thank our shareholders, customers, trade allies, domestic and foreign financial institutes, public agencies, private agencies and all sectors involved in support for the company performance. I thank every executive and employee of the company who cooperated and united in performing duties with responsibility in every area to build value for our shareholders, stakeholders and society in general. Lastly, I would kindly ask all of our shareholders to believe in the company determinations to operate the business for your maximum benefits, to develop the business in a sustainable way and to achieve the corporate goals.

Sincerely yours,



(Mr. Chusak Yongvongphaiboon)  
Managing director

## Reports from the Audit Committee

---

In the accounting year of 2015, the audit committees independently performed their duties assigned by the company's committees. The audit committees consulted with managers and auditors. Internal auditors were the ones performing completing their missions according to prescribed charters. The internal auditors could independently and transparently perform their duties in order to protect the company and shareholders' benefits without limitations to access data. The auditor committee conducted four meetings without the management's involvement. The duties of the audit committee can be summarized as follows.

**Financial reports** – reviewing financial statements quarterly and that in 2016, consulting with auditors, and considering suggestions about internal control in order to correctly submit the financial reports with adequate information according to generally accepted accounting standards

**Relevant issues** – checking and providing opinions about relevant issues or conflicts of interests in order to ensure that fair deals are made and maximize the company's benefits according to the principles of good corporate governance and transparency

**Good corporate governance** – with relevant business ethics, ordered employees to report the names of associates and quarterly prepare shareholding reports for the company's committees to consider in 2016, no conflicts of interests were found.

**Audit committees' performances** – presenting the audit committees' performance reports to the company's committees in the committees' meetings, providing opinions and suggestions useful for the management, and considering the evaluation results for the audit committees' performances in 2016 from the company's committees

**Auditors** evaluate the independency of the auditors and provide opinions about the auditors' wages in order to ask for permission from the general shareholder meeting in 2017 to assign auditors from BPR Audit and Advisory Company Limited. The assigned auditors will audit the company's activities in 2017. For 2016, the audit committees considered that they and the company's managers complied with good corporate governance and ethics in order to professionally achieve the company's goals, promote independent audit according to audit standards, and improve audit processes.



Mr. Piboonsak Arthabowornpisan

Chairman of the Audit Committee

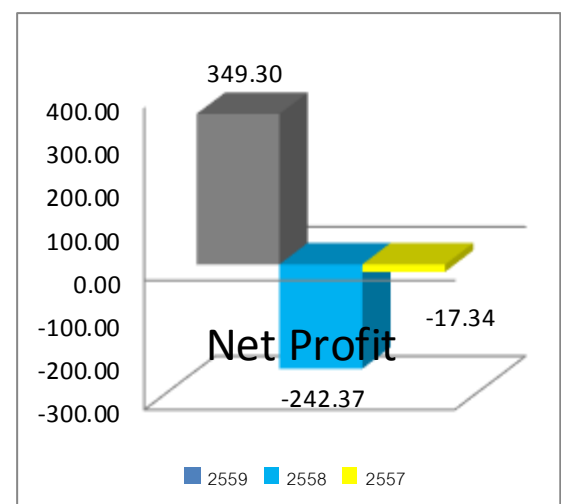
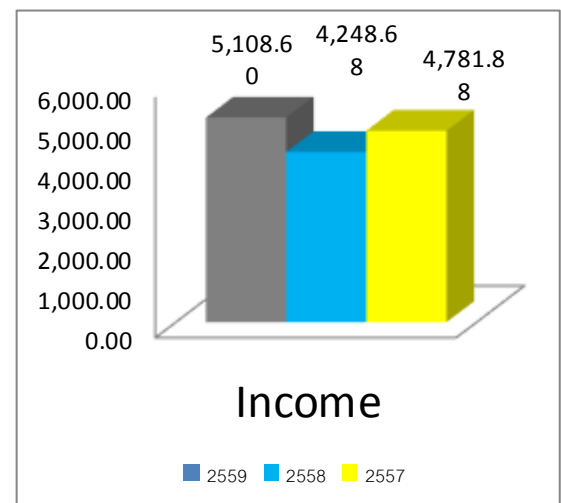
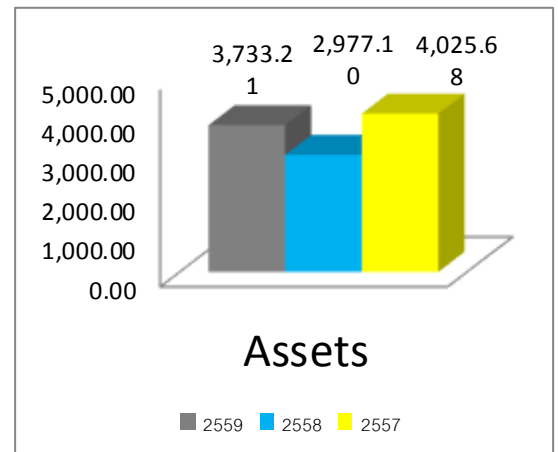
# Overall Performance

Data as of December 31, 2016.

## Overall Financial Statements

(Million Baht)

	2014	2015	2016
<b>Current Assets</b>	2,477.80	1,524.12	2,333.07
<b>Property, Plant &amp; Equipment</b>	1,154.33	1,126.23	1,061.31
<b>Total Assets</b>	4,025.68	2,977.10	3,733.21
<b>Total Current Assets</b>	2,272.81	1,440.55	1,838.56
<b>Total Liabilities</b>	2,281.97	1,499.92	1,855.94
<b>Total Common Stock</b>	480.10	480.10	480.10
<b>Shareholders' Equity</b>	1,743.71	1,527.17	1,877.26
<b>Liabilities and Shareholder's Equity</b>	4,025.68	2,977.10	3,733.21
<b>Income</b>	4,781.88	4,248.68	5,108.60
<b>Cost of Sales</b>	4,650.23	4,174.72	4,477.36
<b>Gross profit</b>	131.65	73.96	631.24
<b>Administration Cost</b>	69.23	75.86	71.23
<b>Administration Expense</b>	85.47	148.33	142.94
<b>Other earnings</b>	38.47	12.56	9.39
<b>Operating Profit Margin</b>	21.92	(197.76)	426.46
<b>Interest</b>	39.84	38.05	25.47
<b>Tax</b>	(0.58)	6.56	50.08
<b>Net Profit</b>	(17.34)	(242.37)	349.30



## General Information

---

### ASIA METAL PUBLIC COMPANY LIMITED

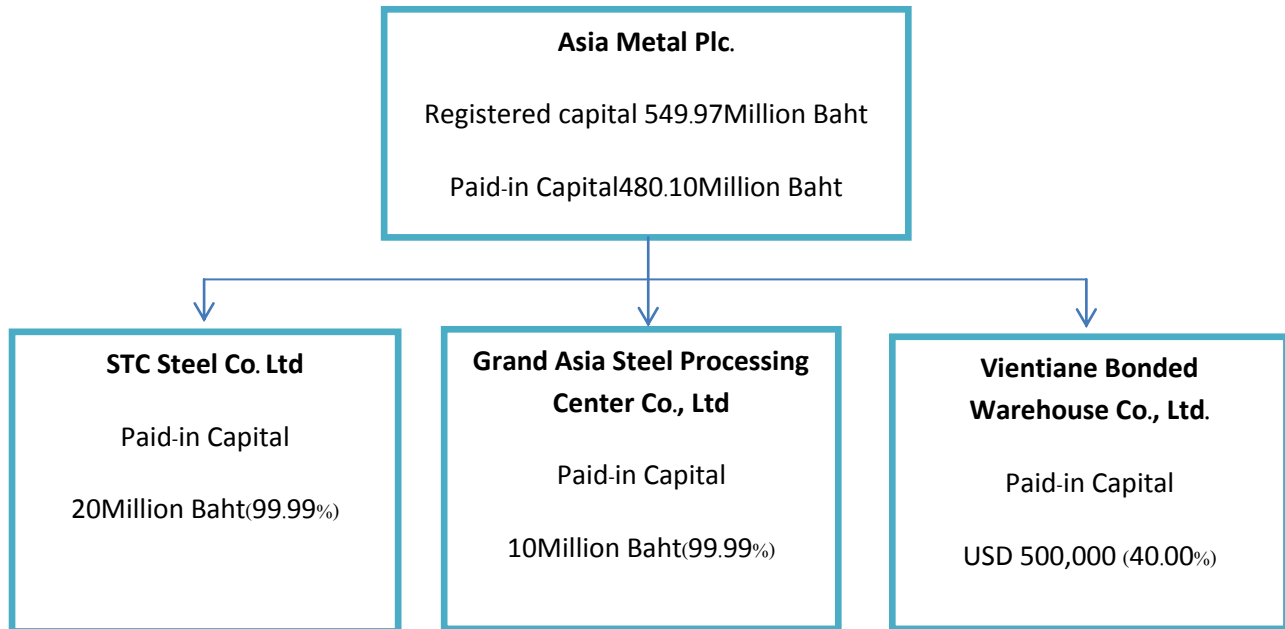
<b>Security Code</b>	:	AMC
<b>Registration Number</b>	:	0107547000176
<b>Type of Business</b>	:	Produce and distribute structural steel such as steel pipe and C-shaped structure used in various industries.
	:	Coil Service Center
<b>Registered Capital</b>	:	549.97 Million Baht
<b>Issued and Paid-up Capital</b>	:	480.10 Million Baht
<b>Head Office</b>	:	55,55/1 Moo2 SoiWatnamdaeng, Srinakarin Road, T.Bangkeaw, A.Bangplee, Samutprakarn 10540
<b>Factory</b>	:	90/1 Moo10, T.Sasileam, A.Panutnikom, Chonburi
<b>Investor relations</b>	:	Tel : 02 383 7200 Email : ir@asiametal.co.th
<b>Shareholders' representative</b>	:	Fax : 02 383 4102 Email : ia@asiametal.co.th
<b>Home page</b>	:	<a href="http://www.asiametal.co.th">www.asiametal.co.th</a>
<b>Subsidiary Companies</b>	:	1. STC Steel Co.,Ltd. (AMC holds 99%)
	:	2. Grand Asia Steel Processing Center Co.,Ltd. (AMC holds 99%)
	:	3. Vientiane Bonded Warehouse Co., Ltd (AMC holds 40%)

### References

<b>Share Registrar</b>	:	Thailand Securities Depository Co.,Ltd.
<b>Auditor</b>	:	BPR Audit and Advisor Co.,Ltd.
<b>Legal Consultant</b>	:	B & P Law Co.,Ltd.

## Business Overview of the Group

Group Structure of Asia Metal Public Company Limited as at 31 December 2016.



### The Group consists of three subsidiary companies

1. STC Steel Co. Ltd., holds 99.99 percent operates in manufacturer and distributor of steel pipes, both round and square types with diameter of 0.5 inches (12 mm) to 1 inch (25 mm) with a total capacity of 6,490 tons of steel every year.
2. Grand Asia Steel Processing Center Co., Ltd. (formerly name is Asia Metal Fabrication Co., Ltd. changed on August 25, 2015) holds 50.00 percent operates in steel service center (Coil Center) including the cutting and sale of steel sheets (Sheet) and slit steel coils (Slitting Coil) by the size demand by the customer with a total capacity of 72,000 tons of steel every year.
3. Vientiane Bonded Warehouse Co., Ltd. holds 40.00 percent of the company, which operates the warehouse, the company is still in the process of construction. Not yet operational.

## Company Background

---

- March 9 ,1993 : Established Asia Metal Public Company Limited  
Registered capital and the initial amount of 30 million  
by the group of Mr.Chusak Yongvongphaiboon  
Types of business: distribution centers of steel.
- March 9 ,2004 : The Company had became a public company  
Registered capital amount of 200.00 million  
Paid-in Capital of 200.00 million  
Types of business:  
1. Coil Service Center eg. Selling the steel coils (Hot-Rolled and Cold-Rolled steel sheet in coil) including cutting and slitting in coil by the requirement of customer.  
2. Producer and distribute the fabrication steel eg. Steel pipe and lip-Channel to support in many industries.
- Year 2008 : Registered capital amount of 549.97 million  
Paid-in capital amount 480.10 million
- Year 2011 : Expanded the factory at Chonburi Province,  
Area : 100 acres, 85 square yard  
To support the transportation and delivery the product to the customer companies, where are located nearby the East area and North East area.
- December 31,2016 : Yongvongphaiboon Group as an executive and major shareholders hold 35.34 percent of paid-up capital.  
Khunying Pattama Leesawatrakul Group holds 14.37 percent of the paid-up capital  
Suteerachai Group hold 18.96 percent of the paid-up capital  
(Closed Record Date on March 16,2016)

### Major changes and developments in 2016

- The company invests in a joint venture by Prime Steel Mill Co.,Ltd. (Formal name was Delong (Thailand) Co.,Ltd.). Registered capital of 1,000 million baht with a 20% investment value of 200 million baht, resulting in the company can manage raw material by efficiency.
- Invest in 2 machines to produce steel pipe which support or expand in Homemart segment and continuous industries.
- Development of production software. To increase in operational efficiency.

## Nature of the Business

The company and the subsidiaries have divided the products and services in two types as follows;

### 1. The supply of steel products

The Company provides steel products in the steel service center. The hot rolled steel coils and sheets, cold rolled steel, galvanized steel (GI), to sell to trader and the customer is the steel industry. Customers will be used in the processing of steel, including the following services for steel cutting of various sizes to customer requirements.

### 2. Processing of steel products

#### 2.1 Slitting Coil

The company offers steel cutting a slit coil. This is the coil (Coil) and cut into small strips across the width of the customer and roll it back to the retailer. The company has a machine for cutting steel rolling a Little (Slitting Coil).

#### 2.2 Cutting Sheet production

The company provides the services of cutting the steel sheets. This is to cut the steel coil into steel sheet by the width and length desired by the customer. The company can cut the steel according to the width from 600 to 1,500 mm and lengths ranging from 300 to 6,100 mm by a machine for cutting plates (Cutting Sheet).

#### 2.3 Steel Pipe

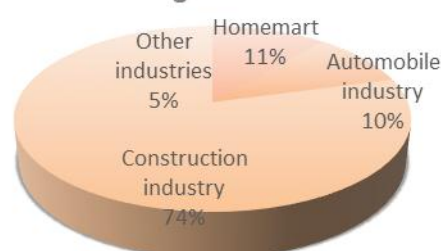
The company produces and sells steel pipes for use in various industries. At present, the company has the machinery for the manufacture of steel pipes, which can produce the steel from a diameter of 12 mm to 175 mm. By forming the hot rolled coil that has been cut according to the desired width and welding the steel sheet with high frequency by modern machinery and efficient production. That makes the steel pipes of the company has the quality and acceptable by the customer.

The company and the subsidiaries produce the round pipe, square pipe and rectangular pipe which the company can be produced by the width and length demand by the customer.

#### 2.4 C-shaped steel structure

The company manufacture and sale of steel C-shaped. By bringing rolling a Little (Slitting Coil), cut to size, forming a C-shaped appearance. The company is used for the production of steel C-shaped ranging from 3 inches to 6 inches, which will be used in the construction of a roof structure.

Growth rate of target industries in 2016





## Revenues of the company

The revenue of the Asia Metals Public Co., Ltd. and subsidiaries as follows.

Distribution Value	2014		2015		2016	
	Million baht	portion	Million baht	portion	Million baht	portion
• <b>Steel Service Center</b>						
1. Service supplier of steel products.	1,291.99	27.02	1,240.10	29.45	1,709.00	34.45
2. Cutting Services	3.59	0.08	2.54	0.06	0.38	0.01
Total Revenue of steel service centers	1,295.58	27.10	1,242.64	29.25	1,709.38	34.46
• <b>Processing of steel products</b>						
1. Iron sheet	734.67	15.36	416.54	9.80	189.05	3.70
2. Slit steel coil	417.37	8.73	232.07	5.46	166.05	3.25
3. Steel pipe	1,935.43	40.47	1,906.32	44.87	2,294.00	44.90
4. C-shaped steel structure	371.58	7.77	414.43	9.75	715.80	14.91
Total revenue for processing	3,459.05	72.33	2,969.36	69.89	3,364.90	65.87
• <b>Others*</b>	27.25	0.57	36.68	0.86	34.31	0.67
<b>Total value of all sales</b>	<b>4,781.88</b>	<b>100.00</b>	<b>4,248.68</b>	<b>100.00</b>	<b>5,108.60</b>	<b>100.00</b>

Note: \* other revenues include the selling of scrap from the manufacturing process

## Major shareholders of the company

List of major shareholders as of the latest closing book of registration on 16 March 2016  
(par value of Baht 1)

No.	Name/Surname	Total of Share	% of total of shares	
1	<b>Group of Mr.Chusak Yongvongphaiboon</b>			
	Mr. Chusak	Yongvongphaiboon	76,700,000	15.98
	Mrs.Phenchan	Yongvongphaiboon	40,000,000	8.33
	Ms. Prerada	Yongvongphaiboon	31,142,500	6.49
	Ms. Chananya	Yongvongphaiboon	21,791,000	4.54
	<b>Total group of Mr. Chusak Yongvongphaiboon</b>		<b>169,633,500</b>	<b>35.34</b>
2	KhunyingPatama	Leeawatrakul	69,000,000	14.37
3	<b>Group of Mr.VirachaiSuteerachai</b>			
	Mr. Virachai	Suteerachai	46,432,400	9.67
	Mr. Win	Suteerachai	39,900,000	8.31
	Mr.Krit	Suteerachai	4,690,000	0.98
	<b>Total group of Mr.Virachai Suteerachai</b>		<b>91,022,400</b>	<b>18.96</b>
4	Mr. Chanathip	Traiwut	20,000,000	4.17
5	Ms. Orawan	Pongtanyaluck	9,705,000	2.02
6	Mr.Kittipol	Juengwattananon	7,110,400	1.48
7	Mr. Pichit	Chatsakulwong	3,330,000	0.69
8	Mr. Kasem	Sirirungsankul	2,820,200	0.59
9	Thai NVDR Co.,Ltd.		2,455,412	0.51
10	Ms.Orani	Pipikul	2,455,412	0.51
	<b>Total</b>		<b>308,511,812</b>	<b>64.27</b>

## History of dividend policy for the past 3 years

---

The company has the policy of paying dividends to the shareholders the rate of not less than 50 percent of the net profit after tax deduction. Except if the company has planned to invest other projects. For the subsidiaries' dividend policy, like the company the subsidiaries will pay the dividends to the company at the rate not less than 50 percent of the net profit after tax deduction unless the subsidiaries have planned to invest other projects.

In 2016, the company had a net profit of Baht 354.26 million. The Board of Directors has proposed that the shareholders approve the dividend payment. At the rate of Baht 0.20 per share, totaling 96.02 million baht accordance with the company's dividend policy. By the approval of the Annual General Meeting of Shareholders for the year 2017, the Company will pay dividends on 25 May 2017.

In 2015 the Company had a net loss of 175.34 million baht from the operation of the business. Company's Board of Directors is of the opinion approved by the shareholders' meeting. The suspension of dividend payment for the year 2015.

In 2014 the company has the net loss of 8.31 million baht because of cash flow from operations, net of 310.21 million baht. Company's Board of Directors has the approval of the shareholders. The suspension of dividend payment for the year 2014.

## The goal of our business

---

The goal of the company is to produce the quality steel. Since the company recognizes how importance of the steel industry which is growing at a very high rate in the present and future from the growth of the construction industry, furniture industry, automotive industry and electronic industry.

Besides being a manufacturer of steel pipe and quality. The company also aims to become an integrated steel service center that is the company can offer various steel production. The size of the customer, including steel coils provide customers with the convenience of shopping from the customer can require companies to produce the desired size. The company is constantly improving standards. In terms of knowledge of the personnel and equipment used in the production include.

Also the company has the policy to develop the quality, reliability of the product, services of the company, and taking into account is the environment, both inside and outside the company. By applying the quality management system is ISO 9001:2008 and ISO/TS16949 in the management. The company is currently in the process of adjusting to ISO 9001: 2015 and IATF 16949: 2016 standard to spread out to the group of customers to automotive industry and ensures to its customers that the products purchased from the company are the products with standard quality and the company has the potential to improve the quality and continuously increase the potentiality of the employees.

---

## Management structure

### Management Structure

The board of directors consist with the board of directors and the audit committee. The Board of Directors and the management of the company consist of experts that are qualified in accordance the Section 68 of the Public Limited Companies Act B.E. 2535 (1992) and is not disqualified according to the Securities and Exchange Commission., Re. Application and Approval of an offer to sell the newly issued shares and the regulations on the management of the company issuing the securities. The names of the Board of Director are as listed below;

### Board of Directors

Names of the Board of Director as on 31 December 2016 are;

Name -Surname			Position
1.	Mr. Virachai	Suteerachai	President
2.	Mr. Chusak	Yongvongphaiboon	Committee
3.	Mrs. Phenchan	Yongvongphaiboon	Committee
4.	Ms.Chananya	Yongvongphaiboon	Committee
5.	Mr.Piboonsak	Arthabowornpisan	Chairman of the Audit/Independent Committee
6.	Mrs. Taisika	Praisangob	Audit Committee/Independent Committee
7.	Sub Lt.Suree	Buranathanit	Audit Committee/Independent Committee

**Remarks :**Ms. Sasithorn, the secretary of the company

### Director with authorize signatory

The signatory director binding with the company consist with;

- |                |                  |
|----------------|------------------|
| 1.Mr. Chusak   | Yongvongphaiboon |
| 2.Mrs.Phenchan | Yongvongphaiboon |
| 3.Ms.Chananya  | Yongvongphaiboon |

The two out of three directors can joint to signed their names together affixed the seal of the company.

