



**Asiametal**  
Public Company Limited



**56-1 One Report  
Annual Report**

**2020**

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## Sustainable development

The vision that we strive to develop strategies continuously from the concept of being a complete steel service center by develop manufacturing technology that increases efficiency and controls product standards due to raise the level of competition, caring for environment community, personnel training development, continuous corporate development, conducting business with honesty and transparency. Information system to develop a support management with a modern communication network system, Also keep good relationship with customers that important part of driving business for sustainability.

The company aims to be a quality steel pipe manufacturer, Because the company foresees the importance of the steel pipe industry. Which is growing at a very high rate now and in the future. From the growth of the construction industry, furniture industry, automotive industry and electrical appliance industry.

The company also focuses on being a one-stop steel service center can provide various steel fabrication services to the customers requirement such as steel sheet, steel coil, that the convenience of purchasing products from the customers' requirements. The company's standards are constantly improved the knowledge capabilities of personnel and machines used in production. Including the company also has a policy to develop quality, Reliability in products and services, regarding to the internal and external environment of the company by implementing quality management systems in production ISO 9001: 2015 and IATF 16949: 2016. Mainly to expand customer groups within Automotive industry and other industry groups, to build for the customer that purchase our product from the company are standardized products. The company has continuously developed the quality and increase the potential of the employees of the company.

# Corporate Governance

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The company adheres to the principles of good corporate governance, business ethics to all groups of stakeholders, adhere to the principles of corporate governance. Transparent Disclosure of information sufficiently and verifiable. As a guideline for business operations and policy formulation. To perform duties with care and responsibility and be honesty. Preparing business plans for executives and employees in order to establish an internal control system and measures to prevent corruption, towards sustainable business operation.

The Company realizes the importance of environmental conservation and social responsibility, therefore we use of renewable energy is the most efficient use of resources. In both operations and production activities. AMC also focus on saving energy. By adopting innovative and efficient management systems, such as the use of solar energy and other renewable energy.

## Mission

- Continually strive to enhance product and service quality, by improving production efficiency, monitoring , set up distribution centers. management support by using modern information systems and technology.
- Make a business networks and maintain good relationships with united stakeholders.
- Encourage employees to participate in the development, improvement, optimization to be a part of driving the business.
- Managed in accordance with the principles of Good Corporate Governance for transparency, Equality and fairness to all groups of stakeholders who related to the Company and its subsidiaries, associated companies.

## Message from the Board of Directors

Dear Shareholders

On behalf of the Board of Directors of Asia Metal Public Company Limited, would like to report the performance for the past year. In 2020, the company had a net profit of 188.77 million baht compared to the previous year (176.07 million baht), resulting in an increase in net profit to 12.7 million baht, although the volume of sales of goods and services decreased from the previous year but still managed to make a profit at 10.7 Million baht or equivalent to 7.21%. The key points are summarized as follows.

The Covid - 19 situation persists, in which Thailand faced the second round of Pandemic crisis, affecting various industrial sectors. The management team continues to manage the work cautiously and carefully and closely monitor the situation that may affect the company.

The company has develop an information system by investing in System Applications & Products in Data Processing (SAP) program which results in better management efficiency.

The company recognizes income from operating results, losses from joint venture companies that are unable to source raw materials. Due to the fact that during that time, China had more consumption of raw materials, resulting in insufficient raw materials.

Under corporate governance that investors' confidence is strength. The Board of Directors as a responsible leader in business operations, takes into account corporate governance as one of the important factors. In improving organizational efficiency which are relationship between the management committee and other stakeholders. Making the business have a quality management and management system. Including transparent disclosure of information, which there is an effective internal audit standard and has a standard operating result. To promote efficiency, building business competitiveness and add value to the business which create satisfaction for all stakeholders.

Social, Economic, Legal and Technological constantly changing on the daily basis. Companies have to adapt and maintain their competitiveness and business potential. The company also plans to expand its investment in raw materials that support the company's products. To increase the potential and expand the main business, leading to the business operation according to the sustainable development approach as well.

On behalf of the committee grateful of the shareholders, customers, trade partners, financial institutions both in the domestic and foreign, government agencies, the private sector and all relevant sectors that have always supported the company's operations. The company appreciated the management team and all employees of the company who partake and cooperate in performing their duties with responsibility in all aspects to create added value for the shareholders, stakeholders and society as a whole. We wish you all to believe that the company will strive to operate the business for maximum benefit and develop the organization for sustainable progress and achieve the organization's goals.



Sincerely yours,

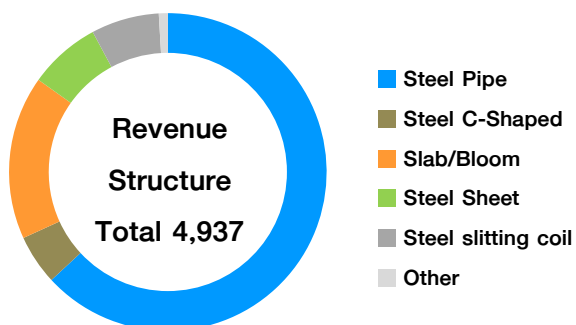
(Mr. Chusak Yongvongphaiboon)

Managing Director

# Financial Highlight

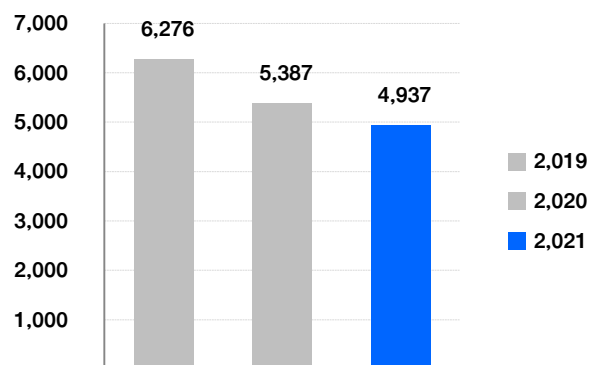
(Unit : Million Baht)

Balance Sheet	2021	2020	2019
Current Assets	2,153.49	1,729.92	2,687.06
Total Assets	3,739.99	3,398.60	4,125.03
Current Liabilities	1,440.58	1,267.48	2,282.02
Total Liabilities	1,545.33	1,339.76	2,334.58
Shareholder's Equity	2,194.66	2,058.84	1,790.45
Financial Statement	2021	2020	2019
Sales and service income	4,936.61	5,386.94	6,275.62
Gain form foreign exchange rates	0.00	7.23	29.30
Other income	41.28	41.57	39.99
Total Revenues	4,977.89	5,435.75	6,345.01
Cost of sales and services	4,550.47	5,174.14	6,194.74
Selling expenses	137.58	151.27	176.41
Financial costs	19.08	35.31	45.83
Profit before share of profit (loss) <small>*from investments in associates and income tax</small>	249.92	55.24	(92.41)
Share of profit (loss) <small>*from investment in associates</small>	(63.42)	94.89	(5.98)
Income (expenses) Income Tax	(50.67)	(15.79)	12.07
Profit (loss) for the year	135.83	134.34	(86.32)

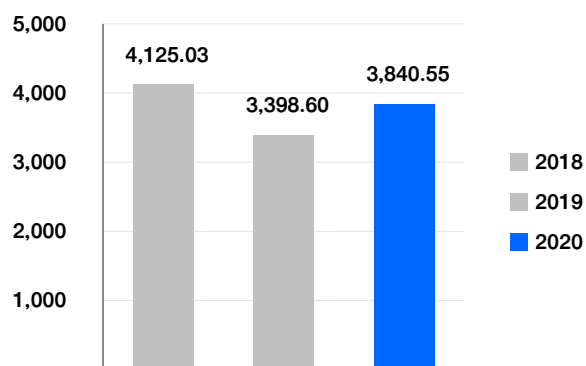


## Revenue

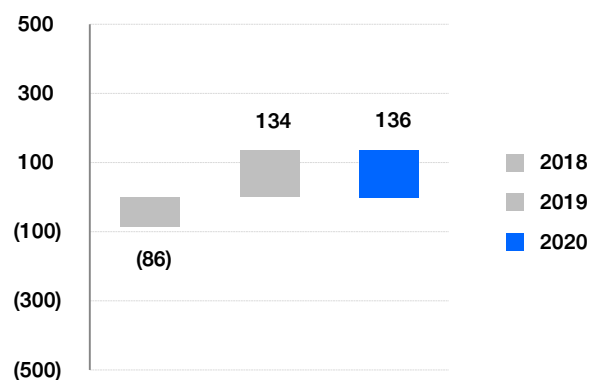
Unit : Million Baht



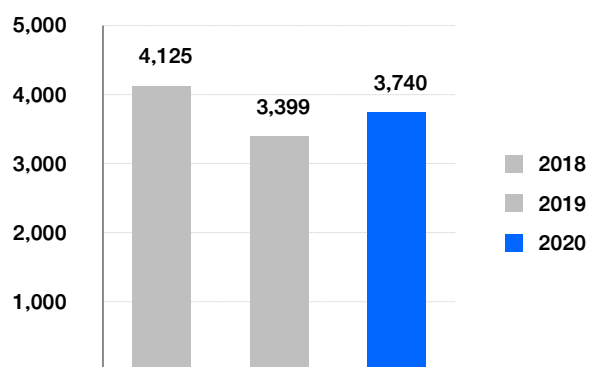
## Assets



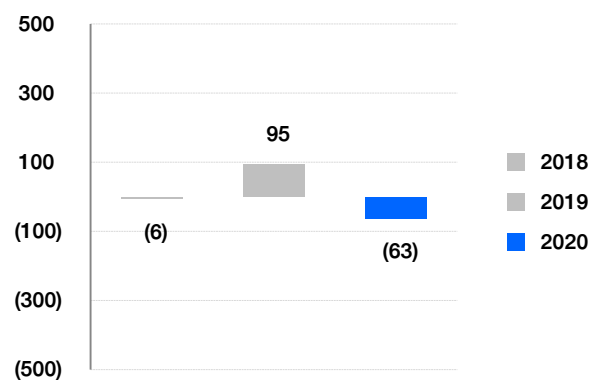
## Net profit (loss)



