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## Message from the Chairman of the Board

### To all Shareholders

For the past 2011, the overall economic condition of Thailand grew by just 0.1 percent when compared to the year 2010 which grew 7.8 due to the crisis of the Great Flood water in Quarter4/2011 the impact of the economic, social and industry sector especially the industrial estate as the center for continuous production of industries such as electrical and electronic industries. The industry and automotive parts manufacturers that used the steel as raw material in the production for the year 2011, the overall uses of iron in the country in the amount of 12.57million tons.

For the investments, the foreign investors continue to focus on investment in Asian region which consist of Thailand, Laos, Cambodia, Vietnam, Singapore, Brunei, Malaysia, Philippines, Republic of Indonesia and Myanmar that are combined together as ASEAN Community. To open the free trade market in 2015 that will be an opportunity for trade, investment and economic development in the region to strengthen even more.

I, as the Chairman of Asia Metal Public Company Limited would like to thank to our shareholders, customers, investors, executives and all employees, including those persons that support the company's business. That improves the company's growth in good and the importance of good corporate governance and Corporate Social Responsibility, and Environment to participate the activities of the community. It is the policy of the Company to perform consistently as well as to focus for development and management within the organization to be more effective.

Finally, I want to thank the Board of Directors, to all shareholders for your continuous support to the company.

Sincerely yours,



(Mr. Virachai Suteerachai)  
Chairman of the Board

## Message from the Managing Director

### To all Shareholders

In 2011, the total revenues of Asia Metals Limited (PCL) is 6,571.49 million baht, increased by 30.72 or the amount of 1,544.16 million baht and a net profit of 110.33 million baht, increased by 36.36 or 29.42 million baht when compared to the result of the year 2010. The total revenue of the company had been increased due to the economy of the year 2011 from a quarter to three quarters all industrial group had increases in good direction. The export increases as a result of overall growth of industry that increased the average revenue per unit and in the fourth quarter the group of industry group had continuously increases. Some customers have been affected by the flood in Bangkok, and many industrial plants in which the company has the standard of preparedness also import the raw materials from abroad to support the customers who have been affected by such natural disasters.

In terms of production capacity and construction of Phanas Nikom Plant. The construction of factory outlets was completed in three factories that increase the production and warehouse space of 35,000 square meters with the installation of machinery for steel service centers that were completed. The services began from the past May 2010 for the group of manufacturer of electrical appliances and the group of manufacturer of auto parts.

On behalf of the Board of Directors. I would like to thank to all shareholders, customers, trade partners, financial institutions both in the country and abroad, government agencies, private sector and all related sectors that support the activities of the company. Thanks to the management and all employees who serve their duties and responsibilities with the cooperation to develop the potentiality in all aspects of the organization to create additional value to the shareholder, stakeholders and society as a whole. I also want that everyone have to believe that the company is committed to the most significant result and continuously develop the organization to grow steadily forever

Sincerely yours,



(Mr. Chusak Yongvongphaiboon)  
Managing director

## Reports from the Audit Committee

The Audit Committee of the Asia Metal Company Limited (Thailand) consists of three independent directors who are directors and executive secretary of the company's financial coordinator. And has been appointed by the Board of Directors of the Company to perform their duties in reviewing the information related to the financial reporting, Internal Audit and audited by auditors. At the same time the Committee has been promoting and pushing for the company in compliance with the practices of the listed companies for the Company to have good corporate governance. As well as to introduce the subject of risk management and good internal controls to the executive.

In 2011, the Audit Committee had held five meetings with the auditors. To review the accounting systems and internal controls and financial reports before submitting them to the public. There is also the meetings for auditors to review the risks and the annual audit plan. As well as independent meeting with management to discuss and practice the rules of the Office of the Securities and Exchange Commissions.

The Audit Committee has the opinion that our internal control over Asia Metal Company Limited (Thailand) is powerful enough to ensure that the assets of the Company has good prevention and maintain. Recording of accounting is appropriate and resources are used efficiently. The Audit Committee has proposed to the Board of Directors for the appointment of Ms. Nongram Lauareedilok, the Certified Public Accountant License No. 4334 and Mr. Pradit Rodloytuk, the Certified Public Accountant License No. 218, the AST Master Company Limited will be the next auditors of the Company for the year ended December 31, 2012. The appointment of the auditors and the audit fee is subject to the approval of the shareholders of the company's annual general meeting which will be held on April 30, 2012.



Pol. Gen. Jumpol Munmai  
Chairman of the Audit Committee

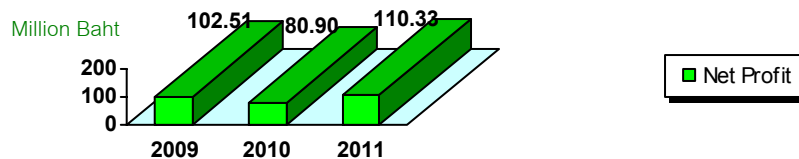
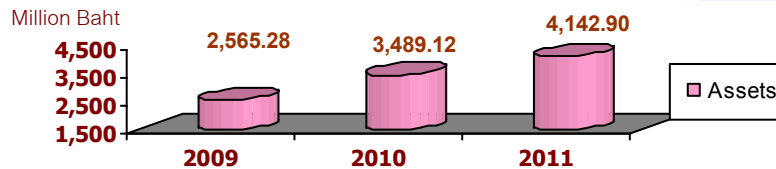
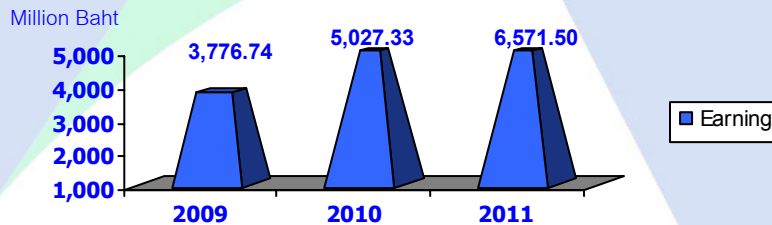
## Overall Performance

Data as of December 31, 2011.

### Overall Financial Statements

(Million Baht)

	2009	2010	2011
Current Assets	1,595.78	2,452.61	2,949.32
Property, Plant & Equipment	912.85	999.74	1,04.87
<b>Total Assets</b>	<b>2,565.28</b>	<b>3,489.12</b>	<b>4,142.90</b>
Total Current Assets	1,072.59	1,938.16	2,540.43
Total Liabilities	1,135.31	1,978.25	2,558.43
Total Common Stock	479.94	479.94	479.94
Shareholders' Equity	1,422.00	1,507.08	1,584.47
<b>Liabilities and Shareholder's Equity</b>	<b>2,565.28</b>	<b>3,489.12</b>	<b>4,142.90</b>
Income	3,776.74	5,027.33	6,571.50
Cost of Sales	3,606.45	4,746.63	6,136.77
Gross profit	170.30	280.69	434.73
Administration Cost	53.67	63.58	82.68
Administration Expense	49.04	62.03	52.57
Other earnings	12.88	20.88	11.55
Operating Profit Margin	140.51	156.84	230.10
Interest	28.01	41.66	65.91
Tax	9.98	34.26	53.86
<b>Net Profit</b>	<b>102.51</b>	<b>80.90</b>	<b>110.33</b>



## Data in General

The Asia Metal Public Co., Ltd. was established on March 9, 1993 with registered capital and paid the initial amount of 30 million by the group of Mr. Choosak Yongvongpaibul. Its main business is steel service centers, including the full range of steel coil (Coiled) for both types of hot-rolled (Hot-Rolled) and the cold. (Cold-Rolled), including the cutting and sale of steel sheets (Sheet) and slit steel coils (Slitting Coil) by the size demand by the customer. And the manufacturer and distributor of steel and steel pipe and structural steel C-shape used in the industries. Which on 31 December 2011 the company has registered capital of 549.97 million baht and paid 479.93 million and the group of Yongvongphaiboon remain as an executive and major shareholder in percent 34.19 of the capital. The group of Khunying Pattama Leesawatrakul Lady holds 14.39 per cent of the paid-up capital. Including the group of Suteerachai holds 17.87 per cent of the paid-up capital.

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 6,000 tons of steel every year.
2. Asia Metal Fabrication Co., Ltd., holds 55.00 percent operates in services to design, manufacture of steel and plant construction.
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.

The Asia Metals Public Co., Ltd. products and services are divided into two types according to the nature of the business below;

### 1. Steel service centers

The company provides steel products in the steel service center in hot rolled coil and cold rolled coils sold to wholesaler of steel and customers are steel mills, which will be used to transform a piece of steel to a variety of services including the cutting in different sizes according to the customer's demand, and a distributor of various types of steel that meet the requirements to be used in industrial applications focusing on service first and after sale. The company focuses on customer satisfaction with regard to product quality, which in 2011 the earnings of the company from the supply of steel products accounted for 45.31 percent of the total revenue.

### 2. Processing of steel products

The company provides cutting a slit steel coils, steel sheets and steel products including the steel and iron structure built. The company's revenue in 2011 from processing of steel products accounted for 54.05 percent of the total revenue.

The Group is currently producing and selling iron of all types in total 300,000 tons per year divided by the capacity of the company is 294,000 tons per year and subsidiary company of 6,000 tons per year. For the part of the company the production capacity of hot rolled strip in coils is divided into 54,000 tons per annum, production capacity of steel sheet is 105,000 tons per annum, production capacity of steel pipe is 75,000 tons per annum and production capacity of steel structure is 66,000 tons per annum. By the year 2011 the company uses the production capacity of 43.90 percent of the total capacity. The production capacity of the subsidiary is the capacity of circular and rectangular steel tubes, both of which 6,000 tons per year capacity and in 2011 has use the production capacity of 67.53 percent.

The company purchased the steel, which is the main raw material for production of hot rolled steel manufacturer in the country, including the companies in the group of Sahaviriya Steel Plc. Industries, The companies in the group of G Steel PCL and GJ Steel PCL. The company distributes its products to the customers within the country. The company's customers can be divided into two groups: the wholesaler of

steel is the group of operator of Steel wholesaler in Bangkok and its vicinity. The value of sales to these customers accounted for 50 percent of the total income of the company, and the entrepreneurs in various industries such as the furniture industry, Appliance industry, automotive industry, etc. The value of sales to these customers accounted for 50 percent of the total income of the company. The Company does not sell products to any customer more than 15 per cent of the total income of the company.

The company emphasizes the importance of the quality of products and services and delivery on time. The C-shaped steel products and steel pipes of the company have received the industry standard from the Ministry of Industry. In addition, the company uses to produce a quality management system ISO 9001: 2008 applied in the administration to confirm the customer to focus on the quality of products and Services Company. In the year 2011 the company began using the Quality Management System TS 16949, and in 2012 is expected to be certified with TS 16949 and the company has the building for the training of employees at the 2<sup>nd</sup> plant (Phanas Nikom) to raise the standard production and management of the company's future sustainability.

The performance in recent years, the company has the revenue from sales and services was 6,571.49 million, with net profit of 110.33 million as at December 31, 2011, the Company had assets totaling to 4,142.90 million baht with debt totaling to 2,558.43 million baht and the shareholders' equity equal to 1,584.47 million baht. The Company has a registered capital of 549.97 million baht, divided into common stock to 549.97 million shares, par value 1 baht each share and paid registered share of 479.93 million baht.



## Risk Factors

### 1. The risk of the business

#### • The risk of relying on major manufacturers

In 2011 the company purchased HRC (Hot Rolled Coil), which is the main raw material for almost all from the three major groups of steel manufacturer: Sahaviriya Steel Industries Plc, Group of G Steel Plc and GJ Steel Public Company Limited for a total percentage of 65.61 percent of all purchases. It has also an order from Steel Structure Co., Ltd. Siam Yamato Steel Co., the largest steel manufacturer in the country accounted for 3.17 percent of the total value of all purchases. And the company has an order from a major manufacturer in the country in a high proportion compared to all the orders above. Including the tax measures in response to renewed dumping in another. The major obstacle to imports cause the company has risk of a shortage of raw materials in the manufacture of these three cases are unable to deliver material to the company as the company can not supply the raw material from other sources to replace it soon to the plans to produce the products as received the orders from the customers.

From the good relationships of the Company with steel manufacturers and distributors the company is planning to organize and policy to store inventory to meet the economic and stored for at least 30 to 60 days to provide the sufficient quantity of production. The Company believes that it will not be affected by any damage to or purchase from the manufacturer. The company is preparing to order from abroad to replace the shortage of domestic raw materials.

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

In 2011 the company has the revenues from the sale of hot rolled coils and processed steel products from hot rolled coils accounted for 68.07 percent of the total revenue of the company. Which the sold steel products has the value of iron equivalent to 95 percent of the cost which the price will changes according to the world market conditions, demand and supply manufacturers, and the steel users throughout the world including the other factors that affect the prices such as exchange rates, Tariff including the surcharge (Surcharge) etc. The cost of raw materials under conditions of fluctuating steel prices in the country and around the world all the time which may be at risk if the company can not justify the changes cost of goods.

However, the company has been tracking the movement of raw material prices closely to serve as guidelines for the management of purchase of raw materials to meet the demand of the products from its customers, including the pricing of the product of that company. The company will base on cost of sales coupled with the market price at that time. If the raw material prices have the tendency to increase, the company will increase the order of quantity of raw materials. The Company will use the policy cost plus profit as the total expenses were incurred and the profits for the pricing that the company can maintain its profit margin since the company will adjust the prices from time to time according to the adjusted raw materials prices. If the raw material prices have the tendency to increase, the company will reduce their purchase of raw materials and will accelerate the sale of raw materials and faster finished goods in order to exhaust the inventory as soon as possible which tracks the movement of raw material prices and the pricing. The policy to determine the pricing will change the raw material prices and it does not affect the operation of the company having the significance as in the year 2008 to year 2011, which brings fluctuations of raw materials prices, but such well management of the company, the company still maintaining the profits that affected the company only slightly.