### Scope of Authority of the Board of Directors

The duties and responsibilities of the board of directors to the shareholders is about the business of the company, governance and management in accordance the goals and policy that will

give an ultimate benefit to the shareholders and to all stakeholders within the framework of good moral.

The board of directors is obligated to perform and responsible for managing the company to comply with the laws, objectives and rules and regulations as well as to the lawful resolutions at the shareholder's meeting with honest and care, protect the interest of the company. Unless that matter must need approval from the shareholder's meeting such matter requires to be resolved at the shareholder's meeting, related transaction and purchase or sale the most assets by the law required by the Stock Exchange of Thailand or other government agencies required. In this case, the board of directors may delegate one director or others to carry out on behalf of the board of directors to consider and approve any significant business.

The interest in any manner with the company and its subsidiaries shall be presented to the board of directors of the company for consideration.

In addition, the board of directors of the company has determined the terms in the office of the board of directors of the company as follows;

- that the law requires the resolution of the shareholders' meeting.
- transactions where a member has an interest and be within the law or specify the terms of the Stock Exchange must be approved by the shareholders meeting.
- In addition, in the case of the following must be approved by the Board of Directors and the shareholders' meeting by a vote of not less than 3 /4 of the total votes of shareholders who attend the meeting and entitled to vote the ballot.
  - The sale or transfer of business of the whole or significant part.
  - The purchase or accept the transfer of other companies or private companies to the company.
  - The amendment or termination of a contract about the business of renting all or part of a major, assigning to someone else to manage the company's business or merged with others with the aim to profit and loss sharing.
  - The amendment or articles of the association.
  - Increasing the capital cost reduction issue. The merger or dissolution.
  - Any other matter required by law.

Currently, the Board's scope of duties and responsibilities can be summarized as follows.

- Organize the meeting of shareholders as the Annual General Meeting within four months after the end of the accounting period.
- Provide the Board of Directors meeting at least once in every 3 months.
- Provide a balance sheet and income statement of the company at the end of the period. The auditor review and propose to the shareholders for the consideration and approval.
- The Board of Directors may delegate to one or several people or any other person to perform instead of the Board of Director under the control of the Board of Directors or may delegate to such person authorized by the Board of Directors deems appropriate and within the Board's discretion. The Board may cancel or revoke the changes to fix the person or authority authorized by them. When appropriate the Board of Directors may delegate to the Executive Committee is responsible for the operation. The details of the scope of authority authorized by the board. The authorization must not appear to be authorized at the Board of Directors. To consider and approve the self or person with a conflict of interest or conflict of interest made to

any other companies. Or its subsidiaries. Except as authorized transactions are governed by policies and guidelines, the Board of Directors for consideration and approval.

- Set the policy, plans and budgets of the company, control and supervision of the administration and the management of the executive committee according to the policy that has been assigned. Except in the following that the Board of Directors must be approved by the shareholders before the operation, namely that the law requires the approval of the shareholders' meeting
- To consider the management structure of the executive Committee to appoint the Board of Directors, directors and others as appropriate.
- Monitoring the operation performance according to the plan and budget continuously.
- The committee must not engage in business which has the same condition and not in competition with the business of the company or become a partner in ordinary partnership or a partner in the partnership which is not limited authority or the director of private company or other companies that operate the same conditions. The competition with the business of the company whether they do it for personal gain or for other benefit unless they have informed at the shareholder's meeting before the resolution of appointment.
- The director must notify the company without delay if interested, either directly or indirectly in the contract that made by the company or change the number of share or debentures in the company or its subsidiaries.

## Audit Committee

**Names of the Audit Committee as on 31 December 2016 are;**

Name-Surname		Position
1. Mr. Piboonsak	Arthabowornpisan	Chairman of the Audit Committee/ Independent
2. Mrs. Taisika	Praisangob	Audit Committee/ Independent
3. Sub. Lt. Suree	Buranathanit	Audit Committee/ Independent

### Authority Duties of the Audit Committee

The authority duties of the audit committee has binding liabilities, power and duties and responsibilities authorize from the board of director including the reporting to the board of directors summarize as follows;

1. To review the Company's financial reporting is accurate and adequate. By coordinating with external auditors and executives responsible for financial reporting of quarterly and annual. The Audit Committee may recommend to the auditor review or audit of any item it deems necessary and important during the audit of the company
2. To review the Company's internal control and audit that are appropriate and effective. The review has conducted with the external auditor and internal auditor.
3. To review the practices of the Company pursuant to the Securities and Exchange Commission and the terms of the Stock Exchange or laws relating to securities business
4. To select and nominate the auditor of the company. Including the remuneration of the auditor with regard to credibility, adequacy of resources, check and workload of the audit office. As well as the experience of personnel assigned to the audit of the company.

5. To consider the disclosure of information in the event of a transaction or transactions that may have a conflict of interest that are accurate and complete.
6. Perform any other assigned by the Board of Directors and Audit Committee also agreed to review the financial management policies and risk management. A compliance review of business executives. Review with management the Company's key report to be presented to the public as required by the law, report and analysis of the management and so on.
7. Prepare the activities of the Audit Committee. Disclosure in the company's annual report. The report shall be signed by the Chairman of the Audit Committee. The list should contain the following information.
  - Comments on the process of preparation and disclosures in the financial reports of its accuracy, completeness and reliable.
  - Comments on the adequacy of its internal control system.
  - Reason to believe that the auditor of the company is appropriate to be appointed to another term.
  - Comments about the legal practice with the Securities and Exchange Commission. Terms of the Stock Exchange or laws relating to its business.
  - Comments or observations by the Committee includes the reviews receive from performing their duties under the Charter.
  - Any other reports that the shareholders and public investors should be aware. Within the scope of duties and responsibilities assigned by the Board of Directors.
8. Report the performance of the Audit Committee to the Board of Directors at least once a quarter.
9. Perform any other act by the Board of Directors of the Company entrusted with the approval of the Audit Committee.

In addition, the Board of Directors has set the term of operate of the Audit Committee in the following.

- Chairman of the audit committee                      3 years
- Audit committee    3 years

However, if the commitment period of the chairman of the audit and the audit committee passed from their term may have been appointed to another term.

## Executive Board of Director

Names of Executive Board of Director as on 31 December 2016 are;

Name-Surname		Position
1.	Mr. Chusak Yongvongphaiboon	President
2.	MrsPhenchan Yongvongphaiboon	Executive Committee
3.	Ms. Chananya Yongvongphaiboon	Executive Committee





## Appointed board of Directors and remuneration of directors and executives.

List of appointed boards of directors and remuneration of the directors and executives as at 31 December 2016 consists with;

Name-Surname		Position
1.	Mrs. Phenchan Yongvongphiboon	Appointed Chairman and remuneration
2.	Mrs. Taisika Praisangub	Director
3.	Ms. Chananya Yongvongphaiboon	Director

### Scope of authority and obligation

Scope of authority and obligation of the appointed board of directors with agreed remuneration of appointed directors and executives.

The scope and authority of the appointed board of directors with agreed remunerations in brief;

1. Policies and guidelines proposed to the board of director for the following;
  - Procedure to nominate the committee and managing director.
  - How to pay the compensation and other benefits to paid to the board of directors, sub-committee and managing director.
2. Select and proposed the name of the qualified personnel to the board of director's consideration as follows;
  - Committee
  - The committee from the sub-committee authorize with power and duties, and direct responsibilities from the board of directors.
  - The managing director and vice managing director for the position of managing director. Authorize the managing director to initially consider and propose the nominated board of director for consideration and propose to the board of director.
3. To look after the board of director with appropriate quorum to the organization including the adjustment that correspond with changing environment.
4. To look after the committee and managing director to receive the appropriate compensation according to their duties and assign responsibilities.
5. To set the guidelines, propose and approve the work evaluation of the chief executive officer. To determine the compensation and annual incentive payouts.
6. Follow the succession plan of work, position, chief executive officer and vice chief executive officer to propose to the board of director's consideration at least once a year.
7. Report the work performance to the board of director at least once a year.
8. Other actions as authorize by the board of director.

## Risk Management Committee

The names of risk management committee as at 31 December 2016 consist with board of director and executive officer as follows;

Name-Surname		Position
1.	Mr. Chusak Yongvongphaiboon	Chairman of the risk management
2.	Mrs. Taisika Praisangub	Committee
3.	MrsPhenchan Yongvongphaiboon	Committee

### Scope of authority, responsibility of the risk management committee

The scope and duties of the risk management committee in brief below;

1. Supervise the different agencies to plan and implement the risk management plan.
2. To advice and approved the principles for risk management plan of the agencies and set the appropriate standard control measures.
3. Responsible for risk assessment, prepare and oversee the implementation of risk management plan of the organization.
4. Report the matter to the board of director and executive committee to determine the director, strategic risk management, framework of acceptable risk to review or approval.
5. Organize the meeting to review the performance of risk management and report the performance to the executive committee or board of director

## Executive

Names of the executive as on 31 December 2016;

Name-Surname		Position
1.	Mr. Chusak Yongvongphaiboon	President
2.	MrsPhenchan Yongvongphaiboon	Vice managing president
3.	Ms. Chananya Yongvongphaiboon	Director
4.	Mr. Chidchnok Thomawongse	Executive Vice President / Acting Director of the factory
5.	Mrs Wannaree Thipsuwan	Director of Finance and Accounting.

### Scope of authority of the President

Scope of duties and responsibilities of the authorized Director in the administration regarding the implementation of regular business and its management can be summarized as follows.

1. Shall have the power to decide on the operations of the company. The scope of the type or size of the mission, objectives and policy guidelines within the scope of its mandate.

Including the supervision of the overall yield relationships with customers and be responsible to the Board.

2. To consider the case of procurement. The purchase of raw material at a time, if not more than 10,000 tons more than the amount approved to be presented for the approval at the next meeting of the Board of Directors as well as the investment expansion. Including the trading assets of the company for the proposal to the Board of Directors.
3. Have the power to act and show that he is the representative of the business in any business related and beneficial to the business.
4. The matter of funding for presentation to the Executive Committee and Board of Directors as follow
5. To approve the appointment of consultants in various fields that are essential to the operation of the business.
6. The parties relating to the management of the business in general.
7. To approve the action plan of each department and to approve the request from various departments having the excess power to order on that departments.

The delegation mentioned above the president must comply with various requirements and agenda approved by the Board at a time and shall not approve any person or persons who may have conflicts of interest, stakeholders, actual or potential conflict of interest in any other manner with the Company and its subsidiaries and must disclose the transaction to the Board of Directors to the Board of Directors for consideration.

Otherwise, other than those mentioned above. The managing director cannot act unless authorized by the Board of Directors from time to time.

## Monetary remuneration in the year 2016

For the past Annual General Meeting of the shareholders 2016 held on 28 April 2016. The remuneration for the board of director of 4,000,000 Baht had been approved. Which is the same rate by the year 2015, the company paid the remuneration for the 5 board of directors with names below;

Name-Surname				Meeting Allowance (Baht) 2015	Meeting Allowance (Baht) 2016
1	Mr.	Virachai	Suteerachai	480,000	360,000
2	Sub.Lt.	Suree	Buranathanit	180,000	180,000
3	Mrs.	Taisika	Praisangub	180,000	180,000
4	Mr.	Piboonsak	Arthabowornpisan	270,000	360,000

Board of Directors for 3 people (in 2015), and 3 (in 2016), no compensation as a director. The 3 directors are executives. Therefore receive compensation as an executive as follows:

Unit: Billion Baht

Details	Year2015	Year2016
	Salary and Bonus	Salary and Bonus
(3) Director- as executive	5,653.50	7,594.50
(3) Management	2,954.50	3,933.25
<b>Total</b>	<b>86,08.00</b>	<b>11,527.75</b>

**Other remuneration for directors and executives**

- None -

**Personnel**

Total number of employees of the Company and subsidiaries as of December 31, 2015 and 2016 a total of 325 people and 329 people (excluding management) consisted of the following lines.

<i>Department</i>	<i>Number of Regular Employees 2015</i>	<i>Number of Regular Employees 2016</i>
1. <i>Office</i>	123	77
2. <i>Factory</i>	202	252
<b>Total</b>	<b>325</b>	<b>329</b>

For the past 3 years, the company has no labour dispute.

**The compensation of the employees**

The compensation of the employees who are not executives of the company and its subsidiaries (total output during the year). In 2015 and 2016 in total of 95.39 million baht and 110.16 million baht respectively which paid in terms of salary, bonus, labour fees, overtime, cost of living allowance and fund.

**Policy Development**

The Company has the policy to develop employees as follows:

- Support programs to increase the efficiency of the company's workforce: There is an internal training program and the external training regularly. To bring knowledge and experience to apply to work.
- New Employee Training Program: A mentoring system for newly recruited staff. Older employees are coaching new generation employees to learn the job. This will allow the company's employees to perform their duties properly and efficiently. They can also develop their organizations to compete in both national and regional competitions.

- Employee compensation policy at reasonable rates to motivate and keep employees engaged with the company in the long run.
- The Employee Benefits Program introduces fellow employees who have not worked with the company before to motivate them to introduce and persuade friends. Relatives working for the company.
- Policies relating to the welfare and working environment of the Company's employees, as appropriate.

## Risk Factors

---

### **The risk of the business**

### **The risk of volatility in consumption.**

The overall of the domestic steel industry in the past year is better than last year. The steel industry is an industry where consumption increases but the domestic steel industry including continuous industries to be involved with both public policy and private policy, which is one of the variables that may result in domestic steel consumption.

### **The risk of fluctuations in raw material prices**

In 2016, the company and its subsidiaries had revenue from sales of hot rolled coils and processed steel products from hot rolled steel coils accounted for 2.68 percent, sales of SLAB was 31.70 percent and the other products was 65.62 percent of the total revenues of the company and its subsidiaries. In 2016, The steel products are sold the value of the steel equivalent to 35.15 percent. Cost of sales includes the change in prices on global market conditions and other factors which impact on steel prices, for example. Exchange rate, import tariffs, others including in the volume of steel imports from China, a lot of impact on domestic prices. The costs of raw materials, the Company and its subsidiaries under conditions of fluctuating steel prices in the country and around the world all the time. The Company and its subsidiaries may be at risk if they cannot adjust the price according to the cost of the change.

However, the company has been tracking the movement of raw material prices closely. To serve as guidelines for the management of purchase in accordance with the demand of its customers from the company and its subsidiaries, including pricing, sales of the company and the subsidiary. To consider the cost of sales, coupled with the market price and the selling price of goods and raw material prices, the Company has the investment with the joint venture company to serve the narrow strip steel in coil. Enabling companies to manage finished goods and raw materials efficiently and import volume of raw materials also decreased. Venture Company supports the raw material to the Company. The risk management of inventories in the appropriate quantity and alternating pressure products to more consumers to drain inventories as soon as possible.

## **Risk Management**

### **Customer's credit risk**

As at 31 December 2016, the Company had outstanding receivables at 811.90 million baht representing a rate of 15.89 percent of the total income of the company and its subsidiaries in 2016, with the average collection period at 54 days. The debtor with outstanding that is not yet due of 345.56 million baht, with payment in arrears not over 90 days of 335.01 million baht, a Total of 680.57 million baht in rate of 13.32 percent of total receivables.

The company and subsidiaries has the potential risk of the customer that cannot pay the agreed upon conditions or payment later than the time agreed upon. This could cause the company experiencing the liquidity problems or financial loss.

However, the Company and its subsidiaries have operations in the credit history of the customer such as the customer profiles, repayment and the credit limit. The company has a diverse customer base and needed a lot of money. The Company does not provide any customer with a credit limit or any of the special circumstances in order to prevent any risk that may occur.

### **Risk from Interest Rate**

As at 31 December 2016, the Company had outstanding short-term debt of 1,838.56 million baht and the debt resulting of loans from financial institutions in total of 1,207.85 million baht. Mostly in the form of short-term promissory notes with interest rate from 1.02 percent to 2.75 percent per annum, is repayable between 1-6 months to use as working capital for the purchase from the steel factory. If the domestic interest rate has increased. The cost of the higher interest of the company may affect the performance of the company.

In the past year, the cost of debt (interest) is 25.47 million baht, representing 0.50 percent of the income from sales and services of interest, commercial loan from the increase of imported raw materials and economic conditions from the trend of deflation. The management team believes that there is no impact on interest rates and will not be affected the operation and the cash flow significantly.

### **Risk from exchange rate**

In year 2016, the company purchase the foreign goods accounted for 39.34 percent of the total orders. Most of the orders is in the US dollar and EURO currency which is likely to appreciate every day. Therefore, the company has the risk from the fluctuations in exchange rates. The Company uses derivative financial instruments to reduce the uncertainty of future cash flows arising from changes in foreign exchange rates. Using these strategies to hedge against the risk of the exchange rate in advance, as of December 31, 2016, with the remaining 0.7 million dollars and 0.07 million euro and liabilities that are not hedged 3.8 million dollars and 0.2 million euro. The company will continue to hedge at the right time with the least impact to the financial statement.

Companies continue to order raw material from abroad, hence to maintain a policy to reduce the impact of exchange rate risk, the forward foreign exchange contracts are used as appropriate.

## Assets for the Business Used

### The fixed assets use in business

As at 31 December 2016 the company has fixed assets use in the business as follows;

		Unit: Million Baht	
Type / style of property	Type of Ownership	Value	Obligation
<b>1. Land</b>			
- Area of 16 acres, 3 Ngan and 5 square yard Location: No. 55, 55/1, Moo 2, SoiWatNamdaeng, Srinakarin Road, Bangkaew Sub-District, Bangplee District, SamutPrakan Province	Owned by the company	147.51	(1).Mortgage loan of 400 million baht
- Area of 99 acres, 72 square yard* Location: No. 90/1, Moo 10, Sasiliam Sub-District, PhanasNikom District, Choburi Province.	Owned by the company	49.12	(2). Mortgage loan of 600 million baht
- Area of 85 acres, 69 square yard** Location: No. 90/1, Moo 10, Sasiliam Sub-District, PhanasNikom District, Choburi Province.	Owned by the company	42.18	None
- Area of 17 acres, 34 square yard Location: No. 90/1, Moo 10, Sasiliam Sub-District, PhanasNikom District, Choburi Province.	Owned by the company	8.46	None
- Area of 3 acres, 82 square yard Location: No. 6/10, Moo 1, SoiWatNamdaeng, Srinakarin Road, Bangkaew Sub-District, Bangplee District, SamutPrakan Province.	Owned by STC	25.64	(3). Mortgage loan of 250 million baht
<b>2. Factory Building</b>			
- Factory Building of the company Location: No. 55, 55/1, Moo 2, SoiWatNamdaeng, Srinakarin Road, Bangkaew Sub-District, Bangplee District, SamutPrakan Province.	Owned by the company	37.89	(1). Mortgage loan of 400 million baht
- Choburi Factory Building of the company** Location: No. 90/1, Moo 10, Sasiliam Sub-District, PhanasNikom District, Chonburi Province.	Owned by the company	184.26	(2). Mortgage loan of 600 million baht

Type / style of property	Type of Ownership	Value	Obligation
2. Factory Building			
- Factory building of subsidiaries company			
Location: No. 6/10, Moo 1, SoiWatNamdaeng, Srinakarin Road, Bangkaew Sub-District, Bangplee District, SamutPrakan Province.	Owned by STC	13.58	(3). Mortgage loan of 250 million baht
3. Machineries	Owned by the company	360.41	None
4. Machineries	Owned by STC	0.78	None
5. Vehicles	Owned by the company	10.98	None
6. Furniture and office equipment	Owned by the company	7.06	None
7. Furniture and office equipment	Owned by STC	0.02	None
8. Machineries in progress	Owned by the company	145.26	None
9. Machineries in progress	Owned by STC	0.00	None
<b>Total</b>		<b>1,033.15</b>	

Unit: Million Baht

### Investment policy and the management of subsidiaries and associated companies

The investment policy of the company will consider in investing the businesses that support and facilitate the business of the company of business in an industry that tends to grow and it is important to take into an account the benefits that will receive from investment. The company will oversee by sending the committee by representing according to the portion of shares. If the associated companies, the company will not on control much but sending the representative from the company as the director of that company based on the portion of the shares of the company.



## Report of practice under the good corporate governance

---

The Board of Director of Asia Metal Company Limited (Thailand) (the "Company") has recognizes the importance of good corporate governance of the companies. To abide by such guidelines as the basis for the business operations and policies. To perform the responsible duties and honest with care. Asl resulted in business growth can be effective, transparent and raise confidence among the shareholders, investors and all relevant parties. Which at present, the company has to comply with the 5 principles as follows.

### Chapter 1 Rights of the Shareholder

#### 1.1 Election

According to the implemented rules of the company in the particular to elect the board of director of the company at the shareholder meeting under the principles and method as follows;

- (1) One shareholder has the vote equivalent to one share according to the total of share that has been hold.
- (2) Each of the shareholder shall use all the vote according to (1) to elect the same person or several person as the committee but not to divide the vote more or less to any person.
- (3) The person receive the highest vote significantly can be elected as the committee equivalent to the number of the committee which has been or elected at that time. In case the elected person in the next level has more vote than the number of the committee existed or just elected at that time, the president has the absolute vote.