## Total Liabilities



## Share of profit (loss), net of investments in associates



## General Information

<b>Company name</b>	:	Asia Metal Public Company Limited
<b>Security Code</b>	:	AMC
<b>Registration Number</b>	:	0107547000176
<b>The date of establishment</b>	:	9 March 1993
<b>Registered of public company limited</b>	:	9 March 2004
<b>Incorporated under the Securities Exchange of Thailand</b>	:	13 August 2004
<b>Type of business</b>	:	Operate the business as a complete steel service center including Distribution of steel coil (Coiled) both hot-rolled (Hot-Rolled) and Cold-Rolled (Cold-Rolled) galvanized steel (GI) as well as cutting and selling sheet steel (Sheet) and Slitting Coil (Slitting Coil) according to the size of the customer. Manufacturer and distributor of structural steel such as steel pipes and C-shaped structural steel used in various industries.
<b>Registered Capital</b>	:	549.97 Million Baht
<b>Issued and Paid-up Capital</b>	:	480.10 Million Baht
<b>Par value</b>	:	1 Baht
<b>Head office and Factory</b>	:	55,55 / 1 Moo 2 Soi Wat Nam Daeng Srinakarin Road, Bang Kaeo Subdistrict, Bang Phli District, Jamwaad Samut Prakan 10540
<b>Factory</b>	:	90/1 Moo 10, Tambon Sa-Ruk, Phanat Nikhom District Chonburi Province 20140
<b>Investor Relation (IR)</b>	:	Phone +66(0) 2 338 7222 Fax +66(0) 2 338 4102 Email : ir@asiametal.co.th
<b>Independent director representing minority shareholders</b>	:	Phone +66(0) 2 338 7222 Fax +66(0) 2 338 4102 Email : ia@asiametal.co.th
<b>Website</b>	:	<a href="http://www.asiametal.co.th">www.asiametal.co.th</a>



**References**

<b>Securities Registrar</b>	:	Thailand Securities Depository Company Limited No. 2/7 Moo 4, Capital Market Academy Building The Stock Exchange of Thailand, 2nd floor, NORTH PARK Thungsonghong Subdistrict, Laksi District, Bangkok 10120 Phone +66 0 2596 9000 Fax +66 0 2832 4994-6
<b>Auditor</b>	:	BPR Audit and Advisory Company Limited Miss Rungtawan Boonsakchalerm Certified Public Accountant Registration No. 6031 BPR Audit and Advisory Company Limited No. 152 , Floor 12A, Room 08, Chartered Square Building North Sathorn Road, Silom, Bangrak, Bangkok 10500 Phone +66(0) 2 634 5398-9 Fax +66(0) 2 634 5399
<b>Legal Consultant</b>	:	B&P Law Company Limited Mr. Bhasith Chaichanasiriwittaya 43 Thai CC Tower, Room No. 196, Floor 19 South Sathorn Road, Yannawa Subdistrict, Sathon District, Bangkok
<b>Company Secretary</b>	:	Miss Sasithorn Limpiyachart Phone +66(0) 2 338-7222 Fax ++66(0) 2 383-4101-2 Email Secretary@asiametal.co.th

## General information of subsidiaries and associates

Company name	Type of business	Registered capital (million baht)	Subscribed shares	Shares held by the company's	
				Stock	Percentage
Subsidiary Company					
1.STC Steel Company Limited <u>Office:</u> 55 Moo 2 Soi Wat Nam Daeng, Srinakarin Road Bang Kaeo Subdistrict, Bang Phli District, Samut Prakan 10540 Phone: +66 (0) 2 338 7222 Fax: +66 (0) 2 383 4101-2 <u>Factory:</u> 60/1 Moo 1, Soi Wat Nam Daeng Srinakarin Road, Bang Kaeo Subdistrict Bang Phli District, Samut Prakan Province 10540	Manufacture and distribute both round pipe and square pipe.	20	200,000	199,994	99.9970
2.Grand Asia Steel Processing Center Co., Ltd. <u>Office:</u> 55 Moo 2 Soi Wat Nam Daeng, Srinakarin Road Bang Kaeo Subdistrict, Bang Phli District, Samut Prakan 10540 Phone: +66 (0) 2 338 7222 Fax: +66 (0) 2 383 4101-2 <u>Factory:</u> 90/1 Moo 10, Tambon Sa-Ruk, Phanat Nikhom District Chonburi Province 20140	Steel service center (Coil Center) cutting sheets and slitting coil by the customers’ requirement.	20	400,000	100,000	50.00
Associated Company					
3.Prime Steel Mill Company Limited <u>Office:</u> 1011 Supalai Grand Tower 12th Floor, Room 1202, Rama 3 Road, Chong Nonsi Subdistrict, Yannawa District, Bangkok 10120 Phone: +66 (0) 2 107 9117 Fax: (+66 (0) 2 107 9119 <u>Factory location</u> 7/447 Moo 6, Amata City Industrial Estate Mapyangphon Subdistrict, Pluak Daeng District Rayong Province 21140 Phone: +66 (0) 38-018261-69 Fax: +66 (0) 38-018270	Manufactures and distributes hot-rolled narrow strip in coil.	1,000	10,000,000	3,500,000	35.00

## Social and Environmental Activities

### Constructive benefit Together with society and community

We commitment to grow with the advancement of society, therefore adhere to good business operations principles. That are responsible for employees, customers and shareholders, All stakeholders, As well as supporting the society . It focuses on building a business foundation along with creating benefit society activities in all areas, to create happiness and good quality of life to society.

The company focuses on organizing activities create benefits continuously, through projects and activities as follows :

#### 1. Education

The company realizes the importance of education for young people, to grow up be an adult ; will being an important force in the development of potential of Thai society .We therefore strive to create an opportunities , and create the future of education.

- Project to support youth scholarships at Bang Kaew Prachasan School
- Scholarship support for Employees' Children
- Production process Education and learning promotion project for students “Suranaree University of Technology”



## 2. Public benefit and public charity to support and help the community

- “Computer for Children” Project, created by the Mirror Foundation, to benefit students,collegian by donating computers and information equipment.
- “Bang Kaeo Community Development” project, created by the Bang Kaeo Subdistrict Administrative Organization. They has built a family medical center and the Bang Kaeo municipality community, So that the community can use the service nearby, reduce travel to distant medical facilities, by donating dental equipment to the community.



## 3. Environmental and energy

The company has continuously organized environmental and energy conservation campaigns. Promotion to reduce wasteful use of natural resources, preserve natural resources, restoration of forest resources and ecosystems. Ecotourism, Planting mangrove forests. Installing a solar rooftop system to reduce the consumption of electricity, we have completed the Installation at the Phanat Nikhom factory in November 2020.,

## 4. Sports, Public Health and Safety

The company attaches great importance to the health of the employees, because they are important to drive the business for sustainable and quality growth. Therefore has arranged an annual health examination, providing health care advice by doctors and nurses. The company has arranged for employees to participate in fire training activities, with an annual fire drill and fire evacuation drills.

The employees have a better understanding of hygiene, be able to apply it in their daily life, in the workplace, home and community where they live.

Besides that, the company has organized sports activities, to promote good health, fostering unity of employees. This sporting event is held regularly in December every year, and give prizes to encourage the promotion of sports activities.