### 2.2 Risk Management

#### • Customer's credit risk

As at 31 December 2011, the Company had outstanding receivables at 1,070.85 million baht in rate of 16.29 percent from the overall income of the company in 2011 for a period of collection of 59.18 days. The debtor with outstanding that is not yet due of 647.56 million baht with payment in arrears not over 90 days of 409.11 million baht Total of 1,056.67 million baht in rate of 98.82 percent of total receivables. The company has the potential risk of the customer that can not 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 has the practice of granting credit to the customer based on customer profiles, payment and the credit limit. The company also has a diverse customer base in numbers which the company will not give credit and amount to any customers or group in special cases. This is to prevent any risk that



may occur. It is also a provision for doubtful accounts for accounts receivable and payable for a long period. For the previous year, the company does not increase the allowance for doubtful accounts from the debtor that can not pay more for a long time. But receive the payment from the accounts payable for a return of 4.5 million baht.

- **Risk from Interest Rate**

As at 31 December 2011, the Company had outstanding short-term debt of 2540.42 million baht and the debt resulting of borrowing from financial institutions in total of 2,391.45 million baht. Mostly in the form of short-term promissory notes with interest rate from 1.70 percent to 4.35 percent per annum and is repayable between 1-3 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.

However, the company has various products to immediately meet the needs of the customers that enable the company to increase sales by up to 30.71 percent when compare from the previous year that makes the company has the ability to pay the interest in which 2011, the company had the financial capital (interest) in 65.91 million baht representing to 1.00 per cent of the earnings from sales and services. The group of the company believed that the volatility of interest rates in the market did not significantly affect the results of operations and cash flows of the business.

- **Risk from exchange rate**

In 2011 and 2010 the annual value of purchases of the company from overseas is worth about 56.20 percent and 22.61 percent of the total order value, respectively, by a money order in U.S. dollars. That makes the company has the risk of currency fluctuations. From the past, the company uses derivatives to reduce the uncertainty of future cash flows resulting from changes in foreign exchange. The strategy is to hedge foreign exchange forward contracts are as appropriate as at December 31, 2011 with the remaining amount of 20,367,298 U.S. dollars. However, due to the condition in 2011 with the volatility of exchange rates as although they have the tools to protect them as the company had a loss of foreign exchange at the balance sheet amounted to 62,456,222 baht (as of December 31, 2010 there are no outstanding derivatives).

In the future the company expects to continue to purchase goods from other countries. Therefore the company maintains the policy to reduce the impact from the risk of exchange rate by the following method as appropriate according to those circumstances.

## Nature of Business

### History

Asia Metal Public Co., Ltd. was established on March 9, 1993 with registered capital and paid the initial amount of 30 million baht, with the purpose of establishing the business as steel service center, to cut the large size of steel into sheet or rolls according to the size demand by the customers. Also to manufacture and sale the steel pipe used at various industries, including iron pipe and steel c.

### Changes and development of the Company

Year 1993, The Company operates as distribution centers of steel by purchasing and sold.

Year 2004, The company had became a public company and increases the registered capital from 150 million baht to 200 million baht, and change the par value (PAR) from the share price of 100 baht, per share 1 baht and determined to proposed to sale the share to increase and issued to the public the amount of 50 million shares.

Year 2005, the company increased its registered capital from 200 million baht to 400 million baht by offering to the former shareholders in the price of 1 baht in order to support the growth of the company.

Year 2007, the company increased its registered capital from 400 million baht to 550 million baht to sale to the public in general and former shareholders in order to facilitate the conversion of warrants.

Year 2008, the company expanded its group of customer and increases steel products such as the group of automotive industry and electrical appliances group.

Year 2010, the company has increases its production standard. As a steel service center that can accommodate the production of steel to the group of automotive industry and the industrial group of electrical appliances.

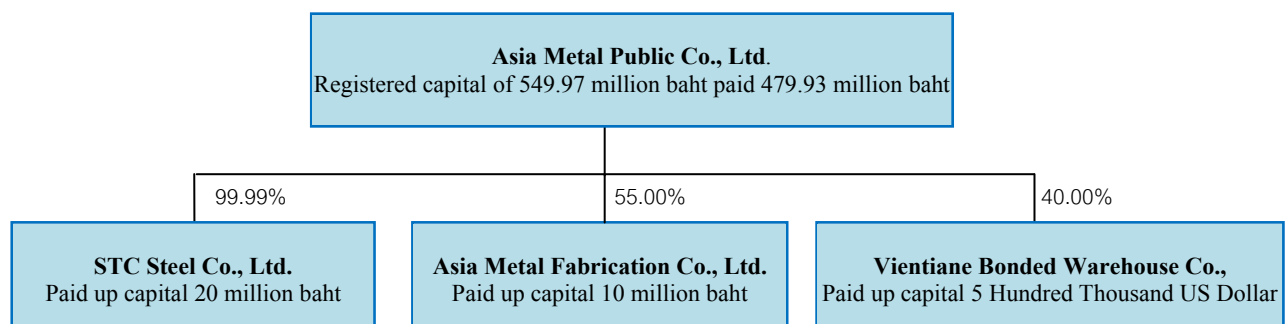
The company has been awarded as the BEST VENDOR AWARD from Thai Samsung Electronic Ltd.

Year 2011, the company has the changes as follows;

The company has improve the production standard more and operates the steel service center that can accommodate the production of steel in the group of automotive industry and the group of industry in electrical appliances at the second facility (phanas Nikom) and can increased the group of customer in automotive industry and electrical appliances more.

### Overall Business Performance of the group of company

Structure of the group of Asian Group Metals Ltd. (Public) as at December 31, 2011.



**Asia Metal Public Co., Ltd.**

Operates in integrated steel service centers, including the steel coil (Coil) and type of Hot-Rolled and Cold-Rolled, galvanized steel (GI), aluminum zinc coated steel (GL), color coated steel and processed steel products such as steel sheets, slitting coil, steel pipes with diameter of 1 inch (25 mm) to 4 inches (100 mm) c-shaped steel structure, and service delivery to the customers. With production capacity of 294,000 tons per year, divided the production capacity to steel sheet 105,000 tons per year, steel slit coil 54,000 tons per year, steel pipes 69,000 tons per year and lip channel steel 66,000 tons per year.

**STC Steel Co., Ltd**

Operates in production and distribution of steel pipes both round and square types with diameter of 0.5 inch (12 mm) to 1 zinc (25 mm) with production capacity of steel pipes in total of 6,000 tons per year

**Asia Metal Fabrication Co., Ltd**

Operates in designing the production of steel and construction by the team work of Asia Metal Fabrication Co., Ltd. with high standard quality work accomplishment

**Vientiane Bonded Warehouse Co., Ltd.**

Operates in warehouse services

Revenues of the company

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

Distribution Value	2009		2010		2011	
	Million baht	portion	Million baht	portion	Million baht	portion
• Steel Service Center						
1. Service supplier of steel products.						
2. Cutting Services						
Total Revenue of steel service centers	1,900.10	50.31	2,495.67	49.64	2,977.50	45.31
	1.15	0.03	0	0	0	0
	1,901.25	50.34	2,495.67	49.64	2,977.50	45.31
• Processing of steel products						
1. Iron sheet	739.03	19.56	889.65	17.70	1,070.76	16.29
2. Slit steel coil	170.84	4.52	337.79	6.72	432.12	6.58
3. Steel pipe	521.36	13.80	701.19	13.95	1,362.22	20.73
4. C-shaped steel structure	431.76	11.43	591.29	11.76	686.67	10.45
Total revenue for processing	1,862.99	49.32	2,519.92	50.12	3,551.77	54.05
• Others ¶*	12.50	0.33	11.74	0.24	42.23	0.64
Total value of all sales	3,776.74	100.00	5,027.33	100.00	6,571.50	100.00

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

**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.

In addition of being the steel pipe manufacturing with quality the company also aims to become a fully integrated steel service center such as the company can provide various steel products according to the size demand by the customer that's include the iron, steel coil for the conveniences of the customers in buying. Since the customer can demand the company to produce the desired size. There is a constant

improvements of standard that's includes the knowledge, ability of the personnel and equipment used in the production.

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 ISO 9001:2008 in the management. Today it has been adjusted to TS 16949 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.



## Business line

### The products and services

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

#### 1) The supply of steel products

The company supply the steel products in terms of steel service center included the hot rolled coils and cold rolled coils, zinc-coated steel, color coated steel both local and abroad selling to the wholesaler of steel and steel industrial customers which the customers will use to transform into a piece of steel, including the service of cutting the steel sheets into different sizes demand by the customers.

The purchase of foreign goods in 2011 were imported from Korea, China and Vietnam the products of hot-rolled steel, cold rolled steel, and coated steel to sale to the customers in electric appliances industry, construction industry and automotive industry of about 56.20 percent of the total purchases of the company.

#### 2) Processing of steel products

##### 2.1 Slitting Coil

The company provides the services in cutting the slitting coils. This is to cut the slitting coil (Coil) into small strips according to the width desired by the customer and roll back for sale. The company has the machine for cutting steel, steel slit coil (Slitting Coil). The company has installed production capacity of 195,000 tons per year. Which the production has been divided as raw material for producing the steel pipe and product of c-shaped structure of 141,000 tons per year and production for sale of 54,000 tons per year. In 2011 the company has the production capacity of 34.32 percent of the installed production capacity.

##### 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). The company has the installed production capacity of 105,000 tons per year. In year 2011 the company has the production capacity of 34.32 percent of the installed production capacity.

##### 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 100 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 has the installed production capacity equivalent to 75,000 tons per year. In 2011 the company has the production capacity of 67.53 percent of the installed production capacity. The shape of steel pipe of the company is in round, square and rectangles which the company can be produced by the width and length demand by the customer.

##### 2.4 C-shaped steel structure

The company produces and sells the c-shaped steel structure by forming the cut slitting coil into c-shaped steel structure which will be used in the construction industry to use as roof structure. The company has 6 machineries for production of c-shaped steel structure. The production capacity equivalent to 66,000 tons per year and in 2011 the company has the production capacity of 40.13 of the installed production capacity.

In 2011, the company has distributed its product to the customer within the country of 99.22 percent of its revenue from sale and services, and sale to the customers abroad which the operators of various industries of 0.78 percent of its revenue from sale and services.

## Assets for the Business Used

### The fixed assets use in business

As at 31 December 2011 the company has fixed assets use in the business as follows;

Unit: Million Baht

Type / style of property	type of Ownership	Value	Obligation
1. Land			
- Area of 16 acres, 3 Ngan and 5 square yard Location: No. 55, 55/1, Moo 2, Soi Wat Namdaeng, Srinakarin Road, Bangkaew Sub-District, Bangplee District, Samut Prakan Province	Owned by the company	112.71	(1).Mortgage loan of 400 million baht
- Area of 100 acres, 85 square yard* Location: No. 90/1, Moo 10, Sasiliam Sub-District, Phanas Nikom District, Cholburi Province.	Owned by the company	44.59	(2). Mortgage loan of 600 million baht
- Area of 80 acres, 28 square yard** Location: No. 90/1, Moo 10, Sasiliam Sub-District, Phanas Nikom District, Cholburi Province.	Owned by the company	2.11	None
- Area of 17 acres, 34 square yard Location: No. 90/1, Moo 10, Sasiliam Sub-District, Phanas Nikom District, Cholburi Province.	Owned by the company	6.18	None
- Area of 3 acres, 82 square yard Location: No. 6/10, Moo 1, Soi Wat Namdaeng, Srinakarin Road, Bangkaew Sub-District, Bangplee District, Samut Prakan Province.	Owned by STC	21.23	(3). Mortgage loan of 250 million baht
2. Factory Building			
- Factory Building of the company Location: No. 55, 55/1, Moo 2, Soi Wat Namdaeng, Srinakarin Road, Bangkaew Sub-District, Bangplee District, Samut Prakan Province.	Owned by the company	103.00	(1). Mortgage loan of 400 million baht
- Cholburi Factory Building of the company** Location: No. 90/1, Moo 10, Sasiliam Sub-District, Phanas Nikom District, Chonburi Province.	Owned by the company	248.18	(2). Mortgage loan of 600 million baht
- Factory building of subsidiaries company Location: No. 6/10, Moo 1, Soi Wat Namdaeng, Srinakarin Road, Bangkaew Sub-District, Bangplee District, Samut Prakan Province.	Owned by STC	22.35	(3). Mortgage loan of 250 million baht
3. Machineries and equipment	Owned by the company	447.29	None
4. Machineries	Owned by STC	4.64	None
5. Vehicles	Owned by the company	14.24	None
6.			
7. Furniture and office equipment	Owned by the company	8.39	None
Total		1,034.87	

### **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 overseen 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.



## Major shareholders of the company

List of major shareholders as of the latest closing book of registration April 27, 2011 (par value of Baht 1)

No.	Name/Surname	Total of Share	% of total of shares
1	Group of Mr. Chusak Yongvongphaiboon		
	Mr. Chusak Yongvongphaiboon	76,700,000	15.98
	Ms Phenchan Yothinaupamai	40,000,000	8.33
	Mr. Pornthep Yothinaupamai	47,435,800	9.88
	Total group of Mr. Chusak Yongvongphaiboon	164,135,800	34.19
2	Khunying Patama Leesawatrakul	69,000,000	14.38
3	Group of Mr. Virachai Suteerachai		
	Mr. Virachai Suteerachai	45,800,000	9.54
	Mr. Win Suteerachai	40,000,000	8.33
	Total group of Mr. Virachai Suteerachai	85,800,000	17.87
4	Mr. Chanathip Traiwut	20,000,000	4.17
5	Mr. Sompol Wongvet	17,275,200	3.60
6	Ms. Orawan Pongtanyaluck	9,705,000	2.02
7	Mr. Pramot Kerdpanya	7,813,600	1.63
8	Mr. Pongjarus Tongmee	5,385,000	1.12
9	Mr. Pichit Chatsakulwong	5,104,000	1.06
10	MR.LEE JUI-CHUAN	5,056,600	1.05
11	Mr. Somsak Leejongpermpoon	4,995,000	1.04
	Total	394,270,200	82.15

### 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 has planned to invest other projects. In 2009 the company has net profit of 102.51 million baht. The company does not pay the dividends because of the expansion of two factories at Phanas Nikom and it is not yet completed still needs to invest more.