In addition to this, during the past ordinary shareholder's meeting, the company has given the shareholder the chance to vote and individually choose the committee.

#### 1.2 Rights to attend the shareholder's meeting

##### **Before the date of the meeting**

- (1) The company has given the shareholder their privilege to present the agenda at the meeting and names to be elected as the board of director of the company 60 days in advance before the meeting. Which prescribing the principles in presenting the above at the website of the company: [www.asiametal.co.th](http://www.asiametal.co.th) with the announcement through the Stock Exchange Market of Thailand. Including the forms for convenient to the shareholders to be presented the agenda of the meeting and the names of the above person. However, in 2016 there is no shareholder presented the agenda and names to be elected as the committee.
- (2) The company has send the invitation letter of the meeting to the shareholder prescribing the agenda and opinion of the board of each agenda. The letter has included the document for the meeting and send to the shareholder at least 14 days in advance before the meeting of the shareholder. The entire data shall be presented at the website of the company headed "data for the investor" in 30 days in advance before the shareholder's meeting under the AGM Checklists to let the shareholder has the chance

to review the data before attending the meeting in advance before receiving the data in shape of document.

- (3) To provide conveniences at the meeting to the shareholders that could not attend the meeting by their own, the company has the proxy letter herein attached Form Kor. and Form Kor. together with the invitation letter. To allow the shareholder staying abroad can appoint their proxy to attend the meeting and can cast their vote on their behalf or able to assign the power to the independent committee appoints by the company as the proxy.
- (4) In addition to the letter of invitation send to the shareholder and in order to provide and to receive additional information. The company has manage for an advertisement to invite the shareholder in the newspaper for continuously 3 days and 3 days in advance before the shareholder's meeting as prescribe in the Public Company Limited Act B.E. 2535 (1992). As well as publish the letter of invitation of the meeting and documentation at the website of the company headed "data for the investor."

#### **On the meeting day**

- (1) The company has provides the conveniences to the shareholder in particular of the place for convenience to travel, preparation of the invitation letter for those shareholder failure to bring the document, monitor to present the agendas in term of Power Point for the conveniences to consider each agenda with micro phone. To allow the shareholder the right to ask, present or show their opinion as long necessary. Provide the table for the registration and examine the document with the assistance of the staff.
- (2) The board of director, board of audit committee and executive board are aware how important is to attend the meeting that shall be considered as duty and responsibility. That enable the previous ordinary shareholder's meeting consist with the board of director, board of audit committee, board of director that determine the compensation, executive board and administrative having the highest authority in finance department and accounting are attended the meeting except the president who is absent due to urgent task that could not able to attend the meeting.
- (3) Before stating to consider the several agendas as mentioned in the letter of invitation. The company has appointed the secretary of the company to inform the method of how to vote of each agenda as well as to inform the number of shareholder attended the meeting and total of share having the right to vote.
- (4) To give the chance to the shareholder in fair justice to show their opinion and ask the board of director of the company in each meeting agenda.

#### **After the meeting**

- (1) In addition to make notice to the resolution of the annual ordinary shareholder's meeting through the information system of the Market Stock Exchange of Thailand. The company also publish at the website of the company to allow the shareholder the chance to correctly review that resolution. It is also the other way to know the data of the shareholder which could not be able to attend the meeting by their own and other investor as well.
- (2) The company has the minutes of the annual ordinary shareholder's meeting and published at the website of the company with 14 days from the date of the annual ordinary shareholder's meeting.

### 1.3 Rights to receive the dividend

The company has determined the policy to pay the dividend for the performance not less than 50% of the net profit as the legal reserves amount. Which the company has allocated the reserves amount under the law equivalent to 10% of the registered paid up capital.

The company has allocated the reserves amount 55 million bath under the law regulation. The committees approved to no dividend payment which from the net loss in 2016.

### 1.4 Rights to receive the sufficient data about the business

The company has manage to publish the necessary information such as the work performance or financial statement etc. through the Market Stock Exchange of Thailand. Moreover, also publish at the website of the company headed “ data to inform the Market Stock Exchange of Thailand.” The company also appoints the investor public relation to follow up and negotiate with the investor, analyzer including the related government and private sector. For enquiry contact the Tel. No.

Tel : 02 383 4100, 02 338 7200ext.208,306

Fax : 02 383 4102

## Chapter 2 Treating Fair Practice to the shareholder

- (1) Preparation of Invitation to Annual General Meeting of Shareholders. The Company has treated the fair practices to the shareholders in the country and foreign shareholders equally. The invitation letter is prepared such documents and the agenda in Thai and English language.
- (2) The company has been prepared the Proxy Form Kor and Form Kor. So that the shareholders in both domestic and foreign who are unable to attend the meeting may appoint another person to an independent company offering a proxy to attend and vote on their own. And convenience by allowing the shareholders to download the proxy form from the company's Web site 30 days prior to the meeting.
- (3) The shall have no additional agenda for the meeting without informing the shareholders in advance.
- (4) The company directors and managers must report to the company's aware of the interest of the person or persons involved. The interests involved in managing the business of the Company as defined in Section 89/14 of the Securities and Exchange Commission (No. 4) Act 2551 for the Board to consider the company's transactions. Potential conflicts of interest and can make decisions for the overall benefit of the company. The directors and executives who have an interest to make transactions with the Company will not participate in the decision on the transaction.
- (5) The Board of Directors is aware of the importance of data protection within the company to use for personal gain. The company has the policy to keep the information which has not yet been disclosed to the public as confidential. By the perception that only for those involved.

The company informs the directors and all executives acknowledged the obligation to report holdings of securities in the company of their own Including the spouses and minor children. As well

as the changes in securities reports on SEC and stock under section 59 and penalties under Section 275 of the Securities and Exchange Act BE 2535 and has also prohibits the directors and executives. Including spouses and minor children of such persons to buy, sell, transfer or accept transfer of the securities using inside information that has not yet been disclosed to the public. For the case of executives, including spouses and minor children to buy, sell, transfer or transfer of securities of companies that fall into the above cases shall be reported to the SEC and the Stock Exchange every time you buy, sell. transfer or transfer of such securities within three days from the date incurred and send the copy to this report to the Secretary as evidence.

### **Chapter3The role of stakeholders**

The company was aware of the rights and importance of the stakeholders, both in terms of customers, employees, partners, shareholders or investor, creditors, competitors. Also focuses on environment and social responsibility, community where the company is located. As well as the society and government sector. In 2011 the company has added the best practices and set the policy such as; the management and staff are not allowed to illegally use the software, do not copy the software copyright, don't involve the violation of human rights, encourage the employees to use the resources efficiently with value, pay attention and always aware the safety and environmental awareness, encourage the employee and stakeholders of the company to get involved in the development of the community and society. As can summarized below;

- (1) Customers To adhere that the customer is the center that the company should ready to serve to comprehensive the needs. By providing the guidance, solution and assistance to supply the product, create the new services, developed the broad range of options, adding the value of steel products. As the new perspective in steel business under the management that fully support the manufacture, modern technology, determine the product quality, deliver on time that corresponds to the production of the customers. In order to build the confidence to the customers and conveniences to the customers.
- (2) Employees Because of the potential of the employees is one of the important structures that every thought and every imagination becomes a reality. Therefore the company tend to develop the employees of the company become a professional, with value in thinking and practices. That tending the success, trusted and reliable that can fully correspond the needs. At the same time the company also focuses on providing the employee the knowledge, experience and expertise to give consulting and learn new things. By providing the regular training and skill development.
- (3) Partners The Company has the policy to builds a good relationship to the partners, and treats the partners fairly as agreed under the business terms and/or agreement. In order to develop and maintain the sustainable relationship for the mutual benefit of both party.
- (4) Shareholders The Company is committed to grow the business of the company continuously. Until the company enable to grow as the leading company in steel industry. Although in recent years there are the economic problems due to many factors. That is to build the confidence and add the value to the shareholder over the long terms. To provide the way for the shareholders/stakeholders to contact/complaint to the independent committee. Also to determine to accept the complaint about the good

governance from the employee through the secretary of the company. By reporting the good governance to the board of audit and good governance on a quarterly basis

- (5) Creditors The Company shall comply the terms of loan agreement and provide the accurate financial information, including the payment on time.
- (6) CompetitorsThe Company operates under the rules of fair competition and not to destroy the reputation or cause damages to their competitors.
- (7) Community and Society The board of directors has focused how important is the development and social responsibility along with business operation. With realization that business will survive must based on growing steadily of the society and environment. Therefore it has encourage various activities for the development and friendly to the environment in terms of production, work environment, work place and community around, safety, take into account the physical and mental health of the employees, including to organize the activities that will give benefits to the society.
- (8) Government SectorsThe Company has compliance with the laws, rules and regulations of the government sectors strictly. Also to cooperate in providing the information about the company's performance and to participate with other activities organize by the government agency.

#### Chapter 4 Disclosure and Evident

- (1) The board of directors oversees the disclosure of sensitive information related to the company. Including the financial statement audited by the independent auditor in accordance with generally accepted accounting standard and non-financial information such as remuneration of the directors, number of directors attended the meeting, scope of work of the board of directors, transaction information and policy oversight of the company as required by the securities and exchange commission, the Stock Exchange of Thailand and other related information that is accurate, complete, on time, transparent. Allowing the investors and stakeholders of the company equally receive the information via on the news of the Stock Exchange of Thailand, annual statement of the data, annual report and at the website of the company [www.asiametal.co.th](http://www.asiametal.co.th) Also the company has appointed the secretary to be responsible for the preparation and maintain such data and provide the accurate information to the investors, shareholder, analysts and stakeholders.
- (2) Which has been clearly defined and transparent the remuneration is the same with other industry. Which was determined by the Remuneration Committee and approved by the Shareholder General Meeting? The details of the remuneration of the directors and executive officer are out in the topic of the management structure.

## Chapter 5 Responsibilities of the Board of Directors

### 1. Structure of the board of directors

Board of directors At the end of 2016 there are 7 board of directors segregated into independent directors and 3 audit committee which complies with the requirements of the Stock Exchange of Thailand. The person with knowledge, experience and skills that is beneficial to the company's business. The board of directors has been approved from the general meeting of the shareholder to hold such position. The details of the scope of duties and responsibilities are listed in the structure and management.

Audit and Governance Committee consists of 3 independent directors. The audit committees are independent who have no interest and no association with the company, board of director, board of administration, major shareholders and related to any of the above. The 3 audit committees are the person with sufficient knowledge and experience that will serve to verify the reliability to the financial statement. For the details relevance to scope of work, duties and responsibilities are appeared in the structure of the management.

Nominated committee and remuneration consists of the chairman and two other committee altogether there are three of them. Which the nominated committee and set the remuneration for the three of them. They are the person with sufficient knowledge and experience to act in the recruitment and set the remuneration.

Risk Management Committee consist with chairman and 3 other committee altogether 4 of them which the board of the management altogether 4 of them are consist with sufficient knowledge and experience to act to manage the risk and prevention of the risk to be arise.

Board of Directors consist with chairman and another 2 committee altogether 3 of them which 3 of the board of directors are the person with sufficient knowledge and experience to act of the management to be stable, progress and potential for the competition with other company in the same industry.

### 2. Determine the office terms of the Committee

According to the rules and regulation of the company Article 13 it was determined at the Annual General Meeting that one director will leave his office out of the three directors. However if the number of directors be divided into three parts and will not match then the nearest number to the one part of the three parts will be out. Which the directors hold the longest post will retire from his post and the director that will leave his post under the agenda will be elected on the new position.

### 3. Qualifications of independent directors

Features of the Company's independent directors is defined as the minimum requirements of the Securities and Exchange Commission of Thailand.

1. Shall not hold more than 5 percent of the paid-up capital of the company. Its subsidiaries, affiliates or related companies shall be inclusive of the shares held by those involved.

2. Is not participate in the management of the company. Affiliates, subsidiaries, associated companies or shareholders of the Company is not an employee or consultant who receives a salary from the company and Its subsidiaries Associate companies or shareholders of the Company. As Managing Director of the Company cannot be verified because the President is directly responsible for the management and so on.

3. Is not benefit or interest, whether direct or indirect. Both in financial and operational management of the company. Its subsidiaries, affiliates or shareholders of the Company and include no interest or interest in such manner for a period of one year before being appointed to the Audit Committee. Unless the Board has carefully considered that. To have interests or equity shall not affect the performance of duties and independent opinion.

4. A director who is not related to, or relatives of directors or major shareholders of the company.

5. A director who is appointed as a representative to safeguard the interests of the Company's major shareholders. Or shareholders who are related to the Company's major shareholders.

6. Able to perform its functions. Comments or reports to perform its duties. Assigned by the Board of Directors. It is not under the control of the executive or major shareholder of the Company. Including those involved or close relatives of such persons.

Also, if the board of the Stock Exchange or Securities and Exchange Commission has announced an update or lenient. Qualifications criteria It is effective as announced later on.

#### **4. Leadership and Vision**

The board of directors has the leadership, vision with freedom for decision making, set the policy, goals, business development and budget plan to the best interest of the shareholders and growth of the company. The plans are reviewed annually to meet the expected goal of the business.

#### **5. Conflict of Interest**

To avoid conflicts of interest. The board of director has carefully maintained on the list of possible conflict of interest, policies and procedure. Including the prevention not the management and related person within the company use the internal information for personal gain.

- List of possible conflict of interest: The committee should aware the conflict of interest, related transaction and always carefully consider. Including the compliance with the rules of the Market Stock Exchange which the price and conditions like the transaction with the third party (as Arm's Length Basis) and revealed the details of the details, value, partners of the contract, reason/necessity at the annual report and Form 56-1 in the next topic of the transaction.
- Monitoring the use of internal information: The board of the directors designed that the management shall report the changes of holding the assets at the Securities and Exchange Commission under Section 59 of the Securities Exchange Act B.E. 2535 prohibits the executive or agencies that have been informed by the disclosure to the third party or person which are not related and not trade the assets of the company during 1 month before the publication of the financial statement.

#### **6. Code of Ethics**

The company has designed in compliance with the code of conduct of the board of director, management and employees to adhere as guidelines in the performance in according to



the mission of work with integrity, honestly and fairness to perform with the company, all groups of stakeholders, public and society. The roles and responsibilities mentioned above are defined in the scope of authority of the board of directors and managing directors. Including the regulations at work of the company which designed the disciplinary action, the board of director has improved the policy of governance and business ethics to correspond with the following guidelines;

6.1 Policy regarding the number of the company which each director has to post their terms of office, but not does limit the term of office. The 8 directors will post as the committee of the registered company not more than 5 companies complying with the principles of corporate governance.

6.2 The managing director can post as committee to other company by informing the board of directors in written within 14 days of the appointed date or notify the board of directors before the appointment as managing director (in case of newly appointed managing director).

6.3 The committee shall recognize the importance to report the complaint and suggestions by giving the employees and stakeholders the chances to complain, express their suggestion to lead for the improvement of the management systems. For reporting the clue of the offense can be conducted by sending the complaint through the corporate secretary.

6.4 The board of directors of the company has the guidelines of "ethical behavior" as a discipline. Which the committee, management and all employees must strictly adhered to comply. Any infringement is a violation against the discipline in accordance with the personnel management.

6.5 The board of directors has the policy about the conflict of interest in the ethical guidelines. To prevent the chances of seeking personal gain elaborated below;

- Shall have no record of offence against the Office of the Securities and Exchange/Stock Exchange of Thailand.
- The chairman is not the same person of the managing director. With powers, authority and duties that clearly segregated from each other.
- Organize the meeting between the non-executive directors without the management side for the freedom to express their opinion for the improvement of the management of the management department.
- The board of directors has established the system of internal control that covering the financial, work performance, operations complying the law, rules and related regulations, including providing the adequate risk management. As well as providing the device for inspection and scale that is effectively sufficient to protect and preserve the assets. With plan for internal inspection conducted by the in depended agency that directly reported to the Audit Committee and Governance Committee. Also to report it to the Audit Committee with quality that contains the important and accurate information with the policy of risk management in a clear manner.

### **7. Scale of Non-Executive Directors**

As of December 31, 2016 there are 7board of directors of the company with details below;

- |                       |          |
|-----------------------|----------|
| 1. Executive Director | 3 person |
| 2. Committee          | 1 person |
| 3. Audit Committee    | 3 person |

Therefore, the company has 3 independent directors representing to 42.86 percent of all directors. It also held the meeting with the non-executive directors and management side to have the freedom to express their ideas fully.

### 8. Join or separation of the position

The chairman is not the same person of the managing director. However, the chairman and managing director will represent the group of the major shareholder that holds 19.13 percent and 24.90 percent respectively of registered capital and paid up share. But the board of director consists of 3 audit committee which will cause the balance and can review the administration.

### 9. Directors and Executive Remuneration

The company's remuneration policy has set clearly and transparent by appointing the nominating committee and remuneration committee to consider which the compensation has been presented to the subject matter of the structure of remuneration management for the committee and executives.

### 10. Meeting of the Board of Directors

The company has set the schedule for the meeting of the board of director on a regular basis (at least 3 months each time) with special meeting as necessary to precise agenda in advance and monitoring the operation regularly. By sending the notice of the meeting contain with the meeting agenda and document before the meeting in 7 days in advance. Allowing the board of director has the adequate time to study before attending the meeting. It also has the minutes of the meeting in written and report the minutes of the meeting approved by the board of directors so that the board of directors and related person can examined the minutes of the meeting.

For the past 2016, there are 5 meetings of the board of directors as follows;

Name-Surname			Numbers attended
1.	Mr. Virachai	Suteerachai	4/5
2.	Mr. Chusak	Yongvongphaiboon	5/5
3.	Miss Channaya	Yongvongphaiboon	5/5
4.	Mrs. Phenchon	Yongvongphaiboon	5/5
5.	Mr. Piboonsak	Arthabowornpisan	5/5
6.	Mrs. Taisika	Praisangub	5/5
7.	Sub Lt. Suree	Buranathanit	4/5

### 11. Subcommittee

The General Meeting of Shareholders has appointed an Audit Committee and Corporate Governance Committee operated on February 17, 2007 which to assist in the corporate governance of the Company. The powers and duties of the Audit Committee in accordance with the details. Structure of Currently, the appointment of committees to act in moderation. And monitor and manage the issues. Subcommittee on board in a meeting at least once every 3 months to consider going on to keep up with the management of the company.

### 12. Internal Control and Audit control system

The company has emphasis how importance is the internal control in management level and performance to have efficiency. Therefore the duties, authority of the operators, management has clearly determined in written. There is the control over the assets of the company to gain benefits with segregated duties of the operators, monitoring-control and work evaluation to make it

balance and inspection between each other in appropriately. There is also the internal control to the financial system which the company has provided the constant financial report according to the responsible management department. Includes, the company has appointed the internal inspection to assure that the major performance and important financial activities of the company has correctly proceed according to the principle and efficiently. Also to examined the legal performance and compliance control of the company. To allow the internal inspection agency has the freedom and ability to examine and well balance. The board of director therefore has the internal inspection agency that will do the report of the result directly to the audit committee. With the work evaluation from the audit committee and to ensure that the inspection control and internal audit has conducted independently.

### **13. Report of the board of directors**

The board of directors is responsible for the financial statement of the company and consolidated financial statement of the company and its subsidiaries (if any), and financial information that contained in the Annual Report. Thus, the financial statement has been prepared in accordance with the accounting standards that generally accepted in Thailand. By selecting to use the accounting policies and consistently implemented. Applying the careful discretion that is best for the preparation with adequately disclosed the important data in the notes to the financial statements.

The board of directors has effectively maintained the internal control. To ensure that there is no reason that the accounting records are accurate, complete and sufficient to maintain the property, and to identify the weakness in order to prevent fraud or irregularities of the material.

The audit and governance committee contained with non-executive directors that are responsible for the quality of financial reporting and internal control system, and meeting with the auditor of the company without the attendance of the management to assess the risk, adequacy of the information and internal control system.

Therefore the committee considered that the internal control system of the company as a whole is in a satisfactory factor and confidently create the reliability of financial statements of the company.

### **14. Relationship with the Investors**

The board of directors of the company is aware that the information relating to the financial and non-financial. All are influence to the decision making of the investors and stakeholders of the company. Therefore there is an instructing explicitly to the management to act in the matters relating to the disclosure of the complete information, accurate, reliable and on time. Which the management of the company has been aware how important and always abide. For the part of investor relation section, at present the company has the agencies for overseeing the responsibility such as the secretary of the company together with the finance and accounting department to negotiate with the investors of that institutional, shareholder together with the analysts and related government sector in order to report the data on time.

## Corporate Social Responsibility Activities

---

The company has focused on how important is the organization and being participated in the society in various ways such as providing scholarships to the children of the employees on annual basis granting scholarships to elementary school and high school level at the urban areas. Together with the school to construct the toilet for the student of kindergarten school as well as participated together with the government sector to encourage the employees to donate items and others to poorer people that complementing the activities of the industrial sector and community to live together in a warm and creatively.