# Company Background

- 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.
- 2004** March 9, 2004 The company was transformed into a public company. And increased the registered capital from 150 million baht to 200 million baht and changed the par value (PAR) from 100 baht per share to 1 baht, with 50 million new shares issued to the public share. In which 50 million new shares will be offered to the public to operate a fully-integrated steel service center.
- 2005** The company increased its registered capital from 200 million baht to 400 million baht for offering to the existing shareholders at the price rate 1 baht.
- 2007** The Company increased its registered capital from 400 million baht to 550 million baht for public offering and existing shareholders. And to support the conversion of warrants. (Registered capital of 549.97 million baht, paid-up capital of 479.94 million baht)
- 2008** The Company expanded its customer groups and steel products, for example the automotive industry and electrical appliances.
- 2010** The Company has improved the production standard. It is a steel service center that can support the production of steel in the automotive industry. And the electrical appliance industry and the company received the BEST VENDOR AWARD from Thai Samsung Electronics Co., Ltd.
- 2011** The Factory 2<sup>nd</sup> at Panusnikhom and able to add more customers in the automotive and electrical appliance industries. 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.
- 2012** The Company was certified for management system ISO / TS 16949 to support automotive customers.
- 2014** The company invests in Delong (Thailand) Co., Ltd. with registered capital of 1,000 million baht, the investment proportion as 15%
- 2015** The Company purchased 50,000 ordinary shares of Delong (Thailand) Co., Ltd. 100 baht each, or 5% of the paid-up capital. By purchasing additional shares, the company has a 20% investment in De Long (Thailand) Co., Ltd.
- 2016** The Company invested in a joint venture, Prime Steel Mill Co., Ltd. (formerly Delong (Thailand) Co., Ltd.) with a registered capital of 1,000 million baht, with an investment of 20%, worth 200 million baht.
- 2016** The Company held shares of a subsidiary, Grand Asia Steel Processing Center Company Limited (formerly Asia Metal Fabrication Company Limited), in the proportion of 50%.
- The company has invested in Joint Venture Company, Prime Steel Mill Company Limited The value of 70 million baht, totaling 30% stake, worth 270 million baht and has invested in building a warehouse. The Company investment 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.
- 2018** The company installed new machine for increasing the production efficiency and high-quality. To replace existing machines and increase production efficiency and complete construction of warehouse buildings.
- 2019** The Company approved the write-off of investment accounts in Vientiane Transit Co., Ltd., whereby the company made an allowance for bad debt from investment of 6,686,322.89 baht, or 100% of the total investment previously.
- The Company has invested in a joint venture company with Prime Steel Mill Company Limited, increasing by 5%, the investment amount is 48 million baht, totaling 35% stake, totaling 318 million baht. The installation of a new automatic machine has been completed. This makes the production efficiency of the company more rapid and the quality is better.
- 2020** The Company invested in the installation of solar power generation systems amount of 28.95 million baht, at the branch factory Phanat Nikhom to improve production efficiency for the use of renewable energy The investment promotion and installation was completed in November 2020, and the company entered into a contract for design, development of information systems and installation of SAP program systems with ISA Consulting (Thailand) Company Limited, totaling 20.1 million. Baht, starting from January 2021 (Yongvongpaiboon group is still the management and major shareholder of 32.805% of paid-up capital And Khunying Padma Group Lee Sawattrakul Holds 14.879 percent of paid-up capital Including the Sutirachai Group Holds 15.895% of the paid-up capital, respectively The latest registration book is closed on June 18, 2020)

# Business Overview

## Asia Metal Public Company Limited ( “the Company ” or “AMC”)

- Asia Metal Public Company Limited was established on March 9, 1993 with an initial registered and paid-up capital of 30 million baht by Mr. Chusak Yongvongphaiboon’s group. The Business is a steel service center including distribute the steel coil both hot-rolled and cold-rolled including the cutting sheet and slitting coil according to customers requirement. AMC is a manufacturer and distributor of Steel pipe with a diameter of 1 inch. (25 mm) to 7 inches. (175 mm), C-shaped structural steel which used in various industries. The total of capacity is 540,000 tons per year, divided into 44,000 tons per year of sheet steel, 244,000 tons per year of slit coil, 204,000 tons per year of steel pipes and 48,000 tons per year of C-Channel.
- STC Steel Company Limited engages in the business of manufacturing and distributing round and square steel pipes with a diameter of 0.5 inches (12 mm.) to 1 inch (25 mm.), with a total production capacity of 6,490 tons per year.
- Grand Asia Steel Processing Center Co., Ltd., formerly known as Asia Metal Fabrication Co., Ltd. (changed on August 25, 2015), engages in steel service centers ( Coil Center), sheet cutting and slitting coil according to the customers requirement. total production capacity of 72,000 tons per year.
- Prime Steel Mill Company Limited operate in manufacturer in hot rolled narrow strip in coil. total production capacity of 600,000 tons per year.

Currently, the company has registered capital of 549.97 million baht and paid up to 480.10 million baht by Yongvongphaiboon Group and Suteerachai Group. Executive and major shareholder holding 32.805% and 15.895% of the paid-up capital, respectively. (The latest registration book closes on 18 June 2020)

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 and its subsidiaries manufacture and distribution of steel pipes for use in various industries, the company and its subsidiaries are used for the production of steel pipes which can produce from diameter 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. And also we use the coated steel in coil to produce the galvanize pipe that make the steel pipes of the company with the quality and acceptable to the customers. The Company has an installed production capacity of



168,000 tons per year, which in 2020 the Company and its subsidiaries used 91% of the installed production capacity. The steel pipes of the Company and its subsidiaries are produced in round pipe, square pipe and rectangle pipe, which the company can be produced by the width and length demand by the customer.

2.2 C-shaped steel products: The company produces and distributes C-shaped structural steel. By bringing the slit coil ( Slitting Coil) cut to size and forming in a C-shape Which will be used in the construction industry as a roof structure The company has machines for the production of C-shaped steel from 3 inches to 6 inches with an installed production capacity of 48,000 tons or 30% per year.

3. Slit Coil (Slitting Coil): The company produces and service slitting coils as the coils cutting to small trips by customer specify and roll back to the supplier, The company has Slitting Machine Coil as installed capacity equal 240,000 tons per year divided into production as raw materials for supporting production of 216,000 tons per year for steel pipes and C-shaped products and 24,000 tons or 70% per year.
4. Cutting Sheet production (Cutting Sheet) :: 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 or 5% per year.

### **Characteristics of customers and target customers**

The main products of the company, which are structural steel and hot-rolled steel sheets, are be mainly used in the construction industry. However, in the future, the company have a goal to expand more customer base to other industries, to focus the group of modern trade, wholesaler, general industrial processing steel supplier, In both Bangkok and its surrounding areas. Products of the steel service center are coils, slit steels, steel sheets. The company's Structural steel is steel pipe, C-shaped steel structure. We distributed products to customers and entrepreneurs in various industries Both in the country and abroad. Such as the construction industry, Automotive industry , Electrical appliance industry, Furniture industry, etc. Entrepreneurs in the construction industry and the automotive industry, are the current main customers ; Including other downstream various industries, use the company's products as raw materials in production.

At present, Company have develop a good relation ship with the existing customers. The production capability is sufficient to meet the needs of customers, and develop products according to customer needs continuously.

**The company's steel products are used as raw materials for production in various continuous industries as follows:**

- Construction industry use the C-shaped steel structure to the roof structure and use the steel pipes as roof tiles etc.
- Furniture industry use steel pipes as the frame of various types of furniture such as tables, chairs, barriers. Also use sheet steel as components to make different cabinets, and shelf including safety deposit box, which can be used in office buildings, educational institutes and various places and ready-made stage, etc.
- Electrical appliance industry use the steel sheet as a component in the manufacture of electrical appliances and electronic such as washing machines, refrigerators, air conditioners, etc.
- Automotive industry use steel pipe and steel sheet as components in automotive production, for example, steel tube is used for bus body structure and pickup truck; and use a sheet steel as a pickup truck's floor and the exterior of the car body, etc.
- Other industries use hot-rolled steel as parts for gas cylinders, other engineering structure and used in all industries as required by customers.

**Nature of business operation in the past year**

- Business operation in 2020 due to domestic and international situations, Delays in government investment. The trade war affecting the global economy and Thailand. Major factors affecting the economy in 2020, the COVID-19 epidemic to the world and in the country, until the government had to declare a state of emergency in every area of the kingdom, must strictly implement the epidemic control measures, and relief measures from time to time.
- As a result, the business and manufacturing sectors of various industries, the steel sector has been disrupted, due to reduce of domestic and foreign demand. It's a factor that affects the demand for steel products in downstream industries. Such as construction, automotive and electrical appliances, etc. Therefore the company adapts from the situation, operation the business activities by risk assessment, and planning for effective risk management. With th inventory management, Price control, and performance control, Product quality. Set up a policy to develop production efficiency, Machine development, Expand production capacity. Increase the ability of production meet the standard and quality of customers requirement, and in time. Improving data efficiency in management planning, and management by developing an information system for risk assessment, auditing and monitoring.



## Industry and Competitive Conditions

- The global steel price level has been steadily increasing since the end of 2020, especially on the rising of Chinese demand, despite the COVID-19 situation. The second-third quarter economy continued to expand well, that make China increase 8% of steel demand in 2020 compared to 2019. China imports almost all types of steel from abroad, As many countries faced economic recession, both Europe and Japan, many iron blast furnaces were shut down. As a result, the price of all types of steel in the world market, including construction steel, flat steel, long steel has increased from the end of the year to now an average of more than 10%, Tends to continue to rise.
- Thai economy have a tendency to recover from the previous year. In 2021, the capacity utilization rate of the Thai steel industry is likely to rise, expected to grow from 2020 by 5-8% or approximately 17- 18 million tons. by supporting the economy from the government, it has pushed the "Made in Thailand" policy and the local economy. That help the domestic steel industry recover, competition may expand from investment in infrastructure and downstream industry, construction industry. Especially for construction projects, Public infrastructure, Including government policies or measures to stimulate the economy, to stimulate spending and promote the domestic industry. The results of the above measures, expected to increase the production and consumption of domestic steel products.
- Iron and steel section forecast that production increased slightly at about 0.0-1.0 percent from the same period last year. Steel consumption in 2021 is expected to be 17.5 million tons, increase 5.0 percent. Due to the public infrastructure's policy or measures to stimulate the consumption and support the domestic industry. The results of the above measures, expected to increase the production and consumption of domestic steel products. There are important issues to follow, such as the situation of global economy and trade, controlling the spread of COVID-19.