In 2010, the company has the net profit of 80.90 million baht. The company has paid the dividends for the operation of 2010 paid to the shareholders whose names appeared in the registered share of the company as of 28 April 2011 in the rate of 0.07 baht, total amount of 33.59 million baht or 41.52 percent of the net profit which does not follow the policy due to the expansion of the second factory that not yet finish. The company will pay the dividend on 9 May 2011.

In 2011 the company has the net profit of 110.33 million baht. The board of directors has proposed at the shareholders meeting to approved to pay the dividend in rate of 0.08 baht per share, totaling to 38.39 million baht of 34.79 percent of the net profit which does not follow the policy due to the expansion of second factory that not finish yet. The company will pay the dividend on 8 May 2012.



## 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 liste below;

#### Board of Directors

Names of the Board of Director as on 31 December 2011 consist of 9 directors;

Name -Surname			Position
1.	Mr. Virachai	Suteerachai	President
2.	Mr. Chusak	Yongvongphaiboon	Committee
3.	Mr. Tanakorn	Ritthibanlue	Committee
4.	Miss Phenchan	Yuthinaupamai	Committee
5.	Miss Taradee	Piensamrit	Committee
6.	Mr. Chanathip	Triwut	Committee
7.	Pol.Gen. Jumpol	Munmai	Chairman of the Audit/Independent Committee
8.	Mrs. Taisika	Praisangob	Audit Committee/Independent Committee
9.	Sub Lt.Suree	Buranathanit	Audit Committee/Independent Committee

Mrs. Saifon Saengdeenee, the secretary of the company

#### Director with authorize signatory

The signatory director binding with the company consist with;

- 1.Mr. Chusak            Yongvongphaiboon
- 2.Miss Phenchan      Yuthinaupamai
- 3.Miss Taradee        Piensamrit

The two out of three director 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 benefits 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 will in 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 2011 are;

Name-Surname		Position
1. Pol.Gen. Jumpol	Munmai	Chairman of the Audit Committee/ Independent
2. Mrs. Taisika	Praisangob	Audit Committee/ Independent
3. Sub.Lt. Suree	Buranathanit	Audit Committee/ Independent

### **Authoritative Duties of the Audit Committee**

The authoritative 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 office 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 be appointed to another term.

### **Executive Board of Director**

Names of Executive Board of Director as on 31 December 2011 are;

Name-Surname			Position
1.	Mr. Chusak	Yongvongphaiboon	President
2.	Miss Phenchan	Yuthinaupamai	Executive Committee
3.	Mr. Tanakorn	Ritthibanlue	Executive Committee
4.	Miss Taradee	Piensamrit	Executive Committee

### **Scope of Duties of the Executive Committee.**

The Executive Committee's scope of duties and responsibilities of management regarding the implementation of the regular business and its management policies, business plans, management structure, budget and power of the management guidelines in the company's operations in accordance with the economic conditions. To propose to the Board of Directors for approval and / or approval. Including the inspection and monitoring of the company's operations based to the policies. Currently, the Executive Committee's scope of duties and responsibilities can be summarized as follows.

1. Policy strategy, financial structure and various power management. To be consistent and support the economy.
2. To consider and give opinions on business plan and annual budget proposed by the President. For the presentation to the Board of Directors.
3. To supervise and monitor the operations of the Company to be effective and appropriate to the health of the business to benefit the administration of the affairs and business of the Company in order to comply with the purposes and regulations of the company.
4. The other performance as delegated by the Board of Directors.
5. With power of decision to the bank in the ordinary course of its business such as loans. As well as various bank guarantees etc.
6. Has the authority to approve the transaction costs for companies such as normal operating expenses and the cost of sales and administration. The amount approved in this transaction at a time of no more than 50 million per transaction or the amount determined by the Committee.
7. Allocation of reward money has been approved by the Board of Directors. Employees or employees of the Company or any persons who carry out the activities of the company.

Thus, the Executive Committee may delegate the duties to the Company's executive officers have the power to act in the particular subject matter or by the Board of Directors has deemed appropriate. The authorization above, the Executive Committee 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 present these items to the Board of Directors for the consideration of the Board of Directors.

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

List of appointed board of directors and remuneration of the directors and executives as at 31 December 2011 consists with;

Name-Surname			Position
1.	Ms. Phenchan	Yuthinaupamai	Appointed Chairman and remuneration
2.	Mrs. Taisika	Praisangub	Director
3.	Ms. Taradee	Piansamrit	Director

Ms. Panida Theppayasuwan is the secretary to the appointed board of directors with agreed remuneration

### **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 2011 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.	Mr. Chanatip	Traiwut	Committee
4.	Mr. Chidchnok	Thomawongse	Committee
5.	Mr. Prawit	Titipattarayanyong	Committee

Miss Panida Theppayasuwan is the secretary to the risk management 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 2011;

Name-Surname			Position
1.	Mr. Chusak	Yongvongphaiboon	President
2.	Miss Phenchan	Yuthinaupamai	Vice managing president
3.	Mr. Tanakorn	Ritthibanlue	Director of Accounting and Finance
4.	Mr. Chidchnok	Thomawongse	Marketing Director
5.	Mr. Prawit	Titipattarayanyong	Managing director (Coil ServiceCenter)
6.	Miss Taradee	Piemsamrit	Financial Manager

### 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 Board of Directors.
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 can not act unless authorized by the Board of Directors from time to time.

#### Monetary remuneration in the year 2011

For the past Annual General Meeting of the shareholders 2011 held on 27 April 2011. The remuneration for the board of director of 4,000,000.- Baht had been approved. Which is the same rate by the year 2010, the company paid the remuneration for the 5 board of directors with names below;

Name-Surname	Meeting Allowance (baht) 2010	Meeting Allowance (Baht) 2011
1.Pol. Gen. Jumpol Munmai	360,000	360,000
2.Mr. Virachai Suteerachai	360,000	360,000
3.Sub.Lt. Suree Buranathanit	120,000	120,000
4.Mrs. Taisika Praisangub	120,000	120,000
5.Mr. Chanathip Traiwut	72,000	72,000

There are four board of directors without paying the compensation being the committee. Since the four are the executive officer as elaborated below;

Details	Unit : Billion Baht	
	Year 2010 Salary and Bonus	Year 2011 Salary and Bonus
(4) Director- as executive	8,507.00	9,446.75
(2) Management	2,355.00	3,513.15
<b>Total</b>	<b>10,862.00</b>	<b>12,959.90</b>

#### Other remuneration for directors and executives

- None -

#### Personnel

The number of all employees of the company and its subsidiaries as of December 31, 2010 and 2011 are 305 and 401 employees (excluding the management). The employees according to each department as follows;

Department	Number of Regular Employees 2010	Number of Regular Employees 2011
1. Office	120	137
2. Factory	185	264
<b>Total</b>	<b>305</b>	<b>401</b>

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

The compensation of the employees who are not executives of the company and its subsidiaries (total output during the year). In 2010 and 2011 in total of 67.90 million baht and 81.90 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 for the development of the employees by organizing the training within the company and a regular training on the field to increase the potentiality of the employees and to enhance the employee's ability in every aspect. They also have the transmission system like a sitter to the newly employee. The older people will act like a mentor to new employee to learn the job. This will enable the employees to perform their duties properly and efficiently. It also develops the organization to have potentiality in competition both regionally and nationally, and also the policy in rewarding the employees at affordable rates to encourage and retain the employees to work with the company in the long period.

## 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 give 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 give the shareholder their privilege to present the agenda at the meeting and names to be elected as the board of director of the company 30 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 2010 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 determine 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. That dividend will be pay to the shareholder having the name in registration book that has transfer the share and prescribe in the resolution of the board of director and passed the approval from the annual ordinary shareholder's meeting resolution.

Moreover, after the company has been informed by the company. The Deposit Asset Centre (Thailand) Ltd. in particular of revocable dividend cheque the company has the letter to inform the shareholder that has not yet receive the cheque can follow up and maintain their rights as the shareholder.

### **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 ext. 109  
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.

## Chapter 3 The 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) Competitors The 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 Sectors The 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 2011 there are 9 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 4 other committee altogether 5 of them which the board of the management altogether 5 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 3 committee altogether 4 of them which 4 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

The qualification of the independent directors is qualified under the notice of the Capital Market Commission, Re. 4/2552 Subject: Permission and Approval to sell the newly issued shares (2<sup>nd</sup> Edition).

### 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 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 and in 2011, 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 9 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, 2011 there are 9 board of directors of the company with details below;

- 4 Executive Director
- 2 Committee
- 3 Audit Committee

Therefore, the company has 3 independent directors representing to 33.33 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 17.87 percent and 34.19 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 2011, 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.	Mr. Thanakorn	Ritthibanlue	5/5
4.	Miss Phenchan	Yuthinaupamai	5/5
5.	Miss Taradee	Piansamrit	5/5
6.	Pol.Gen.Jumpol	Munmai	4/5
7.	Mrs. Taisika	Praisangub	4/5
8.	Sub Lt. Suree	Buranathanit	5/5
9.	Mr. Chanathip	Traiwut	5/5

#### **11. Subcommittee**

At the general meeting of the shareholders held on February 17, 2004 had appointed the board of audit and governance committee to assist in the oversight of the company with powers and duties of the audit committee in accordance with the details. Presently, the board of directors has appointed another 2 groups namely the nominated subcommittee with compensation and subcommittee in the risk management in 2011. However, at present the compensation of the company will consider from the data of compensation of the same industrial company having the same basis. Also to consider with the operation of the company and in 2012 the subcommittee that has been appointed at the end of 2011 will determine the various principle in nominating and compensation to the committee and executive which considered from the data at the past and condition at present o that principles.

## **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 2011 as follows;

Granting the scholarship to high school students at Bangkaew Prachasan School of 25 scholarships total 2,000 Baht each.



Granting the scholarship to the elementary schools at Wat Namdaeng School (Kiaw Uthit) of 50 scholarships total 1,000 Baht each.





The construction of toilets for kindergarten students of Wat Namdaeng School (Kiaw Uthit) value of 100,000 Baht



### Project for the staff

The Company focused on the health of employees extremely because everyone is important in driving the growth and quality of the business. The company held its annual health check and counseling for health care by the doctors and nurses from Paolo Memorial Hospital.



Annually the company had organized the activities in granting the scholarships to the children of the employees who have good grades. In 2011, there are 44 scholarships awarded to the children of the employees of 2,000 baht each to compensate and encourage the employees and their families, and also to support the children of the employees to love the organization where their parents have been working.



Employees donated blood to Red Cross





## Summary of the transactions of the company for 2011

Summary of the transactions between the company, subsidiaries and related companies or individuals who may have conflicts of interest that occurred in 2011.

Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
Taweechoke Phanit Co.,Ltd. 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	<p>The company sold the steel to Taweechoke Phanit Co., Ltd. with total outstanding account as of the end of the year</p> <p>The company purchased the steel from Taweechoke Phanit Co., Ltd. With total outstanding account as of the end of the year</p>	<p>27.83</p> <p>0.12</p> <p>0.67</p> <p>-0-</p>	<p>- 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.</p> <p>- 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.</p> <p>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.</p>



Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
Permsin Steel Works Public Co., Ltd. operated in cold-rolled steel and hot-rolled steel. The cold-rolled steel will be use for external decoration that needed the plain surface and thin such as refrigerator tank, iron table, iron cabinet etc.	Mr. Chokiat Yongwongpaibool, Mrs. Chamaiporn Yongwongpaibool, Mr. Chuchip Yongwongpaibool are the authorized signature and major shareholder of Permsin Steel Works Public Co., Ltd. the young brother of Mr. Chokiat Yongwongpaibool, the managing director and major shareholder of the company	The company purchase the Coil-Hot Rolled Steel from Permsin Steel Works Public Co.,Ltd. to distribute to the customer of the company With total outstanding account as of the ended year	-120.97-  -0-	<ul style="list-style-type: none"><li>- In purchasing the product of hot-rolled steel in normal price. Which the price that sold by the company to Permsin Steel Works Co., Ltd. is the fair price sold to the third party.</li><li>- The audit committee has considered the report mentioned above and considered that this report is appropriate and reasonable that will give highest benefits to the company.</li></ul> The price to purchase-sold is the fair price given to the third party.
GJ Steel Public Co., Ltd. operates in manufacture and sale the hot-rolled steel and coil steel	Khun Chanathip Traiwut, the director of GJ Steel Public Co., and the director of the company	The company purchase the coil hot-rolled steel from GJ Steel Public Co., With total outstanding account as of the ended year	949.27  -0-	<ul style="list-style-type: none"><li>- Since in purchasing the coil hot-rolled steel is the normal price which the price purchased by the company of the coil hot-rolled steel with GJ Steel Works Public Co., Ltd. is the price in the market and fair price as purchase from the third party.</li><li>- 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.</li></ul>



## History of Executive and Director

Name-Surname Position	Age (Year)	Educational qualifications	Proportion of shares in companies (%)	relationship	Work History	
					Period	Position and Location
1. Mr. Virachai Suteerachai President and Chairman	61	Master of Political Science Ramkhamhaeng University MINI MBA. Thammasat University Bachelor's Degree. RCA INSTITUTE OF TECHNOLOGY. NEW YORK U.S.A.  Passed the training of Director Accreditation Program (DAP) Batch No. 15/2004 on 18 May 2004 from Thai Institute of Directors Association.	9.54%	Uncle Mr. Chusak Yongvongphaiboon	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.
2. Mr. Chusak Yongvongphaiboon Managing Director and authorize signatory	49	Bachelor's Degree Assumption Business Administration  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	15.98%	Husband of Miss Phenchan	1993 – Present	Managing Director, Asia Metal Public Company Limited
					2003 – Present	Directors, STC Steel Co.,Ltd.



