



Asiametal

Public Company Limited



Annual Report **2019**

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MESSAGE FROM THE MANAGING DIRECTOR

To shareholders

I, on behalf of the Board of Directors of Asia Metal Public Company Limited, would like to report the financial results of the year 2019. This year, the overall picture of the global economy and international trade has fluctuated greatly in the economic situation and Politics such as trade war between the United States and China Trade, Trade wall measures that affects business operations. The company has supported the business according to the business plan that has been laid down for 2019. Due to investment in new machinery, developing machines and improving existing machinery to increase efficiency and products quality. As well as expanding warehouse in samutprakarn factory to support product distribution and improving management in accordance with the volatile situation In order to maintain competitiveness and coping with changing situations. In the year 2019 the company has improved profits.

The company adheres to good corporate governance principles and business ethics for all stakeholder groups, and is firmly committed to conducting business in accordance with good governance principles that are transparent and accountable. And the preparation of business supervision plans for executives and employees in order to establish an internal control system and anti-corruption measures.

The performance of the company and its subsidiaries in the year 2019 had a net profit of 134.34 million baht, the net profit of the company was 58.74 million baht only. In addition, the company and its subsidiaries have reappraised the value of land because the current land price has increased, resulting in the Company and its subsidiaries having a surplus from land revaluation increased to 167.59 million baht. In the year 2020, the Covid-19 virus epidemic occurred, affecting the company's business more or less. Causing the company to have to reserve to have continuous liquidity in business operations. The Board of Directors has considered and agreed to propose to the shareholders to consider and approve to omit the dividend payment for the operating results in the year 2019.

In 2020, the economic stagnation continues. The company and subsidiaries must prepare a business backup plan in the first half of the year in order to minimize the impact on the company and subsidiaries from this situation. For the second half of the year, if the country is able to control the spread of the virus, Covid-19 will cause the economy to restore and drive the economy later. The management confident that we will be able to sustain the business operations through the crisis from this situation.

Finally I, on behalf of the board, would like to thank the shareholders, customers, trade partners Financial institution, Government agencies, private sectors, and all related sectors that have consistently supported the company's operations including all executives and employees of the company who have cooperated and united in performing duties with responsibility in every aspect In order to create additional value for shareholders Stakeholders and the society as a whole, the company is determined to operate the business for the best interest and develop the organization for sustainable progress to achieve the organization's goals.

(Mr. Chusak Yongvongphaiboon)

Managing Director



Reports from the Audit Committee

In the accounting year of 2019, the audit committee independently performed their duties assigned by the company's committee. The audit committee consulted with managers and auditors. Internal auditors were assigned according to prescribed charters. The internal auditors could independently and transparently perform their duties in order to protect the company and shareholders' benefits without limitations to access data. The audit committee conducted four meetings without the management's involvement. The duties of the audit committee can be summarized as follows.

Financial reports , Reviewing financial statements quarterly and for year 2019, consulting with auditors, and deliver suggestions about internal control in order to correctly submit the financial reports with adequate information according to generally accepted accounting standards

Connected Transactions , Checking and providing opinions about connected transactions or conflicts of interests in order to ensure that fair deals are made and maximize the company's benefits according to the principles of good corporate governance and transparency

Good corporate governance , With relevant business ethics, ordered employees to report the names of associates and quarterly prepare shareholding reports for the company's committee to consider in 2019 ,no conflicts of interests were found.

Audit committee' performances , Presenting the audit committee' performance reports to the company's committee in the committee' meetings, provide opinions and suggestions which useful for the management, and the evaluation results for the audit committee' performance in 2019 from the company's committee.

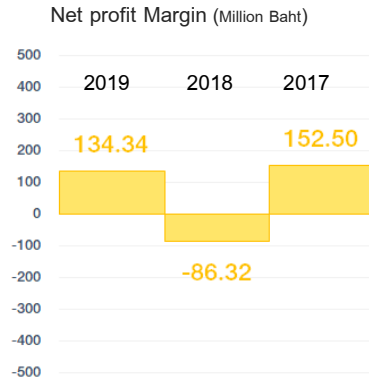
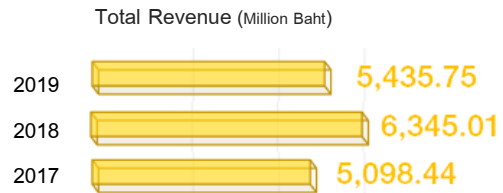
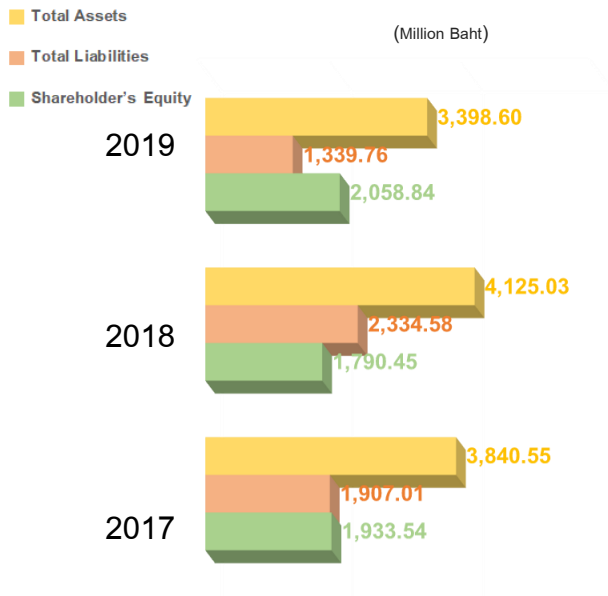
Auditors , Evaluate the independency of the auditors and provide opinions about the auditors' fee in order to ask for approval from the general shareholder meeting in 2020 to assign auditors from BPR Audit and Advisory Company Limited. The assigned auditors will audit the company's activities in 2020. For 2019, the audit committee considered that they and the company's managers complied with good corporate governance and ethics in order to professionally achieve the company's goals, enhance continuous improvement of risk management and comply with auditing standards.

Mr.PiboonsakArthabowornpisan
Chairman of the Audit Committee



Overall Performance

Data as of December 31, 2019.



(Million Baht)

Balance Sheet	2019	2018	2017
Current Assests	1,729.92	2,687.06	2,412.20
Total Assets	3,398.60	4,125.03	3,840.55
Current Liabilities	1,267.48	2,282.02	1,886.29
Total Liabilities	1,339.76	2,334.58	1,907.01
Shareholder's Equity	2,058.84	1,790.45	1,933.54

Financial Statement	2019	2018	2017
Sales and service income	5,386.94	6,275.62	5,064.52
Gain from foreign exchange rates	7.23	29.3	0.00
Other income	41.57	39.99	33.92
Total Revenues	5,435.75	6,345.01	5,098.44
Cost of sales and services	5,174.14	6,194.74	4,753.28
Selling expenses	151.27	176.41	122.28
Finance costs	35.31	45.83	30.13
Profit before share of profit (loss) from investments in associates and income tax	55.24	(92.41)	150.84
Share of profit (loss) from investments in associates	94.89	(5.98)	32.33
Income (expense) income tax	(15.79)	12.07	(30.67)
Profit (loss) for the year	134.34	(86.32)	152.50



Financial Ratio	Consolidated Financial Statements		
	2019	2018	2017
Liquidity ratio	1.36	1.18	1.28
Quick ratio	0.59	0.66	0.37
Cash flow ratio	0.52	(0.38)	0.14
Account receivable ratio	5.30	6.40	7.15
Average collection period	67.88	56.23	50.33
Inventory turnover ratio	10.93	14.23	11.07
Average product sales period	32.92	25.29	32.51
Payable turnover ratio	50.95	13.40	7.11
Payment period	7.07	26.87	50.67
Cash Cycle	93.74	54.64	32.17
Gross profit margin	3.95	1.29	6.15
Operating profit margin	2.79	(1.57)	3.62
Net profit margin	2.47	(1.36)	2.99
Return on equity (ROE)	6.98	(4.64)	8.00
Return on assets	3.57	(2.17)	4.03
Return on fixed assets	22.56	1.17	24.15
Asset turnover rate	1.44	1.59	1.35
Liabilities and Shareholders' Equity ratio	0.65	1.30	0.99
Interest coverage ratio	26.88	(15.86)	8.53
Dividend payment ratio	0.00	0.00	38.28



General Information

ASIA METAL PUBLIC COMPANY LIMITED

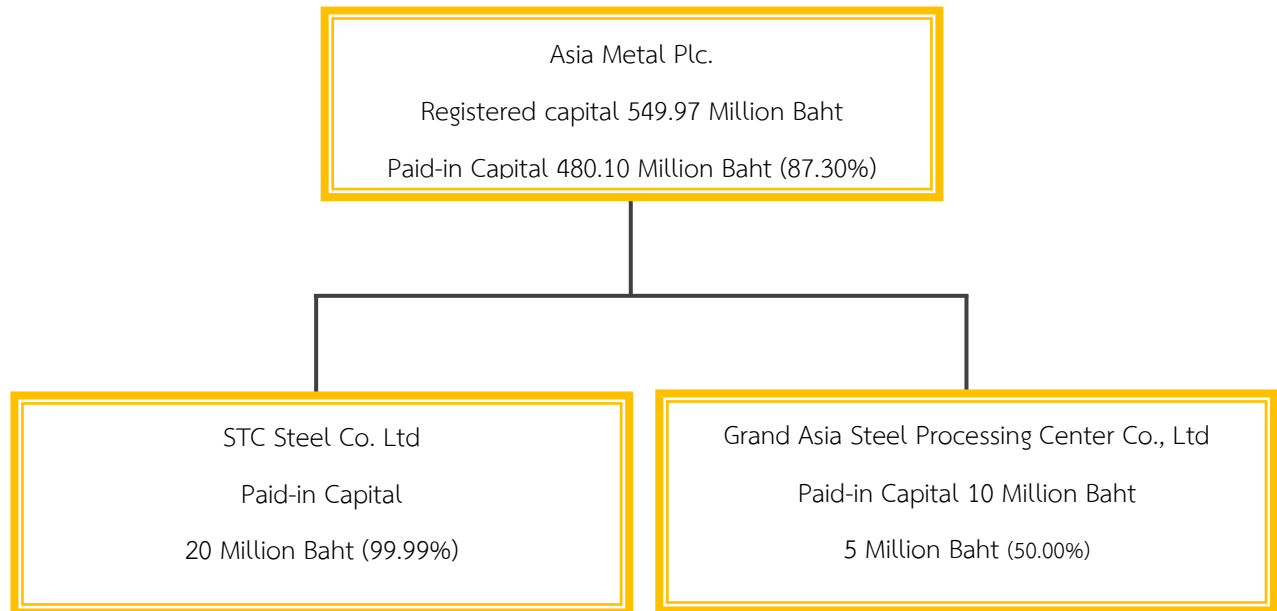
Security Code	:	AMC
Registration Number	:	0107547000176
Type of Business	:	Produce and distribute structural steel such as steel pipe and C-shaped structure used in various industries. Coil Service Center
Registered Capital	:	549.97 Million Baht
Issued and Paid-up Capital	:	480.10 Million Baht
Head Office	:	55,55/1 Moo2 SoiWatnamdaeng, Srinakarin Road, T.Bangkeaw, A.Bangplee, Samutprakarn 10540
Factory	:	90/1 Moo10, T.Sasileam, A.Panutnikom, Chonburi
Investor relations	:	Tel : 02 383 7222 Email :ir@asiametal.co.th
<u>Shareholders' representative</u>	:	Fax : 02 383 4102 Email : ia@asiametal.co.th
Home page	:	www.asiametal.co.th
Subsidiary Companies	:	1. STC Steel Co.,Ltd. (AMC holds 99%) 2. Grand Asia Steel Processing Center Co.,Ltd. (AMC holds 50%)
References		
Share Registrar	:	Thailand Securities Depository Co.,Ltd.
Auditor	:	BPR Audit and Advisor Co.,Ltd.
Legal Consultant	:	B & P Law Co.,Ltd.



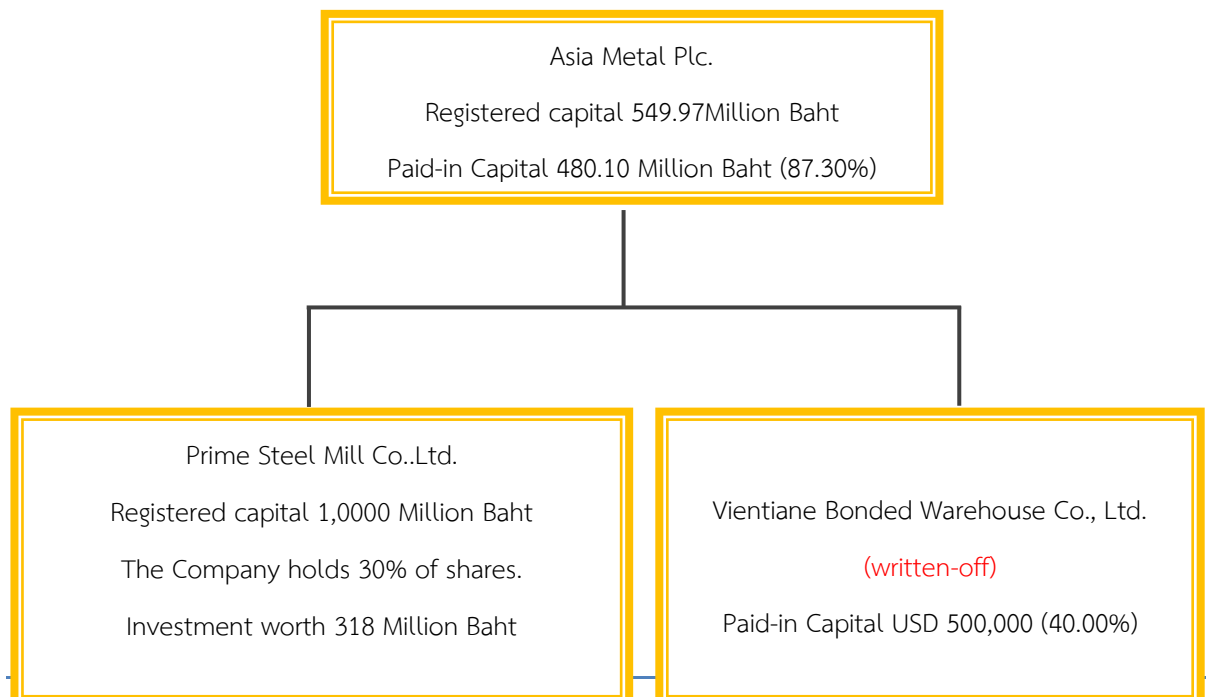
Business Overview of the Group

Group Structure of Asia Metal Public Company Limited as at 31 December 2019.

The structure of the subsidiary company of Asia Metal Public Company Limited



The structure of associates of Asia Metal Public Company Limited



**ASIA METAL PUBLIC COMPANY LIMITED****THE GROUP CONSISTS OF THREE SUBSIDIARY COMPANIES****STC Steel Co. Ltd.,**

holds 99.99 percent operates in manufacturer and distributor of steel pipes, both round and square types with diameter of 0.5 inches (12 mm) to 1 inch (25 mm) with a total capacity of 6,490 tons of steel every year.

Grand Asia Steel Processing Center Co., Ltd.

(formerly name is Asia Metal Fabrication Co., Ltd. changed on August 25, 2015) operates in steel service center (Coil Center) including the cutting and sale of steel sheets (Sheet) and slit steel coils (Slitting Coil) by the size demand by the customer with a total capacity of 72,000 tons of steel every year.

Vientiane Bonded Warehouse Co., Ltd (Written-off)

Business providing warehouse services, The company approved investment out of capital in this company at The Lao People's Democratic Republic reference from document on 10 May 2019 details as:

The company investment associate with Vientiane Bonded Warehouse Co., Ltd , registerd the total capital as 500,000 USD or equivalent to USD 100 per share (Estimated to be 15,516,852.18 baht) with the proportion of shareholder as follow;

No.	Company	Total of Share	% of total of shares	Country of Shareholder
1	Lao Samai Construction Co.,Ltd.	2,000	40%	Lao People's Democratic Republic
2	Asia Metal Plc.	2,000	40%	Thailand
3	Tiffa ICD Co.,Ltd.	1,000	20%	Thailand
Grand Total		5,000	100%	

Asia Metal Public Company Limited hold 2,000 shares or 40% per shares of paid capital, The value of the investment as recorded account as 6,686,322.89 Baht

The Management and Shareholder in Thailand conclusion as investing in Vientiane Bonded Warehouse Co., Ltd unable to generate sufficient business profits and unable to refund the capital, The Management therefore to approve elimination of investment in the company total as 6,686,322.89 Baht and cost of less impairment loss total as 6,686,322.89 Baht established since 2012 for all the above reason.

Prime Steel Mill Co.Ltd.

operate in manufacturer in hot rolled narrow strip in coil



Company Background

- March 9 ,1993 : Established Asia Metal Public Company Limited Registered capital and the initial amount of 30 million baht by the group of Mr.Chusak Yongvongphaiboon Types of business: distribution centers of steel.
- March 9 ,2004 : The Company had became a public company. Registered capital amount of 200.00 million baht. Paid-in Capital of 200.00 million baht. Types of business:
1. Coil Service Center eg. Selling the steel coils (Hot-Rolled and Cold-Rolled steel sheet in coil) including cutting and slitting in coil by the requirement of customer.
 2. Producer and distribute the fabrication steel eg. Steel pipe and lip-Channel to support in many industries.
- Year 2008 : Registered capital amount of 549.97 million baht Paid-in Capital of 479.94 million baht.
- Year 2011 : The Company expanded Factory to Chonburi province to support the transportation and delivery, located nearby the East area and North East area.
Area : 100 acres, 85 square yard capital 83 million baht.
- Year 2018 : The Company investor with subsidiary in Prime Steel Mill Co.Ltd. At the present has invested total shareholding ratio 30 percent. The Company Investor Warehouse Area 8,000 square meters on 12 Rai 68 square as Warehouse as efficiency increasing to Warehouse Management an increase 8,000 Tons. For support to expand of customer.
- : The Company approved to write off Vientiane Bonded Warehouse Co., Ltd and allowance for bad debt is a valuation account total 6,686,322.89 baht or 100% of capital. and investment increasing 5% in Prime Steel Mill Co.Ltd. total 48 million baht total shares 5% grand total value as 318 million baht or 35%. In addition, The company installed new machine for increasing the production efficiency and high-quality.
- December 31 ,2019** : Group of Yongvongphaiboon remains to Management and principal shareholder a large additional investment of The Company total of shares 32.81% by paid capital. and Group of Khunying Patama Leeawatrakul total of shares 14.37% by paid capital. and Group of Suteerachai total of shares 15.89% by paid capital. (The latest closing book of registration on 14/4/2019)
- Changed from development Year 2019 Significant** : The Company installed new machine for increase efficiency the production successfully.



Type of the Business

Operate as full service steel center, including selling hot rolled steel in coil and coating steel sheet in coil (GI) and is the manufacturer of steel products such as steel sheet, slitting coil and steel pipe (1 inch (25mm) to 7 inch (175mm) and C-shaped steel structure including delivery the product to the customer. Our capacity of production is 540,000 ton/years by divided in 44,000 tons/year of steel sheet, 224,000 tons of slitting coil, 204,000 ton/year of steel pipe and 48,000 tons/year of C-shaped steel structure.