# Marketing and Competition

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- Performance development planning for business sustainability, as a resulting to the company has the ability to competitive, and coping with fluctuating situations. The Company has an advantage in the material management as the Company has jointly invested with a coil producer that has sufficient production capacity to meet the demand. Increase the competitiveness, control of production cost stability. Product development and production efficiency enable the company to be competitive, able to control production efficiency from upstream to downstream, and to customize products in a wide variety of sizes according to customer needs.
- The company has a policy to be the most comprehensive and diversified supplier, manufacturing and distribution services of steel products sourcing, to meet the different needs of customers. This makes customers no need to order from multiple distributors, can find all types of products from just one company (One-Stop-Service) and access to a wide variety of markets, to spread the risks from the fluctuation of steel demand in the country and each region. The company can provide products both in the form of buying and selling, and processing product. The Company's customers are modern trade, wholesalers, and dealers , Including the construction contractor, steel processing manufactuler, as well as automotive industry and furniture industry ,Which increases distribution channels to the target group.
- The company focuses on creating an added value base in the organization, developing knowledge of personnel by create learning, which is an important factor in driving business and managing work efficiency. As a result, the production process and internal management are more efficient, the waste from the production process is reduce. Improving the efficiency of information, to help in management control work systems ,and report results in a timely and efficient.
- The company gives great importance to providing products according to the needs of customers, and in the time limit. Due to the wide variety of product sizes , an efficient inventory control system , quick and on time product delivery. Manage sales and marketing by taking care of industry customers groups, to know thier needs. The products delivered must also meet the quality of the customer needs, cause we realizes the importance of product quality as well. Steel products the we sales are quality products, with international quality certification from both domestic and international.

## Procurement of raw materials and products

The Company purchases main raw material steel for the production of flat-rolled products within the domestic including G Steel Public Company Limited G J Steel Public Company Limited as Hot-rolled steel manufacturer and a major domestic supplier. The company purchase narrow strip from Prime Steel Mill Co., Ltd. Orders accounted for approximately of the total purchase of raw materials and products in 2020 as 37.70 million baht including from importing goods from abroad Europe and China as the proportion 11.40 million baht In addition, there is a purchase of narrow roll raw materials from a joint venture company, Prime Steel Mill Company Limited of raw materials and products as the proportion 31.94 million baht.

However, the situation of hot rolled coil prices in the international market has dropped below domestic steel prices. The company continue to import raw materials from abroad, as purchasing raw material distributors from abroad to track information on raw material prices. Products from Europe and Asia, from hot-rolled steel, cold rolled steel, galvanized steel sheet and zinc coated steels and various steel profiles to expand the customer base to various in related industries such as Electrical appliances, Construction industry and Automotive industry.

(Unit : Ton Quantity)

Source	Description	Y2020	Y2019	Y2018
In the country	Hot rolled coil and Other types of steel products	18,754.32	78,259	31,733
Foreign countries		693	100,332	103,504
In the country	Narrow steel coil	11,135	84,900	N/A
Foreign countries		N/A	N/A	150,250

Policy for purchasing key raw materials, for steel group as hot-rolled steel, cold rolled steel, galvanized steel sheet and zinc coated steels and various steel profiles. The company will purchase raw material orders 2-3 months in advance. Approximately 10,000 tons each time regularly and discuss about price, quality agreed in advance with the supplier of raw materials in order to have products in sufficient quantities and quality to meet customer standard, within the 1-month timeframe. By purchasing through different channels, allows the company to help reduce the cost of the company and gradually deliver consistent quantity orders.

## Revenue of Asia Metals Public Company Limited and Subsidiaries

Distribution Value	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Steel Service Center						
1. Service Supplier of steel products	N/A	N/A	76.25	1.42	297.05	4.73
2. Cutting Services	0.59	0.01	3.54	0.07	6.04	0.10
Total Steel Service Center	0.59	0.01	79.79	1.49	303.09	4.83
Processing of steel						
1. Sheet	361	7.31	388.41	7.21	400.78	6.39
2. Slitting in Coil	342	6.93	229.99	4.27	251.58	4.01
3. Pipe	3,115	63.09	3,143.74	58.36	2,775.24	44.22
4. Lip Channel	251	5.08	561.21	10.42	637.49	10.16
Total Processing of steel	4,069	82.41	4,323.35	80.26	4,065.09	64.78
Other	867.41	17.58	983.80	19.74	1,907.44	30.39
Total value of sales	4,937	100.00	5,386.94	100.00	6,275.62	100.00

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

# Policy and Risk Management

## Risk management

The Board of Directors importance to the internal control and risk management system, by assigning the Audit Committee Responsible for reviewing the assessment of the internal control system and following up the results regularly. The focus is to have an internal control system that is adequate and appropriate to the risks of the company.

The company has provided enough personnel to operate the system efficiently. Able to protect and maintain company assets as well as no significant corruption or normal operation. Including to reasonably assure that all transactions with persons who may have conflicts and related persons . It is operated in accordance with the rules and regulations of the company and regulations of the law. to prevent any loss to the company Along with the use of information technology that is recognized by international standards, with the use of data software systems for effective reporting and can be scrutinized.

**The risk factors that may affect the Company's transactions are as follows:**

### 1. Business risks

#### ● Risk from the fluctuation of raw material prices

In 2020, fluctuations in the prices of hot-rolled steel and zinc coated steels affect product costs. The risk of fluctuation product prices and selling price of the company's products Will change in accordance with the purchase price of raw materials, the company may be at risk. If the product selling price cannot be adjusted in line with the raw material purchase price, which will affect the price difference (metal margin) and the Company's profitability rate. In the past, the company purchased raw materials for hot-rolled steel and galvanized products, which ordered approximately takes 2-4 months in advance, so there may be a risk if the company buys raw materials at a high price, but is unable to sell the Company's products at a higher price.

The Company and its subsidiaries closely monitor the movements in order to assess the situation and trends in price and compare domestic prices from abroad, including analyzing the situation that may affect the price fluctuation of raw materials all the time in order to consider the purchase. And cost management of raw materials and production which positively affects the operations of the company However, the Company and its subsidiaries still focus on managing the warehouse in the appropriate quantity in accordance with the sales of products. To reduce the price impact by setting measures to reduce risks as follows.

- 1) Closely monitor the movement and assess the situation of the price trend Compare domestic and international prices. Monitor the economic situation and other factors that affect the fluctuation of raw material prices to engage in the purchase of raw materials and to control production costs.
- 2) Focus on planning the purchase of raw materials and production in accordance with the sales policy, pushing the distribution and delivery quickly to control inventory and reduce the price impact.

- **Risk from volatility in quantity**

The overall products of the company and subsidiaries are construction products Automotive industry and Electrical appliance industry, etc. in the year 2020 due to the slowdown in the economy is not because of domestic. In addition, the iron and steel industry decreased in both long steel products and flat iron with reduced long products such as hot-rolled structural steel This was due to the continued slowdown in the industry as a whole, the government sector remains an important driver of the industry. With supporting factors from the continuous expansion of industries such as the construction industry, Especially for basic construction projects Government sector and various economic stimulus measures Which is one of the factors affecting the distribution volume.

- **The risk of impacts from legal changes from Government policies and related measures**

Government policies and related measures was to the increasing amount of foreign steel imports. Affect the domestic sales price structure distorting the government has implemented measures to protect domestic manufacturers from anti-dumping. By charging anti-dumping duties (ANTI-DUMPING) or issuing measures to protect from imports of hot rolled steel (SAFEGUARD), as well as the government to review additional standards, which will take effect by 2020, together with Government officials are unable to inspect the quality management system at foreign manufacturers. Due to Covid-19 disease outbreak, therefore has affecting the importing of raw materials. This may cause a shortage of steel raw materials, especially domestic steel mills cannot supply steel according to demand or sufficient for consumption of the market. The company still uses a policy to maintain the inventory level and prepare a plan for ordering raw materials 2-4 months in advance, including monitoring the situation related, including changes in the law, government policies and related measures. Which may affect the operation of the request Business both directly and indirectly for competitiveness.

## 2. Management risk

- **Risks from giving credit to customers**

The Company and its subsidiaries has run the business since December 31, 2020 as 915.44 Million Baht or a percentage 18.54 Revenue from sales and services and on the quality of receivables there is a fair and equitable practice in considering giving credit to all customers. To reduce the risk that may be beneficial to any particular group, consider customer history. Financial statements and other information of the Company and its subsidiaries also place great importance on monitoring the quality of receivables on a regular basis. To reduce the risk that may arise from the debtor is unable to pay. In addition, the Company and its subsidiaries have a policy to provide an allowance for doubtful accounts for all trade receivables that meet the criteria or are likely to be unable to make payments.

- **Interest rate risk**

As of December 31, 2020, The Company and its subsidiaries is current liabilities 1,440.58 million baht or equal to 93.22% of total liabilities. The debts are commercial loans in the form of Letters of credit, trust receipts, promissory notes, etc. The changes in market interest rates may affect the financial costs of the Company. In the year 2020, The companies and subsidiaries had financial costs equal to 19.08 Million baht or equivalent to 0.39% income from sales and services from the risk conditions, the Company has focused on debt management.

- **Foreign exchange risk**

The Company and its subsidiaries have an order from abroad, representing 34 in the year 2020 of the total order values. The company made purchases from overseas in both US dollars and Euro during the past year of economic fluctuation in both the country and the country. And causing the money market to fluctuate, However the company still operates in accordance with the policy set out against exchange rate fluctuations, by using appropriate financial instruments such as foreign exchange contracts to reduce the risks and impacts that may arise from the fluctuation of foreign exchange rates.

- **Risk from raw material shortage**

The Company and its subsidiaries sourcing the raw material from a supplier and distributor of hot rolled coils (Hot Rolled Coil), the largest of three including G Steel Public Company Limited, G J Steel Public Company Limited trading a monopoly, the seller has the power to set prices and negotiate. This may affect the product shortage which the demand for raw materials in the country and there is still a risk from the shortage of raw materials. The company has procured raw materials from other sources and other products to replace customer needs as well as ordering narrow strip coil from Prime Steel Mill Co., Ltd., a joint venture company Including importing more raw materials from abroad and plan to reserve raw materials in the specified quantity and procurement of raw materials in advance to reduce the risk of raw material shortages.