Name-Surname Position	Age (Year)	Educational qualifications	Proportion of shares in companies (%)	relationship	Work History	
					Period	Position and Location
3. Ms. Phenchan Yothinaupamai Managing Director and Deputy Director authorized signatory	47	Certificate of Higher Vocational Education Assumption Commercial School.  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.	8.33%	Wife of Mr. Chusak Yongvongphai boon	1993 – Present  2003 – Present	Deputy Managing Director, Asia Metal Public Company Limited  Directors, STC Steel Co., Ltd.
4. Ms. Taradee Piensamrit Executive Director and authorized and finance manager	35	Bachelor's Degree Assumption Business Administration.  Passed the training of Director Accreditation Program (DAP) Batch No. 21/2004 on 21 July 2004 from Thai Institute of Directors Association.	-	-	2005 – Present  2003 – Present  2003 – 2005  1998 – 2003	Finance manager, Asia Metal Public Company Limited  Directors, STC Steel Co.,Ltd.  Head of Finance , Asia Metal Public Company Limited Head of Finance, Cosmo Creation Co., Ltd. Bowling services



Name-Surname Position	Age (Year)	Educational qualifications	Proportion of shares in companies (%)	relationship	Work History	
					Period	Position and Location
5. Mr. Tanakorn Ritthibunlue Committee and Director of Finance and account	44	Bachelor of Business Administration, Accounting Ramkhamhaeng University.  Passed the training of Director Accreditation Program (DAP) Batch No. 15/2004 on 18 May 2004 from Thai Institute of Directors Association.	-	-	2005 – Present	Director of Finance and Accounting, Asia Metal Public Co., Ltd.
					2003 – Present	Directors, STC Steel Co.,Ltd.
					2002 – 2005	Manager Finance and Accounting, Asia Metal Public Company Limited
					1996 – 2002	Manager Finance and Accounting, Sinterachai Co., Ltd. Business in two steel plates steel Vilas
6. Police General Jumpol Munmai Chairman of Audit Committee and Independent Director	61	Political Science of Administration, Master, Graduate Institute of science of Administration.  Passed the training of DAP Batch No. 64/2004 ACP Batch No. 19/2007 and UFS Batch No. 10/2007.	-	-	2004 – Present	Chairman of Audit Committee and Independent Director, Asia Metal Public Company Limited
					2008 – 2010	Deputy Chief of Royal Thai Police
					2008 2006 – 2008	Advisor (SorBor 10) Advisor of Prime Minister, government official



Name-Surname Position	Age (Year)	Educational qualifications	Proportion of shares in companies (%)	relationship	Work History	
					Period	Position and Location
7. Sub Lt. Suree Buranathanit Audit Committee and Independent Director	77	Master's Degree of Political Science Ramkhamhaeng University.  Master's Degree of Political Science (Diplomatic and Foreign Affairs) Chulalongkorn University  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	-	-	2004 – Present	Audit Committee and Independent Director, Asia Metal Public Company Limited
					Present	Audit Committee and Independent Director, IT City Public Company Limited
					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 Association of Private Higher Education Institutions 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			





Name-Surname Position	Age (Year)	Educational qualifications	Proportion of shares in companies (%)	relationship	Work History	
					Period	Position and Location
8. Mrs. Taisika Praisangob Audit Committee and Independent Director	61	<p>Master of Political Science of Administration Terry, University of Eastern Asia.</p> <p>Passed the training from Thai Institute of Directors Association. (IOD)</p> <p>Director Accreditation Program (DAP) Batch No. 15/2004 Audit Committee Program (ACP) Edition 7 / 2005</p>	-	-	<p>2004 – Present</p> <p>2003 – Present</p> <p>1999 – Present</p> <p>2004 – 2009</p> <p>2002 – 2003</p> <p>2000 – 2001</p>	<p>Audit Committee and Independent Director, Asia Metal Public Company Limited</p> <p>Directors, STC Steel Co.,Ltd.</p> <p>Director, Boonsiri Real Estate Co., Ltd.</p> <p>Senior Manager, Small Business 8.</p> <p>Siam City Bank Plc.</p> <p>Development Manager SorChor., Siam City Bank Plc.</p> <p>Business Manager 4, Siam City Bank Plc.</p>
9. Mr. Chanatip Triwut Director	47	<p>MBA, National Institute of Development Administration (NIDA)</p> <p>Bachelor of Economics, Thammasat University</p> <p>Passed the training of Director Accreditation Program (DAP) Batch No. 64/2007 on 20 July 2007 from Thai Institute of Directors Association</p>	4.17%	-	<p>2006 – Present</p> <p>2008 – Present</p> <p>2004 – Present</p> <p>2004 – 2006</p> <p>2001 – Present</p>	<p>Directors, Asia Metal Public Company Limited</p> <p>Directors, G J Steel Public Company Limited (Business: producer and distributor of Hot Rolled Coil)</p> <p>Directors, Felix River Kwai Resort (Kanchanaburi) (Business: hotel)</p> <p>Associate judge in Central Labor Court</p> <p>Managing Director, SSP Place Co., Ltd. (Business: office building space rental)</p>



Name-Surname Position	Age (Year)	Educational qualifications	Proportion of shares in companies (%)	relationship	Work History		
					Period	Position and Location	
					1999 – Present	Managing Director Great Eastern International Co., Ltd.(Steel coil center)	
					1991 – Present	Managing Director Intelligence System Network Limited (Business: computer system integrator)	
10 .	Mr.Prawit Titipattarayanyong Managing Director of Coil Center Project	48	Bachelor of Engineering. King Mongkut's University of Technology Thonburi	-	-	2010 – Present	Managing Director of Coil Center Project Asia Metal Public Company Limited
						2006 – 2008	Managing Director Premium Steel Processing Co., Ltd.
						1989 - 2007	Assistant General Manager Bangkok Coil Center Co., Ltd.
11 .	Mr. Chidchnok Thomawongse Director of Marketing Department	47	Bachelor of Business Administration, Finance and Banking Ramkhamhaeng University	0.16	-	2006 – Present	Marketing Director, Asia Metal Public Co., Ltd.
						2003 – Present	Directors, STC Steel Co.,Ltd.
						2005- 2006	Director of Production, Asia Metal Public Co., Ltd.
						2003-2005	Production manager, Asia Metal Public Co., Ltd.
						1994-2000	Project Manager, Rungruang Thani Co., Ltd. Real estate commercial business

**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.	Asia Metal Fabrication Co., Ltd.	Vientiane Bonded Warehouse Co., Ltd.
Mr. Virachai	Suteerachai	1,5	-	5	-
Mr. Chusak	Yongvongphaiboon	3, 5, 6	5	5,6	5,6
Mr. Tanakorn	Ritthibunlue	5, 6	5	-	-
Ms. Phenchana	Yothinaupamai	5, 6	5	-	-
Ms. Taradee	Piemsamrit	5,6	5	-	-
Police General Jumpol	Munmai	2, 5	-	-	-
Mrs. Taisika	Praisangob	4, 5	5	-	-
Sub Lieutenant Suree	Buranathanit	4, 5	-	-	-
Mr. Chanatip	Trivuth	5	-	-	-
Mr. Chidchnok	Thomawong	6	5	-	-
Mr. Prawit	Titipattarayunyong	3,6	-	-	-
Mr. Puvong	Korasak	-	-	-	5,6
Mr. Suwit	Ratanachinda	-	-	-	5,6

Note:      1 = Chairman of the board      2 = Chairman of audit committee  
               3 = Managing director            4 = Audit committee  
               5 = Committee                        6 = Administrator

## Report of Directors Relating to Responsibility for Financial Statements

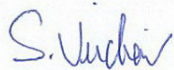
The company committee is responsible for the company's financial budget, including financial information that appears in the annual report. The financial budget has set according to the standard of certified general accounts by selecting the account policy that is appropriate and operating constantly. 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, 2011 is looked upon respectively by following the law and related regulations.



(Mr. Virachai Suteerachai)  
Chairman of the Board



(Mr. Chusak Yongvongphaiboon)  
Managing Director

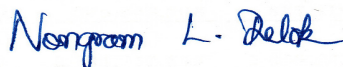
## REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To The Board of Directors and Shareholders of **Asia Metal Public Company Limited**

I have audited the consolidated statements of financial position of **Asia Metal Public Company Limited and Subsidiaries** as at December 31, 2011 and 2010, the consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended. I have also audited the separate financial statements of **Asia Metal Public Company Limited**. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of **Asia Metal Public Company Limited and Subsidiaries** and of **Asia Metal Public Company Limited** as at December 31, 2011 and 2010, the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.



(NONGRAM LAOHAAREEDILOK)  
Certified Public Accountant  
Registration No. 4334

Ast Master Co., Ltd.  
February 23, 2012

**ASIA METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2011 AND 2010**

	Notes	In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2011	2010	2011	2010
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		108,249,217	86,012,378	105,584,210	82,493,764
Short-term investments		50,144,694	120,569,402	50,144,694	120,569,402
Trade accounts receivable					
Related parties	6, 23	1,617,486	6,453,265	121,679	5,331,871
Others	6	1,069,232,698	663,431,865	1,069,232,698	662,111,046
Short-term loans to and interest receivable from related parties	23	849,320	546,002	31,360,737	31,057,419
Inventories	7	1,449,165,116	1,236,381,054	1,443,896,419	1,231,112,357
Receivables from currency swap contracts	12	17,162,219	-	17,162,219	-
Account receivable-Revenue Department		31,451	8,922,010	31,451	8,776,743
Construction in progress	8	-	4,497,178	-	-
Advance payment for purchasing of goods		233,301,672	315,225,855	233,301,672	315,225,855
Other current assets		19,566,964	10,575,989	17,712,295	9,920,546
Total current assets		<u>2,949,320,837</u>	<u>2,452,614,998</u>	<u>2,968,548,074</u>	<u>2,466,599,003</u>
<b>NON - CURRENT ASSETS</b>					
Fixed deposits pledged as collateral	9	68,306,017	17,589,445	66,833,582	16,184,445
Investments in subsidiaries and associate	10	286,715	5,786,715	22,086,323	37,686,323
Non operating assets		5,000,000	5,000,000	5,000,000	5,000,000
Property, plant and equipment	11	1,034,875,404	999,745,475	979,162,655	940,525,057
Prepaid corporate income tax		1,425,227	2,013,488	-	-
Deposit for machineries acquisition		77,728,723	-	77,728,723	-
Other non - current assets		5,961,212	6,377,912	5,923,712	6,340,412
Total non - current assets		<u>1,193,583,298</u>	<u>1,036,513,035</u>	<u>1,156,734,995</u>	<u>1,005,736,237</u>
<b>TOTAL ASSETS</b>		<u><u>4,142,904,135</u></u>	<u><u>3,489,128,033</u></u>	<u><u>4,125,283,069</u></u>	<u><u>3,472,335,240</u></u>

The accompanying notes are an integral part of these financial statements.

**ASIA METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION (CON'T)**  
**AS AT DECEMBER 31, 2011 AND 2010**

	Notes	In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2011	2010	2011	2010
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>					
<b>CURRENT LIABILITIES</b>					
Short-term loans from financial institutions	13	2,378,959,526	1,729,608,050	2,378,959,526	1,729,608,050
Trade accounts payable					
Related parties	23	-	-	-	1,971,427
Others		54,678,534	77,034,117	52,619,336	73,967,498
Other payable		28,357,007	26,420,945	28,567,061	27,354,692
Current portion of long-term loan from financial institution	14	25,000,000	25,000,000	25,000,000	25,000,000
Current portion of liabilities under hire-purchase agreements	16	1,382,593	1,448,621	1,382,593	1,448,621
Advance received from director	23	-	1,180,695	-	-
Advance received from sale of goods		1,159,094	28,126,100	1,159,094	28,126,100
Advance received from construction projects	23	7,663,978	7,663,978	-	-
Accrued corporate income tax		7,605,992	15,953,424	7,605,992	15,953,424
Other current liabilities		35,620,001	25,725,778	34,605,856	25,773,470
<b>Total current liabilities</b>		<b>2,540,426,725</b>	<b>1,938,161,708</b>	<b>2,529,899,458</b>	<b>1,929,203,282</b>
<b>NON - CURRENT LIABILITIES</b>					
Long-term loan from financial institution	14	12,500,000	37,500,000	12,500,000	37,500,000
Retirement benefit obligations	15	3,862,789	-	2,849,701	-
Liabilities under hire-purchase agreements	16	1,639,798	2,589,564	1,639,798	2,589,564
<b>Total non - current liabilities</b>		<b>18,002,587</b>	<b>40,089,564</b>	<b>16,989,499</b>	<b>40,089,564</b>
<b>TOTAL LIABILITIES</b>		<b>2,558,429,312</b>	<b>1,978,251,272</b>	<b>2,546,888,957</b>	<b>1,969,292,846</b>

The accompanying notes are an integral part of these financial statements.

**ASIA METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION (CON'T)**  
**AS AT DECEMBER 31, 2011 AND 2010**

	Notes	In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2011	2010	2011	2010
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (CON'T)</b>					
<b>SHAREHOLDERS' EQUITY</b>					
Share capital					
Authorised share capital					
549,973,800 ordinary shares of Baht 1 each		549,973,800	549,973,800	549,973,800	549,973,800
Issued and paid up share capital					
479,937,265 ordinary shares of Baht 1 each		479,937,265	479,937,265	479,937,265	479,937,265
Premium on share capital		297,427,100	297,427,100	297,427,100	297,427,100
Retained earnings					
Appropriated for legal reserve	18	43,830,000	38,270,000	43,830,000	38,270,000
Unappropriated		680,128,472	609,048,176	689,506,688	619,714,970
Premium on land revaluation	11	67,693,059	67,693,059	67,693,059	67,693,059
Adjustment from the combination of entity under common controls		14,704,932	14,704,932	-	-
Total shareholders' equity attributable to parent company		1,583,720,828	1,507,080,532	1,578,394,112	1,503,042,394
Non-controlling interests		753,995	3,796,229	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,584,474,823</b>	<b>1,510,876,761</b>	<b>1,578,394,112</b>	<b>1,503,042,394</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>4,142,904,135</b>	<b>3,489,128,033</b>	<b>4,125,283,069</b>	<b>3,472,335,240</b>
		-	-	-	-

The accompanying notes are an integral part of these financial statements.