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

1) The supply of steel products

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

2) Processing of steel products

2.1 Slitting Coil: The company offers steel cutting a slit coil. This is the coil (Coil) and cut into small strips across the width of the customer and roll it back to the retailer. The company has a machine for cutting steel rolling a Little (Slitting Coil). The company has capacity 244,000 tons per years for supply material steel pipe and c-chaped 220,000 tons per years. Product for sale in the amount of 24,000 tons per years. Year 2019 capacity of slitting coil as 163,057 ton per years or 66.83%.

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) and the capacity as 44,000 tons per years

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

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

roof structure including Automotive industry, Electronic industry, Furniture industry. The capacity 48,000 ton per month and Year 2019, The company has capacity of C-shaped 29,119 ton per month or 60.66%

Revenues of the company

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

Distribution Value	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Steel Service Center						
1. Service supplier of steel products.	76.25	1.42	297.05	4.73	137.15	2.71
2. Cutting Services	3.54	0.07	6.04	0.10	4.99	0.10
Total	79.79	1.49	303.09	4.83	142.14	2.81
Processing of steel						
1. Sheet	388.41	7.21	400.78	6.39	304.83	6.02
2. Slitting in Coil	229.99	4.27	251.58	4.01	200.21	3.95
3. Pipe	3,143.74	58.36	2,775.24	44.22	2,415.77	47.70
4. lip Channel	561.21	10.42	637.49	10.16	449.48	8.88
Total	4,323.35	80.26	4,065.09	64.78	3,370.29	66.55
Other *	983.80	19.74	1,907.44	30.39	1,552.08	30.64
Total value of all sales	5,386.94	100.00	6,275.62	100.00	5,064.51	100.00

Note: * other revenues include the selling of Slab and Billet.



Major shareholders of the company

List of major shareholders as of the latest closing book of registration on 14/3/2019 (par value : 1 baht per share)

No.	Name / Surname	Total of Share	% of total of shares
1	Group of Mr.Chusak Yongvongphaiboon		
	Mr. Chusak Yongvongphaiboon	76,700,000	15.98
	Mrs.Phenchan Yongvongphaiboon	40,000,000	8.33
	Ms. Peerada Yongvongphaiboon	19,000,000	3.96
	Ms. Chananya Yongvongphaiboon	21,791,000	4.54
	Total group of Mr. Chusak Yongvongphaiboon	157,491,000	32.81
2	KhuningPatama Leeawatrakul	71,434,900	14.88
3	Group of Mr.Virachai Suteerachai		
	Mr. Virachai Suteerachai	46,432,400	9.67
	Mr. Win Suteerachai	29,880,000	6.22
	Total group of Mr.Virachai Suteerachai	76,312,400	15.89
4	Mr. Viwat Kovitsophon	27,393,700	5.71
	Mr. Thanawat Kovitsophon	10,011,800	2.09
	Total group of Mr. Viwat Kovitsophon	37,405,500	7.80
5	Mr. Chanathip Traiwut	20,000,000	4.17
6	Ms. Orawan Pongtanyaluck	9,705,000	2.02
7	Mr. Pornthep Yothinuppamai	5,400,000	1.12
8	Thai NVDR Co.,Ltd.	4,322,612	0.90
9	Mr. Pichit Chatsakulvong	3,976,500	0.83
10	Ms. Aumporn Sripothong	3,620,100	0.75
11	Mr.Somchai Tangwongsamart	3,500,000	0.73
12	Mr. Somkiat Thungkitanun	2,472,500	0.52
	TOTAL	395,640,512	82.42



HISTORY OF DIVIDEND POLICY FOR THE PAST 3 YEARS

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

In the year 2019, The net profit for the year 2019 as 58,744,823 million baht and in year 2020 company investment amount 29 million baht of Solar rooftop project 997.92 kwp. to supply renewable energy electricity energy of machine at Panusnikom branch. And The world economy have unsettled markets and economic impact result in further slowing down of COVID-19. Accordingly, The companies should maintain financial liquidity year 2020 the omit of dividend payment from operation year 2019.

In the year 2018, The company has net loss of Baht 72.45 million from operation of the business, The Board of Directors has proposed the meeting to a unappropriated retained earnings for annual dividen payment and legal reserve for the due to net loss from operation year 2018.

In the year 2017, the net profit for the year was Baht 116.84 million. The Board of Directors has proposed the meeting to approve the dividend payment. At the rate of Baht 0.12 per share, totaling Baht 57.60 million, which is in line with the dividend policy of the Company. As approved by the Annual General Meeting of Shareholders for the year 2018, the Company will pay dividends on 25 May 2018.

THE GOAL OF OUR BUSINESS

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

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

Also the company has the policy to develop the quality, reliability of the product, services of the company, and taking into account is the environment, both inside and outside the company. The company is currently in ISO9001: 2015 and IATF 16949: 2016, The Company in process for applying product licensing follow Thai Industrial Standard 276-1989 for Steel Pipes to expand the opportunities for Customer target of Automotive Industry and Other Industry and its customers purchased product from the company ensures the products with standard quality and the company has the potential to improve the quality and continuously increase the potentiality of the employees.



Management structure

• Management structure

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

• BOARD OF DIRECTORS

Names of the Board of Director as on 31 December 2019 are;

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

Remarks: - Ms. Phenchan Yonvongphaiboon his intention to resign from executive position effective on 25/11/2019
- Ms. Sasithorn, the secretary of the company

Director with authorize signatory

The signatory director binding with the company consist with;

1. Mr. Chusak Yongvongphaiboon
2. Ms.Chananya Yongvongphaiboon

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

Remarks: - Ms. Phenchan Yonvongphaiboon his intention to resign from executive position effective on 25/11/2019



SCOPE OF AUTHORITY OF THE BOARD OF DIRECTORS

The duties and responsibilities of the board of directors to the shareholders is about the business of the company, governance and management in accordance the goals and policy that will give an ultimate benefit to the shareholders and to all stakeholders within the framework of good moral.

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

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

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

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

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

- Organize the meeting of shareholders as the Annual General Meeting within four months after the end of the accounting period.
- Provide the Board of Directors meeting at least once in every 3 months.
- Provide a balance sheet and income statement of the company at the end of the period. The auditor review and propose to the shareholders for the consideration and approval.



- The Board of Directors may delegate to one or several people or any other person to perform instead of the Board of Director under the control of the Board of Directors or may delegate to such person authorized by the Board of Directors deems appropriate and within the Board's discretion. The Board may cancel or revoke the changes to fix the person or authority authorized by them. When appropriate the Board of Directors may delegate to the Executive Committee is responsible for the operation. The details of the scope of authority authorized by the board. The authorization must not appear to be authorized at the Board of Directors. To consider and approve the self or person with a conflict of interest or conflict of interest made to any other companies. Or its subsidiaries. Except as authorized transactions are governed by policies and guidelines, the Board of Directors for consideration and approval.
- Set the policy, plans and budgets of the company, control and supervision of the administration and the management of the executive committee according to the policy that has been assigned. Except in the following that the Board of Directors must be approved by the shareholders before the operation, namely that the law requires the approval of the shareholders' meeting
- To consider the management structure of the executive Committee to appoint the Board of Directors, directors and others as appropriate.
- Monitoring the operation performance according to the plan and budget continuously.
- The committee must not engage in business which has the same condition and not in competition with the business of the company or become a partner in ordinary partnership or a partner in the partnership which is not limited authority or the director of private company or other companies that operate the same conditions. The competition with the business of the company whether they do it for personal gain or for other benefit unless they have informed at the shareholder's meeting before the resolution of appointment.
- The director must notify the company without delay if interested, either directly or indirectly in the contract that made by the company or change the number of share or debentures in the company or its subsidiaries.

• **AUDIT COMMITTEE**

Names of the Audit Committee as on 31 December 2019 are;

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



Authority Duties of the Audit Committee

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

1. To review the Company's financial reporting is accurate and adequate. By coordinating with external auditors and executives responsible for financial reporting of quarterly and annual. The Audit Committee may recommend to the auditor review or audit of any item it deems necessary and important during the audit of the company
2. To review the Company's internal control and audit that are appropriate and effective. The review has conducted with the external auditor and internal auditor.
3. To review the practices of the Company pursuant to the Securities and Exchange Commission and the terms of the Stock Exchange or laws relating to securities business
4. To select and nominate the auditor of the company. Including the remuneration of the auditor with regard to credibility, adequacy of resources, check and workload of the audit office. As well as the experience of personnel assigned to the audit of the company.
5. To consider the disclosure of information in the event of a transaction or transactions that may have a conflict of interest that are accurate and complete.
6. Perform any other assigned by the Board of Directors and Audit Committee also agreed to review the financial management policies and risk management. A compliance review of business executives. Review with management the Company's key report to be presented to the public as required by the law, report and analysis of the management and so on.
7. Prepare the activities of the Audit Committee. Disclosure in the company's annual report. The report shall be signed by the Chairman of the Audit Committee. The list should contain the following information.
 - Comments on the process of preparation and disclosures in the financial reports of its accuracy, completeness and reliable.
 - Comments on the adequacy of its internal control system.
 - Reason to believe that the auditor of the company is appropriate to be appointed to another term.
 - Comments about the legal practice with the Securities and Exchange Commission. Terms of the Stock Exchange or laws relating to its business.
 - Comments or observations by the Committee includes the reviews receive from performing their duties under the Charter.
 - Any other reports that the shareholders and public investors should be aware. Within the scope of duties and responsibilities assigned by the Board of Directors.
8. Report the performance of the Audit Committee to the Board of Directors at least once a quarter.
9. Perform any other act by the Board of Directors of the Company entrusted with the approval of the Audit Committee.

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

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

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

• EXECUTIVE BOARD OF DIRECTOR

Names of Executive Board of Director as on 31 December 2019 are;

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

Remarks: - Ms. Phenchan Yongvongphaiboon his intention to resign from executive position effective on 25/11/2019

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 limit for approval of such transaction is not more than 250 million baht 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.

The Board of Directors has set the term of operate of the Board of Directors of the Company as follows.

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

• A BOARD OF DIRECTORS AND REMUNERATION OF DIRECTORS AND EXECUTIVES

List of appointed boards of directors and remuneration of the directors and executives as at 31 December 2019 consists with;

ชื่อ-สกุล			ตำแหน่ง
1.	Mr. Chusak	Yongvongphaiboon	President
2.	Ms. Chananya	Yongvongphaiboon	Director
3.	Mrs. Taisika	Praisangub	Director

Remark : References of Board of Directors Committee 6/2019 on 29/11/2019 to consider replance Mr.Chusak Yongvongphaiboon those Ms.Phenchan Yongvongphaiboon resign of director.

Scope of authority and obligation

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

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

1. Policies and guidelines proposed to the board of director for the following;

- Procedure to nominate the committee and managing director.

How to pay the compensation and other benefits to paid to the board of directors, sub-committee and managing director.

2. Select and proposed the name of the qualified personnel to the board of director's consideration as follows;

- Committee



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

• **RISK MANAGEMENT COMMITTEE**

The names of risk management committee as at 31 December 2019 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

Remarks: - Ms. Phenchan Yonvongphaiboon his intention to resign from executive position effective on 25/11/2019

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 2019;

Name-Surname			Position
1.	Mr. Chusak	Yongvongphaiboon	President
2.	Ms. Chananya	Yongvongphaiboon	Director and Directors Sales and Marketing
3.	Mrs. Taisika	Praisangub	Committee
4.	Mr. Suntorn	Comphiphot	Director of Operating Management
5.	Mr. Sumphan	Srijakhot	Director of Finance and Accounting.

Remarks: - Ms. Phenchan Yonvongphaiboon his intention to resign from executive position effective on 25/11/2019

- Mr.Sumphan Srijakhot replace to Ms.Wannaree Thipsuwan position as Chief Financial Operation

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.

The Managing Director is the authorized representative of the Company. In the management of the company. To comply with policies, objectives, plans, rules, regulations, and regulations as assigned by the Board of Directors or the Executive Committee.

Assignment of power to control the daily management of the company.

To empower the Company to manage its business in accordance with its objectives, regulations, regulations, orders, and overall operational oversight.

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

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

**• MONETARY REMUNERATION IN THE YEAR 2019**

The Annual Meeting Year 2019 on 29 April 2019 approved remuneration for The Board of Directors amount 4,000,000 Baht same rate as last year, In year 2019 paid remuneration for Committee and the non-executive directors as 5 person as;

No.	Name-Surname	Position	Rate of Remuneration of position / Year (THB)	
			2019	2018
1	Mr. Virachai Suteerachai	President	440,000	440,000
2	Mr. Piboonsak Arthabowornpisan	Chairman of the Audit Com Independent Committee	440,000	440,000
3	Mrs. Taisika Praisangob	Audit Committee Independent Committee Risk Management Committee Remuneration Committee	220,000	220,000
4	Sub Lt. Suree Buranathanit	Audit Committee Independent Committee	220,000	220,000
5	Ms. Metikan Chutipongsiri	Committee	220,000	220,000



- The Board of Director has receive remuneration of Management position, and has not receive remuneration of the position committee as:

No.	Name – Surname (Director – as Executive)	Position	Salary and Bonus Total of 2019 (THB)	
			2019	2018
1	Mr. Chusak Yongvongphaiboon	- Executive Committee - Executive Board of Directors / Managing Directors - Chairman of Risk Management	8,025,000 (For 3 persons)	8,160,000 (For 3 persons)
2	Mrs. Phenchan Yongvongphaiboon (Resign on November 2019)	- Executive Committee - Executive Board of Directors / Deputy Managing Directors - Chairman of remuneration Committee		
3	Ms. Chananya Yongvongphaiboon	- Executive Committee - Executive Board of Directors - Remuneration Committee		

Details	Salary and Bonus (THB)	
	2019	2018
Director as executive Year 2018 = 3 person	4,708,500	5,613,250
Director as executive Year 2019 = 3 person		

In year 2019 Asia Metal Public Company Limited has not paid for the position committee cause they are the Board of Directors so they has receive remuneration of Management position.
Other remuneration for non-directors and executives as Salary, Bonus and Provident fund

• Other remuneration for the non-executive directors

Allowance of Meeting fee	5,000 Baht per person
Other remuneration for non-executive directors	- None -

In year 2019, paid allowance of Meeting fee 5,000 Baht per person Total 40,000 Baht.



In addition, The Executive Directors and receive remuneration of the position / monthly remuneration, then has not receive remuneration as above and The Executive Director more 1 position receive one position of high-remuneration.

- **The compensation of the employees**

The compensation of the employees are non-executives of the company and subsidiaries (total out put during in year), In 2019 and 2018 in total 125.99 Million baht and 111.86 Million baht respectively which paid in term as salary, bonus, labour fees, overtime, cost of allowance and provident fund.



Risk Factors

1. The risk of the business

- **Risk of volatility in consumption.**

The main products of the Company and subsidiaries are the products in the construction industry, automotive industry and the electrical appliances industry, etc. In the past 2019, the situation of past year as the industry overall has clearly slowed including Industrial Steel Manufacturing decreasing production of Long steel and flat steel of product of long steel as Hot Rolled Structural Steel has effect of downturn structure in downstream industries such affect from Loan to Value (LTV) regulation effective date on 1 April 2019 as Construction total sales and reducing house construction and product of flat steel such as Hot rolled coil cause manufacturers in the downstream industry import cheaper products from abroad.

Industrial overall, The government as an important factor to driving industrial. As supporting from industrial expansion as Construction industrial especially the government of structure construction project and economic stimulus measures take effect sales volume.

- **Risk from volatility of raw material prices.**

In year 2018 the price fluctuation of hot rolled coils affected product cost and product price which came from the risk of price volatility.

The Company as usually of the product list be changing matter with tred closely of price rate and raw material and also the situation and price trend closely, both in domestic and international prices include the other factors that may affect the price of raw materials and metal margin. Previously, the company purchased raw materials in the category of hot rolled steel and galvanized. The company Have to order raw materials about 2-4 months in advance, therefore there may be a risk that if the company buys raw materials at a high price but cannot sell the company's products at a higher price.

The Company and subsidiaries

Control measures to control and minimise the risk as follows:

1. follow up the consist movement and situation price trends closely to comparing domestic price and nationality prices including other elements to affect consider purchasing of the fluctuation of raw material prices.
2. Planning production in accordance with sales volume and deliver on time.
3. Management of warehouse to control quantity of product with determining the effect of changed prices on sales volume.
4. Increase sale and product performance to focus of quality and service.



- **Risk related to the effect by Laws and Government Polity and related measures**

A forecasting of increase quantity amount of Steel supply from International trade and effect distort to price trading structure internal country. Also The Government implement measures to protect domestic manufacturers charged duty for Anti-Dumping or Issued measures Safeguard to protect the import hot roll steel products.

In 2020, The Government measures Antidumping control of Product as tube and Pipe from production material of steel as produce by The Socialist Republic of Vietnam, Also that be shortage of material steel and Domestic Manufacturer production steel matter the demand not enough to supply in Domestic.

The Company actually policy safe impact for Safeguard of shortage of Production and Planing forecast Material 2 – 4 Months and including mornitoring the situation of The changes in government policies, laws and other related measures that may direct-indirect effect to business operation to compete with business competition.

2. Risk Management

- **Customer's credit risk**

The Company and its subsidiaries had trade accounts receivable as of December 31, 2019, amounting to Baht 555.54 million or 10.31% of total revenues from sales and services of the Company and its subsidiaries. The Company and its subsidiaries are committed to the quality of their receivables. It is a good practice to consider giving credit to all customers equitably and equally. To reduce the risk of any particular group. The Company and its subsidiaries also keep track of the quality of receivables. To reduce the risk that the debtor cannot pay. In addition, the Company and its subsidiaries have a policy to set aside allowance for doubtful accounts with all trade receivables that meet the criteria or are unlikely to be able to make payments.

- **Risk from Interested Rate**

As at December 31, 2019, the Company and its subsidiaries had a liability of 1,267.48 Million Baht or 94.60% of total liabilities. The debt is a commercial loan in the form of Letter of credit, trust receipts, promissory notes, etc.,Market interest rate affect to financial and operation of Company's, Although Financial cost in year 2019 as 35.31 Million Baht or 0.66% from sales and service income decrease from 2018 according of Financial markets amd global economy.



- **Risk from exchange rate**

In the year 2019, the Company and its subsidiaries purchased goods from international supplier total as 23.54 of order value. The order is in US dollars and euros. Exchange rate fluctuations are difficult to predict. There are many factors that affect the movement of exchange rates. However, The Company operation within policy and risk management of exchange rate of tooling financial control as binding contract in the foreign exchange market that locks in the exchange rate for the purchase, foreign exchange transaction to Thailand Baht to management of effect of fluctuations in foreign exchange rates.

- **Risk of shortage of material**

The Company and subsidiaries sourcing Manufacturer and Supplier of Hot rolled coil biggest as Sahaviriya Industries Public Company Limited, GJ Steel Public Company Limited and G Steel Public Company Limited, to manage supply chain of closely supply and supplier authorize of price and negotiation of supplier may effect of shortage material, Currently quantities of domestic and international has risk of shortage material. The Company sourcing other supplier and material to optimizing product assortment for customer and also The subsidiary as Prime Steel Mill Company Limited as manufacturing of Narrow strip coil and purchase increase with the subsidiary to manage shortage of rawmaterial and import of foreign country reverving at least 3 months to reduce shortage risk.

Coated steel coil as The Company and The subsidiaries purchase of coated steel sheets in Few-Manufacturer Domestic and related measures as Anti-Dumping and TISI standard and demand of consumers may result in the risk of shortage products, to ensure management of the company and the subsidiaries sourcing of internation and planning pre-order of material as follow of an important as trend market price, demand, quality and business competition to costing management.