The Company and its subsidiaries are ordering steel coated roll in the domestic and abroad in the domestic from POSCO-TCS. Which producers and distributors of coated steel are few in the country and issuing government measures such as ANTI-DUMPING and amendments Industrial product standards It may create a risk of product shortages and increased domestic demand In order to be a good management, by ordering products in advance comparing the price trends, demand volumes and taking into account the quality of the raw materials and cost management appropriately for the direction of competitive and economic conditions.

- **Risk from relying on management**

The business operation relies on the good relationship between management, business partners, distributors and procurement. Raw materials and customers enable the company to source raw materials at reasonable prices and be aware of the market situation for controlling the situation of the steel industry. This allows the company to analyze trends in raw material prices and consumer demand which may affect confidence. If management is unable to control the situation, the Company and its Subsidiaries therefore place great importance on employee development as a part of driving the business and knowledge transfer to assess the situation in conducting commercial activities.



# Sustainability Management

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- **Sustainable Management Policy and Goals**

The company mindful of the importance of sustainability to the stakeholders to operate the business sustainably, in the year 2020, the company has continuously strived to support education, activity and religion. To provide opportunities and development the human resource to most potential.

The company sincerely hopes that this social responsibility policy will be a great impetus for all executives and employees to be a part of creating good standards for communities and society. As well as to jointly support the implementation of corporate social responsibility in order to be good and sustainable continuously.

There is a commitment to quality management in all sectors and strive to create sustainability in the future by building confidence Under the policy of good corporate management, it is responsible for all business stakeholders, including employees, customers and shareholders as supporting by Directors, executives committee and staff team to responsible for ensuring efficiency for a sustainable future of society and the environment and a happy coexistence and a coexistence of corporate values. CSSP is driven by the learning of people at all levels. And internal knowledge is shared among personnel, along with the acquisition of external knowledge, with an important objective of providing opportunities for best practices lead to development and implementation. Build a strong knowledge base of the organization, to keep pace with the change And grow sustainably in the increasingly competitive environment in order to achieve the vision of the organization and to be a learning organization. We adhere to our corporate values and conduct guidelines together. Which we call CSSP with the meanings: CHANGE, SPEED, FAST, SERVICE and PEOPLE.)

- **Stakeholder Management**

- Customers create satisfaction and engagement with customers by providing quality products and services that meet international standards at a fair price.
- Shareholders generate good returns from commercial operations and expand the business for continued growth with sustainability.
- Employees continuously support the development of professional competence and provide compensation and benefits that are on par with companies of the same industry.
- Trading partners operate their business on the basis of fairness and build good relationships in order to develop potential and efficiency in conducting business together in the long term.

- **Environmental Sustainability Management**

Asia Metal Public Company Limited gives importance to environmental protection, not to do any destructive behavior to the natural resources, Including creating activities to support environmental protection for people in the community, cultivate the subconscious of all employees and every unit that supervision, to comply with environmental standards, laws and regulations.

Realize the business operation that builds the confidence of customers with serious environmental responsibility in every process, including in management , production's process and distribution of products. Causing the development of concepts that are distilled from experience, as a guideline for creating a sustainable balance for all stakeholders, to be a part of the defense and reduce pollution that may affect the environment.

It is also integrated with the principles of sustainable development and the philosophy of sufficiency economy.

Commitment to sustainability and meet stakeholders' needs with the following operational guidelines :

- 1) Follow the law Environmental, rules and regulations .
- 2) Focus on the conservation of natural resources, energy saving and environmental pollution prevention.
- 3) Create good awareness of employees at all levels, to take part in the care of the environment in the workplace and nearby areas.

In 2020, Environmental performance reduces the environmental impact, associated with natural resources. are the factors of production as follows :

- Power management, efficient use of energy and reduce energy waste ,which is the cost of the business process. Company have manage and control the operation of lighting and air conditioning systems, by installing and maintaining equipment, Including installing a solar power system (Solar Rooftop) , to reduce the consumption of electricity. At the Phanat Nikhom plant the installation in November to December 2020, as producing electricity 140,698 kW.h , per hours.
- Water management  
The company uses raw water and tap water by maintain, improve, and check the condition of the water distribution system within the process to meet the standard. In 2020, the company has total water consumption 218,000 Cubic meter, decreases 35,748 Cubic meter or 14%, compared to the previous year.
- Management of rubbish, waste and pollution  
The Company continuously manages the rubbish and waste in its business processes. There effective a system for sorting the rubbish, along with the creation of consciousness and participation with related people, The company has measured the quality standards as the air, smell, sound, light in the normal range as required by law and also improvement as suggested from the inspector.
- Management to reduce greenhouse gas problems (No information)

- **Social responsibility policy**

Asia Metal Public Company Limited is committed to producing and distributing quality steel. Which takes into account the safety of users that may affect the community and the environment In this regard, the company has complied with rules, regulations and laws and continuously improves and develops products. Which is the foundation of sustainable social responsibility, Adhere to business principles that are transparent, verifiable, ethical, and respectful to human rights and the benefits of stakeholders.

- **Fair business operation practice**

Asia Metal Public Company Limited conducts business based on the principles of good corporate governance as a guideline. The company has defined in writing for the directors, executives and employees of all levels. Adhere to a practice guideline in order to comply with the law and to create fairness in the business operation without looking for personal interests as well as avoid any action that may lead to conflicts of interest, Considering the best interests of customers and stakeholders.

- **Fair labor practices**

The company believes in the development of all personnel in the organization is important in driving the organization to the vision and mission effectively. Therefore, the company also has recruiting new personnel with knowledge, abilities, skills, good attitudes and readiness to join the company. Along with retaining existing personnel to increase knowledge, abilities and skills, able to work together as a team. Helping each other will achieve the company's goals effectively and efficiently and most importantly that the company has always focused to allow employees to work within a positive environment and pride themselves on being part of the organization.

- **Policy on the conduct of human rights to migrant workers of the company**

The company values these workers and pays wages and benefits. According to ability without discrimination at the same time, the company provides both planning advice. Management or in some cases, the company also provides direct assistance and cost support by the following projects:

- 1) The company has sent a team to inspect the quality of life of foreign workers and survey the livelihoods of migrant workers in the workers' accommodation. If problems are found, they will be resolved as soon as possible for the living of a good labor.
- 2) The legal minimum wage for foreign workers, the company has complied with the laws as according to the government policy on the minimum wage of Samutprakarn province 331 baht and Chonburi province 336 baht as complied with the aforementioned laws, both Thai and foreign workers.
- 3) Health and sanitation care in the worker's accommodation, the company arranges to maintain health and hygiene in the workers' accommodation annually for good hygiene.

- 4) Skill Development, the Company has the concept of developing these quality workers with professional opportunities. By training them to have production skills Basic care and use of machinery and equipment In order to be able to perform work at the same potential as general labor

- **Human rights respect**

The company adheres to the principle of human rights as a common practice. All employees must not take any action or promote a strict violation of human rights. We set up a policy of non-violating human rights, and on making such policy guidelines in the Business Ethics Manual, to use as a guideline for compliance with the details as follows:

- 1) Personal rights and freedoms

- The company maintains personal information of employees such as biographies, health records, employee history, etc. Disclosure or transfer of employee's personal information to the public, can be done only with the consent of that employee. Harassment is considered a disciplinary offense. Unless acted in accordance with the company regulations or by law.
- Disclosure or transfer of personal information can be done with the consent of the person.
- A person can claim human dignity or exercise his rights and liberties so far as it does not violate the rights and liberties of others.
- The company does not support activities that violate international human rights principles and corruption.

- 2) Treating employees with equality

- The company treats all employees with equality, not discriminate regardless of race, nationality, language, religion, sex, age and education.
- In performing duties, comments should be avoided regarding physical and mental differences, race, nationality, language, religion, sex, age, education, or any other matter that may lead to conflict.
- The company provides employees with an opportunity to have a communication channel, to suggest, complain grievances about work, the offers will be seriously considered, and define a solution, to benefit all parties, and provide a good relationship to work together.
- Employees must treat each other with respect, behavior in accordance with the company's regulations, and traditions, will not damage the image of the company.
- The company gives the employees opportunity to show their talents to the fullest, by setting appropriate compensation according to company regulations, and providing employees with opportunities to further study both in higher education, and short or long term training.
- Conducting performance consideration with correctly and fairly
- Help each other to monitor the working conditions, free from oppression or unfair actions and Respect each other's opinions

- The company encourages the employees to exercise their rights as legitimate, constitutional and legal citizens. The company abides by human rights principles. including taking care of employees and personnel, as a family with the organization. In 2020, company have done important thing about the staff as below :

Employment information (31 <sup>st</sup> December 2020)	Age Range			Sex	
	< 30 Year	30-50 Year Old	> 50 Year old	Male	Female
Employment	231	307	46	430	154
New Employment	94	73	1	120	48
Resigned Employee	107	110	9	163	63
Trainee	0	0	0	0	0
Executive	1	6	2	6	3

Workplace	Head office	Panusnikom Plant
New Employee	144	24
Resigned	159	67

The company has organized training courses for employees to increase their skills and working potential for a total of 330 employees, accounted the ratio as follows:

Ratio of Traning Hours	Unit	2020	2019	2018
Ratio per person	Hours : Person	4.6	5.1	6.7
Male	Percent	70.00	79.99	79.35
Female	Percent	30.00	22.01	20.65

#### ● Company policy on accidents

Asia Metal Public Company Limited has set policies to encourage employees to work with safety and good hygiene in the workplace. The company focuses on preventing accidents that may occur, bring up employees have a safety conscious, promote employees to have good health, not to do any unhealth thing to the of the customer or the service users, Including always maintaining a hygienic and safe workplace. The guidelines in the operation are as follows :

- 1) Inculcate accident prevention into a part of corporate culture. In order to absorb the ideas and work of employees to perform work with regard to safety.
- 2) Strictly follow the rules.
- 3) Notify your supervisor immediately. If there is a risk in the work to find ways to prevent risks and cultivate employees to observe and be a part of risk prevention which the organization has a duty to cultivate and place more emphasis on this area.
- 4) Annual safety report assessment to improve and prevent any accident is reduced to 0 (Zero Accident).