**ASIA METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**In Baht**

	Notes	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Sales and service revenues		6,571,498,228	5,027,333,575	6,571,594,513	5,022,167,587
Cost of sales and services		(6,136,774,902)	(4,746,635,982)	(6,134,571,857)	(4,734,958,336)
<b>Gross profit</b>		<b>434,723,326</b>	<b>280,697,593</b>	<b>437,022,656</b>	<b>287,209,251</b>
Selling expenses		(82,682,667)	(63,586,598)	(82,682,667)	(63,586,598)
Administrative expenses		(52,568,324)	(62,033,447)	(45,892,102)	(50,702,593)
Loss on diminution of inventories		-	(8,249,860)	-	(9,000,000)
Loss on impairment of investments in subsidiaries and associate	10	-	-	(15,600,000)	-
Gain (Loss) on foreign currency transaction		(62,456,222)	8,812,903	(62,456,222)	8,812,903
Managements' remuneration		(12,959,900)	(10,862,000)	(12,959,900)	(10,862,000)
Other income		11,549,895	12,067,225	13,488,223	7,968,713
<b>Profit from sales and service revenues</b>		<b>235,606,108</b>	<b>156,845,816</b>	<b>230,919,988</b>	<b>169,839,676</b>
Share of loss of associate		(5,500,000)	-	-	-
<b>Profit before financial costs and income tax</b>		<b>230,106,108</b>	<b>156,845,816</b>	<b>230,919,988</b>	<b>169,839,676</b>
Financial costs		(65,913,211)	(41,668,654)	(65,864,747)	(41,635,790)
<b>Profit before income tax</b>		<b>164,192,897</b>	<b>115,177,162</b>	<b>165,055,241</b>	<b>128,203,886</b>
Income tax		(53,861,882)	(34,267,996)	(53,861,882)	(34,267,996)
<b>Net profit and comprehensive income</b>		<b>110,331,015</b>	<b>80,909,166</b>	<b>111,193,359</b>	<b>93,935,890</b>
<b>Net profit (loss) attributable to:</b>					
Owners of the Company		113,373,249	85,078,950	111,193,359	93,935,890
Non-controlling interests		(3,042,234)	(4,169,784)	-	-
		<u>110,331,015</u>	<u>80,909,166</u>	<u>111,193,359</u>	<u>93,935,890</u>
<b>BASIC EARNINGS PER SHARE</b>	20				
Net profit attributable to owners of the Company		<u>0.24</u>	<u>0.18</u>	<u>0.23</u>	<u>0.20</u>
Weighted average number of share (shares)		<u>479,937,265</u>	<u>479,937,265</u>	<u>479,937,265</u>	<u>479,937,265</u>
<b>DILUTED EARNINGS PER SHARE</b>	20				
Net profit attributable to owners of the Company		<u>0.24</u>	<u>0.18</u>	<u>0.23</u>	<u>0.20</u>
Weighted average number of share (shares)		<u>479,937,265</u>	<u>479,937,265</u>	<u>479,937,265</u>	<u>479,937,265</u>

The accompanying notes are an integral part of these financial statements.

**ASIA METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

In Baht

Shareholders' equity attributable to the parent company									
Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Premium on land revaluation	Adjustment from the combination of entity under common controls	Total equity attributable to the parent company	Non-controlling interests	Total shareholders' equity
			Appropriated for legal reserve	Unappropriated					
Balance as at January 1, 2010	479,937,265	297,427,100	33,570,000	528,669,226	67,693,059	14,704,932	1,422,001,582	7,966,013	1,429,967,595
Appropriate for legal reserve	18	-	4,700,000	(4,700,000)	-	-	-	-	-
Net profit (loss)		-	-	85,078,950	-	-	85,078,950	(4,169,784)	80,909,166
Balance as at December 31, 2010	<u>479,937,265</u>	<u>297,427,100</u>	<u>38,270,000</u>	<u>609,048,176</u>	<u>67,693,059</u>	<u>14,704,932</u>	<u>1,507,080,532</u>	<u>3,796,229</u>	<u>1,510,876,761</u>
Balance as at January 1, 2011 as previously reported	479,937,265	297,427,100	38,270,000	609,048,176	67,693,059	14,704,932	1,507,080,532	3,796,229	1,510,876,761
Impact from adoption of TAS No.19 "Employee benefits"	4.2	-	-	(3,137,589)	-	-	(3,137,589)	-	(3,137,589)
Balance as at January 1, 2011 (restated)	479,937,265	297,427,100	38,270,000	605,910,587	67,693,059	14,704,932	1,503,942,943	3,796,229	1,507,739,172
Appropriate for legal reserve	18	-	5,560,000	(5,560,000)	-	-	-	-	-
Dividends paid	19	-	-	(33,595,364)	-	-	(33,595,364)	-	(33,595,364)
Net profit (loss)		-	-	113,373,249	-	-	113,373,249	(3,042,234)	110,331,015
Balance as at December 31, 2011	<u>479,937,265</u>	<u>297,427,100</u>	<u>43,830,000</u>	<u>680,128,472</u>	<u>67,693,059</u>	<u>14,704,932</u>	<u>1,583,720,828</u>	<u>753,995</u>	<u>1,584,474,823</u>

The accompanying notes are an integral part of these financial statements.

**ASIA METAL PUBLIC COMPANY LIMITED**  
**SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

In Baht						
Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Premium on land revaluation	Total
			Appropriated for legal reserve	Unappropriated		
Balance as at January 1, 2010	479,937,265	297,427,100	33,570,000	530,479,080	67,693,059	1,409,106,504
Appropriate for legal reserve	18	-	-	4,700,000	(4,700,000)	-
Net profit	-	-	-	93,935,890	-	93,935,890
Balance as at December 31, 2010	<u>479,937,265</u>	<u>297,427,100</u>	<u>38,270,000</u>	<u>619,714,970</u>	<u>67,693,059</u>	<u>1,503,042,394</u>
Balance as at January 1, 2011 as previously reported	479,937,265	297,427,100	38,270,000	619,714,970	67,693,059	1,503,042,394
Impact from adoption of TAS No.19 "Employee benefits"	4.2	-	-	(2,246,277)	-	(2,246,277)
Balance as at January 1, 2011 (restated)	479,937,265	297,427,100	38,270,000	617,468,693	67,693,059	1,500,796,117
Appropriate for legal reserve	18	-	-	5,560,000	(5,560,000)	-
Dividends paid	19	-	-	(33,595,364)	-	(33,595,364)
Net profit	-	-	-	111,193,359	-	111,193,359
Balance as at December 31, 2011	<u>479,937,265</u>	<u>297,427,100</u>	<u>43,830,000</u>	<u>689,506,688</u>	<u>67,693,059</u>	<u>1,578,394,112</u>

The accompanying notes are an integral part of these financial statements.

**ASIA METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
<b>Cash flows from operating activities</b>				
Profit before income tax	164,192,897	115,177,162	165,055,241	128,203,886
<b>Adjustments to reconcile profit to net cash used in operating activities</b>				
Depreciation	64,023,627	55,238,249	60,516,114	51,484,139
Gain from sale of short-term investments	(880,582)	(569,021)	(880,582)	(569,021)
Interest receivable on short-term loans to related party	-	-	-	(2,327,901)
Doubtful accounts - Trade accounts receivable (reversal)	(4,830,000)	1,642,332	(4,500,000)	(4,283,375)
Loss on impairment of investments in subsidiaries and associate	-	-	15,600,000	-
Share of loss of associate	5,500,000	-	-	-
Loss on impairment of construction in progress	4,497,178	-	-	-
Loss on diminution of inventories	-	8,249,860	-	9,000,000
(Gain) loss on disposal assets pending for disposal	-	(5,342,278)	-	795,401
(Gain) loss on disposal and write off of equipment	179,020	(6,282,066)	178,864	(653,731)
Unrealized loss on foreign exchange rate	43,476,651	1,821,628	43,476,651	1,821,628
Unrealized gain on currency swap contracts	(17,162,219)	-	(17,162,219)	-
Retirement benefit obligations	725,200	-	603,424	-
Interest expenses	64,648,073	40,975,281	64,648,073	40,975,281
Profit from operating activities before change in operational assets and liabilities	324,369,845	210,911,147	327,535,566	224,446,307
<b>Decrease (Increase) in operational assets</b>				
Trade accounts receivable - related parties	4,835,779	(6,247,280)	5,210,192	(4,636,153)
Trade accounts receivable - others	(400,970,833)	(284,568,779)	(402,621,652)	(289,297,704)
Unbilled completed works	-	2,850,188	-	-
Inventories	(212,784,062)	(456,676,816)	(212,784,062)	(462,063,026)
Construction in progress	-	2,845,387	-	-
Advance payment for purchasing of goods	81,924,183	(154,805,976)	81,924,183	(154,805,976)
Receivable - Revenue Department	8,890,559	9,843,762	8,745,292	9,989,029
Other current assets	(8,990,975)	7,923,235	(7,791,749)	4,139,524
Other non - current assets	1,004,961	407,600	416,700	407,600

The accompanying notes are an integral part of these financial statements.

**ASIA METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (CON'T)**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<b>In Baht</b>			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Cash flows from operating activities (Con't)</b>				
<b>Increase (Decrease) in operational liabilities</b>				
Trade accounts payable - related parties	-	(377,045)	(1,971,427)	(1,091,718)
Trade accounts payable - others	(22,786,332)	21,721,828	(21,778,911)	30,517,682
Advance received from director	(1,180,695)	-	-	-
Advance received from sales of goods	(26,967,006)	24,244,130	(26,967,006)	24,244,130
Advance received from construction projects	-	(375,901)	-	-
Other current liabilities	7,692,206	(6,690,809)	6,630,369	(7,291,073)
<b>Cash paid from operations activities</b>	<b>(244,962,370)</b>	<b>(628,995,329)</b>	<b>(243,452,505)</b>	<b>(625,441,378)</b>
Interest paid	(61,728,824)	(40,322,374)	(61,728,824)	(40,322,374)
Cash received from withholding tax refund	-	21,653,946	-	21,653,946
Income tax paid	(62,209,314)	(27,856,964)	(62,209,314)	(26,829,203)
<b>Net cash used in operating activities</b>	<b>(368,900,508)</b>	<b>(675,520,721)</b>	<b>(367,390,643)</b>	<b>(670,939,009)</b>
<b>Cash flows from investing activities</b>				
Decrease (Increase) in short-term investments	71,305,290	(29,443,800)	71,305,290	(29,443,800)
Increase in fixed deposits pledged as collateral	(50,716,572)	(1,385,054)	(50,649,137)	(480,054)
Decrease (Increase) in short-term loans to related persons	(303,318)	(45,754)	(303,318)	78,454,245
Increase in deposit for machineries acquisition	77,728,723)	-	(77,728,723)	-
Cash paid for purchase of property, plant and equipment ( <i>supplement cash flows information</i> )	(98,557,308)	(143,977,063)	(99,281,001)	(174,704,403)
Proceeds from disposals of assets	145,000	8,433,825	145,000	1,239,111
Proceeds from sale of assets pending for disposal	-	60,943,020	-	26,300,000
<b>Net cash used in investing activities</b>	<b>(155,855,631)</b>	<b>(105,474,826)</b>	<b>(156,511,889)</b>	<b>(98,634,901)</b>
<b>Cash flows from financing activities</b>				
Increase in bank overdrafts and short-term loans from financial institutions	605,588,342	818,483,807	605,588,342	818,483,807
Repayments of long-term loans from financial institutions	(25,000,000)	(25,000,000)	(25,000,000)	(25,000,000)
Dividends paid	(33,595,364)	-	(33,595,364)	-
<b>Net cash provided by financing activities</b>	<b>546,992,978</b>	<b>793,483,807</b>	<b>546,992,978</b>	<b>793,483,807</b>
<b>Net increase in cash and cash equivalents</b>	<b>22,236,839</b>	<b>12,488,260</b>	<b>23,090,446</b>	<b>23,909,897</b>
Cash and cash equivalents, Beginning of the year	86,012,378	73,524,118	82,493,764	58,583,867
Cash and cash equivalents, End of the year	108,249,217	86,012,378	105,584,210	82,493,764
	-	-	-	-

The accompanying notes are an integral part of these financial statements.

**ASIA METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (CON'T)**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<b>SUPPLEMENT DISCLOSURE OF CASH FLOWS INFORMATION</b>	-	-	-	-
<b><u>1. Cash and cash equivalents</u></b>				
Cash	84,038	78,962	79,182	74,182
Savings accounts	101,446,137	54,061,752	98,785,985	50,547,918
Current accounts	6,719,042	31,871,664	6,719,043	31,871,664
Total Cash and cash equivalents	<u>108,249,217</u>	<u>86,012,378</u>	<u>105,584,210</u>	<u>82,493,764</u>
<b><u>2. Property, plant and equipment</u></b>				
The detail of "Cash paid for purchase of property, plant and equipment" is as follow;				
Property, plant and equipment acquired during the years	(99,477,576)	(145,224,628)	(99,477,576)	(145,210,327)
<u>Adjust</u> Increase (decrease) on payable from acquisition of property, plant and equipment	1,936,062	(2,182,379)	1,212,369	(32,924,020)
Increase (decrease) on liabilities under hire purchase agreements	<u>(1,015,794)</u>	<u>3,429,944</u>	<u>(1,015,794)</u>	<u>3,429,944</u>
Cash paid for purchase of property, plant and equipment	<u>(98,557,308)</u>	<u>(143,977,063)</u>	<u>(99,281,001)</u>	<u>(174,704,403)</u>

The accompanying notes are an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010

### 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. The Company has factory branch located at 90/1 Moo 10, Highway No.331, Srasiliam, Panusnikom, Chonburi.