- **Risk of relying Management**

Business operation rely on Directors relationship with Partner, Supplier and Customer, Allow the company able to procure raw material and appropriate price and business expansion of technology to intense competition, demand of consumer changing effect to as investor confidence, Management team not performed their responsibilities of The Company performance.

The company and its subsidiaries therefore places importance on continuous development of employees at all levels.



Assets for the Business Used

The fixed assets use in business

As at 31 December 2019 the company has fixed assets use in the business as follows;

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, SoiWatNamdaeng, Srinakarin Road, Bangkaew Sub-District, Bangplee District, SamutPrakan Province	Owned by AMC	254.79	(1). Mortgage loan
- Area of 99 acres, 72 square yard* Location: No. 90/1, Moo 10, Sasiliam Sub- District, PhanasNikom District, Cholburi Province.	Owned by AMC	119.14	(2). Mortgage loan
- Area of 102 acres, 155 square yard** Location: No. 90/1, Moo 10, Sasiliam Sub- District, PhanasNikom District, Cholburi Province.	Owned by AMC	21.70	- None -
- Area of 3 acres, 82 square yard Location: No. 6/10, Moo 1, SoiWatNamdaeng, Srinakarin Road, Bangkaew Sub-District, Bangplee District, SamutPrakan Province.	Owned by STC	44.87	(3). Mortgage loan
2. Factory Building (3)			
- Factory Building of the company Srinakarin Road, Bangkaew Sub-District, Bangplee District, SamutPrakan Province.	Owned by AMC	40.71	(3). Mortgage loan
	Owned by AMC	7.68	- None -
Buildings and construction improvements on leased land.	Owned by AMC	57.44	- None -
- Cholburi Factory Building of the company** Location: No. 90/1, Moo 10, Sasiliam Sub- District, PhanasNikom District, Chonburi Province.	Owned by AMC	127.92	(2). Mortgage loan
	Owned by AMC	30.98	- None -



Type / style of property	Type of Ownership	Value	Obligation
- Factory building of subsidiaries company Location: No. 6/10, Moo 1, SoiWatNamdaeng, Srinakarin Road, Bangkaew Sub-District, Bangplee District, SamutPrakan Province.	Owned by STC	9.66	Lease agreement
4. Factory and office building	Owned by GA	0.06	Lease agreement
5. Machineries and Equipments	Owned by AMC	286.87	- None -
	Owned by AMC	0.32	Lease agreement
6. Machineries and Equipments	Owned by STC	0.01	- None -
7. Machinery and factory equipment for rent	Owned by GA	1.57	Lease contract
8. Factory equipment	Owned by GA	0.10	Lease contract
9. Vehicles	Owned by AMC	9.60	- None -
10. Vehicles	Owned by GA	2.99	- None -
11. Furniture and office equipment	Owned by AMC	4.98	- None -
12. Furniture and office equipment	Owned by GA	1.07	- None -
13. Construction in progress and Machineries in progress	Owned by AMC	90.82	- None -
14. Construction in progress and Machineries in progress	Owned by STC	0.73	- None -
15. Intangible assets	Owned by AMC	12.17	- None -

• INVESTMENT POLICY AND THE MANAGEMENT OF SUBSIDIARIES AND ASSOCIATED COMPANIES

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



Report of practice under the good corporate governance

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

Chapter 1 Rights of the Shareholder

1.1 Election

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

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

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

1.2 Rights to attend the shareholder's meeting

Before the date of the meeting

- (1) The company has given the shareholder their privilege to present the agenda at the meeting and names to be elected as the board of director of the company 60 days in advance before the meeting. Which prescribing the principles in presenting the above at the website of the company: www.asiametal.co.th 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 2019 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 advancebefore receiving the data in shape of document.

(3) To provide conveniences at the meeting to the shareholders that could not attend the meeting by their own, the company has the proxy letter herein attached Form Kor. and Form Kor. together with the invitation letter. To allow the shareholder staying abroad can appoint their proxy to attend the meeting and can cast their vote on their behalf or able to assign the power to the independent committee appoints by the company as the proxy.

(4) In addition to the letter of invitation send to the shareholder and in order to provide and to receive additional information. The company has manage for an advertisement to invite the shareholder in the newspaper for continuously 3 days and 3 days in advance before the shareholder's meeting as prescribe in the Public Company Limited Act B.E. 2535 (1992). As well as publish the letter of invitation of the meeting and documentation at the website of the company headed "data for the investor."

On the meeting day

(1) The company has provides the conveniences to the shareholder in particular of the place for convenience to travel, preparation of the invitation letter for those shareholder failure to bring the document, monitor to present the agendas in term of Power Point for the conveniences to consider each agenda with micro phone. To allow the shareholder the right to ask, present or show their opinion as long necessary. Provide the table for the registration and examine the document with the assistance of the staff.

(2) The board of director, board of audit committee and executive board are aware how important is to attend the meeting that shall be considered as duty and responsibility. That enable the previous ordinary shareholder's meeting consist with the board of director, board of audit committee, board of director that determine the compensation, executive board and administrative having the highest authority in finance department and accounting are attended the meeting except the president who is absent due to urgent task that could not able to attend the meeting.



(3) Before stating to consider the several agendas as mentioned in the letter of invitation. The company has appointed the secretary of the company to inform the method of how to vote of each agenda as well as to inform the number of shareholder attended the meeting and total of share having the right to vote.

(4) To give the chance to the shareholder in fair justice to show their opinion and ask the board of director of the company in each meeting agenda.

After the meeting

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

(2) The company has the minutes of the annual ordinary shareholder's meeting and published at the website of the company with 14 days from the date of the annual ordinary shareholder's meeting.

1.3 Rights to receive the dividend

The company has determined the policy to pay the dividend for the performance not less than 50% of the net profit as the legal reserves amount. Which the company has allocated the reserves amount under the law equivalent to 10% of the registered paid up capital. The company has allocated the reserves amount 55 million bath under the law regulation.

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 : 02 338 7222

Fax : 02 383 4102

E-MAIL: ir@asiametal.co.th



Chapter 2 Treating Fair Practice to the shareholder

(1) Preparation of Invitation to Annual General Meeting of Shareholders in years 2018. 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 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 2018 there are 8 board of directors segregated into independent directors and 3 audit committee which complies with the requirements of the Stock Exchange of Thailand. The person with knowledge, experience and skills that is beneficial to the company's business. The board of directors has been approved from the general meeting of the shareholder

to hold such position. The details of the scope of duties and responsibilities are listed in the structure and management.

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

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

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

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

2. Determine the office terms of the Committee

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

3. Qualifications of independent directors

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

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

2. Is not participate in the management of the company. Affiliates, subsidiaries, associated companies or shareholders of the Company is not an employee or consultant who receives a salary from the company and Its subsidiaries Associate companies or shareholders of the Company.



As Managing Director of the Company cannot be verified because the President is directly responsible for the management and so on.

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

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

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

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

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

4. Leadership and Vision

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

5. Conflict of Interest

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

- List of possible conflict of interest: The committee should aware the conflict of interest, related transaction and always carefully consider. Including the compliance with the rules of the Market Stock Exchange which the price and conditions like the transaction with the third party (as Arm's Length Basis) and revealed the details of the details, value, partners of the contract, reason/necessity at the annual report and Form 56-1 in the next topic of the transaction.

- Monitoring the use of internal information: The board of the directors designed that the management shall report the changes of holding the assets at the Securities and Exchange Commission under Section 59 of the Securities Exchange Act B.E. 2535 prohibits the executive or agencies that have been informed by the disclosure to the third party or person which are not related and not trade the assets of the company during 1 month before the publication of the financial statement.

6. Code of Ethics

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

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

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

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

Whistle Blowing or Corruption and complaints

The Executive board of directos, assignment to Auddit Committee to consider of any issues of action of corruption complaints suspicion effect to The Company in direct and detour at channel for receiving the issues to report or complaints with evidence or results for checking and inform name, address and telephone contact number to as:

Notify via E-mail	Notify via Post
Audit Committee: IA@asiametal.co.th Company Secretary: Secretary@asiametal.co.th	Chairman an audit committee Or Chairman Company Asia metal Public Company Limited. 55, 55/1 Moo.2 Soi Watnamdaeng, Srinakarin Rd., Bangkaew, Bangplee, Samut Prakan 10540, Thailand

In case Whistleblower or the complainant to Audit Committee forward and submit to Chairman an audit committee directly.



Third person Whistleblower or the complainant corruption is key stakeholders from Group of the Company such as Shares holder, Competitor, Social Society, Management and Employees. And if inform aforementioned The Company's strictly confidential. In year 2019, The Company has receive whistleblowing of corruption 1 case and implemented in accordance under the company regulation and no affect to the business operation.

Position	Total (person)
Executive Directors	2
Board of Directors	2
Audit Committee	3

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, 2019 Executives Directors as 7 person It also the company has 3 independent directors representing to 42.86 percent of all directors. It also held the meeting with the non-executive directors and management side to have the freedom to express their ideas fully.

8. Join or separation of the position

The chairman is not the same person of the managing director. However, the chairman and managing director will represent the group of the major shareholder that holds 19.13 percent and 24.90



percent respectively of registered capital and paid up share. But the board of director consists of 3 audit committee which will cause the balance and can review the administration.

9. Directors and Executive Remuneration

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

10. Meeting of the Board of Directors

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

Year 2019 Board Committee 6 th meetings			
Name - Surname			Numbers attended
1.	Mr. Virachai	Suteerachai	5/5
2.	Mr. Chusak	Yongvongphaiboon	5/5
3.	Miss Channaya	Yongvongphaiboon	5/5
4.	Mrs. Phenchan	Yongvongphaiboon	5/5
5.	Mrs. Metikan	Chutipongsiri	5/5
6.	Mr. Piboonsak	Arthabowornpisan	5/5
7.	Mrs. Taisika	Praisangub	5/5
8.	Sub Lt. Suree	Buranathanit	5/5

11. Subcommittee

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



12. Internal Control and Audit control system

The company has emphasis how importance is the internal control in management level and performance to have efficiency. Therefore the duties, authority of the operators, management has clearly determined in written. There is the control over the assets of the company to gain benefits with segregated duties of the operators, monitoring-control and work evaluation to make it balance and inspection between each other in appropriately. There is also the internal control to the financial system which the company has provided the constant financial report according to the responsible management department. Includes, the company has appointed the internal inspection to assure that the major performance and important financial activities of the company has correctly proceed according to the principle and efficiently. Also to examined the legal performance and compliance control of the company. To allow the internal inspection agency has the freedom and ability to examine and well balance. The board of director therefore has the internal inspection agency that will do the report of the result directly to the audit committee. With the work evaluation from the audit committee and to ensure that the inspection control and internal audit has conducted independently.

13. Report of the board of directors

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

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

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

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

14. Relationship with the Investors

The board of directors of the company is aware that the information relating to the financial and non-financial. All are influence to the decision making of the investors and stakeholders of the company. Therefore there is an instructing explicitly to the management to act in the matters relating to the



disclosure of the complete information, accurate, reliable and on time. Which the management of the company has been aware how important and always abide. For the part of investor relation section, at present the company has the agencies for overseeing the responsibility such as the secretary of the company together with the finance and accounting department to negotiate with the investors of that institutional, shareholder together with the analysts and related government sector in order to report the data on time.



Corporate Social Responsibility

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. Participated with the government to encourage employee to donate to poorer people that complementing the activities of the industrial sector and community to warm and creatively.

Social responsibility, The company realizes the importance of stakeholders related to the company as Executives, Employee, and customer, shareholders and society and the environment.

The Establishment of company near the community may the impact of noise pollution air pollution. The company is committed to improving the environment control by government to reducing environment problems.

The company aiming to creative to make of over all of good society continuously, to create a good mind of employee and embed methods of cooperation to development the sustainable.

(see detail in CSR report in year 2019 at www.asiametal.co.th)

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 2019 as The board of directos donate At Wat Phra Phutthabat Namphu.

Program for the employees

The company great an importance to the health of employees of the important to driving business to growth sustainable and with quality, The Company arrangement of health examination yearly and doctors and nurses advice health care of employees.

The Company has Fire drills and Fire Safety training held in the headquarters and branch offices Phanunikhom. So that employees have a deep understanding of hygiene, which enable employees to attend the training can be applied in everyday life, whether at workplace, home and community-based living.



Summary of the transactions of the company for 2019

Summary of the transactions between the company, subsidiaries and related companies or individuals who may have conflicts of interest that occurred in 2019.

Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
STC Steel Co.,Ltd. Produce and providing steel cutting and modifying service.	Subsidiary AMC holds 99.99%	The company rent building and machines.	0.12	- Due to rent the office building with STC Steel Co.,Ltd. and according to pricing agreement of rent contract.
		with total outstanding account	0.00	
		as of the end of the year	22.00	
		Remaining interest	8.55	- Due to hires the production of steel pipe from STC Steel Co.,Ltd.The price of the steel purchase by the company with STC Steel Co., Ltd. is the market price and fair price given to the third party which is the normal business.
		The company hires the production of steel pipe from STC Steel Co.,Ltd.	1.06 0.60	- Which the audit committee and governance committee will consider the mentioned report and approved that report is reasonable for the highest benefits of the company. - The price purchase-sold the product is the fair price that has purchase and sold to the third party.



Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
Grand Asia Steel Processing Center Co.,Ltd. Produce and providing steel and modifying service	Subsidiary AMC holds 50.00%	The company sold the steel and also rent building and machines.	0.46	- Due to selling the steel and offer the service to cut the steel which is the normal business operation. Which the price of the steel and cut the steel with Grand Asia Steel Processing Center Co.,Ltd.is the prices according to the market and the fair price given to the third partyand price agreement of rent contract. - Due to selling the steel sheet in big size with thickness given to the customer. The price of the steel purchase and commission by the company with Grand Asia Steel Processing Center Co.,Ltd.is the market price and fair price given to the third party which is the normal business. - 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.
		with total outstanding account as of the end of the year	12.86	
		The company purchased the steel fromGrand Asia Steel Processing Center Co.,Ltd.	0.33	
		With total outstanding account as of the end of the year	4.24	
			0.00	



Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
Taweechoke PhanitCo.,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 TaweechokePhanit Co., Ltd. the sibling and mother of Miss PhenchanYuthinupamai, the director and major shareholder of the company	The company sold the steel to Taweechoke Phanit Co., Ltd. with total outstanding account as of the end of the year	0.00	- 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 TaweechokePhanit Co., Ltd. is the prices according to the market and the fair price given to the third party. - 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 TaweechokePhanit Co., Ltd. is the market price and fair price given to the third party which is the normal business. - 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.
		The company purchased the steel from TaweechokePhanit Co., Ltd.	0.26	
		With total outstanding account as of the end of the year	0.18	



Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
<p>Permchai Panich Co.Ltd. operates sale the 2nd grade of hot-rolled steel sheet</p>	<p>Mr. Virachai Suteerachai, The shareholder of the company, an uncle of Mr. Chusak Yongvongphaiboon who is a director and the shareholder of the Company.</p>	<p>The company sold the steel to PermchaiPanichCo.Ltd.</p> <p>With total outstanding account as of the ended year</p>	<p>0.00</p> <p>0.00</p>	<p>- The transaction is a sale of steel products, and provides cutting slit, which is normal. The price that the company sells steel and features a cutting slit with limited commercial company to finish a sale at market price and the price of the sale to a third party.</p> <p>- <i>Because there is no transaction in 2016, the Audit Committee and Corporate Governance Committee. There are no comments</i></p>
<p>Permsin Steel Work Public Co.,Ltd. Trading and cold-rolled steel service center</p>	<p>The group of the related with' Yongvongphaiboon ,The major of shareholder's Permsin Steel Public Co.,Ltd. Which is a director and the shareholder of the Company</p>	<p>The company purchase the coil hot-rolled steel from Permsin Steel Public Co.,Ltd.)</p> <p>The company purchase the coil hot-rolled steel from Permsin Steel Public Co.,Ltd.</p> <p>With total outstanding account as of the ended year</p>	<p>0.00</p> <p>15.96</p> <p>0.00</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 Permsin Steel Work Public Co.,Ltd.. is the prices according to the market and the fair price given to the third party.</p> <p>- The cold rolled steel is the normal trading The purchase price of cold rolled steel with Permsin Steel Work Limited (the Company) as at market prices and the price of buying from a third party.</p> <p>- Audit and Corporate Governance Committee has reviewed the transaction Transactions are reasonable for the benefit of the company. The purchase price of - sales. The price to buy - sell to outsiders.</p>



Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
GJ Steel Public Co., Ltd. operates in manufacture and sale the hot-rolled steel sheet and coil	Khunying Patama Leeswadtrakul, The director and shareholder of GJ Steel Public Company Limited, the major of shareholder of the company.	The company purchase the coil hot-rolled steel from GJ Steel Public Co.,Ltd. With total outstanding account as of the ended year	0.00 0.00	- Since in purchasing the hot-rolled steel in coil is the normal price which the price purchased by the company of the hot-rolled steel sheet in coil with GJ Steel Works Public Co., Ltd. is the price in the market and fair price as purchase from the third party. - 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.
G Steel Public Co., Ltd. operates in manufacture and sale the hot-rolled steel sheet and coil	Khunying Patama Leeswadtrakul, The director and shareholder of G Steel Public Company Limited, the major of shareholder of the company	The company purchase the coil hot-rolled steel in coil from G Steel Public Co.,Ltd. With total outstanding account as of the ended year	7.10 0.00	- Since in purchasing the hot-rolled steel in coil is the normal price which the price purchased by the company of the hot-rolled steel sheet in coil with GJ Steel Works Public Co., Ltd. is the price in the market and fair price as purchase from the third party. - The audit committee has considered the report that the mentioned report is reasonable for the highest benefits of the company. The price of coil hot-rolled steel is the fair price purchase from the third party.



Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
Prime Steel Mill Co.,Ltd. operates in manufacture and sale the hot-rolled Narrow strip coil	Mr. Win Suteerachai, The shareholder of the company, authorized signature and shareholders of to Prime Steel Mill Co.,Ltd. the sibling of Mr. Chusak Yongvongphaiboon, the director and major shareholder of the company	The company sold the steel to Prime Steel Mill Co.,Ltd	696.01	-the sale of Slab products to Prime Steel Company Limited at cost plus a certain margin.
		With total outstanding account as of the ended year	217.74	
		Advance payment	8.31	
		The company sold the steel to Prime Steel Mill Co.,Ltd	2,470.53	- The Hot rolled coil is the normally trading the purchased price with Prime Steel Mill Co.,Ltd. As at market prices and the price of buying a third party
		With total outstanding account as of the ended year	1.15	- The audit committee has considered the report that the mentioned report is reasonable for the highest benefits of the company. The price of coil hot-rolled steel is the fair price purchase from the third party.



Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
Win Win Holding Co.,Ltd. Import and Steel produces	Mr. Win Suteerachai, The shareholder of the company, authorized signature and shareholders of Win Win Holding Co.,Ltd.the sibling of Mr. Chusak Yongvongphaiboon, the director and major shareholder of the company	The company sold the steel Win Win Holding Co.,Ltd. with total outstanding account as of the end of the year The company purchase the steel from Win Win Holding Co.,Ltd. With total outstanding account as of the ended year	10.07 0.50 0.00 0.00	- Due to selling the steel and offer the service to cut the steel which is the normal business operation. Which the price of the steel and cut the steel with Win Win Holding Co.,Ltd.is the prices according to the market and the fair price given to the third party. - The hot rolled steel is the normal trading The purchase price of hot rolled steel with Win Win Holding Co.,Ltd.(the Company) as at market prices and the price of buying from a third party. - The audit committee has considered the report that the mentioned report is reasonable for the highest benefits of the company. The price of coil hot-rolled steel is the fair price purchase from the third party.



Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
In-Tech Steel Company Limited	Mr. Win Suteerachai, The shareholder of the company, authorized signature and shareholders of In-Tech Co.,Ltd. the sibling of Mr. Chusak	The subsidiary sells steel products to In-tech Co., Ltd.	0.48	- Due to selling the steel which is the normal business operation. Which the price of the steel with In-tech Co., Ltd. is the prices according to the market and the fair price given to the third party.
Old name as Precision Perfect Pipe Co.,Ltd.			0.00	
Manufacturer High Precision Mechanical Pipe	Yongvongphaiboon, the director and major shareholder of the company	The subsidiary purchase steel products from In-tech Co., Ltd.	0.00	- The cold rolled steel is the normal trading The purchase price of cold rolled steel with In-tech Co., Ltd. as at market prices and the price of buying from a third party.
		With total outstanding account as of the ended year	0.00	- The audit committee has considered the report that the mentioned report is reasonable for the highest benefits of the company. The price of coil hot-rolled steel is the fair price purchase from the third party.



Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
PS STEEL Processing Center Co.,Ltd. operates in manufacture and sale the cold-rolled Narrow strip coil	Mr. Win Suteerachai, The shareholder of the company, authorized signature and shareholders of Win Win Holding Co.,Ltd.the sibling of Mr. Chusak Yongvongphaiboon, the director and major shareholder of the company	Subsidiaries sold steel products to PS Steel Processing Center Co., Ltd.	0.00	- Due to selling the steel which is the normal business operation. Which the price of the steel with PS Steel Processin Center Co.,Ltd.is the prices according to the market and the fair price given to the third party.
		Subsidiary Purchases Cold Rolled Steel from PS Steel Processing Center Co., Ltd.	0.22	- The cold rolled steel is the normal trading The purchase price of cold rolled steel with PS Steel Processin Center Co.,Ltd. (the Company) as at market prices and the price of buying from a third party.
		with total outstanding account as of the end of the year	0.00	- 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.



Policy and Possibility in conducting the Connected Transaction in Future

Future Possibility of Connected Transactions Potentially Leading to Conflicts of Interest with The Company proposed under basic of Normal market and market trend of price compare with external price rate, Also The Audit Committee also reviewed the disclosure of the transactions and viewed that the transactions were correctly and completely disclosed, that the price and the conditions were fair, and that the transactions were appropriately.

The Company treats connected transactions as normal business transactions without any intentions to transfer benefits between or among the Company and related companies, or persons. The Company strictly adheres to securities and exchange laws and regulations, including those imposed by the Capital Market Supervisory Board, the Stock Exchange of Thailand, and other related supervisory agencies, regarding connected transactions to ensure that, with reasonable business terms and conditions, and use of the market reference prices, for instance, the Company's shareholders and stakeholders will be treated equally and in their interests, in accordance with the Company's good corporate governance policy.



History of Executive and Director

1. Name – Surname	: Mr. Virachai Suteerachai
Age (Year)	: 69
Position	: President and Chairman
Educational Qualification	: Master of Political Science of Administration Ramkhamhaeng University. MINI MBA, Thammasat University
	: Bachelor's Degree, RCA Institute of technology, New York U.S.A.
Training course	: Passed the training of Director Accreditation Program (DAP) Batch No. 15/2004 on 18 May 2004 from Thai Institute of Directors Association
Proportion of shares in companies (%)	: 9.67%
Relationship	: Uncle of Mr. Chusak Yongvongphaiboon
Work history	
2009 – Present	: President and Chairman, Asia Metal Public Company Limited
1988 – Present	: Managing Directors, Cosmo Land & House Co.,Ltd.
1994 – Present	: Managing Directors, Cosmo Property Management Co.,Ltd.
1976 – Present	: Managing Directors, Sinteerachai Co.,Ltd.

2. Name - Surname	: Mr. Chusak Yongvongphaiboon
Age (Year)	: 57
Position	: Managing Director and authorize signatory
Educational Qualification	: Bachelor's Degree Assumption Business Administration
Training course	: Passed the training of Director Accreditation Program (DAP) Batch No. 15/2004 on 18 May 2004 and, Passed the training of Director Certification Program (DCP) Batch No. 46/2004 on 25 August 2004 from Thai Institute of Directors Association
Proportion of shares in companies (%)	: 15.98%
Relationship	: Husband of Mrs.Phenchan Yongvongphaiboon
Work history	
1993 – Present	: Managing Directors, Asia Metal Public Company Limited
2003 – Present	: Directors, STC Steel Co.,Ltd.



2015 – Present : Managing Directors, Prime Steel Mill Co.,Ltd.
2015 – Present : Directors, Grand Asia Steel Processing Co.,Ltd.
2018 – Present : Directors, VK Land development Co.,Ltd.

3. Name - Surname : Mrs. Phenchan Yongvongphaiboon
Age (Year) : 55
Position : Deputy Managing Directors, Authorized signatory
Educational Qualification : Certificate of higher vocational Education Assumption Commercial School.
Training course : Passed the training Directors Accreditation Program (DAP)
Batch No. 15/2004 on 18 May 2004
Passed the training Directors Program (DCP)
Batch 49/2004 on 7 October 2004
From Thai institute of Directors Association
Proportion of shares in : 8.33%
companies (%)
Relationship : Wife of Mr.Chusak Yongvongphaiboon
Work history
1993 – Present : Deputy Managing Directors, Asia Metal Public Company Limited
2003 – Present : Directors, STC Steel Co.,Ltd.

4. Name - Surname : Ms. Chananya Yongvongphaiboon
Age (Year) : 27
Position : Directors
Educational Qualification : Bachelor Degree of Business Administration Major in Finance, Thammasat University
Training course : Passed the training Director Accreditation Program (DAP)
Batch No. 123/2016 on 25 January 2016 from Thai Institute of Directors Association.
Passed ORIENTATION IPOs : CFO FOCUS ON FINANCIAL REPORTING Edition 7 on November 21-22, Federation of Accounting Professions Under The Royals Patronage of His Majesty The King
Proportion of shares in : 4.54%
companies (%)
Relationship : Duaghter of Mr.Chusak and Mrs.Phenchan Yongvongphaiboon
Work history
2015 – Present : Directors and Sales and Marketing Directors of Asia Metal Public Company Limited
2015 – 2018 : Committee and Finance and Accounting officer Asia Metal Public



	Company Limited
2015 – Present	: Committee Grand Asia Steel Processing Center Co.,Ltd.
2018 – Present	: Committee BPC Land Company Limited

5. Name - Surname	: Ms. Metikan Chutipongsiri
Age (Year)	: 53
Position	: Committee
Educational Qualification	: BBA, Com Science, King Mongkut's University of Technology Thonburi MBA, Business Administration, Chulalongkorn University
Training course	: Passed the training Director Accreditation Program (DAP) Batch No. 164/2019 on 30 September 2019 from Thai Institute of Directors Association.
Proportion of shares in companies (%)	: None
Relationship	: Not related
Work history	
2017 – Present	: Committees of Asia Metal Public Company Limited
2005 – 2019	: Chief Operating Officer and Director, G Steel Public Company Limited
2014 – 2018	: Senior general manager (Purchasing department)

6. Name - Surname	: Mrs.Wannaree Thipsuwan
Age (Year)	: 43
Position	: Chief Financial Officer
Educational Qualification	: Master of Business Administration, Burapha University
Training course	: None
Proportion of shares in companies (%)	: None
Relationship	: Not related
Work history	
01 Nov 2018 to 30 Sep 2019	: Chief Financial Officer, Asia Metal Public Company Limited
2015 – 30 Aug 2018	: Chief Financial Officer, Asia Metal Public Company Limited
2012 – 2015	: Corporate Secretary, Asia Metal Public Company Limited

7. Name - Surname	: Mr.Sumphan Srijakkote
Age (Year)	: 54
Position	: Chief Financial Officer



Educational Qualification	:	THAMMASAT UNIVERSITY ,BA. 1987 RAMKHAMHAENG UNIVERSITY ,EX-MBA 2010
Training course	:	CERTIFIED TAX AUDITOR NO. 000770 CPD : 3101700628503 CFO : ORIENTATION COURSE CERTIFIED INTERNAL AUDIT PROGRAM (3 MONTHS) ,CHULALONGKORN UNIVERSITY
Proportion of shares in companies (%)	:	None
Relationship	:	No related
Work history		
2010 – Sep 2019	:	Chief Financial Officer, Asia Metal Public Company Limited
2010 – 2019	:	Financial and Accounting Manager, SIAM FUJI WARE CO.,LTD
2004 – 2010	:	Chief Financial Officer, ASIAN SEAFOODS COLDSTORAGE PLC.
1992 – 2004	:	Financial and Accounting Manager, KANG YONG ELECTRIC PLC.

Remarks: October 1, 2019 appointed Mr.Sumphan Srijakkote to replace Mrs. Wanaree Thipsuwan as resign on November 2019.

8. Name – Surname	:	Mr.Piboonsak Arthabowornpisan
Age (Year)	:	68
Position	:	Chairman of Audit Committee and Independent Director
Educational Qualification	:	Beachelor Degree Electric Engineering, Chulalongkorn University Master Degree of Business Administration, Thammasart
Training course	:	Passed the training Director Accreditation Program (DAP) Batch No. 123/2016 on 25 January 2016 from Thai Institute of Directors Association.
Proportion of shares in companies (%)	:	None
Relationship	:	Not related
Work history		
2015 – Present	:	Chairman of Audit Committee and Independent Director, Asia Metal Public Company Limited
1997 – 2013	:	Assistant General Manager Thai Wire Products Plc.
1978 -1985	:	Electrical Maintenance Manager Siam Iron and Steel Co., Ltd.
1977 -1978	:	Engineer The Electrical General Authority of Thailand
1975 -1977	:	EngineerThe Telephone Organization of Thailand



9. Name - Surname	: Sub Lt. Suree Buranathanit
Age (Year)	: 85
Position	: Audit Committee and Independent Director
Educational/ Qualification	: Master's Degree of Political Science, Ramkhamhaeng University. Master's Degree of Political Science (Diplomatic and Foreign Affairs) Chulalongkorn University
Training course	: 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
Proportion of shares in companies (%)	: None
Relationship	: Not related
Work history	
2004 – Present	: Audit Committee and Independent Director, Asia Metal Plc.
Present	: Audit Committee and Independent Director, IT City Plc.
Present	: Qualified Director of the National Council of Boy Scouts.
Present	: Executive director of local boy scout.
Present	: Executive Council of Bangkok University
Present	: Directors Association in monitoring the development of women
Present	: Peacemaker in Thanyaburi Provincial Court
Present	: Advisor The Border Patrol Police Association of Thailand
Present	: Advisor The Border Patrol Police Association of Thailand
Present	: Advisor to The Subcommittee of Boyscout Activities, Committee on Education
Present	: Chairman of Voraboon Housing Estate
Present	: Advisor Sacred Heart Convent Alumni Association

10. Name - Surname	: Mrs. Taisika Praisangob
Age (Year)	: 69
Position	: Audit Committee and Independent Director
Educational/ Qualification	: Master of Political Science of Administration, Terry, University of Eastern Asia
Training course	: Passed the training from Thai Institute of Directors Association. (IOD) Director Accreditation Program (DAP) Batch No. 15/2004 Audit Committee Program (ACP) Edition 7 / 2005



Proportion of shares in companies (%)	:	None
Relationship	:	Not related
Work history	:	
2004 – Present	:	Audit Committee and Independent Director, Asia Metal Plc.
2003 – Present	:	Directors, STC Steel Co.,Ltd.
1999 – Present	:	Director, Boonsiri Real Estate Co., Ltd.
2004 – 2009	:	Senior Manager, Small Business 8.,Siam City Bank Plc.
2002 – 2003	:	Development Manager SorChor.,Siam City Bank Plc.
2000 – 2001	:	Business Manager 4, Siam City Bank Plc.

11. Name - Surname	:	Suntorn Comphiphot
Age (Year)	:	51
Position	:	Cheif Operation Officer
Educational/ Qualification	:	Master Degree (MBA/HRM) Becherlor Degree Engineering
Training course	:	Quality management system.
Proportion of shares in companies (%)	:	ไม่เกี่ยวข้อง
Relationship	:	Not related
Work history	:	
2018 – Present	:	Operation Director, Asia Metal Public Company Limited
2010 – 2018	:	Thaisin Metal Industries Company Limited
1994 – 2009	:	Pacific Pipe Public Company Limited

12. Name – Surname	:	Mrs. Chidchanok Tomawong
Age (Year)	:	56
Position	:	Director of Sales and Marketing Department
Educational/ Qualification	:	Beachelor of Business Administration Finance and Banking Ramkamhaeng University
Training course	:	Safety Officer for Management Level Quality management system (ISO9001 and IATF16949)
Proportion of shares in companies	:	ไม่เกี่ยวข้อง



(%)

Relationship**Work history**

2018 - Present	Director of Sales and Marketing Department and Quality Management Representative (QMR), Asia Metal Pub Co.,Ltd.
2015 –2017	Assistant to Managing Directors, Asia Metal Pub Co.,Ltd.
2014 – Present	Committee, N.Y.K. Inter Group Co., Ltd.
2006 – 2013	Director of Sales and Marketing Department and Quality Management Representative (QMR), Asia Metal Pub Co.,Ltd.
2003 – Present	Committee, STC Steel Co.,Ltd.
2005 – 2006	Director of Production, Asia Metal Pub Co.,Ltd.
2003 – 2005	Production Manager, Asia Metal Pub Co.,Ltd.
2018 - Present	Director of Sales and Marketing Department and Quality Management Representative (QMR), Asia Metal Pub Co.,Ltd.

13. Name - Surname	: Ms.Sasithorn Limpiyachart
Age (Year)	: 42
Position	: Corporate Secretary
Educational/ Qualification	: BBA, Business Administration Assumption University
Training course	: Corporate Secretary Program (CSP) Edition 91/2018 Thai Institute of Directors (IOD) Quality management system (ISO9001 and IATF16949)
Proportion of shares in companies	: None

(%)

Relationship

: Not related

Work history

2015-Present	Company Secretary, Asia Metal Public Company Limited
2012- Present	Assistant Management Representative of Asia Metal Co., Ltd
2003- Present	Head of Marketing, Asia Metal Co., Ltd



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

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

Note:

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



Report of Directors Relating to Responsibility for Financial Statements

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

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

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

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

The committee has the opinion that the overall internal control systems of the company are in the satisfactory level and can create confidence with reason that the financial budget of Asia Metal Public Company Limited for the year that ended on December 31, 2019 is looked upon respectively by following the law and related regulations.

(Mr. Virachai Suteerachai)

Chairman of the Board

(Mr. Chusak Yongvongphaiboon)

Managing Director

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Financial Statements

For the Year Ended December 31, 2019

and Independent Auditor's Report

BPR AUDIT AND ADVISORY CO., LTD.

Independent Auditors

INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the accompanying consolidated financial statements of Asia Metal Public Company Limited and its subsidiaries ("The Group"), which comprise the consolidated statement of financial position as at December 31, 2019, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. I have also audited the separate financial statements of Asia Metal Public Company Limited, which comprise the statement of financial position as at December 31, 2019, the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Asia Metal Public Company Limited and its subsidiaries as at December 31, 2019, and their consolidated financial performance and their cash flows for the year then ended and the financial position of Asia Metal Public Company Limited as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

Key audit matters and how audit procedures respond for each matter are described below.

Key Audit Matters**How my audit addressed the key audit matters**

Revenue recognition from sale of goods

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

My audit procedures included, among others,

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

Net realizable value of inventories

As described in Note 10 to financial statements and the significant accounting policies, As at December 31, 2019, the Group have inventories at Baht 977 million. Inventories are measured at cost or net realizable value whichever is lower.

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

My audit procedures included, among others,

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

Emphasis of Matter

I draw attention the matter as described in Note 13 to the financial statements that in August 2019, the Company acquired 5 percent shareholdings in Prime Steel Mill Co., Ltd. from its former shareholder. The Company assessed the fair value of identifiable assets acquired and liabilities assumed at the acquisition date. The assessment was completed in the fourth quarter of 2019, which was within the period of twelve months from the acquisition date allowed by Thai Financial Reporting Standard No.3 (revised 2018). My opinion is not qualified in respect of this matter.