In the year 2020 reducing the frequency of accidents as follows:

- 1) Organize safety training and orientation for operational level employees by staff to help translate the lectures occupational safety courses.
- 2) Fire Safety Training
- 3) Training Machines
- 4) Put a sign indicating the danger point at the working point.
- 5) Campaign for 5S activities inside the factory

- **Social responsibility policy**

Asia Metal Public Company Limited committed to producing and distributing quality steel. Which takes into account the safety of users that may affect the community and the environment In this regard, the company has complied with rules, regulations and laws and continuously improves and develops products. Which is the foundation of sustainable social responsibility, Adhere to business principles that are transparent, verifiable, ethical, and respectful to human rights and the benefits of stakeholders.

- **Environmental policy**

Asia Metal Public Company Limited gives great importance to environmental work. And aware of business operations that build confidence among customers, As well as being part of the defense And reduce pollution that may affect the public with the following operational guidelines

- 1) Follow the law Environmental regulations and regulations.
- 2) Focus on the conservation of natural resources Energy saving and environmental pollution prevention.
- 3) Create good awareness of employees at all levels to take part in the care of the environment in the workplace and nearby areas.

The company realizes that society, community and environment, very important to the Thai people's life in society. If people in society have a good quality of life, society would naturally have strong potential. This also help the company building a firm and sustainable foundation. Therefore, in addition to operating the business under the principles of good governance, that is transparent and fair. We has also set up a guidelines for promoting "Quality people and moral society, as well as caring for communities and preserving the environment through various projects and activities.

- **Responsibility Policy to Customers and Consumers**

The company emphasis on producing and delivering quality products, that meet customer needs. Performing their duties by taking into account the best interests of the customer. It must comply with standards, regulations and laws relevant. The principles of responsibility to the consumer are as follows.

- 1) Product quality control to meet the expectations of customers, the company has selected quality raw materials, through the standard procedures of production process, to get the good quality products .
- 2) Cost management to be concise at the assessed level , to develop a quality product at a low cost price. That make consumers get a good quality products at an affordable price.
- 3) On-time delivery control, for not effect the consumer, we have enough vehicles for support and accurate delivery. While have high frequency of product delivery, we have more than 3 business partners to serve us.
- 4) Strive to supply, develop and produce the products and services in a modern way to meet the needs of our customers.
- 5) Sell quality products and services to customers with fair prices.
- 6) Provide accurate information to customers without exaggeration, which causes customers to misunderstand the quality, quantity or condition of that product or service.
- 7) Provide a process that customers be able to report problems of product use, or providing improper services; For the company can prevent or resolve problems for customers quickly, use such information to further improve or develop such products and services.
- 8) Provide after-sales service to facilitate customers effectively.
- 9) Maintain confidentiality of customers, do not disclose customer information or improperly use for personal gain.
- 10) Support activities in order to foster and maintain a good relationship between customers and the company.

- **Anti corruption**

The company has a policy to treat the customers equally, fairly with honesty. Comply the agreement with all stakeholders of the company. Aware of the prevention of corruption both inside and outside the organization. Formulating an anti-corruption policy, and is in the process of preparing a declaration of intent, and formulation a policy covering business activities. In 2020, The company has not received any clues or complaints about corruption.

The company has a policy to accept or according to tradition and morality ,to express gratitude, or another way to maintain the normal business relationships. It should be followed suitably, the set up policies covering guidelines on various matters, as the anti-corruption policy information. Published through the company's website [www.asiametal.co.th](http://www.asiametal.co.th)

## Management Discussion and Analysis : MD&A

Asia Metal Public Company Limited to inform clarification of operating results for the year ended December 31, 2020 compared with The same period of the previous year The details are as follows:

### Revenue

As the year ended December 31, 2020 The company and subsidiaries has revenue from sales and service amount 4,936.61 million baht which was reduced amount 450.33 million baht or 8.36% from sales as Billet decreased 269.50 million baht C-Shaed steel decreased 310.40 million baht from the last same period of the previous year because of Subsidiary of Prime Steel Mill Company Limited has importing steel their obtaining manually, In additional, the economy from the situation Covid-19 epidemic has affected businesses and the automotive industry, causing demand for the product. In the market decline.

The company and subsidiaries has revenue from product amount 3,115.51 million baht or 28.30 million baht, from Steel coil, C-shaped steel, Steel plate and other as 1,821.10 million baht total revenue from product as 4,937.61 million baht

### Cost of Goods sold

As the year ended December 31, 2020 The company and subsidiaries as Cost of Goods sold as amount 4,550.47 million baht and Profit margin as amount 386.14 million baht ratio decreased 12.05% which decreased from the same period as effect by the price of raw-material supply to finished good as Hot Rolled Coil ,Galvanized steel coil, Narrow strip, Pickled and Oiled steel sheet in coil. The Company was manage the cost of manufacturing form purchase of raw materials lower pricing and sales management better, also The Construction of Warehouse completed in year 2018. The Company able to production and inventory stock to reserving by customer's need that effect to Cost of Goods Sold decreased proportion which higher than revenue from sales and services therefore gross of profit increase 3.87 percent.

### Financial Position

#### Assets

As the year ended December 31, 2020 The company and subsidiaries has financial position as Total assets was amount 3,739.99 million baht has reduced from the last same period of the previous year amount 341.39 million baht or 10.05% as Cash and cash equivalents increased 87.12 million baht from investing activities.

Trade accounts and other receivable increased 350.44 million baht from accounts receivable from related increased 322.35 million baht mostly from selling slab to Prime Steel Mill Company Limited as same the period of year and also situation of Covid-19 that affect to short supply material to produce.

Investment in an associate company decreased 63.42 million baht from 2020, The Company recognized share of loss from investment in Joint of Prime Steel Mill Company Limited.



Property, plant, and equipment decreased 152.70 million baht, Right-of-use' asset increase 127.24 million baht from lease assets and financial liabilities from changing in TFRS 16 standard on January 1, 2020.

#### Liability

As the year ended December 31, 2020 The company and subsidiaries has Liability as Total amount 1,545.33 million baht increased from the last same period of the previous year as 205.56 million baht or 15.34% from short-term loans increased 106.77 million baht mostly from Trust Receipt as purchased import products and promissory notes decreased due to the maturity date of payment, also The Company carry on more amounts of cash from expanding customer groups and accepting debt payments the goods.

Long-Term loans from Bank decreased 15.60 million baht from repayment SCB Banking in accordance with the contract period.

#### Shareholder's Equity

As the year ended December 31, 2020 The company and subsidiaries has Shareholder's Equity as Total amount 2,194.66 million baht increased from the last same period of the previous year as 135.83 million baht or 6.60% share profit from investments in associates for the year 2020 decreased 158.30 million baht compared of 2019.

## **AUDIT REPORT SUMMARY**

Auditor's Office : BPR AUDIT AND ADVISORY COMPANY LIMITED

Auditor :

<b>FINANCIAL STATEMENTS</b>	<b>AUDITOR</b>
Consolidated Financial Statement For the year ended December 31,2020	Ms. Rungtawan Boonsakchalerm Certified Public Accountant Registration No.6031
Consolidated Financial Statement For the year ended December 31,2019	Ms. Rungtawan Boonsakchalerm Certified Public Accountant Registration No.6031
Consolidated Financial Statement For the year ended December 31,2018	Ms. Rungtawan Boonsakchalerm Certified Public Accountant Registration No.6031

The Auditor has expressed an opinion on the financial statements of the company which can be summarized as follows:

For the financial statements for the year ended December 31,2018 to December 31,2020

The Auditor has made an unqualified opinion that the company's financial statements accurately reflect fair financial position, operating results and cash flows in accordance with Financial reporting standards.