The principal business operation of the Company is to produce and sell of processed steel products and its subsidiaries operated in steel structure installation service and factory construction.

“The Company” represents “Asia Metal Public Company Limited,” while “The Group” represents “Asia Metal Public Company Limited” and its subsidiaries which are “STC Steel Company Limited” and “Asia Metal Fabrication Company Limited.”

### 2. BASIS OF FINANCIAL STATEMENTS PREPARATION

The consolidated and separate financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E.2547, and the financial reporting requirements of the Securities and Exchange Commission. under the Securities and Exchange Act B.E. 2535.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

The accompanying consolidated financial statements include the financial statements of Asia Metal Public Company Limited and the subsidiaries over which the Company has control. The details of subsidiaries are as follows;

Name of subsidiaries	Country of incorporation	Nature of business	The date of commencing control	Percentage of shareholding	
				2011	2010
1. STC Steel Co., Ltd.	Thailand	Sell of processed steel products	The fourth quarter of 2003	100	100
2. Asia Metal Fabrication Co., Ltd.	Thailand	Factory construction service	The third quarter of 2008	55	55

The consolidated and separate financial statements have been prepared under the historical cost, except for those stated otherwise in accounting policies.

The significant transactions between the Company and the subsidiaries have been eliminated in the consolidated financial statements.

For the convenience of the user, an English translation of the consolidated and separate financial statements has been prepared from the financial statements that are issued in the Thai language.

### 3. ADOPTION OF NEW ACCOUNTING STANDARDS

During 2010 and 2011, the FAP issued the following new and revised Thai Financial Reporting Standards (TFRS) relevant to the Group's operations and effective for accounting periods beginning on or after January 1, 2011 :-

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 26	Account and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 33 (Revised 2009)	Earnings per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TFRS 3 (Revised 2009)	Business Combinations

The adoption of these new and revised TFRS has resulted in changes in the Group's accounting policies. The effects of these changes are disclosed in note 4. Except for these changes, accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended December 31, 2010.

In addition to the above new and revised TFRS, the FAP has issued during 2010 a number of other TFRS which are expected to be effective for financial statements beginning on or after January 1, 2013. These new and revised TFRS are disclosed as follows;

TAS 12	Income taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates



#### 4. CHANGES IN ACCOUNTING POLICIES

From January 1, 2011, consequent to the adoption of new and revised TFRS as set out in note 3, the Group has changed its accounting policies in the following areas ;

##### 4.1 Presentation of financial statements

From January 1, 2011, the Group has applied TAS 1 Presentation of Financial statements (Revised 2009). Under the revised standards, a set of financial statements comprises;

- Statement of financial position
- Statement of comprehensive income
- Statement of changes in shareholders' equity
- Statement of cash flows and
- Note to financial statements

As a result, the Group presents all owner changes in shareholders' equity in the statement of change in shareholders' equity and all non-owner changes in shareholders' equity in the statement of comprehensive income. Previously, all such changes were included in the statement of changes in shareholders' equity.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on reported profit or earnings per share.

##### 4.2 Accounting for employee benefits

Effective on January 1, 2011, the Group has adopted the Thai Accounting Standard (TAS) No.19 "Employee Benefits". Under the new standard, provident funds are accounted for as defined contribution plans and contributions to provident funds are charged to the statements of income when incurred. Obligations relating to post-retirement benefits are accounted for by using the projected unit credit method. The benefit obligation is discounted using interest rates of government bonds should have terms to maturity approximately equal to the terms of the related provident fund payments. The benefit obligation liabilities are accounted based on the above mentioned method since January 1, 2011. Previously, this obligation was recognized as and when there were resigned or retired employees.

The Group's liability for retirement benefit obligation in the consolidated financial statements and the separate financial statements as at January 1, 2011 have been determined to be Baht 3,137,589 and Baht 2,246,277 respectively. The Group has opted to record the entire amount of this liability as an adjustment to retained earnings as at January 1, 2011, in accordance with the transitional provision of TAS 19. The impacts of adjustment on the consolidated and separate financial statements as at January 1, 2011 cause the retained earning to decrease by Baht 3,137,589 and Baht 2,246,277 respectively and retirement benefit obligation to increase by the same amount.

## 5. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of the consolidated and separate financial statements are as follows;

### 5.1 Investments in subsidiaries

Investments in subsidiaries, which are those entities in which the group has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations are consolidated. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made for minority interests in the consolidated statements of financial position and consolidated statement of income.

The investments in subsidiaries represented in the separate financial statements are carried at cost, net of allowance for impairment (if any.)

### 5.2 Investments in associates

Investments in associates are accounted for in the consolidated financial statement by the equity method of accounting and in the separate financial statement by the cost method, net of allowance for impairment (if any.) These are undertakings in which the group generally has between 20% and 50% of the voting rights, or over which the group has significant influence, but which it does not control. Unrealised gains on transactions between the group and its associated undertakings are eliminated to the extent of the group's interest in the associated undertakings; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The group's investment in associated undertakings includes goodwill (net of accumulated amortisation) on acquisition. Equity accounting is discontinued when the carrying amount of the investment in an associated undertaking reaches zero, unless the group has incurred obligations or guaranteed obligations in respect of the associated undertaking.

### 5.3 Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the date on the statement of financial position are translated into Baht at the exchange rates ruling at that date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

Statements of income and cash flows of foreign entities are translated into the Group's reporting currency at the weighted average exchange rates for the year and the statements of financial position are translated at the exchange rates ruling on the date on the statements of financial position. Currency translation differences arising from the retranslation of the net investment in foreign entities are taken to shareholders' equity.

Receivables and payables arising from cross currency swap contracts are translated into Thai Baht at the exchange rates ruling on the date in the statement of financial position. Gains and losses from the translation are recognized in the statements of income.

## 5. SIGNIFICANT ACCOUNTING POLICIES (CON'T)

### 5.4 Financial instruments

Financial assets carried on the statement of financial position include cash and cash equivalents, short – term investments, trade accounts receivable and loan. Financial liabilities carried on the statement of financial position include trade creditors, other payable, leases and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

### 5.5 Cash and cash equivalents

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 and not subject to withdrawal restrictions.

### 5.6 Short-term investments

Investments in unit trusts of mutual funds, which the Company holds as investments in trading securities, are determined at fair value determined by reference to the quoted bid price at the end of the year. Realised and unrealised gains and losses arising from changes in the fair value of trading investments are included in the income statement in the period in which they arise.

### 5.7 Trade accounts receivable

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off during the year in which they are identified. The Company's management estimates the allowance for doubtful accounts from the ending balance of accounts receivable. The estimate encompasses consideration of past collection experiences and other factors, such as changes in the composition and volume of the receivable, the relationship of the allowance for doubtful accounts to the receivable and the local economic conditions.

### 5.8 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the 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 labour, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

### 5.9 Property, plant and equipment

Land is shown at fair value, based on terminal valuation by external independent valuers, the revaluation is made every three years. Plant, machineries and equipment are shown at historical cost less accumulated depreciation.

Increases in the carrying amount arising on revaluation of property, plant and equipment 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 income.

## 5. SIGNIFICANT ACCOUNTING POLICIES (CON'T)

### 5.9 Property, plant and equipment (con't)

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, except for land which is considered to have an indefinite life, to its residual value over the estimated useful life as follows;

Building and property improvement	20	years
Machineries and equipment	5, 10	years
Motor vehicles	5	years
Furniture, fixtures and office equipment	5	years

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

### 5.10 Account for long – term lease

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership 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 the statement of income over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

### 5.11 Construction contracts

The Group recognized service on construction and cost of construction by the percentage of completion method estimated by the engineer based on a physical proportion of the contract work. The recognition, however, will not exceed of the proportion of actual construction costs incurred and the total anticipated construction cost to be incurred to completion. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as expense immediately.

The excess of buyers' payment over the percentage of work completion is recorded as unrealized installment income and the excess of work completion over the buyers' payment is recorded as unbilled completed work. No recorded of income on default in payment over 3 continuous installments.

Costs incurred in construction include direct materials, direct labor and construction overheads. General and administrative expenses are charged to the statements of income as incurred. The recognized cost of services which has not yet been due for payment as per contracts has been shown under the caption of "Unbilled cost of constructions" in the statement of financial position. Costs incurred in the year in connection with future activity on a contract are excluded and shown as "Construction in progress".

## 5. SIGNIFICANT ACCOUNTING POLICIES (CON'T)

### 5.12 Revenue recognition

Sales are recognised on the delivery of goods or on customer acceptance or on the performance of services. Sales are shown net of sales taxes and discounts, and after eliminating sales within the Group.

Interest incomes are recognized on an accrual basis.

### 5.13 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

### 5.14 Provisions

Provisions are recognised when the Group 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 a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

### 5.15 Segment reporting

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments

## 5. SIGNIFICANT ACCOUNTING POLICIES (CON'T)

### 5.16 Employee benefits

The Group operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and by the Company. Contributions to the provident fund are charged to the statement of income in the year to which they relate.

The Group provides for post employment benefits, payable to employees under the Thai Labor Law. The present value of employee benefit liabilities recognised in the statement of financial position is estimated on an actuarial basis using Projected Unit Credit Method. The calculation was made by utilizing various assumptions about future events. The Company is responsible for the selection of appropriate assumptions. The assumptions used in determining the net period cost for employee benefits include the discount rate, the rate of salary increment, and employee turnover. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis, the Group determines the appropriate discount rate, which represents the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Group considers the market yield at the date on the statement of financial position based on Thai government bonds with currency and term similar to the estimated term of benefit obligation.

The principal actuarial assumptions used were as follows;

	2011
Discount rate	4.17 per annum for permanent staffs and 4.20 per annum for daily staffs
Future salary increases	4.39 per annum for permanent staffs and 3.43 per annum for daily staffs
Employee turnover	Scale related to age and type of employment ranging from 0-50
Mortality	According to Thailand TMO97 male and female tables

## 6. TRADE ACCOUNTS RECEIVABLE

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<b><u>Related parties</u></b>				
Trade accounts receivable	1,588,364	6,453,265	92,557	5,331,871
Posted date cheques received	29,122	-	29,122	-
Total	<u>1,617,486</u>	<u>6,453,265</u>	<u>121,679</u>	<u>5,331,871</u>
<b><u>Others</u></b>				
Trade accounts receivable	1,018,333,416	586,876,580	1,012,593,550	579,635,895
Posted date cheques received	146,566,133	177,052,136	141,116,133	171,452,136
Total	<u>1,164,899,549</u>	<u>763,928,716</u>	<u>1,153,709,683</u>	<u>751,088,031</u>
<u>Less</u> : Allowance for doubtful accounts	<u>(95,666,851)</u>	<u>(100,496,851)</u>	<u>(84,476,985)</u>	<u>(88,976,985)</u>
Net	<u>1,069,232,698</u>	<u>663,431,865</u>	<u>1,069,232,698</u>	<u>662,111,046</u>

Outstanding trade accounts receivable and note receivable - trade as at December 31, 2011 and 2010 can be analyzed as follows;

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<b><u>Related parties</u></b>				
Not yet due	92,557	4,909,762	92,557	4,909,763
Over due				
Less than 3 months	29,122	47,696	29,122	47,696
6 – 12 months	-	1,495,807	-	2,820
Over 12 months	1,495,807	-	-	371,592
Total	<u>1,617,486</u>	<u>6,453,265</u>	<u>121,679</u>	<u>5,331,871</u>
<b><u>Others</u></b>				
Not yet due	647,564,575	503,348,523	647,564,575	503,348,523
Over due				
Less than 3 months	409,110,493	154,282,996	409,110,493	153,952,803
3 - 6 months	2,857,540	285,568	2,857,540	285,568
6 - 12 months	2,685,094	2,693,603	2,685,094	2,693,603
Over 12 months	102,681,847	103,318,026	91,491,981	90,807,534
Total	<u>1,164,899,549</u>	<u>763,928,716</u>	<u>1,153,709,683</u>	<u>751,088,031</u>
<u>Less</u> : Allowance for doubtful accounts	<u>(95,666,851)</u>	<u>(100,496,851)</u>	<u>(84,476,985)</u>	<u>(88,976,985)</u>
Net	<u>1,069,232,698</u>	<u>663,431,865</u>	<u>1,069,232,698</u>	<u>662,111,046</u>

## 7. INVENTORIES

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Finished goods	572,413,106	523,055,287	570,110,464	520,752,645
Work in process	14,795,269	5,108,867	14,795,269	5,108,867
Raw materials	870,198,660	716,696,501	867,093,725	713,591,566
Factory supplies	2,069,879	1,832,197	1,896,961	1,659,279
<b>Total</b>	<b>1,459,476,914</b>	<b>1,246,692,852</b>	<b>1,453,896,419</b>	<b>1,241,112,357</b>
<u>Less: provision for diminution of inventories</u>	<u>(10,311,798)</u>	<u>(10,311,798)</u>	<u>(10,000,000)</u>	<u>(10,000,000)</u>
<b>Net</b>	<b>1,449,165,116</b>	<b>1,236,381,054</b>	<b>1,443,896,419</b>	<b>1,231,112,357</b>

## 8. CONSTRUCTION IN PROGRESS

As at December 31, 2011 and 2010, the details of construction in progress are as follows;

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cost of services				
- Billed cost of constructions up to end of period	53,939,715	53,939,715	-	-
- Unbilled cost of constructions	-	-	-	-
<b>Total cost of services</b>	<b>53,939,715</b>	<b>53,939,715</b>	<b>-</b>	<b>-</b>
<u>Less : Recognition of cost of services</u>	<u>(49,442,537)</u>	<u>(49,442,537)</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b>4,497,178</b>	<b>4,497,178</b>	<b>-</b>	<b>-</b>
<u>Less : Allowance for impairment</u>	<u>(4,497,178)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net</b>	<b>-</b>	<b>4,497,178</b>	<b>-</b>	<b>-</b>

## 9. FIXED DEPOSITS PLEDGED AS COLLATERAL

As at December 31, 2011, the Group and the Company held fixed deposits amounting to Baht 68.31 million and Baht 66.83 million respectively. (December 31, 2010: Baht 17.59 million and Baht 16.18 million in the consolidated and the separate financial statements.) The deposits were pledged as collateral for credit facilities of overdrafts and short-term loans from financial institutions (Note 13) and for banks' letter of guarantee against the payment of electricity of the Group.