Other Information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Miss Rungtawan Bunsakchalerm)
Independent Auditor
Registration No. 6031

BPR AUDIT AND ADVISORY CO., LTD.
Bangkok
February 26, 2020

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

		In Baht				
		Consolidated Financial Statements		Separate Financial Statements		
Notes		2019	2018	2019	2018	
ASSETS						
CURRENT ASSETS						
	Cash and cash equivalents	6	105,291,453	90,983,998	95,027,413	78,464,195
	Current investments	7	60,678,105	140,313,022	60,678,105	140,313,022
	Trade and other receivables - related parties	5, 8	218,180,806	846,742,799	549,359,699	1,111,467,363
	Trade and other receivables - other parties	8	355,360,997	425,071,755	206,508,961	276,038,621
	Bank receivables from currency forward contracts	9	1,475,897	-	1,475,897	-
	Short-term loans to and interest receivable from related parties	5	1,962,532	1,658,204	23,862,532	24,658,204
	Inventories	10	977,333,396	1,065,331,070	792,708,954	878,993,801
	Advance payment for purchasing of goods - related parties	5	8,313,804	113,932,146	8,313,804	113,932,146
	Advance payment for purchasing of goods - other parties		1,293,958	146,419	1,293,958	146,419
	Other current assets		28,416	2,876,723	-	2,848,161
	Total current assets		<u>1,729,919,364</u>	<u>2,687,056,136</u>	<u>1,739,229,323</u>	<u>2,626,861,932</u>
NON - CURRENT ASSETS						
	Deposits at financial institutions pledged as collateral	11	151,460,074	156,978,016	150,435,774	155,953,716
	Available-for-sales investments	12	3,824,280	5,523,960	3,824,280	5,523,960
	Investments in associates	13	363,066,689	219,782,726	318,000,000	270,000,000
	Investments in subsidiaries	14	-	-	24,980,807	24,980,807
	Investment properties	15	-	-	32,517,403	35,054,591
	Property, plant and equipment	16	1,115,427,616	1,000,053,201	1,021,834,738	923,664,097
	Intangible assets		12,168,088	12,547,322	12,168,088	12,547,322
	Deferred tax assets	25	-	27,761,280	-	27,761,280
	Other non - current assets		22,732,696	15,331,826	14,607,590	13,612,593
	Total non - current assets		<u>1,668,679,443</u>	<u>1,437,978,331</u>	<u>1,578,368,680</u>	<u>1,469,098,366</u>
	TOTAL ASSETS		<u><u>3,398,598,807</u></u>	<u><u>4,125,034,467</u></u>	<u><u>3,317,598,003</u></u>	<u><u>4,095,960,298</u></u>

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2019

		In Baht				
		Consolidated Financial Statements		Separate Financial Statements		
Notes		2019	2018	2019	2018	
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
	Bank overdrafts and short-term loans from financial institutions	17	1,119,312,568	2,001,575,616	1,115,667,618	1,997,043,219
	Trade and other payables - related parties	5, 18	2,324,177	62,918,854	2,732,680	49,071,763
	Trade and other payables - other parties	18	113,924,074	171,046,748	94,521,628	147,097,314
	Short-term loans from related party	5	-	25,000,000	-	-
	Bank payables from currency forward contracts	9	-	1,773,583	-	1,773,583
	Current portion of long - term loan from financial institution	19	14,821,613	14,224,250	14,821,613	14,224,250
	Current portion of liabilities under finance lease contracts	20	17,099,589	5,481,244	16,438,163	5,159,331
	Total current liabilities		<u>1,267,482,021</u>	<u>2,282,020,295</u>	<u>1,244,181,702</u>	<u>2,214,369,460</u>
NON - CURRENT LIABILITIES						
	Long - term loan from financial institution - net of current portion	19	11,201,182	26,030,547	11,201,182	26,030,547
	Liabilities under finance lease contracts - net of current portion	20	30,111,854	11,895,829	29,070,294	10,926,166
	Deferred tax liabilities	25	16,158,402	3,517,747	8,794,655	-
	Provision for employee benefit obligations	21	14,810,228	11,115,852	12,638,467	8,993,701
	Total non - current liabilities		<u>72,281,666</u>	<u>52,559,975</u>	<u>61,704,598</u>	<u>45,950,414</u>
	TOTAL LIABILITIES		<u>1,339,763,687</u>	<u>2,334,580,270</u>	<u>1,305,886,300</u>	<u>2,260,319,874</u>
SHAREHOLDERS' EQUITY						
	Share capital - common shares, Baht 1 par value					
	Authorised share capital					
	- 549,973,800 shares of Baht 1 par value		549,973,800	549,973,800	549,973,800	549,973,800
	Issued and fully paid - up share capital					
	- 480,096,277 shares of Baht 1 par value		480,096,277	480,096,277	480,096,277	480,096,277
	Premium on common shares		297,745,124	297,745,124	297,745,124	297,745,124
	Retained earnings					
	- Appropriated for legal reserve	22	55,000,000	55,000,000	55,000,000	55,000,000
	- Unappropriated		965,383,464	818,758,698	944,986,159	886,241,336
	Other components of shareholders' equity		261,490,870	128,780,414	233,884,143	116,557,687
	Total equity attributable to equity holders of the parent company		<u>2,059,715,735</u>	<u>1,780,380,513</u>	<u>2,011,711,703</u>	<u>1,835,640,424</u>
	Non-controlling interests	14	(880,615)	10,073,684	-	-
	TOTAL SHAREHOLDERS' EQUITY		<u>2,058,835,120</u>	<u>1,790,454,197</u>	<u>2,011,711,703</u>	<u>1,835,640,424</u>
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>3,398,598,807</u>	<u>4,125,034,467</u>	<u>3,317,598,003</u>	<u>4,095,960,298</u>

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2019

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
Notes		2019	2018	2019	2018
REVENUES					
5, 28					
	Revenues from sales and services	5,386,944,503	6,275,620,104	5,219,163,993	6,168,878,976
	Gain on foreign currency exchange	7,228,565	29,392,588	7,228,565	29,392,588
	Other income	41,573,012	39,992,667	48,016,422	45,158,620
	Total Revenues	5,435,746,080	6,345,005,359	5,274,408,980	6,243,430,184
EXPENSES					
5, 24					
	Cost of sales and services	5,174,138,930	6,194,738,756	5,026,300,054	6,118,432,691
	Selling expenses	86,696,654	79,983,735	71,693,965	65,335,973
	Administrative expenses	64,573,501	96,423,458	56,213,626	86,536,517
	Management benefit expenses	19,791,991	20,432,287	13,086,942	14,006,282
	Finance costs	35,307,807	45,834,950	32,583,971	43,640,549
	Total Expenses	5,380,508,883	6,437,413,186	5,199,878,558	6,327,952,012
	Profit before share of profit (loss) on investments in associates and income tax	55,237,197	(92,407,827)	74,530,422	(84,521,828)
	Share of profit (loss) on investment in associate	94,889,994	(5,980,727)	-	-
	Profit (Loss) before income tax	150,127,191	(98,388,554)	74,530,422	(84,521,828)
	Income tax income (expenses)	(15,785,599)	12,069,292	(15,785,599)	12,069,292
	Profit (Loss) for the year	134,341,592	(86,319,262)	58,744,823	(72,452,536)
Other comprehensive income (loss) - net of tax					
Items that may be reclassified subsequently to profit or loss					
	Loss on valuation of available-for-sale investments	(1,699,680)	(2,549,520)	(1,699,680)	(2,549,520)
	Income tax of other comprehensive income (loss) relating to items that may be reclassified	339,936	509,904	339,936	509,904
	Total items that may be reclassified subsequently to profit or loss	(1,359,744)	(2,039,616)	(1,359,744)	(2,039,616)
Items that will not be reclassified to profit or loss					
	Premium on land revaluation	167,587,750	-	148,357,750	-
	Actuarial gain from employee benefit plan	934,906	3,648,887	-	3,820,845
	Share of comprehensive income (loss) in associates	393,969	-	-	-
	Income tax of other comprehensive income (loss) relating to items that will not be reclassified to profit or loss	(33,517,550)	(764,169)	(29,671,550)	(764,169)
	Total items that will not be reclassified to profit or loss	135,399,075	2,884,718	118,686,200	3,056,676
	Other comprehensive income (loss) for the year	134,039,331	845,102	117,326,456	1,017,060
	Total comprehensive income (loss) for the year	268,380,923	(85,474,160)	176,071,279	(71,435,476)
Profit (Loss) for the year attributable to:					
	- Owner of the parent company	145,763,344	(86,175,855)	58,744,823	(72,452,536)
	- Non-controlling interests	(11,421,752)	(143,407)	-	-
		134,341,592	(86,319,262)	58,744,823	(72,452,536)
Total comprehensive income (loss) for the year attributable to:					
	- Owner of the parent company	279,335,222	(85,330,753)	176,071,279	(71,435,476)
	- Non-controlling interests	(10,954,299)	(143,407)	-	-
		268,380,923	(85,474,160)	176,071,279	(71,435,476)
	Earnings (Loss) per share	0.30	(0.18)	0.12	(0.15)

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

In Baht													
Consolidated Financial Statements													
Shareholders' equity of the parent company													
Note	Issued and fully paid-up share capital		Retained earnings		Other components of shareholders' equity						Total equity attributable to owners of the parent company	Non-controlling interests	Total shareholders' equity
			Appropriated		Premium on land revaluation	Adjustment from the combination of entity under common controls	Change in fair value of available-for-sales investments	Surplus from change in equity interest in subsidiary	Total other components of shareholders' equity				
			for legal reserve	Unappropriated									
Balance as at January 1, 2018	480,096,277	297,745,124	55,000,000	959,661,148	123,024,258	12,038,972	(1,019,808)	(3,223,392)	130,820,030	1,923,322,579	10,217,091	1,933,539,670	
Transaction with owners recording directly in shareholders' equity													
Dividends paid	26	-	-	(57,611,313)	-	-	-	-	-	(57,611,313)	-	(57,611,313)	
Total transaction with owners recording directly in shareholders' equity				(57,611,313)	-	-	-	-	-	(57,611,313)	-	(57,611,313)	
Comprehensive income (loss) for the year													
Loss for the year		-	-	(86,175,855)	-	-	-	-	-	(86,175,855)	(143,407)	(86,319,262)	
Other comprehensive income (loss)		-	-	2,884,718	-	-	(2,039,616)	-	(2,039,616)	845,102	-	845,102	
Total comprehensive income (loss) for the year		-	-	(83,291,137)	-	-	(2,039,616)	-	(2,039,616)	(85,330,753)	(143,407)	(85,474,160)	
Balance as at December 31, 2018	480,096,277	297,745,124	55,000,000	818,758,698	123,024,258	12,038,972	(3,059,424)	(3,223,392)	128,780,414	1,780,380,513	10,073,684	1,790,454,197	
Comprehensive income for the year													
Profit for the year		-	-	145,763,344	-	-	-	-	-	145,763,344	(11,421,752)	134,341,592	
Other comprehensive income (loss)		-	-	861,422	134,070,200	-	(1,359,744)	-	132,710,456	133,571,878	467,453	134,039,331	
Total comprehensive income (loss) for the year		-	-	146,624,766	134,070,200	-	(1,359,744)	-	132,710,456	279,335,222	(10,954,299)	268,380,923	
Balance as at December 31, 2019	480,096,277	297,745,124	55,000,000	965,383,464	257,094,458	12,038,972	(4,419,168)	(3,223,392)	261,490,870	2,059,715,735	(880,615)	2,058,835,120	

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2019

In Baht								
Separate Financial Statements								
Note	Issued and fully paid-up share capital	Premium on share capital	Retained earnings		Other components of equity			Total shareholders' equity
			Appropriated for legal reserve	Unappropriated	Premium on land revaluation	Change in fair value of available- for-sales investments	Total other components of shareholders' equity	
	480,096,277	297,745,124	55,000,000	1,013,248,509	119,617,111	(1,019,808)	118,597,303	1,964,687,213
	Total transaction with owners recording directly in shareholders' equity							
Dividends paid	26	-	-	(57,611,313)	-	-	-	(57,611,313)
	Total transaction with owners recording directly in shareholders' equity							
	-	-	-	(57,611,313)	-	-	-	(57,611,313)
	Comprehensive income (loss) for the year							
Loss for the year	-	-	-	(72,452,536)	-	-	-	(72,452,536)
Other comprehensive income (loss)	-	-	-	3,056,676	-	(2,039,616)	(2,039,616)	1,017,060
	Total comprehensive income (loss) for the year							
	-	-	-	(69,395,860)	-	(2,039,616)	(2,039,616)	(71,435,476)
	Balance as at December 31, 2018							
	480,096,277	297,745,124	55,000,000	886,241,336	119,617,111	(3,059,424)	116,557,687	1,835,640,424
	Comprehensive income (loss) for the year							
Profit for the year	-	-	-	58,744,823	-	-	-	58,744,823
Other comprehensive income (loss)	-	-	-	-	118,686,200	(1,359,744)	117,326,456	117,326,456
	Total comprehensive income (loss) for the year							
	-	-	-	58,744,823	118,686,200	(1,359,744)	117,326,456	176,071,279
	Balance as at December 31, 2019							
	480,096,277	297,745,124	55,000,000	944,986,159	238,303,311	(4,419,168)	233,884,143	2,011,711,703

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (Loss) before income tax	150,127,191	(98,388,554)	74,530,422	(84,521,828)
Adjustments for				
Depreciation and amortization	105,438,407	99,091,331	101,924,605	96,292,900
Doubtful accounts (Reversal)	(2,440,158)	(963,022)	(2,598,048)	(963,022)
Provision for loss on decline in value of inventories (Reversal)	(30,295,669)	35,195,637	(31,926,004)	35,214,941
Unrealized gain on change in fair value of current investments	(32,157)	(20,682)	(32,157)	(20,682)
Gain on sales of current investments	(1,694,175)	(584,851)	(1,694,175)	(584,851)
Unrealized gain on foreign currency exchange	(1,723,670)	(539,925)	(1,723,670)	(539,925)
Loss on written-off property, plant and equipment and intangible assets	1,017,565	2,374,680	1,017,564	2,511,899
Loss on written-off of deposit	743,028	5,556,515	743,028	5,556,515
Loss on impairment of property, plant and equipment	1,444,000	25,773,673	1,444,000	25,773,673
Share of (profit) loss on investment in associate	(94,889,994)	5,980,727	-	-
Provision for employee benefit	4,327,049	577,029	3,410,648	477,763
Interest income	(1,427,108)	(1,620,778)	(1,303,950)	(1,460,188)
Finance costs	35,307,807	45,834,950	32,583,971	43,640,549
Profit from operating activities before change in operational assets and liabilities	165,902,116	118,266,730	176,376,234	121,377,744
Decrease (Increase) in operational assets				
Trade and other receivables - related parties	628,500,550	(724,033,939)	562,046,221	(941,069,707)
Trade and other receivables - other parties	75,649,971	(7,425,116)	75,626,762	15,504,903
Bank receivables from currency forward contracts	2,168,351	199,669	2,168,351	199,669
Inventories	118,293,343	130,690,393	118,210,851	215,692,795
Advance payment for purchasing of goods	104,470,803	377,793,523	104,470,803	377,793,523
Other current assets	2,848,306	(2,637,001)	2,848,162	(2,634,440)
Other non - current assets	(7,400,871)	(5,248,916)	(994,997)	(4,498,856)
Increase (Decrease) in operational liabilities				
Trade and other payables - related parties	(60,594,677)	(843,413)	(46,339,083)	45,247,245
Trade and other payables - other parties	(55,558,249)	(612,219,316)	(51,011,260)	(541,937,725)
Bank payable from currency forward contracts	(1,773,583)	1,478,591	(1,773,583)	1,478,591
Cash paid for employee benefit	-	(783,000)	-	(327,000)
Cash generated (paid) from operations	972,506,060	(724,761,795)	941,628,461	(713,173,258)
Interest paid	(34,374,107)	(43,429,175)	(31,810,356)	(41,296,409)
Income tax paid	(8,561,277)	(16,568,097)	(8,561,278)	(16,568,097)
Net Cash Provided by (Used in) Operating Activities	929,570,676	(784,759,067)	901,256,827	(771,037,764)

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (Increase) in deposits at financial institutions pledged as collateral	5,517,942	(1,374,646)	5,517,942	(1,374,646)
Decrease (Increase) in short-term loans to related parties	(304,328)	507,343	(204,328)	507,343
Proceeds from sales of current investments	3,430,661,249	1,634,924,252	3,430,661,249	1,634,924,252
Cash paid for purchases of current investments	(3,349,300,000)	(1,684,599,850)	(3,349,300,000)	(1,684,599,850)
Proceeds from sales of investments in subsidiary	-	(1,056,350)	-	-
Cash received from sale of property, plant and equipment	42,984,558	16,783,845	42,984,558	16,546,729
Cash paid for purchases of investments in associate	(48,000,000)	-	(48,000,000)	-
Cash paid for purchase of property, plant and equipment	(53,408,269)	(99,716,669)	(50,373,505)	(99,211,003)
Cash paid for deposit for machineries acquisition	(4,125,410)	(30,406,451)	(4,125,410)	(30,406,451)
Cash paid for purchase of intangible assets	(909,133)	-	(909,133)	(1,056,350)
Interest received	1,371,879	1,664,082	2,248,721	1,503,492
Net Cash Provided by (Used in) Investing Activities	24,488,488	(163,274,444)	28,500,094	(163,166,484)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (Decrease) in bank overdrafts and short-term loans from financial institutions	(884,236,588)	993,000,479	(883,349,141)	988,468,082
Increase (Decrease) in short-term loans from related party	(25,000,000)	11,000,000	-	-
Repayments of liabilities under finance lease contracts	(16,255,003)	(4,888,294)	(15,584,444)	(4,270,533)
Cash received from long-term loan from finance institution	-	42,586,000	-	42,586,000
Repayments of long-term loan from finance institution	(14,232,002)	(2,331,204)	(14,232,002)	(2,331,204)
Dividends paid	(28,116)	(57,587,310)	(28,116)	(57,587,310)
Net Cash Provided by (Used in) Financial Activities	(939,751,709)	981,779,671	(913,193,703)	966,865,035
NET INCREASE IN CASH AND CASH EQUIVALENTS	14,307,455	33,746,160	16,563,218	32,660,787
cash and cash equivalents at beginning of year	90,983,998	57,237,838	78,464,195	45,803,408
CASH AND CASH EQUIVALENTS AT END OF YEAR	105,291,453	90,983,998	95,027,413	78,464,195
Supplemental Disclosure of Cash Flow Information				
Non-cash transactions				
Purchased property, plant and equipment under finance lease contracts	43,974,558	18,311,215	42,984,558	16,500,000

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**Notes to the financial statements****For the year ended December 31, 2019**

These notes form an integral part of the financial statements.

These financial statements were authorized for issue by the Company's Directors on February 26, 2020.

1. GENERAL INFORMATION

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

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

The Company and its subsidiaries operate in Thailand.

2. BASIS OF FINANCIAL STATEMENT PREPARATION

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

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

The financial statements are prepared and presented in Thai Baht which is the Company and its subsidiaries' functional currency unless otherwise stated. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand Baht or million Baht unless otherwise stated.

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

2.2) Basis of consolidation

a) The consolidated financial statements include the financial statements of Asia Metal Public Company Limited and its subsidiaries as at December 31, 2019 and 2018 as follows:

Name of companies	Nature of business	In Thousand Baht		Percentage of shareholdings directly or indirectly (%)	
		Paid-up share capital		2019	2018
		2019	2018	2019	2018
STC Steel Co., Ltd.	Produce and providing steel cutting and modifying service	20,000	20,000	100.00	100.00
Grand Asia Steel Processing Center Co., Ltd.	Produce and sell of processed steel products	10,000	10,000	50.00	50.00

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements (Continued)

For the year ended December 31, 2019

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
 - c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
 - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements. Book value of investments and shareholder's equity of its subsidiaries have also been eliminated from the consolidated financial statements.
 - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries and associates presented under the cost method.

3. New financial reporting standards

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

During the year, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply TFRS 15 to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Company and its subsidiaries' financial statements.

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements (Continued)

For the year ended December 31, 2019

(b) Financial reporting standards that became effective for fiscal years beginning on or after January 1, 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

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

Business combinations

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

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

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

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

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

Investment in subsidiary

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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

Loss of control

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

Investment in associate

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

Foreign Currencies

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

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

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

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

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 since it is acquired and not subject to withdrawal restrictions.

Trade and other receivables

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

Inventories

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

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

Investments

Investments in subsidiaries

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

Investment in associate

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

Investments in other debt and other equity securities

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

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

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

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

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

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

Disposal of investments

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

If the Company and its subsidiaries dispose of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying amount of the total holding of the investment.

Investment properties

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

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

No depreciation is provided for land classified as investment properties.

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

Property, plant and equipment

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

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

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

Depreciation is calculated on the straight-line method to write off the cost or the revalued amount of each asset, except for land which is considered to have an indefinite life, to its residual value over the estimated useful life as follows;

Buildings and improvement	20	years
Leasehold buildings and buildings improvement	Term of agreement	
Machineries and equipment	5, 10	years
Vehicles	5	years
Furniture, fixtures and office equipment	5	years

No depreciation is charged for land and construction in progress.

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

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

Intangible assets

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure

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

Amortization

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

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

Software licences	3 - 10 years
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No amortization is provided on assets under development.

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

Impairment of assets

The carrying amounts of the Company's assets are reviewed at each statements of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of comprehensive income.

Calculation of recoverable amount

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

Reversals of impairment

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Trade and other payables

Trade and other payables are stated at cost.

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

Employee Benefit

Short-term employee benefits

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

Post - employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

Provisions

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

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

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

Long-Term Leases

Where the Company and its subsidiaries are the lessee

Leases of property or equipment which substantially transfer all the risks and rewards of ownership to the lessees are classified as finance leases. Finance leases are capitalised at the inception of the lease at the

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements (Continued)

For the year ended December 31, 2019

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

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

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

Where the Company and its subsidiaries are the lessor

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

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

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

Fair value measurement

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

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

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

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

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

Significant Accounting Judgments and Estimates

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

Allowance for doubtful accounts of trade and other receivables

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

Buildings and equipment and depreciation

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

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

Deferred tax assets

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

Recognition and derecognition of assets and liabilities

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

Leases

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

Employment benefits

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

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

Revenue

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

Sale of goods and services rendered

Revenue is recognised when a performance obligation is satisfied by transferring a promised good or service to a customer. The revenue from contracts with customers should be allocated to the performance obligations in the contract by reference to their relative standalone selling prices.