### **Program for the community**

The company has participated with school community by granting the scholarship to the students at the community school in elementary level and high school level, recognizing that the youth are important resources of the country in the future. Therefore it should promote the learning and skills development activities in the year 2016 as follows;

(see detail in CSR report in year 2016 at [www.asiametal.co.th](http://www.asiametal.co.th))

### **Program for employees**

The Company focuses on the health of employees as well. For employees who are vital in driving business growth, sustainability and quality. In order to have an annual health check and with the advice of health care by doctors and nurses.

The company has provided its employees have participated in the training of fire and other threats by the repair of fire extinguishers, evacuation annual debt every years. In 2016, It presents both the headquarters and branch offices Bang. To provide employees with a better understanding of the health and safety of the employees who have been trained to use in their daily lives, whether in the workplace, home and community-based living.

- Co-sponsors of Children's Day activities and scholarships at Watnamdaeng (green dedication)
- Participate in CSR activities of UOB Commercial – to donate the food and things at the Santisuk Foundation.

### **Program for the employee**

Company to focus on the health of employees as well. Because all employees who are critical in driving business growth, sustainability and quality. The Company held an annual health check. And providing advice on health care by doctors and nurses.

The company has provided its employees have participated in the training on fire and other threats by the repair of fire extinguishers, evacuate the annual debt every years, which in 2016 was held in the headquarters and branch offices Phanunikhom. So that employees have a deep understanding of hygiene, which enable employees to attend the training can be applied in everyday life, whether at workplace, home and community-based living.

- “Outing Activities” at Fountain Tree Resort, NakhonRatchasima, to create harmony among the faculty.
- “Beautiful World with our hand Activity”, The insertion of the religion, to live with others and benefit from nature.

## Summary of the transactions of the company for 2016

Summary of the transactions between the company, subsidiaries and related companies or individuals who may have conflicts of interest that occurred in 2016.

Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
STC Steel Co.,Ltd.  Produce and providing steel cutting and modifying service.	Subsidiary AMC holds 99.99%	The company rent building and machines.	0.12	- Due to rent the office building with STC Steel Co.,Ltd. and according to pricing agreement of rent contract.
		with total outstanding account as of the end of the year	-0-	
		Remaining interest	24	- Due to hires the production of steel pipe from STC Steel Co.,Ltd.The price of the steel purchase by the company with STC Steel Co., Ltd. is the market price and fair price given to the third party which is the normal business.
		The company hires the production of steel pipe from STC Steel Co.,Ltd.	9.19	
With total outstanding account as of the end of the year	0.76	- Which the audit committee and governance committee will consider the mentioned report and approved that report is reasonable for the highest benefits of the company. The price purchase-sold the product is the fair price that has purchase and sold to the third party.		

Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
<b>Grand Asia Steel Processing Center Co.,Ltd.</b>	Subsidiary AMC holds 99.99%	The company sold the steel and also rent building and machines.	83.62	- Due to selling the steel and offer the service to cut the steel which is the normal business operation. Which the price of the steel and cut the steel with Grand Asia Steel Processing Center Co.,Ltd.is the prices according to the market and the fair price given to the third party and price agreement of rent contract.
		with total outstanding account as of the end of the year	67.56	
		The company purchased the steel from Grand Asia Steel Processing Center Co.,Ltd.	1.57	- Due to selling the steel sheet in big size with thickness given to the customer. The price of the steel purchase by the company with Grand Asia Steel Processing Center Co.,Ltd.is the market price and fair price given to the third party which is the normal business.
		With total outstanding account as of the end of the year	4.26	- Which the audit committee and governance committee will consider the mentioned report and approved that report is reasonable for the highest benefits of the company. The price purchase-sold the product is the fair price that has purchase and sold to the third party.

Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
<b>Taweechoke Phanit Co., Ltd.</b> operates in retail of hot-rolled steel	Mr. Pornthip Yuthinupamai, Mrs. Sengchan Lee and Mrs. Vatcharee Yuthinupamai, the three are the authorized signature and shareholders of Taweechoke Phanit Co., Ltd. the sibling and mother of Miss Phenchan Yuthinupamai, the director and major shareholder of the company	The company sold the steel to Taweechoke Phanit Co., Ltd.	20.53	- Due to selling the steel and offer the service to cut the steel which is the normal business operation. Which the price of the steel and cut the steel with Taweechoke Phanit Co., Ltd. is the prices according to the market and the fair price given to the third party.
		with total outstanding account as of the end of the year	0.05	
		The company purchased the steel from Taweechoke Phanit Co., Ltd.	3.80	- Due to selling the steel sheet in big size with thickness given to the customer. The price of the steel purchase by the company with Taweechoke Phanit Co., Ltd. is the market price and fair price given to the third party which is the normal business.
		With total outstanding account as of the end of the year	-0-	- Which the audit committee and governance committee will consider the mentioned report and approved that report is reasonable for the highest benefits of the company. The price purchase-sold the product is the fair price that has purchase and sold to the third party.

Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
<b>Permchai PanichCo.Ltd.</b>	Mr. Virachai Suteerachai, The shareholder of the company, an uncle of Mr. Chusak Yongvongphaiboon who is a director and the shareholder of the Company.	The company sold the steel to PermchaiPanichCo.Ltd.	-0-	- The transaction is a sale of steel products, and provides cutting slit, which is normal. The price that the company sells steel and features a cutting slit with limited commercial company to finish a sale at market price and the price of the sale to a third party.
operates sale the 2 <sup>nd</sup> grade of hot-rolled steel sheet		With total outstanding account as of the ended year	-0-	- Because there is no transaction in 2016, the Audit Committee and Corporate Governance Committee. There are no comments
<b>Permsin Steel Work Public Co.,Ltd.</b>	The group of the relatives: Yongvongphaiboon ,The major of shareholder's Permsin Steel Public Co.,Ltd. Which is a director and the shareholder of the Company	The company purchase the coil hot-rolled steel from Permsin Steel Public Co.,Ltd.	4.96	- Due to selling the steel and offer the service to cut the steel which is the normal business operation. Which the price of the steel and cut the steel with Permsin Steel Work Public Co.,Ltd..is the prices according to the market and the fair price given to the third party.
		The company purchase the coil hot-rolled steel from Permsin Steel Public Co.,Ltd.	91	- The cold rolled steel is the normal trading The purchase price of cold rolled steel with Permsin Steel Work Limited (the Company) as at market prices and the price of buying from a third party.
Trading and cold-rolled steel service center		With total outstanding account as of the ended year	2.80	- Audit and Corporate Governance Committee has reviewed the transaction Transactions are reasonable for the benefit of the company. The purchase price of - sales. The price to buy - sell to outsiders.



Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
<b>GJ Steel Public Co., Ltd.</b>	Khunying Patama Leeswadtrakul, The director and shareholder of GJ Steel Public Company Limited, the major of shareholder of the company.	The company purchase the coil hot-rolled steel from GJ Steel Public Co.,Ltd.	51.39	- Since in purchasing the hot-rolled steel in coil is the normal price which the price purchased by the company of the hot-rolled steel sheet in coil with GJ Steel Works Public Co., Ltd. is the price in the market and fair price as purchase from the third party.
operates in manufacture and sale the hot-rolled steel sheet and coil		With total outstanding account as of the ended year	-0-	- The audit committee has considered the report that the mentioned report is reasonable for the highest benefits of the company. The price of coil hot-rolled steel is the fair price purchase from the third party.
<b>G Steel Public Co., Ltd.</b>	Khunying Patama Leeswadtrakul, The director and shareholder of G Steel Public Company Limited, the major of shareholder of the company.	The company purchase the coil hot-rolled steel in coil from G Steel Public Co.,Ltd.	21.94	- Since in purchasing the hot-rolled steel in coil is the normal price which the price purchased by the company of the hot-rolled steel sheet in coil with GJ Steel Works Public Co., Ltd. is the price in the market and fair price as purchase from the third party.
operates in manufacture and sale the hot-rolled steel sheet and coil		With total outstanding account as of the ended year	-0-	- The audit committee has considered the report that the mentioned report is reasonable for the highest benefits of the company. The price of coil hot-rolled steel is the fair price purchase from the third party.

Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
<b>Delong (Thailand) Co.,Ltd.</b>	Mr. Win Suteerachai, The shareholder of the company, authorized signature and shareholders of Delong (Thailand)Co.,Ltd . the sibling of Mr. Chusak Yongvongphaiboon, the director and major shareholder of the company	The company sold the steel to Delong (Thailand) Co.,Ltd	1,518.99	- The sale of goods and services Slab production rolling. The normal trading The price that the company sells steel products and provides contract manufacturing services to the steel company Delong (Thailand) Co., Ltd.is sold at market price and the price of comparable sales to third parties.  - The audit committee has considered the report that the mentioned report is reasonable for the highest benefits of the company. The price of coil hot-rolled steel is the fair price purchase from the third party.
operates in manufacture and sale the hot-rolled Narrow strip coil		with total outstanding account as of the end of the year	282.38	
		Advance payments for goods	177.23	
		The company purchase the coil hot-rolled steel in coil from Delong (Thailand) Co.,Ltd	1,911.35	
		With total outstanding account as of the ended year	80.77	
<b>Win Win Holding Co.,Ltd.</b>	Mr. Win Suteerachai, The shareholder of the company, authorized signature and shareholders of Win Win Holding Co.,Ltd.the sibling of Mr. Chusak Yongvongphaiboon, the director and major shareholder of the company	The company sold the steel Win Win Holding Co.,Ltd.	18.85	- Due to selling the steel and offer the service to cut the steel which is the normal business operation. Which the price of the steel and cut the steel with Win Win Holding Co.,Ltd.is the prices according to the market and the fair price given to the third party.  - The hot rolled steel is the normal trading The purchase price of hot rolled steel with Win Win Holding Co.,Ltd.(the Company) as at market prices and the price of buying from a third party.
		with total outstanding account as of the end of the year	8.76	

Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
		The company purchase the steel from Win Win Holding Co.,Ltd.	145.22	
		With total outstanding account as of the ended year	100.35	- The audit committee has considered the report that the mentioned report is reasonable for the highest benefits of the company. The price of coil hot-rolled steel is the fair price purchase from the third party.
<b>Permchai panich Co.,Ltd.</b>	Mr. Win Suteerachai, The shareholder of the company, authorized signature and shareholders of Permchaipanich Co.,Ltd.the sibling of Mr. Chusak Yongvongphaiboon, the director and major shareholder of the company	The company sold the steel toPermchaipanich Co.,Ltd.	6.22	- Due to selling the steel which is the normal business operation. Which the price of the steel with Permchaipanich Co.,Ltd.is the prices according to the market and the fair price given to the third party.
		The company purchase the pipe steel from Permchaipanich Co.,Ltd.	27.70	- The pipe steel is the normal trading The purchase price of pipe steel with Permchaipanich Co.,Ltd.(the Company) as at market prices and the price of buying from a third party.
Distribute of steel		With total outstanding account as of the ended year	18.64	- The audit committee has considered the report that the mentioned report is reasonable for the highest benefits of the company. The price of coil hot-rolled steel is the fair price purchase from the third party.

Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
<b>PS Steel Processin Center Co.,Ltd.</b>	Mr. Win Suteerachai, The shareholder of the company, authorized signature and shareholders of Win Win Holding Co.,Ltd.the sibling of Mr. Chusak Yongvongphaiboon, the director and major shareholder of the company		-0-	- Due to selling the steel which is the normal business operation. Which the price of the steel with PS Steel Processin Center Co.,Ltd.is the prices according to the market and the fair price given to the third party.
			37.61	- The cold rolled steel is the normal trading The purchase price of cold rolled steel with PS Steel Processin Center Co.,Ltd. (the Company) as at market prices and the price of buying from a third party.
operates in manufacture and sale the cold-rolled Narrow strip coil		with total outstanding account as of the end of the year	30.56	- The audit committee has considered the report that the mentioned report is reasonable for the highest benefits of the company. The price of coil hot-rolled steel is the fair price purchase from the third party.

## History of Executive and Director

---

<b>1. Name - Surname</b>	:	Mr. Virachai Suteerachai
<b>Age (Year)</b>	:	66
<b>Position</b>	:	President and Chairman
<b>Educational/ Qualification</b>	:	Master of Political Science of Administration Ramkhamhaeng University. MINI MBA, Thammasat University Bachelor's Degree, RCA INSTITUTE OF TECHNOLOGY, NEW YORK U.S.A.
<b>Training course</b>	:	Passed the training of Director Accreditation Program (DAP) Batch No. 15/2004 on 18 May 2004 from Thai Institute of Directors Association.
<b>Proportion of shares in companies (%)</b>	:	9.67%
<b>Relationship</b>	:	Uncle of Mr. Chusak Yongvongphaiboon
<b>Work history</b>	:	
2009 – Present	:	President and Chairman, Asia Metal Public Company Limited
1988 – Present	:	Managing Director, Cosmo Land & House Co., Ltd.
1994 – Present	:	Managing Director, Cosmo Property Management Co.,Ltd.
1976 – Present	:	Managing Director, Sinteerachai Co., Ltd.

<b>2. Name - Surname</b>	:	Mr. Chusak Yongvongphaiboon
<b>Age (Year)</b>	:	54
<b>Position</b>	:	Managing Director and authorize signatory
<b>Educational/ Qualification</b>	:	Bachelor's Degree Assumption Business Administration
<b>Training course</b>	:	Passed the training of Director Accreditation Program (DAP) Batch No. 15/2004 on 18 May 2004 and, Training of Director Certification Program (DCP) Batch No. 46/2004 on 25 August 2004 from Thai Institute of Directors Association
<b>Proportion of shares in companies (%)</b>	:	15.98%
<b>Relationship</b>	:	Husband of Mrs. Phenchan
<b>Work history</b>	:	
1993 – Present	:	Managing Director, Asia Metal Public Company Limited
2003 – Present	:	Directors, STC Steel Co.,Ltd.
2015 - Present	:	Directors, Grand Asia Steel Processing Center Co.,Ltd.
2015 - Present	:	Directors, Delong (Thailand) Co.,Ltd.

<b>3. Name - Surname</b>	:	Mrs. Phenchan Yongvongphiboon
<b>Age (Year)</b>	:	52
<b>Position</b>	:	Managing Director and Deputy Director authorized signatory
<b>Educational/ Qualification</b>	:	Certificate of Higher Vocational Education Assumption Commercial School.
<b>Training course</b>	:	Passed the training Director Accreditation Program (DAP) Batch No. 15/2004 on 18 May 2004 and, Certificate of Training Director Program (DCP) Batch No. 49/2004 on 7 October 2004 from Thai Institute of Directors Association.
<b>Proportion of shares in companies (%)</b>	:	8.33%
<b>Relationship</b>	:	Wife of Mr. Chusak Yongvongphaiboon
<b>Work history</b>	:	
1993 – Present	:	Deputy Managing Director, Asia Metal Plc.
2003 – Present	:	Directors, STC Steel Co., Ltd.

<b>4. Name - Surname</b>	:	Miss Chananya Yongvongphiboon
<b>Age (Year)</b>	:	24
<b>Position</b>	:	Director and Deputy Director authorized signatory
<b>Educational/ Qualification</b>	:	Bachelor Degree of Business Administration Major in Finance, Thammasat University Vienna University of Economic and Business
<b>Training course</b>	:	Passed the training Director Accreditation Program (DAP) Batch No. 123/2016 on 25 January 2016 from Thai Institute of Directors Association.
<b>Proportion of shares in companies (%)</b>	:	4.54%
<b>Relationship</b>	:	Daughter of Mr.Chusak and MrsPhenchan
<b>Work history</b>	:	
2008 – Present	:	Committee and Finance and Accounting officer Asia Metal Public Company Limited
2008 – Present	:	Committee Grand Asia Steel Processing Center Co.,Ltd.

<b>5. Name - Surname</b>	:	Mrs.Wannaree Thipsuwan
<b>Age (Year)</b>	:	40
<b>Position</b>	:	Committee
<b>Educational/ Qualification</b>	:	Bachelor Degree, Com Science, King Mongkut's University of Technology Thonburi Master of Business Administration, Chulalongkorn University
<b>Training course</b>	:	None
<b>Proportion of shares in companies (%)</b>	:	None
<b>Relationship</b>	:	Not related
<b>Work history</b>	:	
2005 – Present	:	Chief Operation Officer and Committee, Gsteel Public Company Limited
2014 – Present	:	Senior General Manager, Procurement

<b>6. Name - Surname</b>	:	Mr.Piboonsak Arthabowornpisan
<b>Age (Year)</b>	:	65
<b>Position</b>	:	Chairman of Audit Committee and Independent Director
<b>Educational/ Qualification</b>	:	Bachelor Degree Electrical Engineering, Chulalongkorn University Master Degree Master of Business Administration, Thammasat University
<b>Training course</b>	:	Passed the training Director Accreditation Program (DAP) Batch No. 123/2016 on 25 January 2016 from Thai Institute of Directors Association.
<b>Proportion of shares in companies (%)</b>	:	None
<b>Relationship</b>	:	Not related
<b>Work history</b>	:	
2540 - 2556	:	Assistant General Manager Thai Wire Products Public Company Limited
2528-2540	:	Factory Manager Thai Wire Products Public Company Limited
2521-2528	:	Electrical Maintenance Manager Siam Iron and Steel Co., Ltd.
2520-2521	:	Engineer The Electrical General Authority of Thailand
2518-2520	:	Engineer The Telephone Organization of Thailand
2546-2548	:	Chairman of Iron and Steel Group

<b>7. Name - Surname</b>	:	Sub Lt.Suree Buranathanit
<b>Age (Year)</b>	:	82
<b>Position</b>	:	Audit Committee and Independent Director
<b>Educational/ Qualification</b>	:	Master's Degree of Political Science, Ramkhamhaeng University. Master's Degree of Political Science (Diplomatic and Foreign Affairs) Chulalongkorn University
<b>Training course</b>	:	Passed the training from Thai Institute of Directors Association. (IOD) Director Accreditation Program (DAP) Batch No. 19/2004 Audit Committee Program (ACP) Batch No. 18/2007 Audit Committee Program (ACP) Batch No. 17
<b>Proportion of shares in companies (%)</b>	:	None
<b>Relationship</b>	:	Not related
<b>Work history</b>	:	
2004 – Present	:	Audit Committee and Independent Director, Asia Metal Plc.
Present	:	Audit Committee and Independent Director, IT City Plc.
Present	:	Qualified Director of the National Council of Boy Scouts.
Present	:	Executive director of local boy scout.
Present	:	Executive Council of Bangkok University
Present	:	Directors Association in monitoring the development of women
Present	:	Peacemaker in Thanyaburi Provincial Court
Present	:	Advisor The Border Patrol Police Association of Thailand
Present	:	Advisor The Border Patrol Police Association of Thailand
Present	:	Advisor to The Subcommittee of Boyscout Activities, Committee on Education
Present	:	Chairman of Voraboon Housing Estate
Present	:	Advisor Sacred Heart Convent Alumni Association

<b>8. Name - Surname</b>	:	Mrs.Taisika Praisangob
<b>Age (Year)</b>	:	66
<b>Position</b>	:	Audit Committee and Independent Director
<b>Educational/ Qualification</b>	:	Master of Political Science of Administration, Terry, University of Eastern Asia
<b>Training course</b>	:	Passed the training from Thai Institute of Directors Association. (IOD) Director Accreditation Program (DAP) Batch No. 15/2004 Audit Committee Program (ACP) Edition 7 / 2005
<b>Proportion of shares in companies (%)</b>	:	None
<b>Relationship</b>	:	None
<b>Work history</b>	:	
2004 – Present	:	Audit Committee and Independent Director, Asia Metal Plc.
2003 – Present	:	Directors, STC Steel Co.,Ltd.
1999 – Present	:	Director, Boonsiri Real Estate Co., Ltd.
2004 – 2009	:	Senior Manager, Small Business 8.,Siam City Bank Plc.
2002 – 2003	:	Development Manager SorChor.,Siam City Bank Plc.
2000 – 2001	:	Business Manager 4, Siam City Bank Plc.

<b>9. Name - Surname</b>	:	Ms.Sasithorn Limpiyachart
<b>Age (Year)</b>	:	39
<b>Position</b>	:	Audit Committee and Independent Director
<b>Educational/ Qualification</b>	:	BBA, Business Administration Assumption University MBA , Business Administration, Assumption University
<b>Training course</b>	:	None
<b>Proportion of shares in companies (%)</b>	:	None
<b>Relationship</b>	:	None
<b>Work history</b>	:	
2015-Present	:	Secretary Corporation, Asia Metal Public Company Limited
2012- Present	:	Assistant Management Representative of Asia Metal Company Limited (the Company)
2003- Present	:	Head of Marketing, Asia Metal Co., Ltd. ( Thailand) .