# Financial statement and Financial ratios

(Uniot : Million baht)

	Consolidated Financial Statements			Separate Financial Statements		
	2020	2019	2018	2020	2019	2018
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	192.41	105.29	90.98	136.52	95.03	78.46
Temporary investments	-	-	140.31	-	-	-
Trade and other receivables – related parties	540.53	218.18	846.74	861.16	549.36	1,111.47
Trade and other receivables – other parties	383.45	355.36	425.07	204.56	206.51	276.04
Short-term loans to and interest receivable from related parties	1.88	1.96	1.66	22.25	23.86	24.66
Inventories	987.41	977.33	1,065.33	884.58	792.71	878.99
Advance payment for purchasing of goods – related parties	45.82	8.31	113.93	45.82	8.31	113.93
Advance payment for purchasing of goods – other parties	0.14	1.29	0.15	0.14	1.29	0.15
Other current financial assets	1.83	62.16	-	1.83	62.16	140.31
Other current assets	0.02	0.04	2.88	-	-	2.85
<b>Total current assets</b>	<b>2,153.49</b>	<b>1,729.92</b>	<b>2,687.05</b>	<b>2,156.86</b>	<b>1,739.23</b>	<b>2,626.86</b>
<b>NON – CURRENT ASSETS</b>						
Deposits at financial institutions pledged as collateral	152.78	151.46	156.98	151.76	150.44	155.95
Other non-current financial assets	3.82	3.82	5.52	3.82	3.82	5.52
Investments in associates	299.64	363.07	219.78	318.00	318.00	270.00
Investments in subsidiaries	-	-	-	24.98	24.98	24.98
Investment properties	-	-	-	29.97	32.52	35.06
Property, plant and equipment	962.73	1,115.43	1,000.05	875.15	1,021.83	923.66
Right-of-use assets	127.25	-	-	126.45	-	-
Intangible assets	18.56	12.17	12.55	18.56	12.17	12.55
Deferred tax assets	-	-	27.76	-	-	27.76
Other non – current assets	21.72	22.73	15.34	14.62	14.61	13.62
<b>Total non – current assets</b>	<b>1,586.50</b>	<b>1,668.68</b>	<b>1,437.98</b>	<b>1,563.31</b>	<b>1,578.37</b>	<b>1,469.10</b>
<b>Total Assets</b>	<b>3,739.99</b>	<b>3,398.60</b>	<b>4,125.03</b>	<b>3,720.17</b>	<b>3,317.60</b>	<b>4,095.96</b>

	Consolidated Financial Statements			Separate Financial Statements		
	2020	2019	2018	2020	2019	2018
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Bank overdrafts and short-term loans from financial institutions	1,226.08	1,119.31	2,001.58	1,226.08	1,115.67	1,997.04
Trade and other payables – related parties	4.62	2.32	62.92	2.82	2.73	49.07
Trade and other payables – other parties	133.04	113.93	171.05	119.15	94.52	147.10
Short-term loans from related parties	-	-	25.00	-	-	-
Payable under foreign currency forward contracts	-	-	1.77	-	-	1.77
Current portion of long – term loan from financial institution	11.10	14.82	14.22	11.10	14.82	14.22
Current portion of liabilities under lease liabilities	30.92	17.10	5.48	30.51	16.44	5.16
Income tax payable	34.82	-	-	34.82	-	-
<b>Total current liabilities</b>	<b>1,440.58</b>	<b>1,267.48</b>	<b>2,282.02</b>	<b>1,424.48</b>	<b>1,244.18</b>	<b>2,214.36</b>
<b>NON – CURRENT LIABILITIES</b>						
Long – term loan from financial institution – net of current portion	-	11.20	26.03	-	11.20	26.03
Lease liabilities – net of current portion	71.07	30.11	11.90	71.62	29.07	10.93
Deferred tax liabilities	17.06	16.16	3.52	9.57	8.79	-
Provision for employee benefit obligations	16.62	14.81	11.11	14.02	12.64	8.99
<b>Total non – current liabilities</b>	<b>104.75</b>	<b>72.28</b>	<b>52.56</b>	<b>95.21</b>	<b>61.70</b>	<b>45.95</b>
<b>TOTAL LIABILITIES</b>	<b>1,545.33</b>	<b>1,339.76</b>	<b>2,334.58</b>	<b>1,519.69</b>	<b>1,305.88</b>	<b>2,260.31</b>
<b>SHAREHOLDERS' EQUITY</b>						
Share capital – common shares, Baht 1 par value						
Authorised share capital	549.97	549.97	549.97	549.97	549.97	549.97
– 549,973,800 shares of Baht 1 par value						
Issued and fully paid – up share capital	480.10	480.10	480.10	480.10	480.10	480.10
– 480,096,277 shares of Baht 1 par value						
Premium on common shares	297.75	297.75	297.75	297.75	297.75	297.75
Retained earnings						
Appropriated for legal reserve	55.00	55.00	55.00	55.00	55.00	55.00
Unappropriated	1,098.43	965.38	818.75	1,133.75	944.99	886.24
Other components of shareholders' equity	261.49	261.49	128.78	233.88	233.88	116.56
Total equity attributable to equity holders of the parent company	2,192.77	2,059.72	1,780.38	2,200.48	2,011.72	1,835.65
Non-controlling interests	1.89	(0.88)	10.07	-	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,194.66</b>	<b>2,058.84</b>	<b>1,790.45</b>	<b>2,200.48</b>	<b>2,011.72</b>	<b>1,835.65</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>3,739.99</b>	<b>3,398.60</b>	<b>4,125.03</b>	<b>3,720.17</b>	<b>3,317.60</b>	<b>4,095.96</b>

	Consolidated Financial Statements			Separate Financial Statements		
	2020	2019	2018	2020	2019	2018
<b>REVENUES</b>						
Revenues from sales and services	4,936.61	5,386.94	6,275.62	4,704.12	5,219.16	6,168.88
Gain on foreign currency exchange	-	7.23	29.39	-	7.23	29.39
Other income	41.28	41.58	40.00	41.30	48.02	45.16
<b>Total Revenues</b>	<b>4,977.89</b>	<b>5,435.75</b>	<b>6,345.01</b>	<b>4,745.42</b>	<b>5,274.41</b>	<b>6,243.43</b>
<b>EXPENSES</b>						
Cost of sales and services	4,550.47	5,174.14	6,194.74	4,359.56	5,026.30	6,118.43
Selling and distribution expenses	68.19	86.70	79.98	49.80	71.70	65.34
Administrative expenses	69.38	64.57	96.42	60.67	56.21	86.54
Loss on foreign currency exchange	8.14	-	-	8.14	-	-
Management benefit expenses	12.71	19.79	20.44	8.93	13.09	14.00
<b>Total Expenses</b>	<b>4,708.89</b>	<b>5,345.20</b>	<b>6,391.58</b>	<b>4,487.10</b>	<b>5,167.30</b>	<b>6,284.31</b>
<b>Profit from operating activities</b>	<b>269.00</b>	<b>90.55</b>	<b>(46.57)</b>	<b>258.32</b>	<b>107.11</b>	<b>(40.88)</b>
Finance costs	(19.08)	(35.31)	(45.84)	(19.00)	(32.58)	(43.64)
Share of profit (loss) on investment in associate	(63.42)	94.89	(5.98)	-	-	-
<b>Profit before income tax</b>	<b>186.50</b>	<b>150.13</b>	<b>(98.39)</b>	<b>239.32</b>	<b>74.53</b>	<b>(84.52)</b>
Income tax expenses	(50.67)	(15.79)	12.07	(50.55)	(15.79)	12.07
<b>Profit for the year</b>	<b>135.83</b>	<b>134.34</b>	<b>(86.32)</b>	<b>188.77</b>	<b>58.74</b>	<b>(72.45)</b>
<b>Other comprehensive income (loss) – net of tax</b>						
<b>Items that may be reclassified subsequently to profit or loss</b>						
Loss from remeasurement of equity investments	-	(1.70)	(2.55)	-	(1.70)	(2.55)
Income tax of other comprehensive income (loss) relating to items that may be reclassified	-	0.34	0.51	-	0.34	0.51
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>-</b>	<b>(1.36)</b>	<b>(2.04)</b>	<b>-</b>	<b>(1.36)</b>	<b>(2.04)</b>
<b>Total items that may be reclassified subsequently to profit or loss</b>						
Premium on land revaluation	-	167.59	-	-	148.36	-
Actuarial gain from employee benefit plan	-	0.93	3.65	-	-	3.82
Share of comprehensive income (loss) in associates	-	0.39	-	-	-	-
Income tax of other comprehensive income (loss) relating to items that will not be reclassified to profit or loss	-	(33.51)	(0.76)	-	(29.67)	(0.76)
<b>Total comprehensive income (loss) for the year</b>	<b>-</b>	<b>135.40</b>	<b>2.89</b>	<b>-</b>	<b>118.69</b>	<b>3.06</b>

	Consolidated Financial Statements			Separate Financial Statements		
	2020	2019	2018	2020	2019	2018
<b>Other comprehensive income (loss) for the year</b>	-	134.04	0.85	-	117.33	1.02
<b>Total comprehensive income (loss) for the year</b>	135.83	268.38	(85.47)	188.77	176.07	(71.43)
Profit (Loss) for the year attributable to:						
- Owner of the parent company	133.05	145.76	(86.18)	188.77	58.74	(72.45)
- Non-controlling interests	2.78	(11.42)	(0.14)	-	-	-
	135.83	134.34	(86.32)	188.77	58.74	(72.45)
Total comprehensive income (loss) for the year attributable to:						
- Owner of the parent company	133.05	279.33	(85.33)	188.77	176.07	(71.43)
- Non-controlling interests	2.78	(10.95)	(0.14)	-	-	-
	135.83	268.38	(85.47)	188.77	176.07	(71.43)
<b>Earnings per share</b>	0.28	0.30	(0.18)	0.39	0.12	(0.15)