Revenue from sale of goods is recognised in profit or loss when control of that goods has been transferred to the buyer. That may indicate that the buyer has obtained the ability to direct the use of that goods, and obtain substantially all of the remaining benefits from that goods. Also, the Company and its subsidiaries have a right to receive payment for those goods. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Interest income

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

Other income

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

Dividends

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

Expenses

Operating leases

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

Finance costs

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

Income tax

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

Current tax

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

Deferred tax

The Company and its subsidiaries record deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period. Deferred

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**Notes to the financial statements (Continued)****For the year ended December 31, 2019**

income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

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

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

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

Earnings (Loss) per Share

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

5. RELATED PARTY TRANSACTIONS

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

Types of relationship of related parties are as follows:

<u>The Company's name</u>	<u>Type of business</u>	<u>Type of relationship</u>
STC Steel Co., Ltd.	Produce and providing steel cutting and modifying service	Subsidiary
Grand Asia Steel Processing Center Co., Ltd.	Produce and sell of processed steel products	Subsidiary
Vientiane Bonded Warehouse Co., Ltd.	Providing bonded warehouse service on the border of Lao PDR	Associate (written-off in the second quarter of 2019)
Prime Steel Mill Co., Ltd.	Production and distribution of hot rolled narrow strip coil	Associate
Taweechoke Panich Co., Ltd.	Import, export steel coil, steel sheet, steel roll and all of kind of steel	Share held by close relative of directors
G Steel Public Co., Ltd.	Manufacturing and distribution of hot rolled coil steel products	Co - directors
Permsin Steel Works Public Co., Ltd.	Produce and sell of hot rolled steel and cold rolled steel, c-channel galvanized high tensile strength, electro-galvanized steel, c-line, c-u, t-bar and roll forming metal sheet	Share held by close relative of directors

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

The Company's name	Type of business	Type of relationship
PS Steel Processing Center Co., Ltd.	Distribution of cold rolled steel	Share held by close relative of directors
Permchaipanich Co., Ltd.	Distribution of steel	Share held by close relative of directors
Steel Center (Thailand) Co., Ltd	Manufacturing and distribution steel sheet	Share held by close relative of directors
G J Steel Public Co., Ltd.	Manufacturing and distribution of hot rolled coil steel products	Share held by a related party
Win Win Holding Co., Ltd.	Import and distribution of steel	Share held by close relative of directors
In-Tech Steel Co., Ltd (Formerly Precision Perfect Pipe Co., Ltd.)	Manufacturing mechanical pipe	Co directors of a subsidiary
Mrs. Phenchon Yongvongphaiboon	-	Shareholder and director of the Company(resigned from director of the Company on November 25, 2019)
Miss Chananya Yongvongphaiboon	-	Shareholder and director of the Company
Miss Peerada Yongvongphaiboon	-	Shareholder and close relative of directors
Mr. Somsak Wongsirisap	-	Shareholder and director of a subsidiary
Mr. Win Sutheerachai	-	Shareholder and director of a subsidiary
Other related person	-	Employee

Pricing policies for each transactions are described as follows:

Type of transactions	Pricing policies
Revenue from sale of goods	Cost plus margin and carried out on commercial terms and conditions
Other income	Contract price and at the agreed price
Purchases of goods, raw materials and services	At cost, cost plus margin, contract price and carried out on commercial terms and conditions
Other expense	At cost
Rental	Contract price
Finance costs	7% p.a. and no interest

Significant revenues and expenses derived from transactions with related parties for the years ended December 31, 2019 and 2018, are summarized as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Revenue from sale of goods				
Grand Asia Steel Processing Center Co., Ltd.	-	-	455,085	546,561
Prime Steel Mill Co., Ltd.	696,008	1,856,889	696,008	1,856,889

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Win Win Holding Co.,Ltd.	10,070	20,907	-	-
In-Tech Steel Co.,Ltd.	484	2,670	-	-
Total	706,562	1,880,466	1,151,093	2,403,450
Other income				
STC Steel Co., Ltd.	-	-	120	120
Grand Asia Steel Processing Center Co., Ltd.	-	-	12,855	12,101
Total	-	-	12,975	12,221
Purchase of goods , raw materials and cost of services				
STC Steel Co., Ltd.	-	-	8,549	9,759
Grand Asia Steel Processing Center Co., Ltd.	-	-	4,242	2,040
Prime Steel Mill Co., Ltd.	2,470,532	2,474,576	2,470,532	2,474,576
Taweechoke Panich Co., Ltd.	258	7	258	7
G J Steel Public Co., Ltd.	-	298,013	-	298,013
G Steel Public Co., Ltd.	7,103	-	7,103	-
Permsin Steel Works Public Co., Ltd.	15,960	55,170	-	14,744
PS Steel Processing Center Co., Ltd.	219	-	-	-
Total	2,494,072	2,827,766	2,490,684	2,799,139
Other expense				
Grand Asia Steel Processing Center Co., Ltd.	-	-	31	-
Rental				
STC Steel Co., Ltd.	-	-	600	600
Financial costs				
Mrs. Phenchan Yongvongphaiboon	1,006	1,308	-	-

Key managements personnel compensation and directors' remuneration for the years ended December 31, 2019 and 2018, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Key managements personnel compensation and directors remuneration				
Short-term employment benefits	19,066	19,724	12,734	13,773
Post-employment benefits	726	708	353	233
Total	19,792	20,432	13,087	14,006

Significant balances as at December 31, 2019 and 2018, with related parties were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Trade and other receivables				
Trade receivable				
Prime Steel Mill Co., Ltd.	217,740	822,785	217,740	822,785
Grand Asia Steel Processing Center Co., Ltd.	-	-	331,681	288,682

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Win Win Holding Co.,Ltd.	497	22,706	-	-
In-Tech Steel Co.,Ltd.	5	1,252	-	-
Total	218,242	846,743	549,421	1,111,467
Less allowance for doubtful accounts	(61)	-	(61)	-
Net	218,181	846,743	549,360	1,111,467
Short-term loans to and interest receivable				
Short-term loans				
Other related person (No interest)	1,963	1,658	1,863	1,658
Accrued interest				
STC Steel Co., Ltd.				
(Interest rate 4.92% p.a.)	-	-	22,000	23,000
Total	1,963	1,658	23,863	24,658
Advance payment for purchasing of goods				
Prime Steel Mill Co., Ltd.	8,314	113,932	8,314	113,932
Trade and other payables				
Trade payables				
Permsin Steel Works Public Co., Ltd.	-	12,105	-	-
Grand Asia Steel Processing Center Co., Ltd.	-	-	-	1,188
Prime Steel Mill Co., Ltd.	1,150	46,490	1,150	46,490
Taweechoke Panich Co., Ltd.	179	-	179	-
Win Win Holding Co.,Ltd.	-	4,044	-	-
STC Steel Co., Ltd.	-	-	144	623
Other payables				
STC Steel Co., Ltd.	-	-	915	491
In-Tech Steel Co., Ltd	650	-	-	-
Miss Chananya Yongvongphaiboon	10	1	10	1
Miss Peerada Yongvongphaiboon	335	-	335	-
Mrs. Phenchan Yongvongphaiboon	-	279	-	279
Total	2,324	62,919	2,733	49,072
Short-term loan				
Mrs. Phenchan Yongvongphaiboon				
(Interest rate 7% p.a. in 2019 and 2018)	-	25,000	-	-

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

	In Thousand Baht			
	Consolidated Financial Statements			
	2018	Increase	Decrease	2019
Short-term loans				
Other related person	1,658	808	(503)	1,963

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

	In Thousand Baht			
	Consolidated Financial Statements			
	2017	Increase	Decrease	2018
Short-term loans				
Other related person	2,166	476	(984)	1,658

	In Thousand Baht			
	Separate Financial Statements			
	2018	Increase	Decrease	2019
Short-term loans				
Other related person	1,658	708	(503)	1,863
Accrued interest				
STC Steel Co., Ltd.	23,000	-	(1,000)	22,000
Total	24,658	708	(1,503)	23,863

	In Thousand Baht			
	Separate Financial Statements			
	2017	Increase	Decrease	2018
Short-term loans				
Other related person	2,166	476	(984)	1,658
Accrued interest				
STC Steel Co., Ltd.	23,000	-	-	23,000
Total	25,166	476	(984)	24,658

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

	In Thousand Baht			
	Consolidated Financial Statements			
	2018	Increase	Decrease	2019
Short-term loans				
Mrs. Phenchon Yongvongphaiboon (Interest rate 7% p.a.)	25,000	10,000	(35,000)	-

	In Thousand Baht			
	Consolidated Financial Statements			
	2017	Increase	Decrease	2018
Short-term loans				
Mrs. Phenchon Yongvongphaiboon (Interest rate 7% p.a.)	14,000	127,000	(116,000)	25,000

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

6. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Cash	320	268	240	215
Cash in banks – Current accounts	61,590	67,213	61,540	67,149
Cash in banks – Saving accounts	43,381	23,503	33,247	11,100
Total	105,291	90,984	95,027	78,464

As at December 31, 2019 and 2018, the Company and its subsidiaries has bank deposits in saving accounts, bearing the interest rates at 0.15% - 0.38% per annum and 0.15% - 0.40% per annum, respectively (Separate financial statements: at 0.15% - 0.38% per annum and 0.15% - 0.40% per annum, respectively).

7. CURRENT INVESTMENTS

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2019	2018
Investment in trading securities	60,678	140,313

The detail of investments in trading securities as at December 31, 2019 and 2018 are as follow:

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2019	2018
Investment in trading securities consisted of		
Units of investments in open fund in debt securities		
At the beginning of the year	140,313	90,032
Additions	3,349,300	1,684,600
Disposals	(3,430,661)	(1,634,924)
Add Unrealized gain on change in fair value	32	20
Gain on sales of current investments	1,694	585
At the end of year	60,678	140,313

Carrying amounts and fair values

The fair values of financial assets together with the carrying amounts in the statements of financial position as at December 31, 2019 and 2018 are as follows.

	In Thousand Baht			
	Consolidated Financial Statements and Separate Financial Statements			
	2019		2018	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Investment in trading securities - Units of	60,678	60,678	140,313	140,313

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

	In Thousand Baht			
	Consolidated Financial Statements and Separate Financial Statements			
	2019		2018	
	Carrying amount	Fair Value	Carrying amount	Fair Value
investments in open fund in debt securities				

The fair values measurements of investment in trading securities has been categorized as a level 2 : inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

8. TRADE AND OTHER RECEIVABLES

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Trade and other receivables				
- Related parties				
Trade receivable	218,242	846,743	549,421	1,111,467
Less : Allowance for doubtful accounts	(61)	-	(61)	-
Net	<u>218,181</u>	<u>846,743</u>	<u>549,360</u>	<u>1,111,467</u>
Trade and other receivables				
- Other parties				
Trade receivables	407,202	459,991	280,753	336,494
Posted date cheques	33,244	49,987	13,124	35,048
Total	<u>440,446</u>	<u>509,978</u>	<u>293,877</u>	<u>371,542</u>
Less : Allowance for doubtful accounts	<u>(103,089)</u>	<u>(105,590)</u>	<u>(102,174)</u>	<u>(104,833)</u>
Net	<u>337,357</u>	<u>404,388</u>	<u>191,703</u>	<u>266,709</u>
Other receivables				
Prepaid expenses	3,408	5,442	3,198	5,258
Advance payment	13,132	5,617	10,313	2,109
Others	1,464	9,625	1,295	1,963
Total	<u>18,004</u>	<u>20,684</u>	<u>14,806</u>	<u>9,330</u>
Total	<u>355,361</u>	<u>425,072</u>	<u>206,509</u>	<u>276,039</u>

Outstanding trade receivables - related parties as at December 31, 2019 and 2018, are aged as follows;

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Not yet due	217,679	8,939	379,935	216,501
Over due				
Less than 3 months	5	711,128	132,839	765,604
Over 3 - 6 months	497	119,176	36,586	129,362
Over 6 - 12 months	-	7,500	-	-
Over 12 months	61	-	61	-
Total	<u>218,242</u>	<u>846,743</u>	<u>549,421</u>	<u>1,111,467</u>

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

Less : Allowance for doubtful accounts	(61)	-	(61)	-
Net	<u>218,181</u>	<u>846,743</u>	<u>549,360</u>	<u>1,111,467</u>

Outstanding trade receivables - other parties as at December 31, 2019 and 2018, are aged as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Not yet due	248,167	264,171	140,457	172,111
Over due				
Less than 3 months	81,475	134,672	50,469	90,122
Over 3 - 6 months	7,516	-	608	-
Over 6 - 12 months	400	10,910	369	9,841
Over 12 months	<u>102,888</u>	<u>100,225</u>	<u>101,974</u>	<u>99,468</u>
Total	440,446	509,978	293,877	371,542
Less: Allowance for doubtful accounts	<u>(103,089)</u>	<u>(105,590)</u>	<u>(102,174)</u>	<u>(104,833)</u>
Net	<u>337,357</u>	<u>404,388</u>	<u>191,703</u>	<u>266,709</u>

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Doubtful accounts (Reversal)				
- For the years ended December 31,	<u>(2,440)</u>	<u>(923)</u>	<u>(2,598)</u>	<u>(963)</u>

9. RECEIVABLES (PAYABLES) FROM FOREIGN CURRENCY FORWARD CONTRACTS

As at December 31, 2019, the Company was a party to cross currency forward contracts for hedging its liabilities denominated in US Dollar and EUR with the outstanding notional amount of US Dollar 0.9 million and EUR 6.0 million (December 31, 2018 amount of US Dollar 0.8 million and EUR 5.3 million) The details of such balance are as follows;

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2019	2018
Bank receivables from foreign currency forward contract	234,387	225,862
Bank payables from foreign currency forward contracts	<u>(232,911)</u>	<u>(227,636)</u>
Net	<u>1,476</u>	<u>(1,774)</u>

As at December 31, 2019, the Company had the foreign currency - dominated liabilities remaining unhedged in the amount of US Dollar 0.9 million and EUR 2.1 million (December 31, 2018 amount of US Dollar 0.8 million and EUR 0.1 million).

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

10. INVENTORIES

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Finished goods	467,642	478,749	439,696	459,615
Raw materials	538,749	659,956	381,083	493,728
Factory supplies	8,585	2,753	7,943	1,778
Goods in transit	8,188	-	8,188	-
-Total	1,023,164	1,141,458	836,910	955,121
Less : Allowance for decline in value of inventories	(45,831)	(76,127)	(44,201)	(76,127)
Net	977,333	1,065,331	792,709	878,994

The cost of inventories which is recognised as an expense and included in cost of goods sold for the years ended December 31,

- Cost of goods sold	5,204,435	6,159,543	5,058,226	6,083,218
- Loss on decline in value of inventories (Reversal)	(30,296)	35,196	(31,926)	35,215
Total	5,174,139	6,194,739	5,026,300	6,118,433

Movements of the allowance for decline in value of inventories for the years ended December 31, 2019 and 2018 are summarised below.

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Balance as at January 1,	76,127	40,931	76,127	40,912
Add : Loss on decline in value of inventories (Reversal)	(30,296)	35,196	(31,926)	35,215
Balance as at December 31,	45,831	76,127	44,201	76,127

11. DEPOSITS AT FINANCIAL INSTITUTIONS PLEDGED AS COLLATERAL

As at December 31, 2019 and 2018, the Company and its subsidiary held fixed deposits at several local financial institutions amounting to Baht 151.5 million and Baht 157.0 million, respectively (Separate financial statements: Baht 150.4 million and Baht 156.0 million, respectively). The deposits were pledged as collateral for credit facilities of overdrafts and short-term loans from financial institutions (Note 17 to the financial statements) and for letter of guarantee from bank against the payment of electricity of the Company and its subsidiary.

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

12. AVAILABLE-FOR-SALES INVESTMENTS

	In Thousand Baht			
	Consolidated Financial Statements and Separate Financial Statements			
	2019		2018	
	Cost	Fair value	Cost	Fair value
Available-for-sales investments				
Investment in marketable equity securities	5,524	3,824	8,073	5,524
Unrealized gains recognized in shareholders' equity	(1,700)	-	(2,549)	-
Net	<u>3,824</u>	<u>3,824</u>	<u>5,524</u>	<u>5,524</u>

Fair values

The fair values of financial assets together with the carrying amounts in the consolidated statements of financial position as at December 31, 2019 and 2018 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements and Separate Financial Statements			
	2019		2018	
	Carrying amount	Fair Value Level 1	Carrying amount	Fair Value Level 1
Available-for-sale investments				
Marketable equity securities	<u>3,824</u>	<u>3,824</u>	<u>5,524</u>	<u>5,524</u>

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

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

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

13. INVESTMENTS IN ASSOCIATES

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

Company's name	Nature of business	Country of incorporation	Shareholding percentage (%)		In Thousand Baht					
			2019	2018	Consolidated Financial Statements		Separate Financial Statements		Consolidated Financial Statements	
					Carrying amounts based on equity method		Cost		Share of profit (loss) from investments in associates in the year	
					2019	2018	2019	2018	2019	2018
Prime Steel Mill Co., Ltd.	Production and distribution of hot rolled narrow strip coil	Thailand	35.00	30.00	363,067	219,783	318,000	270,000	94,890	(5,980)
Vientiane Bonded Warehouse Co., Ltd	Providing bonded warehouse service on the border of Lao PDR	Lao PDR	-	40.00	-	287	-	6,686	-	-
Total					363,067	220,070	318,000	276,686	94,890	(5,980)
Less : Allowance for impairment of investment					-	(287)	-	(6,686)	-	-
Net					363,067	219,783	318,000	270,000	94,890	(5,980)

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

Vientiane Bonded Warehouse Company Limited, incorporated in Lao PDR, a associate of the Company, it has not started operation. The Company set up allowance for impairment of investments against such company in fully amount since 2012 and the Company has appointed a lawyer to follow such investment continuously. The Board of Director's Meeting No. 2/2019 held on May 10, 2019 has approved the Company to write-off investment in such associate because it cannot operate and cannot follow to refund it.

The Board of Directors' Meeting held on June 28, 2019, approved that the Company entered into a sale and purchase agreement with a related person ("the seller"), in which the Company agreed to purchase investment in Prime Steel Co. Ltd., an associate of the Company, addition for 500,000 shares, equivalent to 5 percent of the total common shares of such associate, total amount of Baht 48.0 million from the seller, which a former shareholders of such associate. As at the agreement date, the Company has paid deposits for purchase of such investment of Baht 10 million. Subsequently, in August 2019, the company paid the remaining of Baht 38 million to the seller and the shares have been transferred from the seller. As at December 31, 2019, the company has the investments in such associate at 35% holdings.