**Particular of committee, administrator and authorize person with power to control the subsidiary or associated company or related company.**

Name-Surname		Company	S T C Steel Co., Ltd.	Grand Asia Steel Processing Center Co., Ltd.	Vientiane Bonded Warehouse Co., Ltd.	Delong (thailand) Co.,Ltd.
Mr. Virachai	Suteerachai	1,5	-	5	-	5
Mr. Chusak	Yongvongphaiboon	3, 5, 6	5	5,6	5,6	5
Mrs. Phenchan	Yongvongphaiboon	5, 6	5	-	-	-
Ms. Chananya	Yongvongphaiboon	5	-	5	-	-
Ms. Taradee	Piensamrit	-	5	-	-	-
Mr.Piboonsak	Arthabowornpisan	2, 4	-	-	-	-
Mrs.Taisika	Praisangob	4, 5	5	-	-	-
Sub Lieutenant Suree	Buranathanit	4, 5	-	-	-	-
Mr. Chidchnok	Thomawongse	-	5	-	-	-
Mr. Puvong	Korasak	-	-	-	5,6	-
Mr. Suwit	Ratanachinda	-	-	-	5,6	-
Mr. Win	Suteerachai	-	-	5	-	5,6
Mr. Somsak	Wongsirisub	-	-	5	-	-
Ms. Sasithorn	Limpiyachat	7	-	-	-	-

**Note:**

1 = Chairman of the board

2 = Chairman of audit committee

3 = Managing director

4 = Audit committee

5 = Committee

6 = Administrator

7 = Secretary

## Report of Directors Relating to Responsibility for Financial Statements

---

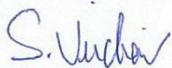
The company committee is responsible for the company's financial budget, including financial information that appears in the annual report. The financial budget has set according to the standard of certified general accounts by selecting the account policy that is appropriate and operating constantly. It must be thought through before operated, including revealing important information sufficiently in the remarks of the financial budget to benefit the shareholders and the investors fully and clearly.

The committee has set the risk administration and the internal control systems which are appropriate and have the efficiency to assure reasonably that the information is correct, complete, and sufficient to maintain the assets. It has to be made sure that there is no betrayal or unusual activities happening significantly.

The company committee has assigned the audit committee to investigate the account policy and the financial budget to be correct. They have to check for the internal controls system and the internal investigation, including risk administration system. This will appear in the report of audit committee as already shown in the annual report.

The company's financial budget has been investigated by the AST Master Company's certified auditors. The company committee has aided and supported the various documents and information so that the auditors can check and show their comments independently and according to the standard of general audits. The comments of the auditors have already appeared in the annual report.

The committee has the opinion that the overall internal control systems of the company are in the satisfactory level and can create confidence with reason that the financial budget of Asia Metal Public Company Limited for the year that ended on December 31, 2016 is looked upon respectively by following the law and related regulations.



(Mr. Virachai Suteerachai)  
Chairman of the Board



(Mr. Chusak Yongvongphaiboon)  
Managing Director

# REPORT OF CERTIFICATED PUBLIC ACCOUNTANT

---

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders and the Board of Directors of Asia Metal Public Company Limited

#### Opinion

I have audited the accompanying consolidated financial statements of Asia Metal Public Company Limited and its subsidiaries ("The Group"), which comprise the consolidated statement of financial position as at December 31, 2016, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. I have also audited the separate financial statements of Asia Metal Public Company Limited, which comprise the statement of financial position as at December 31, 2016, the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Asia Metal Public Company Limited and its subsidiaries as at December 31, 2016, and their consolidated financial performance and their cash flows for the year then ended and the financial position of Asia Metal Public Company Limited as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

#### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of His Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Key Audit Matters

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

#### Revenue recognition from sale of goods

As described in Note 4 to the financial statements, accounting policies of revenue recognition, the Group have the significant number of sale transactions. I have therefore determined as a key audit matter by focusing on the amount and timing of the recognition of revenue from sale of goods.

My audit procedures included, among others,

- An assessment of the Group's accounting policies, an assessment of the effectiveness of the Group's general controls over their IT systems and their internal controls with respect to the processing and timing of recognition for sale of goods.
- On a sampling basis, I examined supporting documents for actual revenue transactions occurring during the year.
- Cut-off near and after the end of accounting period.
- Reviewing the appropriateness of credit notes issued by the Group after the end of year.
- I also performed analytical review procedures on disaggregated revenue data and examined the related accounting entries made through journal vouchers.

#### Inventories

As described in Note 10 to financial statements and the significant accounting policies, As at December 31, 2016, the Group have inventories at Baht 1,073 million. Inventories are measured at cost or net realizable value whichever is lower.

In consideration of provision for decline in value of inventories, the Management use the judgment to estimate net realizable value from normal sale price less necessary expenses for inventories prompt for sales including selling expenses such as transportation cost and marketing expenses, by reference with selling price of inventories and assess the correctness of allowance for decline in value of inventories by quarterly basis.

My audit procedures included, among others,

- Inquire the Management to obtain an understanding of the Company's policy for net realisable value calculation and performed the internal control testing over the purchase cycle.
- Observe the inventories end of year.
- Sampling test the records of inventories in order to assure the correctness of cost of inventories and its allocation of related expenses.
- Analyse the quantities and movement of inventories to identify the slow-moving or long outstanding inventories.
- Inquire the Management to obtain an understanding the appropriateness of selling price per unit and test the appropriateness of selling price per unit on invoices against market prices at year end.
- Compare the cost and net realisable value of inventories at year end, deducting relating necessary expenses for inventories prompt for sale.
- Determine the adequacy of the presentation and disclosures relating to inventories in notes to financial statements.

#### Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of 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 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 or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 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 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 to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 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.



(Mr. Boonlert Kaewphanpurk)

Independent Auditor

Registration No. 4165

BPR AUDIT AND ADVISORY CO., LTD.

Bangkok

February 27, 2017

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2016**

	Notes	In Baht				
		Consolidated financial statements			Separate financial statements	
		December 31, 2016	December 31, 2015 "Reclassified"	January 1, 2015	December 31, 2016	December 31, 2015
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	6	24,358,719	33,187,670	120,881,793	12,939,617	18,411,116
Current investments	7	254,042,425	140,029	137,903	254,042,425	140,029
Trade and other receivables - related parties	5, 8	291,193,939	256,281,907	440,261	349,993,590	341,116,443
Trade and other receivables - other parties	8	434,811,968	403,560,411	660,183,041	307,161,469	351,204,438
Bank receivables from currency forward contracts	9	505,182	1,037,519	-	505,182	1,037,519
Short-term loans to and interest receivable from related parties	5	2,394,119	1,857,931	1,907,962	26,394,119	25,857,931
Inventories	10	1,072,985,080	470,871,948	1,476,130,726	942,333,285	434,970,475
Advance payment for purchasing of goods - related parties	5, 11	177,235,641	230,093,458	1,359,497	177,235,641	230,093,458
Advance payment for purchasing of goods - other parties		75,231,607	126,767,451	216,361,053	75,231,607	126,767,451
Other current assets		310,703	319,868	392,793	277,174	282,151
<b>Total current assets</b>		<b>2,333,069,383</b>	<b>1,524,118,192</b>	<b>2,477,795,029</b>	<b>2,146,114,109</b>	<b>1,529,881,011</b>
<b>NON - CURRENT ASSETS</b>						
Deposits at financial institutions pledged as collateral	12	153,962,513	152,000,815	149,291,956	153,057,513	151,036,265
Available-for-sales investments	13	14,447,280	9,348,240	29,744,400	14,447,280	9,348,240
Investments in associates	14	123,538,920	133,150,389	143,239,200	200,000,000	200,000,000
Investments in subsidiaries	15	-	-	-	29,961,613	24,634,410
Investment properties	16	-	-	-	39,806,261	42,328,048
Property, plant and equipment	17	1,061,308,061	1,126,234,053	1,154,330,997	977,725,234	1,038,303,670
Intangible assets		12,018,404	11,492,136	11,550,887	11,997,946	11,292,296
Deposit for machineries acquisition		5,556,515	5,556,515	21,198,088	5,556,515	5,556,515
Deferred tax assets	25	24,515,042	9,882,718	31,639,031	24,515,042	9,882,718
Other non - current assets		4,790,795	5,314,192	6,888,242	4,113,736	4,823,249
<b>Total non - current assets</b>		<b>1,400,137,530</b>	<b>1,452,979,058</b>	<b>1,547,882,801</b>	<b>1,461,181,140</b>	<b>1,497,205,411</b>
<b>TOTAL ASSETS</b>		<b>3,733,206,913</b>	<b>2,977,097,250</b>	<b>4,025,677,830</b>	<b>3,607,295,249</b>	<b>3,027,086,422</b>

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2016

	Notes	In Baht				
		Consolidated financial statements			Separate financial statements	
		December 31, 2016	December 31, 2015	January 1, 2015	December 31, 2016	December 31, 2015
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term loans from financial institutions	18	1,207,830,056	1,157,558,648	1,939,378,171	1,207,830,056	1,157,558,648
Trade and other payables - related parties	5, 19	233,134,918	193,183,167	654,308	85,798,316	192,973,317
Trade and other payables - other parties	19	367,281,566	83,454,750	317,563,578	322,480,473	76,099,056
Short-term loans from director	5	500,000	5,000,000	-	-	-
Bank payables from currency forward contracts		-	-	4,437,889	-	-
Current portion of liabilities under finance lease contracts	20	1,324,483	1,351,088	1,476,664	1,324,483	1,351,088
Income tax payable		28,490,844	-	9,300,274	28,490,844	-
<b>Total current liabilities</b>		<b>1,838,561,867</b>	<b>1,440,547,653</b>	<b>2,272,810,884</b>	<b>1,645,924,172</b>	<b>1,427,982,109</b>
<b>NON - CURRENT LIABILITIES</b>						
Liabilities under finance lease contracts - net of current portion	20	2,068,115	977,975	1,250,894	2,068,115	977,975
Deferred tax liabilities	25	3,517,747	3,517,747	3,517,747	-	-
Employee benefit obligations	21	11,796,923	4,881,203	4,392,774	10,339,386	3,681,046
<b>Total non - current liabilities</b>		<b>17,382,785</b>	<b>9,376,925</b>	<b>9,161,415</b>	<b>12,407,501</b>	<b>4,659,021</b>
<b>TOTAL LIABILITIES</b>		<b>1,855,944,652</b>	<b>1,449,924,578</b>	<b>2,281,972,299</b>	<b>1,658,331,673</b>	<b>1,432,641,130</b>
<b>SHAREHOLDERS' EQUITY</b>						
Share capital - common shares, Baht 1 par value						
Authorised share capital						
- 549,973,800 shares of Baht 1 par value		549,973,800	549,973,800	549,973,800	549,973,800	549,973,800
Issued and fully paid - up share capital						
- 480,096,277 shares of Baht 1 par value		480,096,277	480,096,277	480,096,277	480,096,277	480,096,277
Premium on common shares		297,745,124	297,745,124	297,745,124	297,745,124	297,745,124
Retained earnings						
- Appropriated for legal reserve	22	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000
- Unappropriated		905,278,398	559,268,041	801,049,872	992,425,832	641,986,780
Other components of shareholders' equity		139,142,462	135,063,230	107,868,350	123,696,343	119,617,111
Total equity attributable to equity holders of the parent company		1,877,262,261	1,527,172,672	1,741,759,623	1,948,963,576	1,594,445,292
Non-controlling interests		-	-	1,945,908	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,877,262,261</b>	<b>1,527,172,672</b>	<b>1,743,705,531</b>	<b>1,948,963,576</b>	<b>1,594,445,292</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>3,733,206,913</b>	<b>2,977,097,250</b>	<b>4,025,677,830</b>	<b>3,607,295,249</b>	<b>3,027,086,422</b>



ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Notes	In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
	2016	2015	2016	2015	
<b>REVENUES</b>	5, 27				
Revenues from sales and service		5,108,597,680	4,248,675,592	4,802,071,833	4,264,758,928
Gain on foreign currency exchange		8,009,703	-	8,009,703	-
Other income		9,386,558	12,556,857	16,635,056	14,192,620
<b>Total Revenues</b>		<u>5,125,993,941</u>	<u>4,261,232,449</u>	<u>4,826,716,592</u>	<u>4,278,951,548</u>
<b>EXPENSES</b>	5, 24				
Cost of sales and services		4,477,356,840	4,174,719,984	4,209,311,507	4,195,566,689
Selling expenses		71,232,485	75,861,851	59,959,127	73,633,363
Administrative expenses		125,183,263	55,264,726	114,740,983	48,716,432
Impairment loss in available-for-sales investments	13	-	54,389,760	-	54,389,760
Loss on foreign currency exchange		-	27,580,016	-	27,580,016
Management benefit expenses		17,755,738	11,091,104	12,907,557	9,789,437
Finance costs		25,475,474	38,048,762	25,459,690	38,048,762
<b>Total Expenses</b>		<u>4,717,003,800</u>	<u>4,436,956,203</u>	<u>4,422,378,864</u>	<u>4,447,724,459</u>
<b>Profit (Loss) before share of loss on investment in associate and income tax</b>		408,990,141	(175,723,754)	404,337,728	(168,772,911)
Share of loss on investment in associate	14	(9,611,469)	(60,088,811)	-	-
<b>Profit (Loss) before income tax</b>		399,378,672	(235,812,565)	404,337,728	(168,772,911)
Income tax income (expenses)	25	(50,081,455)	(6,562,356)	(50,081,455)	(6,562,356)
<b>Profit (Loss) for the year</b>		<u>349,297,217</u>	<u>(242,374,921)</u>	<u>354,256,273</u>	<u>(175,335,267)</u>
<b>Other comprehensive income (loss) - net of tax</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Gain (Loss) from change in fair value of available-for-sale investments		5,099,040	(20,396,160)	5,099,040	(20,396,160)
Income tax of other comprehensive income relating to items that may be reclassified	25	(1,019,808)	4,079,232	(1,019,808)	4,079,232
Adjust change in fair value of available-for-sale securities to impairment loss		-	54,389,760	-	54,389,760
Income tax of adjust change in fair value of available-for-sale securities to impairment loss	25	-	(10,877,952)	-	(10,877,952)
<b>Total items that may be reclassified subsequently to profit or loss</b>		<u>4,079,232</u>	<u>27,194,880</u>	<u>4,079,232</u>	<u>27,194,880</u>
<b>or loss items that will not be reclassified to profit or loss</b>					
Actuarial gain from employee benefit plan	21	(4,241,166)	-	(4,771,527)	-
Income tax of other comprehensive income relating to items that will not be reclassified to profit or loss	25	954,306	-	954,306	-
<b>Total items that will not be reclassified to profit or loss</b>		<u>(3,286,860)</u>	<u>-</u>	<u>(3,817,221)</u>	<u>-</u>
Other comprehensive income for the year		792,372	27,194,880	262,011	27,194,880
<b>Total comprehensive income for the year</b>		<u>350,089,589</u>	<u>(215,180,041)</u>	<u>354,518,284</u>	<u>(148,140,387)</u>
<b>Profit (Loss) for the year attributable to:</b>					
- Equity holders of the parent company		349,297,217	(241,781,831)	354,256,273	(175,335,267)
- Non-controlling interests		-	(593,090)	-	-
		<u>349,297,217</u>	<u>(242,374,921)</u>	<u>354,256,273</u>	<u>(175,335,267)</u>
<b>Total comprehensive income for the year attributable to:</b>					
- Equity holders of the parent company		350,089,589	(214,586,951)	354,518,284	(148,140,387)
- Non-controlling interests		-	(593,090)	-	-
		<u>350,089,589</u>	<u>(215,180,041)</u>	<u>354,518,284</u>	<u>(148,140,387)</u>
<b>Earnings (Loss) per share attributable to equity holders of the parent company</b>	26	0.73	(0.50)	0.74	(0.37)

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2016

In Baht											
Consolidated financial statements											
Shareholders' equity of the parent company											
Issued and fully paid-up share capital	Premium on share capital	Retained earnings		Premium on land revaluation	Other components of shareholders' equity			Total equity attributable to equity holders of the parent company	Non- controlling interests	Total shareholders' equity	
		Appropriated for legal reserve	Unappropriated		Adjustment from the combination of entity under common controls	Change in fair value of available- for-sales investments	Total other components of shareholders' equity				
<b>Balance as at January 1, 2015</b>	480,096,277	297,745,124	55,000,000	801,049,872	123,024,258	12,038,972	(27,194,880)	107,868,350	1,741,759,623	1,945,908	1,743,705,531
<b>Comprehensive income for the year</b>											
Loss for the year	-	-	-	(241,781,831)	-	-	-	-	(241,781,831)	(593,090)	(242,374,921)
Other comprehensive income	-	-	-	-	-	-	27,194,880	27,194,880	27,194,880	-	27,194,880
Change in non-controlling interests from increase in investment in subsidiary	-	-	-	-	-	-	-	-	-	(1,352,818)	(1,352,818)
<b>Total comprehensive income for the year</b>	-	-	-	(241,781,831)	-	-	27,194,880	27,194,880	(214,586,951)	(1,945,908)	(216,532,859)
<b>Balance as at December 31, 2015</b>	480,096,277	297,745,124	55,000,000	559,268,041	123,024,258	12,038,972	-	135,063,230	1,527,172,672	-	1,527,172,672
<b>Comprehensive income for the year</b>											
Profit for the year	-	-	-	349,297,217	-	-	-	-	349,297,217	-	349,297,217
Other comprehensive income	-	-	-	(3,286,860)	-	-	4,079,232	4,079,232	792,372	-	792,372
<b>Total comprehensive income for the year</b>	-	-	-	346,010,357	-	-	4,079,232	4,079,232	350,089,589	-	350,089,589
<b>Balance as at December 31, 2016</b>	480,096,277	297,745,124	55,000,000	905,278,398	123,024,258	12,038,972	4,079,232	139,142,462	1,877,262,261	-	1,877,262,261

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	In Baht							Total shareholders' equity
	Separate financial statements				Other components of equity			
	Issued and fully paid-up share capital	Premium on share capital	Retained earnings		Premium on land revaluation	Change in fair value of available- for-sales investments	Total other components of shareholders' equity	
		Appropriated for legal reserve	Unappropriated					
<b>Balance as at January 1, 2015</b>	480,096,277	297,745,124	55,000,000	817,322,047	119,617,111	(27,194,880)	92,422,231	1,742,585,679
<b>Comprehensive income for the year</b>								
Loss for the year	-	-	-	(175,335,267)	-	-	-	(175,335,267)
Other comprehensive income	-	-	-	-	-	27,194,880	27,194,880	27,194,880
<b>Total comprehensive income for the year</b>	-	-	-	(175,335,267)	-	27,194,880	27,194,880	(148,140,387)
<b>Balance as at December 31, 2015</b>	480,096,277	297,745,124	55,000,000	641,986,780	119,617,111	-	119,617,111	1,594,445,292
<b>Comprehensive income for the year</b>								
Profit for the year	-	-	-	354,256,273	-	-	-	354,256,273
Other comprehensive income	-	-	-	(3,817,221)	-	4,079,232	4,079,232	262,011
<b>Total comprehensive income for the year</b>	-	-	-	350,439,052	-	4,079,232	4,079,232	354,518,284
<b>Balance as at December 31, 2016</b>	480,096,277	297,745,124	55,000,000	992,425,832	119,617,111	4,079,232	123,696,343	1,948,963,576

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit (Loss) before income tax	399,378,672	(235,812,565)	404,337,728	(168,772,911)
<b>Adjustments for</b>				
Depreciation and amortization	94,943,207	80,603,391	92,445,836	78,258,975
Unrealized gain on change in fair value of current investments	(2,396)	(2,126)	(2,396)	(2,126)
Gain on sales of current investments	(355,067)	-	(355,067)	-
Provision for doubtful accounts	66,720,861	907,755	66,720,861	907,755
Loss on decline in value of inventories (Reversal)	2,366,683	(44,604,587)	4,881,456	(45,977,724)
Loss on written-off advance payment for purchasing of goods	-	1,359,497	-	1,359,497
Loss on written-off shares subscription	-	1,000,000	-	-
Loss (Gain) on sales and written-off fixed assets	(45,561)	113,776	(45,561)	(632,254)
Unrealized loss (gains) on foreign exchange rate	1,150,145	(2,247,513)	1,150,145	(2,247,513)
Share of loss on investment in associate	9,611,469	60,088,811	-	-
Loss on impairment of available-for-sales investments	-	54,389,760	-	54,389,760
Employee benefit obligations	2,517,158	394,794	1,742,329	266,794
Interest income	(1,885,132)	(3,268,376)	(1,827,849)	(3,215,818)
Finance costs	25,475,474	38,048,762	25,459,690	38,048,762
<b>Profit (Loss) from operating activities before change in operational assets and liabilities</b>	599,875,513	(49,028,621)	594,507,172	(47,616,803)
<b>Decrease (Increase) in operational assets</b>				
Trade and other receivables - related parties	(34,912,031)	(255,841,646)	(7,704,350)	(340,666,007)
Trade and other receivables - other parties	(98,330,739)	255,616,388	(23,036,213)	307,557,978
Bank receivables from currency forward contracts	1,102,469	2,638,627	1,102,469	2,638,627
Inventories	(604,479,815)	1,049,863,366	(512,244,267)	1,082,707,881
Advance payment for purchasing of goods	104,393,660	(140,499,856)	104,393,660	(140,499,856)
Other current assets	9,165	72,924	4,977	64,409
Other non - current assets	523,397	1,574,050	709,513	1,817,392
<b>Increase (Decrease) in operational liabilities</b>				
Trade and other payables - related parties	39,951,751	192,528,860	246,308,333	191,831,789
Trade and other payables - other parties	283,753,732	(233,198,652)	(107,175,000)	(236,235,162)
Bank payable from currency forward contracts	-	(4,437,889)	-	(4,437,889)
<b>Cash generated from operations</b>	291,887,102	819,287,551	296,866,294	817,162,359
Interest paid	(25,087,028)	(38,452,843)	(25,084,156)	(38,452,843)
Income tax paid	(36,288,437)	(905,037)	(36,288,437)	(905,037)
<b>Net Cash Provided by Operating Activities</b>	230,511,637	779,929,671	235,493,701	777,804,479

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in deposits at financial institutions pledged as collateral	(1,961,697)	(2,708,859)	(2,021,246)	(2,691,051)
Decrease (Increase) in short-term loans to related parties	(536,188)	50,031	(536,188)	50,031
Proceeds from sales of current investments	935,855,066	-	935,855,066	-
Cash payment for purchases of current investments	(1,189,400,000)	-	(1,189,400,000)	-
Cash paid for purchases of investments in associate	-	(50,000,000)	-	(50,000,000)
Increase in deposit for machineries acquisition	-	(1,011,156)	-	(1,011,156)
Cash paid for purchase of property, plant and equipment	(26,083,215)	(36,008,343)	(25,590,995)	(34,501,183)
Cash paid for purchase of intangible assets	(985,285)	(213,384)	(985,285)	-
Cash paid for investment in subsidiary from non-controlling interests	-	(2,634,410)	(6,500,000)	(2,634,410)
Cash received from sale of fixed assets	170,578	2,065,983	170,578	1,315,984
Interest received	2,243,454	3,366,863	2,186,171	3,314,305
<b>Net Cash Used in Investing Activities</b>	<b>(280,697,287)</b>	<b>(87,093,275)</b>	<b>(286,821,899)</b>	<b>(86,157,480)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase (Decrease) in short-term loans from financial institution:	48,539,829	(783,241,842)	48,539,829	(783,241,842)
Increase (Decrease) in short-term loans from directors	(4,500,000)	5,000,000	-	-
Repayments of liabilities under finance lease contracts	(2,683,130)	(2,288,677)	(2,683,130)	(2,288,677)
<b>Net Cash Provided by (Used in) Financial Activities</b>	<b>41,356,699</b>	<b>(780,530,519)</b>	<b>45,856,699</b>	<b>(785,530,519)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(8,828,951)</b>	<b>(87,694,123)</b>	<b>(5,471,499)</b>	<b>(93,883,520)</b>
Cash and cash equivalents at beginning of year	33,187,670	120,881,793	18,411,116	112,294,636
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>24,358,719</b>	<b>33,187,670</b>	<b>12,939,617</b>	<b>18,411,116</b>
<b>Supplemental Disclosure of Cash Flow Information</b>				
<b>Non-cash transactions</b>				
Assets purchased under finance lease contracts	3,600,000	1,753,000	3,600,000	1,753,000

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

These notes form an integral part of the financial statements.