## 10. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATE

The details of investments presented in the separated financial statements are as follows;

	Paid up Capital	Holding percentage		In Baht Cost method	
		2011	2011	2010	2011
<b><u>Subsidiaries</u></b>					
STC Steel Co., Ltd.	20,000,000	100	100	20,000,000	20,000,000
Asia Metal Fabrication Co., Ltd.	20,000,000	55	55	11,000,000	11,000,000
Total				31,000,000	31,000,000
Less : Allowance for impairment of investments In Asia Metal Fabrication Co., Ltd.				(9,000,000)	-
Investments in subsidiaries				22,000,000	31,000,000
<b><u>Associate</u></b>					
Vientiane Bonded Warehouse Co., Ltd	USD 500,000	40	40	6,686,323	6,686,323
Less : Allowance for impairment of investments in associate				(6,600,000)	-
Investments in associate				86,323	6,686,323
<b>Investments in subsidiaries and associate</b>				22,086,323	37,686,323

As at December 31, 2011, the subsidiary, Asia Metal Fabrication Company Limited and the associate, Vientiane Bonded Warehouse Company Limited, had deficits and suffered continuing loss from operation. The Company, therefore, set aside allowance for impairment of investments against such companies amounting of Baht 9.0 million and 6.6 million respectively.

The details of investments in associate presented in the consolidated financial statements are as follows;

	Paid up Capital	Holding percentage		In Baht Equity method	
		2011	2011	2010	2011
Vientiane Bonded Warehouse Co., Ltd	USD 500,000	40	40	286,715	5,786,715

The principal business operations of the subsidiaries and associate can be summarized as follows;

- 1) STC Steel Company Limited operates as manufacturer of steel pipe and U-Channel steel bars.
- 2) Asia Metal Fabrication Company Limited operates in steel structure installation service and factory construction. As at December 31, 2011, such company has ceased its operation.
- 3) Vientiane Bonded Warehouse Company Limited, incorporated in Lao PDR, operates in business of providing bonded warehouse service on the border of Lao PDR. As at December 31, 2011, such company has not started operation.

**11. PROPERTY, PLANT AND EQUIPMENT**

	Consolidated financial statements (In Baht)						
	Land	Building and improvement	Machineries and equipment	Motor vehicles	Office fixture and equipment	Construction in progress	Total
<b>As at December 31, 2010</b>							
Cost / Fair value	186,822,986	411,738,636	308,158,869	27,589,713	34,398,882	288,704,986	1,257,414,072
Less: Accumulated depreciation	-	(84,053,473)	(137,387,671)	(12,436,151)	(23,791,302)	-	(257,668,597)
Net book value	<u>186,822,986</u>	<u>327,685,163</u>	<u>170,771,198</u>	<u>15,153,562</u>	<u>10,607,580</u>	<u>288,704,986</u>	<u>999,745,475</u>
<b>Transactions during the year ended December 31, 2011</b>							
Opening net book value	186,822,986	327,685,163	170,771,198	15,153,562	10,607,580	288,704,986	999,745,475
Additions	-	662,073	13,366,207	3,021,980	1,690,808	80,736,508	99,477,576
Transfer in (out)	-	17,854,693	145,888,981	-	-	(163,743,674)	-
Disposals and write off	-	(84,926)	(48,050)	(3,983)	(87,061)	(100,000)	(324,020)
Depreciation	-	(20,498,362)	(35,778,830)	(3,926,302)	(3,820,133)	-	(64,023,627)
Closing net book value	<u>186,822,986</u>	<u>325,618,641</u>	<u>294,199,506</u>	<u>14,245,257</u>	<u>8,391,194</u>	<u>205,597,820</u>	<u>1,034,875,404</u>
<b>As at December 31, 2011</b>							
Cost / Fair value	186,822,986	429,962,788	456,415,427	29,125,995	30,332,745	205,597,820	1,338,257,761
Less: Accumulated depreciation	-	(104,344,147)	(162,215,921)	(14,880,738)	(21,941,551)	-	(303,382,357)
Net book value	<u>186,822,986</u>	<u>325,618,641</u>	<u>294,199,506</u>	<u>14,245,257</u>	<u>8,391,194</u>	<u>205,597,820</u>	<u>1,034,875,404</u>

**11. PROPERTY, PLANT AND EQUIPMENT (CON'T)**

	Separate financial statements (In Baht)						
	Land	Building and improvement	Machineries and equipment	Motor vehicles	Office fixture and equipment	Construction in progress	Total
<b>As at December 31, 2010</b>							
Cost / Fair value	165,441,920	374,526,289	280,829,019	26,926,162	26,966,914	284,797,195	1,159,487,499
<u>Less:</u> Accumulated depreciation	-	(70,946,417)	(116,156,970)	(11,772,601)	(20,086,454)	-	(218,962,442)
Net book value	<u>165,441,920</u>	<u>303,579,872</u>	<u>164,672,049</u>	<u>15,153,561</u>	<u>6,880,460</u>	<u>284,797,195</u>	<u>940,525,057</u>
<b>Transactions during the year ended December 31, 2011</b>							
Opening net book value	165,441,920	303,579,872	164,672,049	15,153,561	6,880,460	284,797,195	940,525,057
Additions	-	662,073	13,366,207	3,021,980	1,690,808	80,736,508	99,477,576
Transfer in (out)	-	17,854,693	145,888,981	-	-	(163,743,674)	-
Disposals and write off	-	(84,925)	(47,994)	(3,983)	(86,962)	(100,000)	(323,864)
Depreciation	-	(18,744,728)	(34,323,331)	(3,926,302)	(3,521,753)	-	(60,516,114)
Closing net book value	<u>165,441,920</u>	<u>303,266,985</u>	<u>289,555,912</u>	<u>14,245,256</u>	<u>4,962,553</u>	<u>201,690,029</u>	<u>979,162,655</u>
<b>As at December 31, 2011</b>							
Cost / Fair value	165,441,920	392,898,041	435,709,721	28,462,444	25,047,880	201,690,029	1,249,250,035
<u>Less:</u> Accumulated depreciation	-	(89,631,056)	(146,153,809)	(14,217,188)	(20,085,327)	-	(270,087,380)
Net book value	<u>165,441,920</u>	<u>303,266,985</u>	<u>289,555,912</u>	<u>14,245,256</u>	<u>4,962,553</u>	<u>201,690,029</u>	<u>979,162,655</u>

## 11. PROPERTY, PLANT AND EQUIPMENT (CON'T)

Land, building, machineries and machineries under installation in the consolidated financial statements and the separate financial statements amounting to Baht 478.06 million and Baht 430.01 million respectively. (December 31, 2010: Baht 272.68 million in the consolidated and separate financial statements) are mortgaged as collateral for credit facilities of short-term and long-term loan from financial institution (Note 13 and 14).

As at December 31, 2011, there are property and equipment which have been fully depreciated according to their useful lives, but are still in use with the original cost before deducting accumulated depreciation amounting to Baht 80.96 million in the consolidated financial statements and amounting to Baht 72.11 million in the separate financial statements (December 31, 2010: Baht 87.60 million in the consolidated financial statements and Baht 69.83 million in the separate financial statements.)

As at December 31, 2011, leased assets included above, where the Group is a lessee under hire purchase agreements are motor vehicles with net book value of 5.50 million. (December 31, 2010: Baht 7.11 million.)

The Company's land was revalued on December 13, 2011 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 was credited to premium on land revaluation in equity at the amount of Baht 67.69 million.

The fair value of land from the new revaluation of property made on December 13, 2011 did not significantly differ from those previously made on January 20, 2006. Therefore, there was no change on the premium of asset valuation recognised during the year.

As at December 31, 2011, the book value of land after revaluation comparing to that shown in historical cost are as follows;

	In Baht			
	Consolidated financial statements		Separate financial statements	
	Fair value	Historical cost	Fair value	Historical cost
Land	186,822,986	105,800,127	165,441,920	97,748,861

## 12. RECEIVABLES FROM CURRENCY SWAP CONTRACTS

The Company was a party to currency swap contracts for hedging its liabilities denominated in US Dollar with the outstanding notional amount of USD 20,367,298. (December 31, 2010: None.) The details of such balance are as follows;

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Receivables from currency swap contracts	648,329,782	-	648,329,782	-
Payables from currency swap contracts	(631,167,563)	-	(631,167,563)	-
Net	17,162,219	-	17,162,219	-

### 13. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Short-term loans from financial institutions	2,379,435,871	1,730,801,626	2,379,435,871	1,730,801,626
<u>Less : Prepaid interest</u>	<u>(476,345)</u>	<u>(1,193,576)</u>	<u>(476,345)</u>	<u>(1,193,576)</u>
Net	<u>2,378,959,526</u>	<u>1,729,608,050</u>	<u>2,378,959,526</u>	<u>1,729,608,050</u>

As at December 31, 2011, the Group has short-term trade financing facilities from financial institutions according to the loan agreements with a total maximum credit limit of Baht 3,807 million (December 31, 2010 : Baht 2,677 million). The trade financing facilities include bank overdraft, 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 (December 31, 2010: MOR per annum). The other facilities charged interest at the rates ranging from 1.70% to 4.35% per annum (December 31, 2010: ranging from 2.10% to 3.15% per annum.). The 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 Group (Note 9 and 11.)

### 14. LONG-TERM LOAN FROM FINANCIAL INSTITUTION

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Long term-loan from financial institution	37,500,000	62,500,000	37,500,000	62,500,000
<u>Less : Current portion</u>	<u>(25,000,000)</u>	<u>(25,000,000)</u>	<u>(25,000,000)</u>	<u>(25,000,000)</u>
Net	<u>12,500,000</u>	<u>37,500,000</u>	<u>12,500,000</u>	<u>37,500,000</u>

The Company has a long-term loan agreement with commercial bank. The loan is payable in quarterly installing of Baht 6.25 million each. The payment term is from September 25, 2009 to June 25, 2013 with the grace period for principal repayment of 15 months. The interest rate is MLR- 1.5 % per annum starting from July 25, 2008 to July 25, 2010, MLR-1.25% per annum starting from July 26, 2010 to August 25, 2011 and MLR per annum from August 26, 2011 onward. The loan is secured over a part of the land and buildings and machineries of the Company and subsidiaries (Note 11.)

The loan agreement contains normal covenants pertaining to matters such as the maintenance of a certain debt-to-equity ratio and the restriction on dividend payment.

## 15. RETIREMENT BENEFIT OBLIGATIONS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Present value of obligation ;				
– wholly unfunded	3,862,789	-	2,849,701	-
– wholly or partly unfunded	-	-	-	-

The reconciliation of retirement benefit obligation for the year ended December 31, 2011 is as follow;

	In Baht	
	Consolidated financial statements	Separate financial statements
Obligation at the beginning of the year (Note 4.2)	3,137,589	2,246,277
Recognized as expenses in statement of income ;		
- Current service cost	570,556	489,336
- Interest cost	154,644	114,088
Total	725,200	603,424
Benefit paid during the year	-	-
Obligation at the end of the year	3,862,789	2,849,701

## 16. LIABILITIES UNDER HIRE PURCHASE AGREEMENTS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Liabilities under hire purchase agreements	3,281,664	4,379,502	3,281,664	4,379,502
<u>Less</u> : Deferred interest charges	(259,273)	(341,317)	(259,273)	(341,317)
Total	3,022,391	4,038,185	3,022,391	4,038,185
<u>Less</u> : Current portion	(1,382,593)	(1,448,621)	(1,382,593)	(1,448,621)
Net	1,639,798	2,589,564	1,639,798	2,589,564

## 17. STOCK WARRANTS

At the extraordinary shareholders' meeting held on July 21, 2006 and November 24, 2006, the shareholders passed the resolution to allocate the free-of-charge warrants (AMC-W1) in the amount of 50,000,000 units, 7 - year maturity commencing from date of issue. The warrants can be exercised at the last official day of March and September (The first exercise date is September 28, 2007.) The exercise price is Baht 3 per share under the exercise ratio of 1 warrant per 1 new share.

Total 39,981,706 units of warrants have been allotted. As at December 31, 2011, none of which has been exercised. The warrants were traded in The Stock Exchange of Thailand on May 3, 2007.

## 18. LEGAL RESERVE

The legal reserve of the Company was established in accordance with the provisions of the Thai Public Company Limited Act B.E. 2535, which requires the appropriation as legal reserve of at least 5% of net income for the year until the reserve reaches 10% of the authorized share capital. This reserve is not available for dividend distribution.

## 19. DIVIDENDS PAID

At the ordinary shareholder's meeting held on April 27, 2011, the shareholders passed the resolutions to approve the payment of dividends amounting of Baht 33.60 million. The dividends were paid to the shareholders who hold 479.94 million units of ordinary shares at the rate of Baht 0.07 per share. The dividends will be paid on May 9, 2011.

## 20. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares during the year.

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares is stock warrants (Note 17.)

The calculation of dilutive potential ordinary shares is done to determine the number of shares that could have been acquired at market price (determined as the average share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding stock warrants. The calculation serves to determine the purchased shares to be added to the ordinary shares outstanding for the purpose of computing the dilution, no adjustment is made to net profit. However, the stock warrants were not included as a potential ordinary share in the diluted earnings per share calculation for the years ended December 31, 2011 and 2010 because the exercise price of the warrant was in excess of the market price of the Company's share, the basic earnings per share are, therefore, equal to the dilute earnings per share.