The Company assessed the fair value of identifiable assets acquired and liabilities assumed at the acquisition date. The assessment was completed in the fourth quarter of 2019 and within the period of twelve months from the acquisition date allowed by Thai Financial Reporting Standard No. 3 (revised 2018). During the measurement period, the Company obtained further information on the fair value of part of the assets and liabilities and has retrospectively adjusted the provisional amount recognized at the acquisition date. The details of the acquisition are as follows:

	In Million Baht
Purchase consideration transferred	48
Less: Fair value of net assets from acquisition	46
Goodwill	2

Consideration transferred is summarized as follows:

	In Million Baht
Cash transferred	48

Movements of investments in associates for the years ended December 31, 2019 and 2018 are as follow:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Balance as at January 1,	219,783	225,763	270,000	270,000
Increase in investments	48,000	-	48,000	-
Share of profit (loss) of investment - equity method	94,890	(5,980)	-	-
Share of comprehensive income in associate	394	-	-	-
Balance as at December 31,	<u>363,067</u>	<u>219,783</u>	<u>318,000</u>	<u>270,000</u>

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements (Continued)

For the year ended December 31, 2019

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

	In Thousand Baht	
	2019	2018
Net assets	1,005,226	687,031
Group's interest in the associate	35%	30%
Group's share in the net assets	351,829	206,109
Adjustment for using the equity method		
(Gain) Loss on inventories	(1,699)	3,626
Surplus not yet amortized	628	-
Goodwill	12,309	10,048
Carrying amount under the equity method	363,067	219,783

Summarised financial information of associate financial information of the associate is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at December 31,		Total assets as at December 31,		Total liabilities as at December 31,		Total revenues for the years ended December 31,		Profit (Loss) for the years ended December 31,	
	2019	2018	2019	2018	2019	2018	2019	2018	2018	2017
	Prime Steel Mill Co., Ltd. "Audited"	1,000	1,000	2,883	4,123	1,878	3,436	6,948	6,479	317

14. INVESTMENTS IN SUBSIDIARIES

The Company's name	Separated Financial Statement					
	Percentages of direct and indirect holdings (%)		In Thousand Baht			
	2019	2018	Issued and fully paid-up share capital		Cost method	
			2019	2018	2019	2018
STC Steel Co., Ltd.	100.00	100.00	20,000	20,000	20,000	20,000
Grand Asia Steel Processing Center Co., Ltd.	50.00	50.00	10,000	10,000	9,481	9,481
Total					29,481	29,481
Less : Allowance for impairment of investments					(4,500)	(4,500)
Net					24,981	24,981

Non-controlling interests

Summarised financial information on subsidiaries with material non-controlling interests.

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

Summarised statement of financial position

	Grand Asia Processing Center Co., Ltd.	
	In Thousand Baht	
	2019	2018
Non-controlling interest percentage	50%	50%
Assets	356,379	380,229
Liabilities	(358,140)	(360,082)
Net assets	<u>(1,761)</u>	<u>20,147</u>
Carrying amount of non-controlling interest	<u>(881)</u>	<u>10,074</u>

Summarised statement of income

	Grand Asia Processing Center Co., Ltd.	
	In Thousand Baht	
	2019	2018
Revenue	633,313	661,836
Loss for the year	(22,844)	(287)
Other comprehensive income (loss)	935	-
Total comprehensive income (loss)	<u>(21,909)</u>	<u>(287)</u>
Loss attributable to non-controlling interests	<u>(11,422)</u>	<u>(144)</u>
Profit (Loss) other comprehensive income attributable to non-controlling interests	<u>468</u>	<u>-</u>

Summarised statement of cash flows

	Grand Asia Processing Center Co., Ltd.	
	In Thousand Baht	
	2019	2018
Net Cash Provided by (Used in) Operating Activities	28,096	(16,173)
Net Cash Used in Investing Activities	(3,035)	(269)
Net Cash Provided by (Used in) Financial Activities	(26,558)	14,915
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,497)	(1,527)
Cash and Cash Equivalents - Beginning of Year	7,472	8,999
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>5,975</u>	<u>7,472</u>

15. INVESTMENT PROPERTIES

	In Thousand Baht	
	Separate Financial Statements	
	2019	2018
Cost	50,744	50,744
Less Accumulated depreciation	(18,226)	(15,689)
Net	<u>32,518</u>	<u>35,055</u>

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**Notes to the financial statements (Continued)****For the year ended December 31, 2019**

A reconciliation of the net book value of investment properties for the years 2019 and 2018 is presented below:

	In Thousand Baht	
	Separate Financial Statements	
	2019	2018
Net book value at beginning of year	35,055	37,592
Depreciation	(2,537)	(2,537)
Net book value at end of year	<u>32,518</u>	<u>35,055</u>
Fair Value	<u>60,250</u>	<u>61,563</u>

Its fair value assessed by professional appraisers is as the reports dated December 2, 2019 and November 27, 2017, respectively by using Cost Approach. The fair value measurement for investment property has been categorised as a Level 3.

Investment properties are mortgaged as collateral for credit facilities of short-term and long-term loans from financial institutions (Note 17 to the financial statements).

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

16. PROPERTY, PLANT AND EQUIPMENT

	In Thousand Baht							Total
	Consolidated Financial Statements							
	At Appraised value	At Cost						
	Land	Buildings and buildings improvement	Leasehold buildings and Buildings improvement	Machineries and equipment	Vehicles	Furniture, fixture and office equipment	Construction in progress and machineries under installation	
<u>Cost</u>								
Net book value as at January 1, 2018	272,910	504,418	-	857,903	37,831	47,511	118,794	1,839,367
Reclassification	-	4,955	-	(196)	-	(4,759)	-	-
Acquisitions	-	1,083	-	27,881	1,956	1,332	85,775	118,027
Transfer in (out)	-	-	60,939	17,958	-	-	(48,491)	30,406
Disposal/write - off	-	(1,083)	-	(21,747)	(931)	-	-	(23,761)
Net book value as at December 31, 2018	272,910	509,373	60,939	881,799	38,856	44,084	156,078	1,964,039
Acquisition	-	37	-	15,388	7,514	626	73,818	97,383
Revaluations	167,588	-	-	-	-	-	-	167,588
Transfer in (out)	-	-	-	66,730	-	-	(66,730)	-
Disposal/written off	-	-	-	(3,465)	-	(1,899)	(42,984)	(48,348)
Net book value as at December 31, 2019	440,498	509,410	60,939	960,452	46,370	42,811	120,182	2,180,662

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

	In Thousand Baht							Total
	Consolidated Financial Statements							
	At Appraised value	At Cost						
Land	Buildings and buildings improvement	Leasehold buildings and Buildings improvement	Machineries and equipment	Vehicles	Furniture, fixture and office equipment	Construction in progress and machineries under installation		
<u>Accumulated depreciation and accumulated impairment loss</u>								
Net book value as at January 1, 2018	-	241,978	-	537,286	27,936	37,668	-	844,868
Reclassification	-	3,366	-	(160)	-	(3,206)	-	-
Depreciation for the year	-	23,932	156	68,147	3,333	2,440	-	98,008
Impairment loss	-	-	-	-	-	-	25,773	25,773
Disposal/write – off	-	(975)	-	(3,035)	(653)	-	-	(4,663)
Net book value as at December 31, 2018	-	268,301	156	602,238	30,616	36,902	25,773	963,986
Depreciation for the year	-	24,114	3,344	71,574	3,167	2,120	-	104,319
Impairment loss	-	-	-	-	-	-	1,444	1,444
Disposal/write – off	-	-	-	(2,650)	-	(1,865)	-	(4,515)
Net book value as at December 31, 2019	-	292,415	3,500	671,162	33,783	37,157	27,217	1,065,234
<u>Net book value</u>								
December 31, 2018	272,910	241,072	60,783	279,561	8,240	7,182	130,305	1,000,053
December 31, 2019	440,498	216,995	57,439	289,290	12,587	5,654	92,965	1,115,428
<u>Depreciation included in the consolidated statement of comprehensive income for the years ended December 31,</u>								
2018								98,008
2019								104,319

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

	In Thousand Baht							Total
	Separate Financial Statements							
	At Appraised value	At Cost						
	Land	Buildings and buildings improvement	Leasehold buildings and Buildings improvement	Machineries and equipment	Vehicles	Furniture, fixture and office equipment	Construction in progress and machineries under installation	
<u>Cost</u>								
Net book value as at January 1, 2018	247,270	416,185	-	837,207	36,708	40,707	118,062	1,696,139
Acquisitions	-	1,083	-	27,645	3	1,205	85,775	115,711
Transfer in (out)	-	-	60,939	17,958	-	-	(48,491)	30,406
Disposal/write – off	-	(1,083)	-	(21,747)	(474)	-	-	(23,304)
Net book value as at December 31, 2018	247,270	416,185	60,939	861,063	36,237	41,912	155,346	1,818,952
Acquisitions	-	-	-	13,301	5,874	365	73,818	93,358
Revaluations	148,358	-	-	-	-	-	-	148,358
Transfer in (out)	-	-	-	66,730	-	-	(66,730)	-
Disposal/write – off	-	-	-	(3,465)	-	(1,899)	(42,985)	(48,349)
Net book value as at December 31, 2019	395,628	416,185	60,939	937,629	42,111	40,378	119,449	2,012,319
<u>Accumulated depreciation and accumulated impairment loss</u>								
Net book value as at January 1, 2018	-	203,392	-	517,060	27,182	33,692	-	781,326
Depreciation for the year	-	19,514	156	68,000	3,158	1,844	-	92,672
Impairment loss	-	-	-	-	-	-	25,773	25,773
Disposal/write - off	-	(975)	-	(3,034)	(474)	-	-	(4,483)
Net book value as at December 31, 2018	-	221,931	156	582,026	29,866	35,536	25,773	895,288
Depreciation for the year	-	19,496	3,344	71,061	2,645	1,721	-	98,267
Impairment loss	-	-	-	-	-	-	1,444	1,444
Disposal/write – off	-	-	-	(2,650)	-	(1,865)	-	(4,515)
Net book value as at December 31, 2019	-	241,427	3,500	650,437	32,511	35,392	27,217	990,484
<u>Net book value</u>								
December 31, 2018	247,270	194,254	60,783	279,037	6,371	6,376	129,573	923,664
December 31, 2019	395,628	174,758	57,439	287,192	9,600	4,986	92,232	1,021,835

Depreciation included in the statement of comprehensive income for the years ended December 31,

2018	92,672
2019	98,267

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**Notes to the financial statements (Continued)****For the year ended December 31, 2019**

Due to in 2018, the Company has not yet plan to install the machineries under installation which have net book value amount of Baht 38.2 million. The Company appointed an independent professional valuer to review and determine the impairment of machineries under installation. The fair value of property were determined at Cost Approach. Based on the result of the assessment, the Company recognized an impairment loss of Baht 25.8 million, which is included in administrative expense in consolidated and separate statement of income. The fair value measurement has been categorized as a Level 3 fair value.

In 2019, The Company appointed an independent professional valuer to review and determine the impairment of such machineries under installation and review the impairment loss which recognized in the prior year. The fair value of property were determined at Cost Approach. Based on the result of the assessment, the Company recognized an impairment loss increase in year of Baht 1.4 million, which is included in administrative expense in consolidated and separate statement of income. The fair value measurement has been categorized as a Level 3 fair value.

Depreciations included in the statement of comprehensive income for the years ended December 31, 2019 and 2018 are as follow:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Cost of sales and services	91,480	88,996	88,513	86,586
Administrative expenses	12,839	9,012	9,754	6,086
Total	<u>104,319</u>	<u>98,008</u>	<u>98,267</u>	<u>92,672</u>

As at December 31, 2019 and 2018, land and building of the Company and its subsidiary amounting to Baht 570.8 million and Baht 399.4 million, respectively (Separate financial statements: Baht 516.3 million and Baht 358.7 million, respectively), are mortgaged as collateral for credit facilities of short-term and long-term loan from financial institution.

As at December 31, 2019 and 2018, the Company has leased assets included above, where the Company is a lessee under hire purchase agreements are motor vehicles with net book value of Baht 62.8 million and Baht 6.0 million, respectively (Separate financial statements: Baht 60.5 million and Baht 4.1 million, respectively).

As at December 31, 2019 and 2018, certain office equipment, furniture and vehicles of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost of those assets before deducting accumulated depreciation was approximately Baht 361.3 million and Baht 312.7 million, respectively (Separate financial statements : Baht 338.3 million and Baht 289.7 million, respectively).

The Company and its subsidiary's land was revalued on December 2, 2019 by independent valuers. Valuations were made by using the Comparison Approach which is based on sales price of comparable land in close proximity and adjusted for differences in key attributes such as size and shape, location and condition of land. Such information is sufficient for comparison to determine the fair value of the property. As the valuation technique used significant unobservable inputs, the Company and its subsidiary classified the fair value measurement as level 3 of fair value hierarchy. The value of the Group's and the Company's land increased by Baht 167.6 million and Baht 148.4 million, respectively. The Group and the Company recorded income tax from land revaluation in the account "Deferred tax liabilities" amounting to Baht 33.5 million and Baht 29.7 million and recorded its land at the reappraised value, with a revaluation surplus of the Group's and the Company's land net of income tax amounting to Baht 134.1 million and Baht 118.7 million, respectively, in the account "Revaluation surplus", under other component of equity under "Equity" in the statement of financial position.

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements (Continued)

For the year ended December 31, 2019

17. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Promissory Notes	601,000	673,000	601,000	673,000
Liabilities under trust receipts	514,668	1,324,043	514,668	1,324,043
Loans from discounting of trade receivables	3,645	4,533	-	-
Total	1,119,313	2,001,576	1,115,668	1,997,043

As at December 31, 2019 and 2018, the Company has short-term trade financing facilities from financial institutions according to the loan agreements with a total maximum credit limit of Baht 4,405 million. The trade financing facilities include bank overdrafts, letters of credit, trust receipts, promissory notes, bills discounted, packing credits and banks' letters of guarantee. The overdraft facilities charged interest at the rate of MOR per annum and the other facilities charged interest at the rates ranging from 0.5% to 3.61% per annum and 0.95% to 3.80% per annum, respectively, and repayment terms ranged between 1 - 6 months.

Such trade financing facilities are secured over a part of the land, buildings, machineries, machineries under installment, investment property and fixed deposits of the Company and its a subsidiary (Notes 11, 15 and 16 to the financial statements).

18. TRADE AND OTHER PAYABLES

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Trade and other payables – related parties				
Trade payables	1,330	62,639	1,474	48,301
Other payables	994	280	1,259	771
Total	2,324	62,919	2,733	49,072
Trade and other payables – other parties				
Trade payables	64,427	74,720	48,725	55,131
Other payables	49,497	96,327	45,797	91,966
Total	113,924	171,047	94,522	147,097

As at December 31, 2019 and 2018, trade and other payables – other parties classified by currencies as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Baht	104,378	144,450	84,976	120,500
US Dollar	9,546	26,597	9,546	26,597
Total	113,924	171,047	94,522	147,097

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

19. LONG-TERM LOANS FROM FINANCIAL INSTITUTION

	In Thousand Baht	
	Consolidated Financial statements and Separate financial statements	
	2019	2018
Long-term loans	26,023	40,255
Less : Current portion	(14,822)	(14,224)
Net of current portion	<u>11,201</u>	<u>26,031</u>

In July 2018, the Company entered into a loan agreement with a local financial institution amount of Baht 43.0 million for warehouse construction. Such loan had first drawdown in July 2018 and fully drawdown in September 2018. The repayment will be paid within 3 years and 4 months from the first drawdown with interest at the rate MLR-2% p.a. which paid on monthly.

The repayment of principal : 1st installment – 4th installment are the grace period, 5th installment – 39th installment will be paid of Baht 1.3 million per installment and 40th installment will be paid for the remaining amount.

Furthermore, the loan agreements contain covenant that, among other things, require the Company has to comply with certain conditions such as to maintain debt to equity ratio and debt service coverage ratio.

The Company entered into the confirmation letter with such financial institution that it will not bring assets which consisted of warehouse and leasehold to sell, transfer, rent and mortgage obligation except for the written letter from such financial institution.

Movement in the long - term loans from financial institutions for the years ended December 31, 2019 and 2018 are summarized as follows:

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2019	2018
Balance as at January 1	40,255	-
Add addition loan	-	42,586
Less repayment	(14,232)	(2,331)
Balance as at December 31	<u>26,023</u>	<u>40,255</u>

20. LIABILITIES UNDER FINANCE LEASE CONTRACTS

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Liabilities under finance lease contracts	49,965	18,776	48,152	17,380
Less : Deferred interest	(2,754)	(1,399)	(2,644)	(1,295)
Total	47,211	17,377	45,508	16,085
Less : Current portion	(17,099)	(5,481)	(16,438)	(5,159)
Net	<u>30,112</u>	<u>11,896</u>	<u>29,070</u>	<u>10,926</u>

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements (Continued)

For the year ended December 31, 2019

As at December 31, 2019 and 2018, the Company and its subsidiary have liabilities under finance lease contracts with the year of payment as follows:

	In Thousand Baht					
	Consolidated Financial Statements					
	2019		2018			
Future minimum lease payment	Deferred interest	Present value of minimum lease payment	Future minimum lease payment	Deferred interest	Present value of minimum lease payment	
Payment due 1 year	18,672	1,573	17,099	6,218	736	5,482
Payment due over 1 year to 5 years	31,293	1,181	30,112	12,558	663	11,895
Total	49,965	2,754	47,211	18,776	1,399	17,377

	In Thousand Baht					
	Separate Financial Statements					
	2019		2018			
Future minimum lease payment	Deferred interest	Present value of minimum lease payment	Future minimum lease payment	Deferred interest	Present value of minimum lease payment	
Payment due 1 year	17,942	1,504	16,438	5,849	690	5,159
Payment due over 1 year to 5 years	30,210	1,140	29,070	11,531	605	10,926
Total	48,152	2,644	45,508	17,380	1,295	16,085

21. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit liabilities in statements of financial position as at December 31, 2019 and 2018, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Post-employment benefits				
Legal severance payment plan	14,810	11,116	12,638	8,994

Movement in the present value of the defined benefit obligations for the years ended December 31, 2019 and 2018, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Defined benefit obligations as at January 1,	11,116	14,760	8,994	12,494
Current service costs	1,823	3,021	1,137	2,151
Interest costs	302	211	234	170
Previous service costs	2,504	(2,444)	2,273	(1,673)

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements (Continued)

For the year ended December 31, 2019

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Included in other comprehensive :				
Actuarial (gains) losses arising from				
Financial assumptions changes	224	(91)	-	(24)
Demographic assumptions changes	-	2,659	-	2,633
Experience adjustments	(1,159)	(6,217)	-	(6,430)
Benefits paid during the year	-	(783)	-	(327)
Defined benefit obligations as at December 31,	<u>14,810</u>	<u>11,116</u>	<u>12,638</u>	<u>8,994</u>

Expenses recognized in statement of comprehensive income for the years ended December 31, 2019 and 2018, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Current service costs	1,823	3,021	1,137	2,151
Interest on obligation	302	211	234	170
Total	<u>2,125</u>	<u>3,232</u>	<u>1,371</u>	<u>2,321</u>

The above expenses recognized in the statement of comprehensive income for the years ended December 31, 2019 and 2018, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Cost of sales and services	550	970	369	725
Selling expenses	140	351	85	301
Administrative expenses	407	992	330	892
Management benefit expenses	726	708	353	233
Total	<u>1,823</u>	<u>3,021</u>	<u>1,137</u>	<u>2,151</u>

The Company and its subsidiaries expect to pay Baht 1.7 million of long-term employee benefits during the next year (Separate financial statements: Baht 1.7 million).

As at December 31, 2019, the weighted average duration of the liabilities for long-term employee benefit is 9 years, 10 years and 21 years (Separate financial statements: 9 years).