These financial statements were authorized for issue by the Company's Directors on February 27, 2017.

**1. GENERAL INFORMATION**

Asia Metal Public Company Limited was listed on the Stock Exchange of Thailand in 2004. The address of its registered office is at 55, 55/1 Moo 2 Soi Watnamdaeng, Srinakarin Rd., Bangkaew, Bangplee Samutprakarn 10540, Thailand. The Company has factory branch located at 90/1 Moo 10, Highway No.331, Srasiliam, Panusnikom, Chonburi 20140, Thailand.

The principal business operation of the Company is to produce and sell of processed steel products. There are two subsidiaries which a subsidiaries operates to produce and providing steel cutting and modifying service and the another one operates to produce and sell of processed steel products.

The Company and its subsidiaries operate in Thailand.

**2. BASIS OF FINANCIAL STATEMENT PREPARATION**

2.1) The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS") and guidelines promulgated by the Federation of Accounting Professions ("FAP"), applicable rules and regulations of the Thai Securities and Exchange Commission.

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

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies.

2.2) Basis of consolidation

a) The consolidated financial statements include the financial statements of Asia Metal Public Company Limited and its subsidiaries as at December 31, 2016 and 2015 as follows:

Name of companies	Nature of business	In Thousand Baht		Percentage of shareholdings directly or indirectly (%)	
		Paid-up share capital		2016	2015
		2016	2015		
STC Steel Co., Ltd.	Produce and providing steel cutting and modifying service	20,000	20,000	100.00	100.00
Grand Asia Steel Processing Center Co., Ltd. *	Produce and sell of processed steel products	10,000	10,000	100.00	100.00

\* It started to operate in the 3rd quarter of year 2015. (Formerly name Asia Metal Fabrication Co., Ltd.)

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

At the Extraordinary shareholders' meeting of a subsidiary, Grand Asia Steel Processing Center Co., Ltd. No.1/2016 and No. 2/2016 held on March 7, 2016 and March 31, 2016, respectively, its shareholders passed a resolution to reduce its par value of Baht 100, 200,000 common shares by decrease its par value of Baht 65, amounting to Baht 13.0 million. The remaining at Baht 35 par value, amounting to Baht 7.0 million, 50% paid-up amounted to Baht 3.5 million. Such reduction is made to reduce its deficits as at December 31, 2015 in full amount of Baht 5.3 million and is repayable to shareholder amounting to Baht 1.2 million. Such subsidiary registered its share reduction with the Department of Business Development, Ministry of Finance on August 16, 2016.

At the Extraordinary shareholders' meeting of a subsidiary, Grand Asia Steel Processing Center Co., Ltd. No. 3/2016 held on September 10, 2016, its shareholders passed a resolution to increase its share capital as follows :

1. To revise its share capital of 70,000 shares, par value 100 Baht per share which formerly its shareholders passed a resolution to reduce as such above paragraph.
  2. To increase its share capital of Baht 13.0 million, issuing 130,000 of new common shares, par value 100 Baht per share, 50% paid-up amounted to Baht 6.5 million. Such subsidiary registered the increase of its share capital with the Department of Business Development, Ministry of Commerce on November 24, 2016. As at December 31, 2016, such subsidiary has share capital of Baht 20.0 million, paid-up amounted to Baht 10.0 million.
- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
  - c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
  - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
  - e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements. Book value of investments and shareholder's equity of its subsidiaries have also been eliminated from the consolidated financial statements.
  - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3) The separate financial statements present investments in subsidiaries and associates presented under the cost method.

### **3. NEW FINANCIAL REPORTING STANDARDS**

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

#### **(a) Financial reporting standards that became effective in the current year**

During the year, the Company and its subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

**(b) Financial reporting standard that will become effective in the future**

The new and revised TFRSs have been issued but are not yet effective and have not been applied in preparing these financial statements. The new and revised TFRSs that may be relevant to the Company and its subsidiaries' operations, which becomes effective for annual financial periods beginning on or after January 1, 2017, are set out below. The Company and its subsidiaries do not plan to adopt this TFRS early.

TFRS	Topic	Effective Year
TAS 1 (revised 2016)	Presentation of Financial Statements	2017
TAS 2 (revised 2016)	Inventories	2017
TAS 7 (revised 2016)	Statement of Cash Flows	2017
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors	2017
TAS 10 (revised 2016)	Events After the Reporting Period	2017
TAS 11 (revised 2016)	Construction Contracts	2017
TAS 12 (revised 2016)	Income Taxes	2017
TAS 16 (revised 2016)	Property, Plant and Equipment	2017
TAS 17 (revised 2016)	Leases	2017
TAS 18 (revised 2016)	Revenue	2017
TAS 19 (revised 2016)	Employee Benefits	2017
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance	2017
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates	2017
TAS 23 (revised 2016)	Borrowing Costs	2017
TAS 24 (revised 2016)	Related Party Disclosures	2017
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans	2017
TAS 27 (revised 2016)	Separate Financial Statements	2017
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures	2017
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies	2017
TAS 33 (revised 2016)	Earnings Per Share	2017
TAS 34 (revised 2016)	Interim Financial Reporting	2017
TAS 36 (revised 2016)	Impairment of Assets	2017
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets	2017
TAS 38 (revised 2016)	Intangible Assets	2017
TAS 40 (revised 2016)	Investment Property	2017
TAS 41 (revised 2016)	Agriculture	2017
TAS 104 (revised 2016)	Troubled Debt Restructuring	2017
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities	2017
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation	2017
TFRS 2 (revised 2016)	Share-based Payment	2017
TFRS 3 (revised 2016)	Business Combinations	2017
TFRS 4 (revised 2016)	Insurance Contracts	2017
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations	2017
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Assets	2017
TFRS 8 (revised 2016)	Operating Segments	2017
TFRS 10 (revised 2016)	Consolidated Financial Statements	2017
TFRS 11 (revised 2016)	Joint Arrangements	2017
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities	2017
TFRS 13 (revised 2016)	Fair Value Measurement	2017
TSIC 10 (revised 2016)	Government Assistance - No Specific Relation to Operating Activities	2017



**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

TFRS	Topic	Effective Year
TSIC 15 (revised 2016)	Operating Leases - Incentives	2017
TSIC 25 (revised 2016)	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders	2017
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of Lease	2017
TSIC 29 (revised 2016)	Disclosure - Service Concession Arrangements	2017
TSIC 31 (revised 2016)	Revenue - Barter Transactions Involving Advertising Services	2017
TSIC 32 (revised 2016)	Intangible Assets - Web Site Costs	2017
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2017
TFRIC 4 (revised 2016)	Determining Whether an Arrangement Contains a Lease	2017
TFRIC 5 (revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2017
TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 (revised 2016) <i>Financial Reporting in Hyperinflationary Economies</i>	2017
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment	2017
TFRIC 12 (revised 2016)	Service Concession Arrangements	2017
TFRIC 13 (revised 2016)	Customer Loyalty Programmes	2017
TFRIC 14 (revised 2016)	TAS 19 (revised 2016) <i>Employee Benefits</i> - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	2017
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate	2017
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners	2017
TFRIC 18 (revised 2016)	Transfers of Assets from Customers	2017
TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine	2017
TFRIC 21 (revised 2016)	Levies	2017
FAP Announcement no. 5/2559	Accounting guidance for derecognition of financial assets and financial liabilities	2017

The Company and its subsidiaries have made a preliminary assessment of the potential initial impact on the financial statements of these new and revised TFRSs and expects that there will be no material impact on the financial statements in the period of initial application.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### ***Basis of consolidation***

The consolidated financial statements relate to the Company and its subsidiaries.

##### ***Business combinations***

The Company applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Company and its subsidiary take into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Company uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the profit or loss.

*Investment in subsidiary*

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.

Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

*Loss of control*

Upon the loss of control, the Company derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted or as an investment available-for-sale investment depending on the level of influence retained.

*Investment in associate*

Associate is the company in which the Company has significant influence, but not control, over the financial and operating policies.

***Foreign Currencies***

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the statements of financial position date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

***Cash and cash equivalents***

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less since it is acquired and not subject to withdrawal restrictions.

***Trade and other receivables***

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts. The allowance of doubtful accounts is an estimate of those amounts which may prove to be uncollectible based on a review of the current status of the existing receivables. Bad debts are written off when incurred.

***Inventories***

Inventories are stated at the lower of cost and net realisable value. Cost determined by the weighted average method. Cost comprises both purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

***Investments***

***Investments in subsidiaries***

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

***Investment in associate***

Investment in associate is accounted for in the consolidated financial statements by the equity method and in the separate financial statements by the cost method less impairment loss (if any).

***Investments in other debt and other equity securities***

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognized in profit or loss.

Debt securities that the Company and its subsidiaries have the positive intent and ability to hold to maturity are classified as held-to-maturity investments, which are stated at amortized cost less any accumulated impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortized using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than accumulated impairment losses are recognized directly in equity. Impairment losses are recognized in profit or loss. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognized in profit or loss.

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

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

***Disposal of investments***

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2016**

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 recognized in profit or loss.

If the Company and its subsidiaries dispose 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 amount of the total holding of the investment.

***Investment properties***

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment loss (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is recognized in profit or loss.

No depreciation is provided for land classified as investment properties.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period when the asset is derecognized.

***Property, plant and equipment***

Land is shown at fair value, based on terminal valuation by external independent valuers, the revaluation is made every five years. Plant, machineries and equipment are shown at historical cost less accumulated depreciation and impairment loss (if any).

Increases in the carrying amount arising on revaluation of land are credited to the premium of asset valuation in shareholders' equity. Decreases that offset previous increases of the same asset are charged against that premium; all other decreases are charged to the statement of comprehensive income.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

Depreciation is calculated on the straight-line method to write off the cost or the revalued amount of each asset to its residual value over the estimated useful life as follows;

Buildings and improvement	20	years
Machineries and equipment	5, 10	years
Vehicles	5	years
Furniture, fixtures and office equipment	5	years

No depreciation is charged for land and construction in progress.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in operating profit.

***Impairment of assets***

The carrying amounts of the Company's assets are reviewed at each statements of financial position 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 recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of comprehensive income.

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

*Calculation of recoverable amount*

The recoverable amount of other assets is the greater of the assets' net selling price and value in use. 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.

*Reversals of impairment*

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 amortization, if no impairment loss had been recognized.

*Trade and other payables*

Trade and other payables are stated at cost.

*Employee Benefit*

*Short-term employee benefits*

Salaries, wages, bonuses and contributions to the social security fund are recognized as expenses when incurred.

*Post - employment benefits*

*Defined contribution plans*

The Company and their employees have jointly established a provident fund. The fund is monthly contributed to by the employees, the Company. The fund's assets are held in a separate trust fund and the Company contributions are recognized as expenses when incurred.

*Defined benefit plans*

The Company has obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plans and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method on a regular basis. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs are recognized on a straight-line basis over the average period until the amended benefits become vested. Gains or losses on the curtailment or settlement of defined benefit obligations are recognized when the curtailment or settlement occurs.

Actuarial gains and losses arising from post-employment benefits and other long-term employee benefits arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. The defined benefit obligations are measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate on government bond.

*Provisions*

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

***Long-Term Leases***

*Where the Company and its subsidiaries are the lessee*

Leases of property or equipment which substantially transfer all the risks and rewards of ownership to the lessees are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period. The property or equipment acquired under finance leases is depreciated over the useful life of the asset.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which the termination takes place.

*Where the Company and its subsidiaries are the lessor*

Assets leased out under operating leases are included in property and equipment in the statements of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property and equipment owned by the Company and its subsidiary. Rental income is recognized on a straight-line basis over the lease term.

Assets leased out by the Company and its subsidiaries under which a significant portion of the risks and rewards of ownership are transferred to the lessee are classified as finance lease. The assets held under finance lease are recorded as accounts receivable under finance lease in the statements of financial position.

The sales revenue recorded at the commencement of a finance lease represents the fair value of the asset, or if lower, the present value of the minimum lease payments accruing to the lessor, computed at a commercial rate of interest. The cost of sale recognized at the commencement of the lease term is the cost or carrying amount of the leased property. The difference between the sales revenue and the cost of sale is recorded as gain which is recognized by the Company and its subsidiary in accordance with its normal accounting policy.

***Fair value measurement***

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2016**

valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

***Significant Accounting Judgments and Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

***Allowance for doubtful accounts of trade and other receivables***

In determining an allowance for doubtful accounts of trade and other receivables, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

***Buildings and equipment and depreciation***

In determining depreciation of the buildings and equipment, the management is required to make estimates of the useful lives and residual values of the buildings and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review building and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

***Deferred tax assets***

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

***Recognition and derecognition of assets and liabilities***

In considering whether to recognize or to derecognize assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

***Leases***

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

*Employee benefits*

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

**Revenue**

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

*Sale of goods*

Revenue from sale of goods is recognized in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized 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 from service*

Revenue from service recognized as income upon service is rendered.

*Interest income*

Interest income is recognized in the statement of comprehensive income on an accrual basis.

*Other income*

Other income is recognized in the statement of comprehensive income on an accrual basis.

*Dividends*

Dividends are recognized when the right to receive the dividends is established.

**Expenses**

*Operating leases*

Payments made under operating leases are recognized in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognized in profit or loss as an integral part of the total lease payments made.

*Finance costs*

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

**Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

*Current tax*



**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2016**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

*Deferred tax*

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

The Company and its subsidiaries recognize deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

*Earnings (Loss) per Share*

Earnings (Loss) per share is calculated by dividing the profit (loss) for the year attributable to equity holders of the parent company by the weighted average number of common shares outstanding during the year.

**5. RELATED PARTY TRANSACTIONS**

A portion of the Company's assets, liabilities, revenues, costs and expenses arose from transactions with related parties. Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or jointly control the parties or exercise significant influence over the parties in making financial and operating decisions, or vice versa.

Types of relationship of related parties are as follows:

The Company's name	Type of business	Type of relationship
STC Steel Co., Ltd.	Produce and providing steel cutting and modifying service	Subsidiary
Grand Asia Steel Processing Center Co., Ltd.	Produce and sell of processed steel products	Subsidiary
Vientiane Bonded Warehouse Co., Ltd.	Providing bonded warehouse service on the border of Lao PDR	Associate
Delong (Thailand) Co., Ltd.	Production and distribution of steel and basic steel barrier dare, including hot rolled and structural steel	Associate
Taweechoke Panich Co., Ltd.	Import, export steel coil, steel sheet, steel roll and all of kind of steel	Share held by close relative of directors
G Steel Public Company Limited	Manufacturing and distribution of hot rolled coil steel products	Co - shareholders

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

The Company's name	Type of business	Type of relationship
Permsin Steel Works Public Co., Ltd.	Produce and sell of hot rolled steel and cold rolled steel, c-channel galvanized high tensile strength, electro-galvanized steel, c-line, c-u, t-bar and roll forming metal sheet	Share held by close relative of directors
PS Steel Processing Center Co., Ltd.	Distribution of cold rolled steel	Share held by close relative of directors
Permchaipanich Co., Ltd.	Distribution of steel	Share held by close relative of directors
Steel Center (Thailand) Co., Ltd	Manufacturing and distribution steel sheet	Share held by close relative of directors
G J Steel Public Co., Ltd.	Manufacturing and distribution of hot rolled coil steel products	Co directors
Win Win Holding Co.,Ltd.	Import and distribution of steel	Share held by close relative of directors
Precision Perfect Pipe Co.,Ltd	Manufacturing mechanical pipe	Co directors of a subsidiary
Other related person	-	Employee

Pricing policies for each transactions are described as follows:

Type of transactions	Pricing policies
Revenue from sale of goods	Cost plus margin and carried out on commercial terms and conditions
Other income	Charged at the rate according to the agreements
Purchases of goods, raw materials and services	Cost, cost plus margin and carried out on commercial terms and conditions
Purchase of fixed assets	Carried out on commercial terms and conditions

Significant revenues and expenses derived from transactions with related parties for the years ended December 31, 2016 and 2015, are summarized as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
<b>Revenue from sale of goods</b>				
Grand Asia Steel Processing Center Co., Ltd.	-	-	74,551	79,408
Delong (Thailand) Co., Ltd.	1,518,990	358,547	1,518,990	358,547
Taweechoke Panich Co., Ltd.	20,088	3,503	20,088	3,503
Permsin Steel Works Public Co., Ltd.	4,955	-	4,955	-
Win Win Holding Co.,Ltd.	18,852	-	-	-
Precision Perfect Pipe Co.,Ltd	6,223	-	-	-
<b>Total</b>	<b>1,569,108</b>	<b>362,050</b>	<b>1,618,584</b>	<b>441,458</b>
<b>Other income</b>				
STC Steel Co., Ltd.	-	-	120	120
Grand Asia Steel Processing Center Co., Ltd.	-	-	9,064	2,214
Taweechoke Panich Co., Ltd.	440	1,102	440	1,102
<b>Total</b>	<b>440</b>	<b>1,102</b>	<b>9,624</b>	<b>3,436</b>
<b>Purchase of goods , raw materials and cost of services</b>				

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2016**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
STC Steel Co., Ltd.	-	-	9,191	7,490
Grand Asia Steel Processing Center Co., Ltd.	-	-	1,572	1,873
Delong (Thailand) Co., Ltd.	1,911,351	311,584	1,911,351	311,584
Taweechoke Panich Co., Ltd.	3,080	7,200	3,080	7,200
G Steel Public Co., Ltd.	21,935	450,250	21,935	450,250
G J Steel Public Co., Ltd.	51,393	-	51,393	-
Permsin Steel Works Public Co., Ltd.	91,002	76,680	55,055	76,680
Win Win Holding Co.,Ltd.	145,220	-	-	-
Precision Perfect Pipe Co., Ltd	27,704	-	-	-
PS Steel Processing Center Co., Ltd	37,617	-	-	-
<b>Total</b>	<b>2,289,302</b>	<b>845,714</b>	<b>2,053,577</b>	<b>855,077</b>
<b>Purchase of fixed assets</b>				
Grand Asia Steel Processing Center Co., Ltd.	-	-	-	750

Key managements personnel compensation and directors' remuneration for the years ended December 31, 2016 and 2015, are as follows:

	In Thousand Baht			
	Consolidated financial Statements		Separate financial Statements	
	2016	2015	2016	2015
<b>Key managements personnel compensation and directors remuneration</b>				
Short-term employment benefits	17,022	11,050	12,608	9,748
Post-employment benefits	734	41	300	41
<b>Total</b>	<b>17,756</b>	<b>11,091</b>	<b>12,908</b>	<b>9,789</b>