## 21. EXPENSES BY NATURE

The following significant expenditure items, classified by nature, have been charged in arriving at operation profit for the years ended December 31;

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Changes in finished goods and work in progress	(59,044,221)	(111,164,364)	(59,044,221)	(105,778,154)
Purchase of finished goods	1,318,899,948	1,276,420,305	1,318,899,948	1,276,624,131
Raw materials and consumable used	4,891,956,959	3,467,465,553	4,891,956,959	3,471,285,590
Cost of construction service	-	2,350,767	-	-
Outsourcing production cost	3,372,287	634,095	3,372,287	5,053,739
Depreciation - Owned assets	64,023,627	55,238,249	60,516,114	51,484,139
Loss on diminution of inventories	-	8,249,860	-	9,000,000
Doubtful accounts				
– Trade accounts receivable (reversal)	(4,830,000)	1,642,332	(4,500,000)	(4,283,375)
Staff costs	94,866,137	78,764,228	92,261,213	74,866,358
Transport and distribution	62,296,518	46,905,977	62,296,518	46,905,977
(Gain )Loss on foreign exchange rate	62,456,222	(8,812,903)	62,456,222	(8,812,903)
(Gain) Loss on disposal of assets pending for disposal	-	(5,342,278)	-	795,401
(Gain) Loss on disposal and write off of equipment	179,020	(6,282,066)	178,864	(653,731)
Loss on impairment of construction in progress	4,497,178	-	-	-
Loss on impairment of investments in subsidiary and associate	-	-	15,600,000	-
Share of loss of associate	5,500,000	-	-	-
Commission, advertising and sale promotion	7,469,491	8,742,171	7,469,491	8,736,648

## 22. FINANCIAL INFORMATION BY SEGMENT

The Group operates in two business segments as follow;

1. Produce and sell of processed steel products and providing steel cutting and modifying service (Asia Metal Public Co., Ltd. and STC Steel Co., Ltd.)
2. Steel structure installation and factory construction (Asia Metal Fabrication Co., Ltd.)

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

Financial information by business segment for the year ended December 31, 2011 is as follows;



**22. FINANCIAL INFORMATION BY SEGMENT (CON'T)**

	In Baht			
	Business segment	Business segment	Elimination	Total
	1	2		
Sale and service revenue	6,571,498,228	-	-	6,571,498,228
Cost of sales and services	(6,136,774,902)	-	-	(6,136,774,902)
<b>Gross profit</b>	434,723,326	-	-	434,723,326
Selling and administrative expenses	(128,473,575)	(6,777,416)	-	(135,250,991)
Loss on impairment of investments	(15,600,000)	-	15,600,000	-
Loss on foreign exchange rate	(62,456,222)	-	-	(62,456,222)
Managements' remuneration	(12,959,900)	-	-	(12,959,900)
Other income	11,531,131	18,764	-	11,549,895
<b>Profit (Loss) before financial costs and income tax</b>	226,764,760	(6,758,652)	15,600,000	235,606,108
Share of loss of associate				(5,500,000)
<b>Profit before financial costs and income tax</b>				230,106,108
Financial costs				(65,913,211)
Income tax				(53,861,882)
<b>Net profit</b>				110,331,015
<b>Detail of total assets by segments</b>				
Property plant and equipment	1,031,269,700	3,605,704	-	1,034,875,404
Other assets	3,140,334,257	9,494,082	(41,799,608)	3,108,028,731
Total assets	4,171,603,957	13,099,786	(41,799,608)	4,142,904,135

**23. TRANSACTIONS WITH RELATED PARTIES**
**n) Relationship and pricing policy**

The relationship among the Company, subsidiaries and related companies are as follows;

	Relationship	
	2011	2010
<b><u>Subsidiaries</u></b>		
STC Steel Co., Ltd.	100% shareholding	100% shareholding
Asia Metal Fabrication Co., Ltd.	55% shareholding and directorship	55% shareholding and directorship
<b><u>Associate</u></b>		
Vientiane Bonded Warehouse Co., Ltd.	40% shareholding and directorship	40% shareholding and directorship
<b><u>Related Companies</u></b>		
Taweechoke Panich Co., Ltd.	Share held by close relative of directors	Share held by close relative of directors
G-Steel Public Co., Ltd.	Common shareholder	Common shareholder
Permsin Steel Work Public Co., Ltd.	Share held by close relative of directors	Share held by close relative of directors
Permsahai Steel Co., Ltd.	Share held by close relative of directors	Share held by close relative of directors
Permchaipanich Co., Ltd.	Share held by close relative of directors	Share held by close relative of directors
Steel Center (Thailand) Co., Ltd	Share held by close relative of directors	Share held by close relative of directors
G J Steel Public Co., Ltd.	Directorship	Directorship

## 23. TRANSACTIONS WITH RELATED PARTIES (CON'T)

### A) Relationship and pricing policy (Con't)

The pricing policies between the Company and related parties are as follows;

- The goods and services sold to subsidiaries , associate and related parties were carried out on commercial terms and conditions.
- The goods and services purchased from subsidiaries , associate and related parties were carried out on commercial terms and conditions.
- The sell and purchase of property plant and equipment between the Company and subsidiaries were based on net book value of assets as at transaction date. The sell and purchase between the Company and related Companies were quoted at the price which approximate to the appraisal value of independent property valuer.
- The interest rate charged to subsidiaries and related parties approximates to the Company's cost of finance. There is no interest charged for the loans to employees.

### B) Balances between related parties

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<b><u>Trade accounts receivable</u></b>				
Asia Metal Fabrication Co., Ltd.	-	-	-	374,412
Taweechoke Panich Co., Ltd.	121,679	4,957,458	121,679	4,957,459
G-Steel Public Co., Ltd.	1,495,807	1,495,807	-	-
Total	<u>1,617,486</u>	<u>6,453,265</u>	<u>121,679</u>	<u>5,331,871</u>
<b><u>Short-term loans to and interest receivable</u></b>				
STC Steel Co., Ltd. (Interest rate 4.92%)	-	-	30,511,417	30,511,417
Other related persons (No interest)	849,320	546,002	849,320	546,002
Total	<u>849,320</u>	<u>546,002</u>	<u>31,360,737</u>	<u>31,057,419</u>
<b><u>Advance payment for purchasing of goods</u></b>				
Permsin Steel Work Public Co., Ltd.	2,648,052	-	2,648,052	-
G-Steel Public Co., Ltd.	19,501,138	19,501,138	19,501,138	19,501,138
G J Steel Public Co., Ltd.	101,067,657	73,655,342	101,067,657	73,655,342
Total	<u>123,216,847</u>	<u>93,156,480</u>	<u>123,216,847</u>	<u>93,156,480</u>
<b><u>Other receivable</u></b>				
STC Steel Co., Ltd.	-	-	10,175	20,458
Permchaipanich Co., Ltd.	22,735	22,735	22,735	22,735
Total	<u>22,735</u>	<u>22,735</u>	<u>32,910</u>	<u>43,193</u>

**23. TRANSACTIONS WITH RELATED PARTIES (CON'T)**
**B) Balances between related parties (Con't)**

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<b><u>Trade accounts payable</u></b>				
STC Steel Co., Ltd.	-	-	-	353,216
Asia Metal Fabrication Co., Ltd.	-	-	-	1,618,211
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,971,427</u>
<b><u>Advance received</u></b>				
<b><u>from sell of fixed assets</u></b>				
Asia Metal Fabrication Co., Ltd.	-	-	-	1,869,159
<b><u>Advance received</u></b>				
Director	-	1,180,695	-	-
<b><u>Advance received from construction projects</u></b>				
G-Steel Public Co., Ltd.	7,663,978	7,663,978	-	-
<b><u>Other payable</u></b>				
STC Steel Co., Ltd.	-	-	323,331	-
Asia Metal Fabrication Co., Ltd.	-	-	-	2,564,219
Taweechoke Panich Co., Ltd.	338,099	-	338,099	-
Total	<u>338,099</u>	<u>-</u>	<u>661,430</u>	<u>2,564,219</u>

The movement of short-term loans to and interest receivable from related parties for the year ended December 31, 2011 can be analyzed as follows;

	In Baht	
	Consolidated financial statements	Separate financial statements
As at January 1, 2011	546,002	31,057,419
Lending during the year	1,525,408	1,525,408
Principal received	(1,222,090)	(1,222,090)
As at December 31, 2011	<u>849,320</u>	<u>31,360,737</u>

## 23. TRANSACTIONS WITH RELATED PARTIES (CON'T)

### C) Related party transactions

The transactions for the years ended December 31, were as follow;

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<b><u>Sales and service revenue</u></b>				
Taweechoke Panich Co., Ltd	27,827,040	56,182,690	27,827,040	56,182,690
Permsahai Steel Co., Ltd.	-	3,164,907	-	3,164,907
Permchaipanich Co., Ltd.	567,987	-	567,987	-
Total	<u>28,395,027</u>	<u>59,347,597</u>	<u>28,395,027</u>	<u>59,347,597</u>
<b><u>Other income and interest income</u></b>				
STC Steel Co., Ltd.	-	-	275,040	2,327,901
Asia Metal Fabrication Co., Ltd.	-	-	-	2,820
Taweechoke Panich Co., Ltd	-	1,217,234	-	1,217,234
Permchaipanich Co., Ltd.	254,976	270,912	254,976	270,912
Total	<u>254,976</u>	<u>1,488,146</u>	<u>530,016</u>	<u>3,818,867</u>
<b><u>Purchase of goods , raw materials and cost of services</u></b>				
STC Steel Co., Ltd.	-	-	3,585,099	4,419,644
Asia Metal Fabrication Co., Ltd.	-	-	-	3,303,132
Taweechoke Panich Co., Ltd.	672,365	1,177,192	672,365	1,177,192
G-Steel Public Co., Ltd.	-	126,496,048	-	126,496,048
Permsin Steel Work Public Co., Ltd.	120,968,063	-	120,968,063	-
G J Steel Public Co., Ltd.	949,267,672	455,078,730	949,267,672	455,078,730
Total	<u>1,070,908,100</u>	<u>582,751,970</u>	<u>1,074,493,199</u>	<u>590,474,746</u>
<b><u>Gain on disposal of assets</u></b>				
Taweechoke Panich Co., Ltd.	-	6,282,066	-	653,731

## 24. PROMOTIONAL PRIVILEGES

The Company was granted certain promotional privilege under the Investment Promotion Act. B.E 2520 in accordance with certificate No. 1838/2553 dated on August 17, 2010 on its business segment of metal cutting and fabrication. The privileges are for instance to reduce import duty rate of raw material and supplies required for production for a period of one year and exempt from corporate income tax for a period of eight years starting from the date of operation.

As promoted companies, the Company must comply with certain conditions and restrictions provided for in the promotional certificates.

Based on the Announcement of the Board of the Investment No. Por 14/2541 dated December 30, 1998, regarding revenues reporting of a promoted industry, the Company is required to report the revenues from domestic sales and export sales separately and to report separately between the promoted and non-promoted sectors.

For the year ended December 31, 2011, the required information was as follows:

	In Baht		
	Promoted sector	Non-promoted sector	total
Revenues			
Income from domestic sales	3,376,625	6,550,201,869	6,553,578,494
Income from export sales	-	18,016,019	18,016,019
Total income from sales	3,376,625	6,568,217,888	6,571,594,513
Other income	-	13,488,223	13,488,223
Total revenue	3,376,625	6,581,706,111	6,585,082,736

## 25. FINANCIAL INSTRUMENTS

### A) FINANCIAL RISK MANAGEMENT POLICIES

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

The Group did not intend to engage in trading derivative instruments for speculative purposes.

### B) INTEREST RATE RISK

The Group was exposed to interest rate risk because it held deposits to and loans from financial institutions. However, such financial assets and liabilities are short-term. The Group believed that the future fluctuation on market interest rate would not provided significant effect to their operation and cash flow; therefore, no financial derivative was adopted to manage such risks.

### C) FOREIGN CURRENCY RISK

The Group was 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, 2011, there were the foreign currency dominated purchase transactions approximating to Thai Baht 3,475 million. The Company manages such risks through the use of forward currency contract, as and when it considers appropriate.

As at December 31, 2011, the foreign currency-dominated liabilities amounting of USD 20.37 million were hedged through the use of forward contracts. (Note 12)

As at December 31, 2011, there were the foreign currency-dominated liabilities remaining unhedged in the amount of USD 36.39 million.

## 25. FINANCIAL INSTRUMENTS (CON'T)

### D) CREDIT RISK

The Group was exposed to credit risk. However, due to the large number and diversity of the entities comprising the Group's customer base, The Group does not anticipate material losses from its debt collection. The Group 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 accounts receivable and payable, other receivable and payable and loan to and loan from counterparties. Their carried values approximate to their fair values.

## 26. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

### A) CAPITAL COMMITMENTS

As at December 31, 2011, the Company had the commitment for the acquisition of machine amounting to Baht 4,658,338 and USD 710,840. (December 31, 2010: Baht 6,605,209 and USD 220,350)

### B) INVESTMENT COMMITMENTS

As at December 31, 2011, the Company had the commitment related to the payment for the remaining 50% of unpaid share capital of investment in Asia Metal Fabrication Company Limited amounting to Baht 11.0 million.

### C) BANK GUARANTEE ISSUED BY BANKS

As at December 31, 2011, the Group and the Company had letters of guarantee issued by banks for the payment of electricity and utility fee amounting to Baht 7,295,600 and Baht 6,390,600 respectively (December 31, 2010: Baht 4,418,400 and Baht 3,918,400 respectively.)

## 27. CAPITAL MANAGEMENT

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

According to the statement of financial position as at December 31, 2011, the Group and the Company's debt-to-equity ratios were 1.61:1 (December 31, 2010: 1.31:1)

## 28. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of directors on February 23, 2012.