Principal actuarial assumptions at the reporting date as at December 31, 2019 and 2018 are as follows:

	2019	
	Consolidated Financial Statements	Separate Financial Statements
Discount rate	2.04%, 2.55% and 2.66% per annum	2.55% per annum
Salary increase rate	4.00%-6.00% per annum	4.00% per annum
Employee turnover rate	Scale related to Age ranging from 1.91%-57.30%	Scale related to Age ranging from 4.78%-57.30%
Mortality rate	105.00% (Thai Mortality Ordinary Table 2017)	105.00% (Thai Mortality Ordinary Table 2017)

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

	2018	
	Consolidated Financial Statements	Separate Financial Statements
Discount rate	2.55%, 2.66% and 3.17% per annum	2.55% per annum
Salary increase rate	4.00%-6.00% per annum	4.00% per annum
Employee turnover rate	Scale related to Age ranging from 1.91%-57.30%	Scale related to Age ranging from 4.78%-57.30%
Mortality rate	105.00% (Thai Mortality Ordinary Table 2017)	105.00% (Thai Mortality Ordinary Table 2017)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
As at 31 December				
Discount rate				
Increase 1.00%	(981)	(779)	(716)	(563)
Decrease 1.00%	1,130	889	811	635
Salary increase rate				
Increase 1.00%	1,190	843	882	599
Decrease 1.00%	(1,056)	(755)	(795)	(542)
Turnover rate				
Increase 20.00%	(1,307)	(883)	(1,084)	(726)
Decrease 20.00%	1,638	1,086	1,362	898

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

On April 5, 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Company and its subsidiaries have therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in the second quarter of 2019. As a result of this change, the provision for retirement benefits in the financial statements will be increased by an amount of Baht 2.5 million (Separate financial statements: amount of Baht 2.3 million).

22. LEGAL RESERVE

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

23. REGISTERED PROVIDENT FUND

The Company and its subsidiaries established a contributory registered provident fund in accordance with the Provident Fund Act.B.E. 2530. Under the plan, the Company and employees contribute to the funds monthly at the rate of 2 percent of the employee's basic salary. The Company and its subsidiaries appointed a fund manager

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements (Continued)

For the year ended December 31, 2019

to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulation No.2 (B.E. 2532) issued under the Provident Fund Act B.E.2530.

Provident fund contributions for the years ended December 31, 2019 and 2018, as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Provident fund contributions	557	543	414	445

24. EXPENSES BY NATURE

The significant expenses classified by nature for the years ended December 31, 2019 and 2018 are as follow:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Changes in finished goods and work in progress	11,107	(85,450)	19,919	(79,532)
Purchase of raw materials and finished goods	534,322	1,309,958	1,018,039	1,873,017
Raw materials used	4,366,560	4,654,167	3,770,302	4,047,002
Depreciation and amortization	105,438	99,091	101,925	96,293
Loss on decline in value of inventories (Reversal)	(30,296)	35,196	(31,926)	35,215
Loss on impairment of property, plant and equipment	1,444	25,773	1,444	25,773
Employee expense	125,988	111,864	105,312	92,840
Transportation and distribution	63,732	53,968	53,471	44,089
Utility expenses	43,140	38,560	34,729	31,427
Doubtful accounts (Reversal) - Trade receivable	(2,440)	(963)	(2,598)	(963)
Management benefit expenses	19,792	20,432	13,087	14,006
Commission, advertising and sale promotion	7,392	10,130	5,621	8,457
Outsourcing production cost	5,538	5,947	3,731	5,626
Financial costs	35,308	45,835	32,584	43,641
Other expenses	93,484	112,905	74,239	91,061
Total	5,380,509	6,437,413	5,199,879	6,327,952

25. INCOME TAXES

Income tax income (expenses) for the years ended December 31, 2019 and 2018, are as follows:

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2019	2018
Current income tax:		
Current income tax expenses for the year	(8,562)	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(7,224)	12,069
Income tax income (expenses) reported in the statement of comprehensive income	(15,786)	12,069

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

Reconciliations of effective tax rate for the years ended December 31, 2019 and 2018, are as follow;

	In Thousand Baht			
	Consolidated Financial Statements			
	2019		2018	
Tax rate (%)	Amount	Tax rate (%)	Amount	
Accounting loss before income tax		150,127		(98,389)
Income tax by applicable tax rate	20	(30,025)	20	19,678
Utilized loss carry forward		1,282		279
Effect to income tax from tax-exempt incomes and non-deductible expenses		241		(17,065)
Effects of elimination entries on consolidation		19,940		(2,892)
Tax income (expenses) relating to the imposition of the recognition and reversal of temporary differences		(7,224)		12,069
Total income tax income (expenses)	11	(15,786)	12	12,069

	In Thousand Baht			
	Separate Financial Statements			
	2019		2018	
Tax rate (%)	Amount	Tax rate (%)	Amount	
Accounting loss before income tax		74,530		(84,522)
Income tax by applicable tax rate	20	(14,906)	20	16,904
Utilized loss carry forward		1,282		-
Effect to income tax from tax-exempt incomes and non-deductible expenses		5,062		(16,904)
Tax income (expenses) relating to the imposition of the recognition and reversal of temporary differences		(7,224)		12,609
Total income tax income (expenses)	21	(15,786)	14	12,609

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

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements (Continued)

For the year ended December 31, 2019

Movements in total deferred tax assets and liabilities for the years ended December 31, 2019 and 2018 were as follows:

	In Thousand Baht						
	Consolidated Financial Statements						
	(Charged) / Credited to:			(Charged) / Credited to:			
January 1, 2018	Profit or loss	Other comprehensive income	December 31, 2018	Profit or loss	Other comprehensive income	December 31, 2019	
Deferred tax assets							
Allowance for doubtful accounts - Trade accounts receivable	21,159	(192)	-	20,967	(520)	-	20,447
Allowance for decline in value of inventories	8,182	7,043	-	15,225	(6,385)	-	8,840
Change in fair value of available-for-sales investments	11,133	-	510	11,643	-	340	11,983
Allowance for impairment of investments in subsidiary and associate	2,237	-	-	2,237	(1,337)	-	900
Allowance for impairment loss of assets not used in operation	640	-	-	640	-	-	640
Allowance for impairment of property, plant and equipment	-	5,154	-	5,154	289	-	5,443
Employee benefit obligations	2,499	64	(764)	1,799	729	-	2,528
Total	45,850	12,069	(254)	57,665	(7,224)	340	50,781
Deferred tax liabilities							
Premium on land revaluation of the Company	(29,904)	-	-	(29,904)	-	(29,672)	(59,576)
Net	15,946	12,069	(254)	27,761	7,224	(29,332)	(8,795)
Deferred tax liabilities							
Premium on land revaluation of the subsidiary	(3,518)	-	-	(3,518)	-	(3,845)	(7,363)
Net	12,428	12,069	(254)	24,243	(7,224)	(33,177)	(16,158)

	In Thousand Baht						
	Separate Financial Statements						
	(Charged) / Credited to:			(Charged) / Credited to:			
January 1, 2018	Profit or loss	Other comprehensive income	December 31, 2018	Profit or loss	Other comprehensive income	December 31, 2019	
Deferred tax assets							
Allowance for doubtful accounts - Trade accounts receivable	21,159	(192)	-	20,967	(520)	-	20,447
Allowance for decline in value of inventories	8,182	7,043	-	15,225	(6,385)	-	8,840

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

	In Thousand Baht						
	Separate Financial Statements						
	January 1, 2018	(Charged) / Credited to:		December 31, 2018	(Charged) / Credited to:		December 31, 2019
		Profit or loss	Other comprehensive income		Profit or loss	Other comprehensive income	
Change in fair value of available-for-sales investments	11,133	-	510	11,643	-	340	11,983
Allowance for impairment of investments in subsidiary and associate	2,237	-	-	2,237	(1,337)	-	900
Allowance for impairment loss of assets not used in operation	640	-	-	640	-	-	640
Allowance for impairment of property, plant and equipment	-	5,154	-	5,154	289	-	5,443
Employee benefit obligations	2,499	64	(764)	1,799	729	-	2,528
Total	45,850	12,069	(254)	57,665	(7,224)	340	50,781
Deferred tax liabilities							
Premium on land revaluation	(29,904)	-	-	(29,904)	-	(29,672)	(59,576)
Net	15,946	12,069	(254)	27,761	(7,224)	(29,332)	(8,795)

The amount of income tax relating to each component of other comprehensive income for the years ended December 31, 2019 and 2018 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Deferred tax relating to				
Actuarial gain from employee benefit plan	-	(764)	-	(764)
Loss on change in fair value of available-for-sales investments	340	510	340	510
Revaluations	(33,517)	-	(29,672)	-
Total	(33,177)	(254)	(29,332)	(254)

As at December 31, 2019 and 2018, the Company and its subsidiaries had unused tax losses totaling Baht 27.6 million and Baht 12.9 million, respectively (Separate financial statement : Baht 6.4 million in 2018) on which deferred tax assets have not been recognized as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilization of the unused tax losses.

26. DIVIDENDS PAID

On April 27, 2018, a meeting of the Company's Annual General Meeting of Shareholders passed an approval to pay a dividend from the operation result of year 2017 of Baht 0.12 per share, a total of Baht 57.6 million, to the shareholders. Such dividends had already paid to the shareholders on May 25, 2018.

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements (Continued)

For the year ended December 31, 2019

27. EARNINGS (LOSS) PER SHARE

The calculation of earnings (loss) per share for the years ended December 31, 2019 and 2018, were based on the profit (loss) for the period attributable to equity holders of the Company and the number of common shares outstanding during the year as follows:

	In Thousand Baht/Thousand shares			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Profit (Loss) attributable to equity holders of the Company	145,763	(86,176)	58,745	(72,453)
Weighted average number of common shares outstanding	480,096	480,096	480,096	480,096
Earnings (Loss) per share (Baht)	0.30	(0.18)	0.12	(0.15)

28. SEGMENT FINANCIAL INFORMATION

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

Business segments

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

Geographic segments

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

Information about revenue for the years ended December 31, 2019 and 2018 are the following;

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Major products and service line				
Revenue from sale of goods	5,383,477	6,269,863	5,219,087	6,168,724
Revenue from rendering of services	3,468	5,757	77	155
Total revenue	5,386,945	6,275,620	5,219,164	6,168,879
Timing of revenue recognition				
At a point in time	5,386,945	6,275,620	5,219,164	6,168,879
Over time	-	-	-	-
Total revenue	5,386,945	6,275,620	5,219,164	6,168,879

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**Notes to the financial statements (Continued)****For the year ended December 31, 2019****Major customers**

For the year ended December 31, 2019, the Company and its subsidiaries have a major customers from operate to produce and sell of processed steel products and providing steel cutting and modify service of Baht 696.0 million of the Company and its subsidiaries' total revenue. (2018 : the company and its subsidiaries have a major customers from operate to produce and sell of processed steel products and providing steel cutting and modify service of Baht 1,856.8 million of the Company and its subsidiaries' total revenue).

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

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

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

B) Interest rate risk

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

As at December 31, 2019 and 2018, financial assets and liabilities are classified by type of interest rates. Financial assets and liabilities with fixed interest rates by the due date or the date on which the new interest rate (If the date of the new interest rate to it) are as follows:

	In Million Baht					
	Consolidated Financial Statements					
	As at December 31, 2019					
	Fixed interest rates	Floating interest rate within		Non-interest bearing	Total	Effective interest rate (% p.a.)
		1 year	2-5 years			
Financial Assets						
Cash and cash equivalents	-	43.4	-	61.9	105.3	0.15-0.38
Current investment	-	-	-	60.7	60.7	-
Trade and other receivables						
- Related parties	-	-	-	218.2	218.2	-
- Others	-	-	-	355.4	355.4	-
Deposit at financial institution pledged as collaterals	151.5	-	-	-	151.5	0.65-1.30
Financial Liabilities						
Bank overdrafts and short-term loans from financial institutions	-	1,119.3	-	-	1,119.3	0.50-3.83
Trade and other payables						
- Related parties	-	-	-	2.3	2.3	-
- Others	-	-	-	113.9	113.9	-

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements (Continued)

For the year ended December 31, 2019

	In Million Baht					Effective interest rate (% p.a.)
	Consolidated Financial Statements					
	As at December 31, 2019					
	Fixed interest rates	Floating interest rate within		Non-interest bearing	Total	
	1 year	2-5 years				
Liabilities under financial lease contracts	-	17.1	30.1	-	47.2	0.32-4.88
Long - term loan from financial institution	-	14.8	11.2	-	26.0	MLR-2.00

	In Million Baht					Effective interest rate (% p.a.)
	Consolidated Financial Statements					
	As at December 31, 2018					
	Fixed interest rates	Floating interest rate within		Non-interest bearing	Total	
	1 year	2-5 years				
Financial Assets						
Cash and cash equivalents	-	23.5	-	67.5	91.0	0.15-0.40
Current investment	-	-	-	140.0	140.0	-
Trade and other receivables						
- Related parties	-	-	-	846.7	846.7	-
- Others	-	-	-	425.1	425.1	-
Deposit at financial institution pledged as collaterals	157.0	-	-	-	157.0	0.65-1.30
Financial Liabilities						
Bank overdrafts and short-term loans from financial institutions	-	2,001.6	-	-	2,001.6	0.95-8.50
Trade and other payables						
- Related parties	-	-	-	62.9	62.9	-
- Others	-	-	-	171.0	171.0	-
Short-term loans from directors	25.0	-	-	-	25.0	7.00
Liabilities under financial lease contracts	-	5.5	11.9	-	17.4	0.32-8.24
Long - term loan from financial institution	-	14.2	26.0	-	40.2	MLR-2.00

	In Million Baht					Effective interest rate (% p.a.)
	Separate Financial Statements					
	As at December 31, 2019					
	Fixed interest rates	Floating interest rate within		Non-interest bearing	Total	
	1 year	2-5 years				
Financial Assets						
Cash and cash equivalents	-	33.2	-	61.8	95.0	0.15-0.38
Current investment	-	-	-	60.7	60.7	-

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

	In Million Baht					Effective interest rate (% p.a.)
	Separate Financial Statements					
	As at December 31, 2019					
	Fixed interest rates	Floating interest rate within		Non-interest bearing	Total	
	1 year	2-5 years				
Trade and other receivables						
- Related parties	-	-	-	549.4	549.4	-
- Others	-	-	-	206.5	206.5	-
Deposit at financial institution pledged as collaterals	150.4	-	-	-	150.4	0.65-1.30
Financial Liabilities						
Bank overdrafts and short-term loans from financial institutions	-	1,115.7	-	-	1,115.7	0.50-3.61
Trade and other payables						
- Related parties	-	-	-	2.7	2.7	-
- Others	-	-	-	94.5	94.5	-
Liabilities under financial lease contracts	-	16.4	29.1	-	45.5	0.32-4.88
Long - term loan from financial institution	-	14.8	11.2	-	26.0	MLR-2.00

	In Million Baht					Effective interest rate (% p.a.)
	Separate Financial Statements					
	As at December 31, 2018					
	Fixed interest rates	Floating interest rate within		Non-interest bearing	Total	
	1 year	2-5 years				
Financial Assets						
Cash and cash equivalents	-	11.1	-	67.4	78.5	0.15-0.40
Current investment	-	-	-	140.3	140.3	-
Trade and other receivables						
- Related parties	-	-	-	1,111.5	1,111.5	-
- Others	-	-	-	276.0	276.0	-
Deposit at financial institution pledged as collaterals	156.0	-	-	-	156.0	0.65-1.30
Financial Liabilities						
Bank overdrafts and short-term loans from financial institutions	-	1,997.0	-	-	1,997.0	0.95-3.80
Trade and other payables						
- Related parties	-	-	-	49.1	49.1	-
- Others	-	-	-	147.1	147.1	-
Liabilities under financial lease contracts	-	5.2	10.9	-	16.1	0.78-8.24
Long - term loan from financial institution	-	14.2	26.0	-	40.2	MLR-2.00

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements (Continued)

For the year ended December 31, 2019

C) Foreign currency risk

The Company and its subsidiaries were exposed to foreign currency risk as some of the payment for importing of goods and raw materials are made in US dollar and EURO. For the year ended December 31, 2019, there were the foreign currency dominated purchase transactions approximating to Baht 1,094.7 million. (December 31, 2018: Baht 2,441.8 million). The Company manages such risks through the use of forward currency contract, as and when it considers appropriate.

As at December 31, 2019, the foreign currency-dominated liabilities amounting of USD 0.9 million and EURO 6.0 million were hedged through the use of forward contracts. (December 31, 2018: USD 0.8 million and EURO 5.3 million) (Note 9 to the financial statements).

As at December 31, 2019, there were the foreign currency-dominated liabilities remaining unhedged in the amount of USD 0.9 million and EURO 2.1 million. (December 31, 2018 : USD 0.8 million and EURO 0.1 million) (Note 9 to the financial statements).

D) Credit risk

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

E) Fair value

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

30. CAPITAL MANAGEMENT

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

As at December 31, 2019 and 2018, The Company and its subsidiaries debt-to-equity ratio was 0.65:1 and 1.30:1, respectively and the Company's debt-to-equity ratio was 0.65:1 and 1.23:1, respectively.

31. COMMITMENTS AND CONTINGENT LIABILITIES

A) Capital commitments

- As at December 31, 2019, the Company had the commitment for the acquisition of machine and construction contract amounting to US Dollar 0.3 million and Baht 28.9 million (December 31, 2018 amounting to US Dollar 0.8 million and Baht 1.8 million).
- As at December 31, 2018, the Company had the commitments for the development of program computer amounting to US Dollar 0.02 million.

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the financial statements (Continued)
For the year ended December 31, 2019

B) Lease agreements and service contracts

- 1) As at December 31, 2019 and 2018, a subsidiary had leases and service contracts for office building with outstanding commitments with the detail as follows;

	In Million Baht	
	Consolidated Financial Statements	
	2019	2018
Less than 1 year	0.9	0.7
Over 1 year to 5 years	-	-
Total	0.9	0.7

- 2) The Company had a land lease agreement with a third party for a period of 20 years. The Company agreed to pay annual rental fee from 1st year to 2nd year amounting to approximately Baht 1.4 million per year, 3rd year to 5th year amounting to approximately Baht 1.6 million per year, 6th year to 8th year amounting to approximately Baht 1.7 million per year, 9th year to 11th year amounting to approximately Baht 1.9 million per year, 12th year to 14th year amounting to approximately Baht 2.1 million per year, 15th year to 17th year amounting to approximately Baht 2.3 million per year and 18th year to 20th year amounting to approximately Baht 2.6 million per year, The agreement is effective from March 1, 2017 to March 1, 2037. The Company is committed to pay rental fees at the rate specified in the agreements.

As at December 31, 2019 and 2018, future minimum payments under the above operating lease agreements are as follows:

	In Million Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2019	2018
Less than 1 year	1.6	1.6
Over 1 year to 5 years	6.8	6.6
Over 5 years	26.9	28.7
Total	35.3	36.9

C) Letter of credit issued by banks

As at December 31, 2019, The Company had the commitment for acquisition of goods amounting of US Dollar 2.2 million (December 31, 2018 amounting of US Dollar 0.7 million).

D) Bank guarantees issued by bank

As at December 31, 2019 and 2018, The Company and its subsidiary had contingent liabilities from letters of guarantee issued by banks for the payment of electricity and purchasing of goods amounting to Baht 8.0 million and Baht 0.1 million respectively (Separate financial statements : Baht 6.9 million and Baht 0.1 million, respectively).

- E) As at December 31, 2019, and 2018 the Company had contingent liabilities from the guarantee for credit facilities of an associate from a financial institution amount of Baht 276 million.