Significant balances as at December 31, 2016 and 2015, with related parties were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
<b>Trade and other receivables</b>				
<b>Trade receivable</b>				
Taweechoke Panich Co., Ltd.	47	79	47	79
Delong (Thailand) Co., Ltd.	282,386	253,413	282,386	253,413
Grand Asia Steel Processing Center Co., Ltd.	-	-	66,388	85,614
Win Win Holding Co.,Ltd.	8,761	2,790	-	-
<b>Other receivable</b>				
STC Steel Co., Ltd.	-	-	-	10
Grand Asia Steel Processing Center Co., Ltd.	-	-	1,173	2,000
<b>Total</b>	<b>291,194</b>	<b>256,282</b>	<b>349,994</b>	<b>341,116</b>

**Short-term loans to and interest receivable**

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
<b>Short-term loans</b>				
Other related person (No interest)	2,394	1,858	2,394	1,858
<b>Accrued interest</b>				
STC Steel Co., Ltd.				
(Interest rate 4.92% p.a.)	-	-	24,000	24,000
Total	<u>2,394</u>	<u>1,858</u>	<u>26,394</u>	<u>25,858</u>
<b>Advance payment for purchasing of goods</b>				
Delong (Thailand) Co., Ltd.	<u>177,236</u>	<u>230,093</u>	<u>177,236</u>	<u>230,093</u>
<b>Trade and other payables</b>				
<b>Trade payables</b>				
Khun Penjan Yongvongphaiboon	-	10	-	10
Permsin Steel Works Public Co., Ltd.	2,804	6,640	-	2,827
STC Steel Co., Ltd.	-	-	-	765
Grand Asia Steel Processing Center Co., Ltd.	-	-	4,256	2,806
Delong (Thailand) Co., Ltd.	80,778	182,616	80,778	182,616
Win Win Holding Co.,Ltd.	100,348	-	-	-
Precision Perfect Pipe Co.,Ltd.	18,638	-	-	-
PS Steel Processing Center Co., Ltd	30,567	-	-	-
<b>Other payables</b>				
Khun Penjan Yongvongphaiboon	-	473	-	473
Khun Chusak Yongvongphaiboon	-	2,634	-	2,634
STC Steel Co., Ltd.	-	-	764	842
Win Win Holding Co., Ltd.	-	810	-	-
Total	<u>233,135</u>	<u>193,183</u>	<u>85,798</u>	<u>192,973</u>
<b>Short-term loan</b>				
Directors (No interest bearing)	<u>500</u>	<u>5,000</u>	<u>-</u>	<u>-</u>

The significant movements of short-term loans and accrued interest from related party during the year are as follows:

	In Thousand Baht			
	Consolidated Financial Statements			
	2015	Increase	Decrease	2016
<b>Short-term loans</b>				
Other related person	<u>1,858</u>	<u>1,622</u>	<u>(1,086)</u>	<u>2,394</u>
	In Thousand Baht			
	Consolidated Financial Statements			
	2014	Increase	Decrease	2015
<b>Short-term loans</b>				
Other related person	<u>1,908</u>	<u>1,274</u>	<u>(1,324)</u>	<u>1,858</u>

In Thousand Baht

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

	Separate financial statements			2016
	2015	Increase	Decrease	
<b>Short-term loans</b>				
Other related person	1,858	1,622	(1,086)	2,394
<b>Accrued interest</b>				
STC Steel Co., Ltd.	24,000	-	-	24,000
<b>Total</b>	<b>25,858</b>	<b>1,622</b>	<b>(1,086)</b>	<b>26,394</b>

	In Thousand Baht			2015
	2014	Increase	Decrease	
<b>Short-term loans</b>				
Other related person	1,908	1,274	(1,324)	1,858
<b>Accrued interest</b>				
STC Steel Co., Ltd.	24,000	-	-	24,000
<b>Total</b>	<b>25,908</b>	<b>1,274</b>	<b>(1,324)</b>	<b>25,858</b>

The significant movements of short-term loans from directors during the year are as follows:

	In Thousand Baht			2016
	2015	Increase	Decrease	
<b>Short-term loans</b>				
Directors	5,000	300	(4,800)	500

	In Thousand Baht			2015
	2014	Increase	Decrease	
<b>Short-term loans</b>				
Directors	-	5,000	-	5,000

**6. CASH AND CASH EQUIVALENTS**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Cash	166	156	122	122
Deposits at financial institutions	24,193	33,032	12,818	18,289
<b>Total</b>	<b>24,359</b>	<b>33,188</b>	<b>12,940</b>	<b>18,411</b>

As at December 31, 2016 and 2015, the Company and subsidiaries has bank deposits in saving accounts, bearing the interest rates at 0.1% - 0.375% per annum and at 0.25% - 0.375% per annum, respectively. (Separate Financial Statements: at 0.1% - 0.375% per annum and at 0.25% - 0.375% per annum, respectively).

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

**7. CURRENT INVESTMENTS**

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2016	2015
Investment in trading securities	254,042	140

The detail of investments in trading securities as at December 31, 2016 and 2015 are as follow:

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2016	2015
Investment in trading securities consisted of		
Units of investments in open fund in debt securities		
At the beginning of the year	140	138
Additions	1,189,400	-
Disposals	(935,855)	-
Add Unrealized gain on change in fair value	2	2
Gain on sales of current investments	355	-
At the end of year	254,042	140

*Carrying amounts and fair values*

The fair values of financial assets together with the carrying amounts in the statement of financial position as at December 31, 2016 and 2015 are as follows.

	In Thousand Baht			
	Consolidated Financial Statements and Separate Financial Statements			
	2016		2015	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Investment in trading securities - Units of investments in open fund in debt securities	254,042	254,042	140	140

The fair values measurements of investment in trading securities has been categorized as a level 1 fair value based on the quoted price in active markets and the Company can access at the measurement date.

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

**8. TRADE AND OTHER RECEIVABLES**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
<b>Trade and other receivables</b>				
<b>- Related parties</b>				
Trade receivable	291,194	256,282	348,821	339,106
Other receivable	-	-	1,173	2,010
Total	<u>291,194</u>	<u>256,282</u>	<u>349,994</u>	<u>341,116</u>
<b>Trade and other receivables</b>				
<b>- Other parties</b>				
Trade receivables	478,677	395,749	368,057	349,862
Posted date cheques	42,028	40,096	31,802	35,649
Total	<u>520,705</u>	<u>435,845</u>	<u>399,859</u>	<u>385,511</u>
Less : Allowance for doubtful accounts	<u>(111,303)</u>	<u>(44,582)</u>	<u>(110,547)</u>	<u>(43,826)</u>
Net	<u>409,402</u>	<u>391,263</u>	<u>289,312</u>	<u>341,685</u>
Other receivables				
Prepaid expenses	4,235	3,044	4,169	2,855
Advance payment	8,584	5,462	8,431	5,406
Others	12,591	3,791	5,249	1,258
Total	<u>25,410</u>	<u>12,297</u>	<u>17,849</u>	<u>9,519</u>
Total	<u>434,812</u>	<u>403,560</u>	<u>307,161</u>	<u>351,204</u>

Outstanding trade receivables - related parties as at December 31, 2016 and 2015, are aged as follows;

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Not yet due	63,667	1,959	100,511	85,039
Over due				
Less than 3 months	221,873	254,323	227,789	254,067
Over 3 - 6 months	5,654	-	20,521	-
Over 6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total	<u>291,194</u>	<u>256,282</u>	<u>348,821</u>	<u>339,106</u>

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

Outstanding trade receivables - other parties as at December 31, 2016 and 2015, are aged as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Not yet due	281,891	216,105	197,486	181,641
Over due				
Less than 3 months	113,142	96,507	78,114	81,394
Over 3 - 6 months	12,096	67,371	11,714	67,371
Over 6 - 12 months	2,757	23,733	2,757	23,733
Over 12 months	110,819	32,129	109,788	31,372
Total	520,705	435,845	399,859	385,511
Less: Allowance for doubtful accounts	(111,303)	(44,582)	(110,547)	(43,826)
Net	409,402	391,263	289,312	341,685

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Doubtful accounts				
- For the years ended December 31,	66,721	908	66,721	908

**9. RECEIVABLES (PAYABLES) FROM FOREIGN CURRENCY FORWARD CONTRACTS**

As at December 31, 2016, the Company was a party to cross currency forward contracts for hedging its liabilities denominated in US Dollar and EUR with the outstanding notional amount of US Dollar 0.7 million and EUR 0.07 million (December 31, 2015 : US Dollar 4.9 million and EUR 4.1 million). The details of such balance are as follows;

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2016	2015
Bank receivables from foreign currency forward contracts	28,225	340,157
Bank payables from foreign currency forward contracts	(27,720)	(339,119)
Net	505	1,038

As at December 31, 2016, the Company had the foreign currency - dominated liabilities remaining unhedged in the amount of US Dollar 3.8 million and EUR 0.2 million (December 31, 2015 : US Dollar 0.6 million and EUR 1.0 million).



**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

**10. INVENTORIES**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Finished goods	466,707	342,975	451,327	334,563
Work in process	825	1,890	825	1,890
Raw materials	449,043	203,093	333,912	173,252
Factory supplies	3,095	2,977	2,946	2,804
Goods in transit	236,357	613	236,357	613
Total	1,156,027	551,548	1,025,367	513,122
Less : Allowance for decline in value of inventories	(83,042)	(80,676)	(83,034)	(78,152)
Net	1,072,985	470,872	942,333	434,970
The cost of inventories which is recognised as an expense and included in cost of goods sold for the years ended December 31,				
- Cost of goods sold	4,474,991	4,219,324	4,204,430	4,241,545
- Loss on decline in value of inventories (Reversal)	2,366	(44,604)	4,882	(45,978)
Total	4,477,357	4,174,720	4,209,312	4,195,567

Movements of the allowance for decline in value of inventories for the years ended December 31, 2016 and 2015 are summarised below.

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Balance as at January 1,	80,676	125,280	78,152	124,130
Add : Loss on decline in value of inventories (Reversal)	2,366	(44,604)	4,882	(45,978)
Balance as at December 31,	83,042	80,676	83,034	78,152

**11. ADVANCE TO SUPPLIERS FOR PURCHASE OF GOODS**

In 2012, according to there was an advance payment for purchase of goods amounting to Baht 104.7 million to 2 related parties who are the manufacturer and distributors of hot-roll steels. The suppliers, however, failed to deliver the products, causing the Company to temporally cease the purchase transactions and request for the repayments. The suppliers are unable to repay the debts. Subsequently such suppliers propose the debt compromise agreement offering the conversion of all outstanding debt into newly issued supplier's common shares, which are listed securities in the Stock Exchange of Thailand, in the amount of 212,460,000 shares at the offering price of Baht 0.50 per share, while the closing price quoted by the Stock Exchange of Thailand at the share transferring date is Baht 0.30 per share. The fair value of securities received for debt settlement is Baht 63.7 million. There is total loss from debt settlement recognized of Baht 41 million, which the Company has previously recognized as doubtful accounts in the statement of comprehensive income in 2012 in the amount of Baht 9 million, in the first quarter of 2013 of Baht 30.4 million and in the second quarter of 2013 of Baht 1.6 million. For those securities the Company received, the Company has classified them as available-for-sales investment as presented in Note 13 to the financial statements.

The debt compromise agreement with such suppliers is considered as the related party transaction, which had already received the ratification from Board of Shareholders' meeting on April 29, 2014.

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

**12. DEPOSITS AT FINANCIAL INSTITUTIONS PLEDGED AS COLLATERAL**

As at December 31, 2016 and 2015, the Company and its subsidiary held fixed deposits at several local financial institutions amounting to Baht 154.0 million and Baht 152.0million, respectively (Separate financial statements: Baht 153.0 million and Baht 151.0 million, respectively). The deposits were pledged as collateral for credit facilities of overdrafts and short-term loans from financial institutions (Note 18 to the financial statements) and for letter of guarantee from bank against the payment of electricity of the Company and its subsidiary.

**13. AVAILABLE-FOR-SALES INVESTMENTS**

	In Thousand Baht			
	Consolidated Financial Statements and Separate Financial Statements			
	2016		2015	
	Cost	Fair value	Cost	Fair value
<b>Available-for-sales investments</b>				
Investment in marketable equity securities	9,348	14,447	63,738	9,348
Impairment loss recognized in statements of comprehensive income	-	-	(54,390)	-
Unrealized gains recognized in shareholders' equity	5,099	-	-	-
Net	<u>14,447</u>	<u>14,447</u>	<u>9,348</u>	<u>9,348</u>

*Fair values*

The fair values of financial assets together with the carrying amounts in the consolidated statement of financial position as at December 31, 2016 and 2015 are as follows:

	In Thousand Baht			
	2016		2015	
	Carrying amount	Fair Value Level 1	Carrying Amount	Fair Value Level 1
<b>Available-for-sale investments</b>				
Marketable equity securities	<u>14,447</u>	<u>14,447</u>	<u>9,348</u>	<u>9,348</u>

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The levels applicable to investments are defined as follows:

Level 1: quoted prices (unadjusted) in active markets (Stock Exchange) for identical assets or liabilities that the Company can access at the measurement date.

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

**14. INVESTMENTS IN ASSOCIATES**

Investments in associates as at December 31, 2016 and 2015 are as follows:

Company's name	Nature of business	Country of incorporation	Shareholding percentage (%)		In Thousand Baht					
			2016	2015	Consolidated financial statements		Separate Financial Statements		Consolidated financial statements	
					Carrying amounts based on equity method		Cost		Share of profit (loss) from investments in associates in the year	
			2016	2015	2016	2015	2016	2015	2016	2015
Delong (Thailand) Co., Ltd.	Production and distribution of steel and basic steel barrier dare, including hot rolled and structural steel	Thailand	20.00	20.00	123,539	133,150	200,000	200,000	(9,611)	(60,089)
Vientiane Bonded Warehouse Co., Ltd*	Providing bonded warehouse service on the border of Lao PDR	Lao PDR	40.00	40.00	287	287	6,686	6,686	-	-
Total					123,826	133,437	206,686	206,686	(9,611)	(60,089)
Less : Allowance for impairment of investment					(287)	(287)	(6,686)	(6,686)	-	-
Net					123,539	133,150	200,000	200,000	(9,611)	(60,089)

\*As at December 31, 2016 and 2015, Vientiane Bonded Warehouse Company Limited, incorporated in Lao PDR, operates in business of providing bonded warehouse service on the border of Lao PDR such company has not started operation. The Company, therefore, set aside allowance for impairment of investments against such companies amounting of Baht 6.7 million and Baht 6.7 million, respectively. The Company appointed a lawyer for follow up such investment.

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2016**

According to the resolution of the Board of Directors' Meeting on June 5, 2015 has a resolution to approve the purchase of common shares of Delong (Thailand) Co., Ltd. from Permsin Steel Work Public Co., Ltd. totaling 500,000 shares, 100 Baht per share, at 5% of paid-up share capital. The Company had already paid such the purchase amount of Baht 50 million. As at December 31, 2016 and 2015 the Company has investment in such company amount of Baht 200 million at 20% holdings.

The Company classified such investment in Delong (Thailand) Co., Ltd. as investment in associate due to the Company has be entitle to nominate one director to joint with the board of director of Delong (Thailand) Co., Ltd. and has right to participation in the decision marking regarding management and financial decision in accordance with joint venture agreement.

Movements of investments in associates for the years ended December 31, 2016 and 2015 are as follow:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Balance as at January 1,	133,150	143,239	200,000	150,000
Increase in investments	-	50,000	-	50,000
Share of loss of investment - equity method	(9,611)	(60,089)	-	-
Balance as at December 31,	<u>123,539</u>	<u>133,150</u>	<u>200,000</u>	<u>200,000</u>

The reconciliation of the above financial information to the carrying amount which is accounted for using the equity method in the consolidated financial statements can be summarized as follows :

	In Thousand Baht	
	2016	2015
Net assets	640,977	677,014
Group's interest in the associate	20%	20%
Group's share in the net assets	128,195	135,403
Adjustment for using the equity method		
(Gain) Loss on inventories	(4,656)	(2,253)
Carrying amount under the equity method	<u>123,539</u>	<u>133,150</u>

## Summarised financial information of associate

Financial information of the associate is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at December 31,		Total assets as at December 31,		Total liabilities as at December 31,		Total revenues for the years ended December 31,		Profit for the years ended December 31,	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Delong (Thailand) Co., Ltd. "Audited"	<u>1,000</u>	<u>1,000</u>	<u>2,962</u>	<u>2,540</u>	<u>2,321</u>	<u>1,863</u>	<u>3,972</u>	<u>398</u>	<u>(36)</u>	<u>(277)</u>

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

**15. INVESTMENTS IN SUBSIDIARIES**

The Company's name	Separated Financial Statement					
	Percentages of holdings (%)		In Thousand Baht			
	2016	2015	Issued and fully paid-up share capital		Cost method	
			2016	2015	2016	2015
STC Steel Co., Ltd.	100.00	100.00	20,000	20,000	20,000	20,000
Grand Asia Steel Processing Center Co., Ltd.	100.00	100.00	10,000	10,000	18,962	13,634
Total					38,962	33,634
Less : Allowance for impairment of investments					(9,000)	(9,000)
Net					29,962	24,634

**16. INVESTMENT PROPERTIES**

	In Thousand Baht	
	Separate Financial Statements	
	2016	2015
Cost	50,436	50,436
Less Accumulated depreciation	(10,630)	(8,108)
Net	39,806	42,328

A reconciliation of the net book value of investment properties for the years 2016 and 2015 is presented below:

	In Thousand Baht	
	Separate Financial Statements	
	2016	2015
Net book value at beginning of year	42,328	-
Acquisition	-	-
Transfers from property, plant and equipment - net book value	-	42,963
Depreciation	(2,522)	(635)
Net book value at end of year	39,806	42,328
Fair Value	55,669	55,669

Its fair value assessed by professional appraisers is as the reports dated January 27, 2016. The fair value measurement for investment property has been categorised as a Level 2 to use of other observable inputs for such assets or liabilities, whether direct or indirect.

Investment properties are mortgaged as collateral for credit facilities of short-term and long-term loans from financial institutions.

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

**17. PROPERTY, PLANT AND EQUIPMENT**

	In Thousand Baht						Total
	Consolidated Financial Statements						
	At Appraised value	At Cost					
Land	Buildings and improvement	Machineries and equipment	Vehicles	Furniture, fixture and office equipment	Construction in progress		
<u>Cost</u>							
Net book value as at January 1, 2015	272,910	478,985	750,741	32,347	41,989	159,058	1,736,030
Reclassification	-	50,436	-	-	-	-	50,436
Acquisitions	-	178	15,434	3,752	3,840	14,557	37,761
Transfer in (out)	-	(50,436)	44,001	-	930	(28,279)	(33,784)
Disposal/write - off	-	-	(589)	(1,141)	(1,176)	(2,042)	(4,948)
Net book value as at December 31, 2015	272,910	479,163	809,587	34,958	45,583	143,294	1,785,495
Acquisition	-	35	4,035	3,600	1,340	20,673	29,683
Transfer in (out)	-	-	17,970	-	184	(17,970)	184
Disposal/written off	-	-	(89)	(60)	(1,637)	-	(1,786)
Net book value as at December 31, 2016	272,910	479,198	831,503	38,498	45,470	145,997	1,813,576







**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2016**

As at December 31, 2015, land, building, machineries and machineries under installation of the Company and its subsidiaries amounting to Baht 458 million and Baht 437.1 million, respectively (Separate financial statements: Baht 379 million and Baht 396.1 million, respectively), are mortgaged as collateral for credit facilities of short-term and long-term loan from financial institution.

As at December 31, 2016 and 2015, the Company has leased assets included above, where the Company is a lessee under hire purchase agreements are motor vehicles with net book value of Baht 6.8 million and Baht 13.2 million, respectively.

As at December 31, 2016 and 2015, certain office equipment, furniture and vehicles of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost of those assets before deducting accumulated depreciation was approximately Baht 276.1 million and Baht 251.7 million, respectively (Separate financial statements : Baht 253.6 million and Baht 229.7 million, respectively).

The Company and its subsidiary's land was revalued on December 22, 2014 by independent valuers. Valuations were made on the basis of Market Approach. The book values of the land were adjusted to the revalued amounts and the resultant surplus (net of deferred tax) was credited to premium on land revaluation in shareholders' equity at the amount of Baht 123 million (Separate financial statements : Baht 119.7 million).

**18. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS**

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2016	2015
Promissory Notes	583,000	460,000
Liabilities under trust receipts	624,830	697,559
Net	<u>1,207,830</u>	<u>1,157,559</u>

As at December 31, 2016 and 2015, the Company has short-term trade financing facilities from financial institutions according to the loan agreements with a total maximum credit limit of Baht 4,300 million and Baht 4,400 million, respectively. The trade financing facilities include bank overdrafts, letters of credit, trust receipts, promissory notes, bills discounted, packing credits and banks' letters of guarantee. The overdraft facilities charged interest at the rate of MOR per annum and the other facilities charged interest at the rates ranging from 1.02% to 2.75% per annum and 1.02% to 3.14% per annum, respectively, and repayment terms ranged between 1 - 6 months.

Such trade financing facilities are secured over a part of the land, buildings, machineries, machineries under installment and fixed deposits of the Company and its a subsidiary (Notes 12, 16 and 17 to the financial statements).

**19. TRADE AND OTHER PAYABLES**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
<b>Trade and other payables - related parties</b>				
Trade payables	232,371	189,266	85,034	189,024
Other payables	764	3,917	764	3,949
Total	<u>233,135</u>	<u>193,183</u>	<u>85,798</u>	<u>192,973</u>
<b>Trade and other payables - other parties</b>				
Trade payables	318,105	34,890	276,348	33,647
Other payables	49,177	48,565	46,132	42,452
Total	<u>367,282</u>	<u>83,455</u>	<u>322,480</u>	<u>76,099</u>

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

**20. LIABILITIES UNDER FINANCE LEASE CONTRACTS**

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2016	2015
Liabilities under finance lease contracts	3,812	2,434
Less : Deferred interest	(420)	(105)
Total	3,392	2,329
Less : Current portion	(1,324)	(1,351)
Net	2,068	978

As at December 31, 2016 and 2015, the Company has liabilities under finance lease contracts with the year of payment as follows:

	In Thousand Baht					
	Consolidated Financial Statements and Separate Financial Statements					
	2016			2015		
	Future minimum lease payment	Deferred interest	Present value of minimum lease payment	Future minimum lease payment	Deferred interest	Present value of minimum lease payment
Payment due 1 year	1,525	201	1,324	1,428	77	1,351
Payment due over 1 year to 5 years	2,287	219	2,068	1,006	28	978
Total	3,812	420	3,392	2,434	105	2,329

**21. EMPLOYEE BENEFIT OBLIGATIONS**

Employee benefit liabilities in statements of financial position as at December 31, 2016 and 2015, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Post-employment benefits				
Legal severance payment plan	11,797	4,881	10,339	3,681

Movement in the present value of the defined benefit obligations for the years ended December 31, 2016 and 2015, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Defined benefit obligations as at January 1,	4,881	4,393	3,681	3,321
Benefits paid by the plan	-	-	-	-

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2016**

Current service costs and interest	2,675	488	1,887	360
Actuarial gains in the statements of comprehensive income	4,241	-	4,771	-
Defined benefit obligations as at December 31,	<u>11,797</u>	<u>4,881</u>	<u>10,339</u>	<u>3,681</u>

Expenses recognized in statement of comprehensive income for the years ended December 31, 2016 and 2015, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Current service costs	2,517	395	1,742	267
Interest on obligation	158	93	145	93
Total	<u>2,675</u>	<u>488</u>	<u>1,887</u>	<u>360</u>

The above expenses recognized in the statement of comprehensive income for the years ended December 31, 2016 and 2015, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Cost of sales and services	748	155	551	155
Selling expenses	374	52	336	52
Administrative expenses	661	146	555	18
Management benefit expenses	734	42	300	42
Total	<u>2,517</u>	<u>395</u>	<u>1,742</u>	<u>267</u>

Principal actuarial assumptions at the reporting date as at December 31, 2016 and 2015 are as follows:

	Consolidated Financial Statements	
	2016	2015
Discount rate	1.71%, 1.72% and 1.82% per annum for permanent staffs and for daily staffs	3.04%, 4.52% per annum for permanent staffs and 4.52% per annum for daily staffs
Salary increase rate	5.00%, 5.04% per annum for permanent staffs and 3.45% per annum for daily staffs	5.00%, 5.04% per annum for permanent staffs and 3.45% per annum for daily staffs
Employee turnover rate	Scale related to Age and type of employment ranging from 0-50% for permanent staffs	Scale related to Age and type of employment ranging from 0-50% for permanent staffs
Mortality rate	Scale related to Age and type of employment ranging from 0-62% for daily staffs	Scale related to Age and type of employment ranging from 0-62% for daily staffs
	TMO2008(Thai Mortality Ordinary Table 2008 male and female tables)	TMO2008(Thai Mortality Ordinary Table 2008 male and female tables)
	Separate Financial Statements	
	2016	2015
Discount rate	1.71% per annum for permanent staffs and for daily staffs	4.52% per annum for permanent staffs and 4.52% per annum for daily staffs
Salary increase rate	5.04% per annum for permanent staffs and 3.45% per annum for daily staffs	5.04% per annum for permanent staffs and 3.45% per annum for daily staffs

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2016**

	Separate Financial Statements	
	2016	2015
Employee turnover rate	Scale related to Age and type of employment ranging from 0-50% for permanent staffs Scale related to Age and type of employment ranging from 0-62% for daily staffs	Scale related to Age and type of employment ranging from 0-50% for permanent staffs Scale related to Age and type of employment ranging from 0-62% for daily staffs
Mortality rate	TMO2008(Thai Mortality Ordinary Table 2008 male and female tables)	TMO2008(Thai Mortality Ordinary Table 2008 male and female tables)

**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.

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
<b>Defined benefit obligation as at December 31, 2016</b>				
Discount rate (1% movement)	(427)	475	(345)	378
Future salary growth (1% movement)	453	(416)	352	(328)
Turnover rate (1% movement)	(473)	229	(384)	161

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.

**22. LEGAL RESERVE**

Under the provisions of the Limited Public Company Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as reserve fund until the reserve equal to 10% of authorized share capital. The reserve is not available for dividend distribution.

**23. REGISTERED PROVIDENT FUND**

The Company and its subsidiaries established a contributory registered provident fund in accordance with the Provident Fund Act.B.E. 2530. Under the plan, the Company and employees contribute to the funds monthly at the rate of 2 percent of the employee's basic salary. The Company and its subsidiaries appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulation No.2 (B.E. 2532) issued under the Provident Fund Act B.E.2530.

Provident fund contributions for the years ended December 31, 2016 and 2015, as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Provident fund contributions	479	308	358	297

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

**24. EXPENSES BY NATURE**

The significant expenses classified by nature for the years ended December 31, 2016 and 2015 are as follow :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Changes in finished goods and work in progress	(122,667)	250,937	(115,699)	257,046
Purchase of finished goods	1,390,379	438,449	1,484,756	529,433
Raw materials used	2,951,778	3,338,877	2,611,918	3,274,068
Depreciation and amortization	94,943	80,603	92,446	78,259
Loss on decline in value of inventories (Reversal)	2,367	(44,605)	4,881	(45,978)
Loss on foreign exchange rate	-	27,580	-	27,580
Employee expense	110,165	95,390	93,215	89,483
Transportation and distribution	52,942	60,004	45,767	58,570
Utility expenses	39,108	34,395	31,430	29,342
Doubtful accounts - Trade receivable	66,721	908	66,721	908
Management benefit expenses	17,756	11,091	12,908	9,789
Loss on impairment of available-for-sales investments	-	54,390	-	54,390
Loss from written - off advance payment for purchase of goods	-	1,359	-	1,359
Commission, advertising and sale promotion	3,833	4,493	2,768	4,472
Outsourcing production cost	4,424	3,636	4,141	3,594
Financial costs	25,475	38,049	25,460	38,049
Other expenses	79,780	41,400	61,667	37,360
<b>Total</b>	<b>4,717,004</b>	<b>4,436,956</b>	<b>4,422,379</b>	<b>4,447,724</b>

**25. INCOME TAXES**

Income tax expenses for the years ended December 31, 2016 and 2015, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
<b>Current income tax:</b>				
Current income tax expenses for the year	(64,779)	-	(64,779)	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	14,698	(6,562)	14,698	(6,562)
<b>Income tax income (expenses) reported in the statement of comprehensive income</b>	<b>(50,081)</b>	<b>(6,562)</b>	<b>(50,081)</b>	<b>(6,562)</b>

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

Reconciliations of effective tax rate for the years ended December 31, 2016 and 2015, are as follow;

	In Thousand Baht			
	Consolidated Financial Statements			
	2016		2015	
	Tax rate (%)	Amount	Tax rate (%)	Amount
Accounting loss before income tax		399,379		(253,813)
Income tax by applicable tax rate	20	(79,876)	20	47,163
Utilized loss carry forward		32,629		-
Effect to income tax from tax-exempt incomes and non-deductible expenses		(17,532)		(47,163)
Tax income (expenses) relating to the imposition of the recognition and reversal of temporary differences		14,698		(6,562)
Total income tax income (expenses)	13	(50,081)	3	(6,562)

	In Thousand Baht			
	Separate Financial Statements			
	2016		2015	
	Tax rate (%)	Amount	Tax rate (%)	Amount
Accounting loss before income tax		404,338		(168,773)
Income tax by applicable tax rate	20	(80,868)	20	33,755
Utilized loss carry forward		31,193		-
Effect to income tax from tax-exempt incomes and non-deductible expenses		(15,104)		(33,755)
Tax income (expenses) relating to the imposition of the recognition and reversal of temporary differences		14,698		(6,562)
Total income tax income (expenses)	12	(50,081)	4	(6,562)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income tax levied by the same tax authority on the same taxable entity.

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
<u>Deferred tax assets</u>				
Allowance for doubtful accounts - Trade accounts receivable	22,109	8,765	22,109	8,765
Allowance for decline in value of inventories	16,607	15,631	16,607	15,631
Change in fair value of available-for-sales investments	9,858	10,878	9,858	10,878
Allowance for impairment of investments in associate and subsidiary	3,137	3,137	3,137	3,137
Change in value of available-for-sales	640	640	640	640

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2016**

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2016	2015	2016	2015
investments				
Employee benefit obligations	2,068	736	2,068	736
Premium on land revaluation	(29,904)	(29,904)	(29,904)	(29,904)
Net	24,515	9,883	24,515	9,883
<u>Deferred tax liabilities</u>				
Premium on land revaluation	(3,518)	(3,518)	-	-

The amount of income tax relating to each component of other comprehensive income for the years ended December 31, 2016 and 2015 are as follows:

	In Thousand Baht			
	Consolidated Financial		Separate	
	Statements		Financial Statements	
	2016	2015	2016	2015
<b>Deferred tax relating to</b>				
Actuarial gain from employee benefit plan	954	-	954	-
Gain (loss) on valuation of available-for-sales investments	(1,020)	4,079	(1,020)	4,079
Adjust change in fair value of available-for-sale securities to loss from impairment	-	(10,878)	-	(10,878)
Total	(66)	(6,799)	(66)	(6,799)

As at December 31, 2016 and 2015, the subsidiaries had unused tax losses totaling Baht 14.4 million and 19.7 million, respectively on which deferred tax assets have not been recognized as the subsidiaries believes future taxable profits may not be sufficient to allow utilization of the unused tax losses.

**26. EARNINGS (LOSS) PER SHARE**

The calculation of earnings (loss) per share for the years ended December 31, 2016 and 2015, were based on the profit (loss) for the period attributable to equity holders of the Company and the number of common shares outstanding during the year as follows:

	In Thousand Baht/Thousand shares			
	Consolidated Financial		Separate Financial	
	Statements		Statements	
	2016	2015	2016	2015
Profit (Loss) attributable to equity holders of the Company	349,297	(241,782)	354,256	(175,335)
Weighted average number of common shares outstanding	480,096	480,096	480,096	480,096
Earnings (Loss) per share (Baht)	0.73	(0.50)	0.74	(0.37)

**27. SEGMENT FINANCIAL INFORMATION**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decision about the allocation of resources to the segment and assess its performance.

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2016****Business segments**

The Company and its subsidiaries operates in 1 operating segments is produce and sell of processed steel products and providing steel cutting and modifying service; therefore, these financial statements do not present the financial information by business segment.

**Geographic segments**

The Company and its subsidiaries operate in one geographical area in Thailand; therefore, these financial statements do not present the financial information by geographical segment.

**Major customers**

For the year ended December 31, 2016, the Company and its subsidiaries have a major customers from operate to produce and sell of processed steel products and providing steel cutting and modify service of Baht 1,519 million of the Company and its subsidiaries' total revenue. (2015 : the Company and its subsidiaries have no major customer from operate to produce and sell of processed steel products and providing steel cutting and modify service of the Company and its subsidiaries' total revenues).

**28. FINANCIAL INSTRUMENTS****A) Financial risk management policies**

The principal financial risks faced by the Company and its subsidiaries are interest rate risk, foreign currency risk and credit risk. The Company and its subsidiaries uses derivative instruments, as and when it considers appropriate, to manage such risks.

The Company and its subsidiaries did not intend to engage in trading derivative instruments for speculative purposes.

**B) Interest rate risk**

Interest rate risk arises from the changing of interest rates in the market which effects net interest expense. The Company and its subsidiaries manages interest rate risk relates primarily to its cash at financial institutions, loan to, bank overdrafts and short - term loan and liabilities under financial lease contracts by using both fixed interest rates and floating interest rates, depending on the market circumstances.

As at December 31, 2016 and 2015, financial assets and liabilities are classified by type of interest rates. Financial assets and liabilities with fixed interest rates by the due date or the date on which the new interest rate (If the date of the new interest rate to it) are as follows:

	In Million Baht					Effective interest rate (% p.a.)
	Consolidated financial statements					
	As at December 31, 2016					
	Fixed interest rates	Floating interest rate within		Non-interest bearing	Total	
	1 year	2-5 years				
<b>Financial Assets</b>						
Cash and cash equivalents	-	19.5	-	4.9	24.4	0.1-0.375
Current investment	-	-	-	254.0	254.0	-
Trade and other receivables						
- Related parties	-	-	-	291.2	291.2	-
- Others	-	-	-	434.8	434.8	-



**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2016**

	In Million Baht					Effective interest rate (% p.a.)
	Consolidated financial statements					
	As at December 31, 2016					
	Fixed interest rates	Floating interest rate within		Non-interest bearing	Total	
	1 year	2-5 years				
Deposit at financial institution pledged as collaterals	154.0	-	-	-	154.0	0.65-1.375
<b>Financial Liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	-	1,207.8	-	-	1,207.8	1.02-2.75
Trade and other payables						
- Related parties	-	-	-	233.1	233.1	-
- Others	-	-	-	367.3	367.3	-
Liabilities under financial lease contracts	-	1.3	2.1	-	3.4	1.18-6.95

	In Million Baht					Effective interest rate (% p.a.)
	Consolidated financial statements					
	As at December 31, 2015					
	Fixed interest rates	Floating interest rate within		Non-interest bearing	Total	
	1 year	2-5 years				
<b>Financial Assets</b>						
Cash and cash equivalents	-	25.2	-	8.0	33.2	0.25-0.375
Current investment	-	-	-	0.1	0.1	-
Trade and other receivables						
- Related parties	-	-	-	256.3	256.3	-
- Others	-	-	-	403.6	403.6	-
Deposit at financial institution pledged as collaterals	152.0	-	-	-	152.0	1.00-1.55
<b>Financial Liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	-	1,157.6	-	-	1,157.6	1.05-3.14
Trade and other payables						
- Related parties	-	-	-	193.2	193.2	-
- Others	-	-	-	83.4	83.4	-
Liabilities under financial lease contracts	-	1.3	1.0	-	2.3	1.39-3.69

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2016**

	In Million Baht					Effective interest rate (% p.a.)
	Separate Financial Statements					
	As at December 31, 2016					
	Fixed interest rates	Floating interest rate within		Non-interest bearing	Total	
	1 year	2-5 years				
<b>Financial Assets</b>						
Cash and cash equivalents	-	8.3	-	4.6	12.9	0.1-0.375
Current investment	-	-	-	254.0	254.0	-
Trade and other receivables						
- Related parties	-	-	-	350.0	350.0	-
- Others	-	-	-	307.2	307.2	-
Deposit at financial institution pledged as collaterals	153.1	-	-	-	153.1	0.65-1.375
<b>Financial Liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	-	1,207.8	-	-	1,207.8	1.02-2.75
Trade and other payables						
- Related parties	-	-	-	85.8	85.8	-
- Others	-	-	-	322.5	322.5	-
Liabilities under financial lease contracts	-	1.3	2.1	-	3.4	1.18-6.95

	In Million Baht					Effective interest rate (% p.a.)
	Separate Financial Statements					
	As at December 31, 2015					
	Fixed interest rates	Floating interest rate within		Non-interest bearing	Total	
	1 year	2-5 years				
<b>Financial Assets</b>						
Cash and cash equivalents	-	10.4	-	8.0	18.4	0.25-0.375
Current investment	-	-	-	0.1	0.1	-
Trade and other receivables						
- Related parties	-	-	-	341.1	341.1	-
- Others	-	-	-	351.2	351.2	-
Deposit at financial institution pledged as collaterals	151.0	-	-	-	151.0	1.00-1.55
<b>Financial Liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	-	1,157.6	-	-	1,157.6	1.05-3.14
Trade and other payables						
- Related parties	-	-	-	193.0	193.0	-
- Others	-	-	-	76.1	76.1	-

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2016**

	In Million Baht					Effective interest rate (% p.a.)
	Separate Financial Statements					
	As at December 31, 2015					
	Fixed interest rates	Floating interest rate within		Non-interest bearing	Total	
	1 year	2-5 years				
Liabilities under financial lease contracts	-	1.3	1.0	-	2.3	1.39-3.69

**C) Foreign currency risk**

The Company and its subsidiaries were exposed to foreign currency risk as some of the payment for importing of goods and raw materials are made in US dollar. For the year ended December 31, 2016, there were the foreign currency dominated purchase transactions approximating to Baht of 1,621 million. (December 31, 2015: Baht 1,649 million). The Company manages such risks through the use of forward currency contract, as and when it considers appropriate.

As at December 31, 2016, the foreign currency-dominated liabilities amounting of USD 0.7 million and EUR 0.07 million were hedged through the use of forward contracts. (December 31, 2015: USD 4.9 million and EUR 4.1 million). (Note 9 to financial statements).

As at December 31, 2016, there were the foreign currency-dominated liabilities remaining unhedged in the amount of USD 3.8 million and EUR 0.2 million. (December 31, 2015: USD 0.6 million and EUR 1.0 million).

**D) Credit risk**

The Company and its subsidiaries were exposed to credit risk. However, due to the large number and diversity of the entities comprising the Company and its subsidiaries' customer base, The Company and its subsidiaries does not anticipate material losses from its debt collection. The Company and its subsidiaries estimated the allowance for doubtful accounts from the ending balance of accounts receivable. The estimate was made by considering the customer's past collection experiences.

**E) Fair value**

The financial assets and liabilities include cash and cash equivalents, trade and other receivables, trade and other payables, loan to and loan from counterparties. Their carried values approximate to their fair values.

**29. CAPITAL MANAGEMENT**

The primary objective of the Company's and its subsidiaries capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

As at December 31, 2016 and 2015, The Company and its subsidiaries debt-to-equity ratio was 0.99:1 and 0.95:1, respectively and the Company's debt-to-equity ratio was 0.85:1 and 0.90:1, respectively.

**30. COMMITMENTS AND CONTINGENT LIABILITIES****A) Capital commitments**

- As at December 31, 2016, the Company had the commitment for the acquisition of machine amounting to US Dollar 0.5 million and Baht 0.08 million (December 31, 2015 amounting to US Dollar 0.5 million).
- As at December 31, 2016 and 2015, the Company had the commitments for the development of program computer amounting to Baht 0.1 million and US Dollar 0.04 million (December 31, 2015 amounting to Baht 0.6 million).

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2016**

B) Lease agreements and service contracts

As at December 31, 2016 and 2015, a subsidiary had leases and service contracts for office building with outstanding commitments with the detail as follows;

	In Million Baht	
	Consolidated Financial Statements and Separate Financial Statement	
	2016	2015
Less than 1 year	1.2	1.2
Over 1 year to 5 years	0.8	2.0
<b>Total</b>	<b>2.0</b>	<b>3.2</b>

C) Letter of credit issued by banks

As at December 31, 2016, The Company had the commitment for acquisition of goods amounting of US Dollar 2.8 million and EUR 6.7 million (December 31, 2015 : US Dollar 5.5 million and EUR 5.1 million).

D) Bank guarantees issued by bank

As at December 31, 2016 and 2015, The Company and its subsidiaries had contingent liabilities from letters of guarantee issued by banks for the payment of electricity and utility fee amounting to Baht 7.8 million and Baht 7.8 million respectively (Separate financial statements : Baht 6.9 million and Baht 6.9 million, respectively).

**31. EVENTS AFTER FINANCIAL REPORTING DATE**

1) Increase in investment in associate

At the Board of Directors' Meeting of the Company No. 1/2017 held on January 25, 2016, the directors passed a resolution to approve the Company had additional invested in Delong (Thailand) Co.,Ltd., a associate of the Company held at 20% , by purchasing from Delong Steel Singapore Projects Pte., Ltd. at share 1million, 70 Baht per share , amount of Baht 70 million, at 10% which include formerly portion as 30%. The payment of Baht 14 million paid on January 26, 2017 and the rest amount of Baht 56 million paid on January 31, 2017.

2) Proposed dividend payment of the Company

At the Board of directors' meeting of the Company No. 2/2017 held on February 27, 2017, the directors passed a resolution to approve the appropriation of dividends of Baht 0.20 per share, amounting to Baht 96 million. The proposed dividends must be approved by the shareholders' meeting.

**32. RECLASSIFICATION OF ACCOUNTS**

Certain accounts in 2015, were reclassified to conform with those in the 2016 financial statements as follows:

	In Thousand Baht		
	Consolidated Financial Statements		
	As previously reported	Reclassification	As currently reported
<b><i>Statement of financial position</i></b>			
Investment properties	42,328	(42,328)	-
Property, plant and equipment	1,083,906	42,328	1,126,234