	Consolidated Financial Statements			Separate Financial Statements		
	2020	2019	2018	2020	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Profit before income tax	186.50	150.13	(98.39)	239.32	74.53	(84.52)
<b>Adjustments for</b>						
Depreciation and amortization	108.52	105.44	99.09	105.20	101.92	96.29
Expected credit losses (Reversal of) – trade receivables (2019 : Doubtful account (reversal of))	0.92	(2.44)	(0.96)	(0.09)	(2.60)	(0.96)
Expected credit losses – interest receivable to related party (2019 : Doubtful accounts )	-	-	-	0.60	-	-
Loss on decline in value of inventories (Reversal)	(7.38)	(30.30)	35.20	(5.78)	(31.93)	35.21
Unrealized gain on change in fair value of other current financial assets	-	-	-	-	-	-
Unrealized gain on change in fair value of other current financial assets	-	(0.03)	(0.02)	-	(0.03)	(0.02)
Gain on sales of other current financial assets	(0.30)	(1.69)	(0.58)	(0.30)	(1.69)	(0.58)
Profit on fair value adjustment in derivatives	(0.22)	-	-	(0.22)	-	-
Unrealized gain on foreign currency exchange	(1.42)	(1.72)	(0.54)	(1.42)	(1.72)	(0.53)
Loss on sales of and written-off property, plant and equipment and intangible assets	14.10	1.02	2.38	14.09	1.02	2.51
Loss on written-off of deposit	-	0.74	5.56	-	0.74	5.56
Loss on impairment of property, plant and equipment	-	1.44	25.77	-	1.44	25.77
Share of (profit) loss on investment in associate	63.42	(94.89)	5.98	-	-	-
Provision for employee benefit obligations	1.70	4.32	0.57	1.09	3.41	0.47
Interest income	(1.26)	(1.43)	(1.62)	(1.23)	(1.30)	(1.46)
Finance costs	19.08	35.31	45.83	19.00	32.58	43.64
<b>Profit from operating activities before change in operational assets and liabilities</b>	<b>383.66</b>	<b>165.90</b>	<b>118.27</b>	<b>370.26</b>	<b>176.37</b>	<b>121.38</b>
<b>Decrease (Increase) in operational assets</b>						
Trade and other receivables – related parties	(322.35)	628.50	(724.03)	(311.80)	562.05	(941.07)
Trade and other receivables – other parties	(29.13)	75.65	(7.42)	1.92	75.63	15.50
Bank receivables from currency forward contracts	-	2.17	0.20	-	2.17	0.19
Inventories	(2.70)	118.29	130.69	(86.09)	118.21	215.69
Advance payment for purchasing of goods	(36.35)	104.47	377.79	(36.35)	104.47	377.79
Other current assets	-	2.85	(2.63)	-	2.85	(2.63)
Other non – current assets	1.02	(7.40)	(5.28)	(0.01)	(0.99)	(4.49)
<b>Increase (Decrease) in operational liabilities</b>						
Trade and other payables – related parties	2.29	(60.59)	(0.84)	0.09	(46.34)	45.24
Trade and other payables – other parties	19.06	(55.56)	(612.21)	24.57	(51.01)	(541.94)
Bank payable from currency forward contracts	-	(1.77)	1.48	-	(1.77)	1.48
Cash paid for employee benefit	(0.22)	-	(0.78)	-	-	(0.31)
Cash generated (paid) from operations	15.28	972.51	(724.76)	(37.41)	941.64	(713.17)
Interest paid	(15.58)	(34.37)	(43.43)	(15.43)	(31.81)	(41.29)
Income tax paid	(14.95)	(8.56)	(16.57)	(14.95)	(8.56)	(16.57)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(15.25)</b>	<b>929.57</b>	<b>(784.76)</b>	<b>(67.79)</b>	<b>901.27</b>	<b>(771.03)</b>

	Consolidated Financial Statements			Separate Financial Statements		
	2020	2019	2018	2020	2019	2018
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Decrease (Increase) in deposits at financial institutions pledged as collateral	(1.32)	5.52	(1.37)	(1.32)	5.52	(1.37)
Decrease (Increase) in short-term loans to related parties	0.08	(0.30)	0.51	1.02	(0.20)	0.50
Proceeds from sales of other current financial assets	1,883.28	3,430.66	1,634.92	1,883.28	3,430.66	1,634.92
Cash paid for purchases of other current financial assets	(1,822.44)	(3,349.30)	(1,684.59)	(1,822.44)	(3,349.30)	(1,684.59)
Cash received from disposal of investment in a subsidiary	-	-	(1.05)	-	-	-
Cash received from sale of property, plant and equipment	51.10	42.99	16.78	51.09	42.98	16.54
Cash paid for purchases of investments in associate	-	(48.00)	-	-	(48.00)	-
Cash paid for purchase of property, plant and equipment	(57.62)	(53.41)	(99.72)	(55.68)	(50.37)	(99.21)
Cash paid for deposit for machineries acquisition	-	(4.13)	(30.41)	-	(4.13)	(30.41)
Cash paid for purchase of intangible assets	(17.86)	(0.91)	-	(17.86)	(0.91)	(1.05)
Interest received	1.39	1.37	1.66	1.35	2.25	1.50
<b>Net Cash Provided by Investing Activities</b>	<b>36.61</b>	<b>24.49</b>	<b>(163.27)</b>	<b>39.44</b>	<b>28.50</b>	<b>(163.17)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Increase (Decrease) in bank overdrafts and short-term loans						
from financial institutions	108.19	(884.24)	993.00	111.83	(883.35)	988.47
Decrease in short-term loans from related party	-	(25.00)	11.00	-	-	-
Repayments of liabilities under finance lease contracts	(27.50)	(16.25)	(4.89)	(27.06)	(15.59)	(4.27)
	-	-	42.59	-	-	42.58
Repayments of long-term loan from finance institution	(14.93)	(14.23)	(2.33)	(14.93)	(14.23)	(2.33)
Dividends paid	-	(0.03)	(57.59)	-	(0.03)	(57.59)
<b>Net Cash Provided by (Used in) Financial Activities</b>	<b>65.76</b>	<b>(939.75)</b>	<b>981.78</b>	<b>69.84</b>	<b>(913.20)</b>	<b>966.86</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>87.12</b>	<b>14.31</b>	<b>33.75</b>	<b>41.49</b>	<b>16.57</b>	<b>32.66</b>
cash and cash equivalents at beginning of year	105.29	90.98	57.23	95.03	78.46	45.80
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>192.41</b>	<b>105.29</b>	<b>90.98</b>	<b>136.52</b>	<b>95.03</b>	<b>78.46</b>
<b>Supplemental Disclosure of Cash Flow Information</b>						
<b>Non-cash transactions</b>						
Acquisition of right-of-use assets under lease contracts	52.73	43.97	18.31	51.39	42.98	16.50



### The Important Financial Ratios

Financial Ratio	Consolidated Financial Statements		
	2020	2019	2018
Liquidity ration	1.49	1.36	1.18
Quick ratio	0.78	0.59	0.66
Cash flow ratio	(0.01)	0.52	(0.38)
Account receivable ratio	5.88	5.34	6.40
Average collection period	61.24	67.39	56.23
Inventory turnover ratio	10.51	10.93	14.23
Average product sales period	34.25	32.92	25.29
Payable turnover ratio	54.26	50.95	13.40
Payment period	6.63	7.07	26.87
Cash Cycle	88.86	93.25	54.64
Gross profit margin	7.82	3.95	1.29
Operating profit margin	3.78	2.79	(1.57)
Net profit margin	2.73	2.47	(1.36)
Return on equity (ROE)	6.39	6.98	4.64
Return on assets	3.81	3.57	(2.17)
Return on fixed assets	22.23	22.56	1.17
Assets turnover rate	1.39	1.44	1.59
Liabilities and Shareholder's Equity ratio	0.70	0.65	1.30
Interest coverage ratio	(2.45)	26.88	(15.86)
Devidend payment ratio	50.52	-	-

## Major shareholder of the company

- Company Securities

The Company has registered capital of the Company as of 31/12/2020 are as follows:

Registered capital	549,973,800	baht
Issued share capital is the amount	480,096,277	baht
Ordinary share capital	480,096,277	share
Par Value	1	baht

- List of major shareholders as of the last closing book of registration on 18/3/2020 (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	Khunying Patama Leesawatrakul		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	27,555,600	5.74
	Mr.Thanawat	Kovitsophon	10,011,800	2.09
	Total group of Mr.Viwat Kovitsophon		37,405,500	7.83
5	Mr.Chanathip	Traiut	20,000,000	4.17
6	Ms.Orawan	Pongtanyaluck	9,705,000	2.02
7	Thai NVDR Co.,Ltd.		6,831,512	1.42
8	Mr.Pornthep	Yothinuppamai	5,400,000	1.12
9	Mr.Pichit	Chatsakulvong	3,976,500	0.83
10	Ms.Aumporn	Sripothong	3,879,000	0.81
11	Mr.Apirum	Panyaphon	3,200,000	0.67
12	Mr.Somchai	Tangwongsamart	3,060,000	0.64
13	Mr.Prasit	Kitboonlert	2,472,500	0.52
Total			401,330,212	

## Report of Changes in Securities Holding of Directors and Executives

Name / Surname			End of 31 December 2020			End of 31 December 2019		
			Shares Holding	Spouse/ Immature Children	Increase (decrease) during the accounting period	Shares Holding	Spouse/ Immature Children	Increase (decrease) during the accounting period
1.	Mr.Virachai	Suteerachai	46.43	29.88	Same period	46.43	29.88	15.89%
2.	Mr.Chusak	Yongvongphaiboon	76.70	40.00 <sup>2</sup>	Same period	76.70	19.90 <sup>3</sup>	19.94%
3.	Mrs.Phenchan	Yongvongphaiboon <sup>1</sup>	-	-	Same period	40.00	-	8.33%
4.	Ms.Peerada	Yongvongphaiboon <sup>3</sup>	19.90	-	Same period	-	-	3.96%
5.	Ms.Chananya	Yongvongphaiboon	21.79	-	Same period	-	-	4.54%
6.	Mr.Piboonsak	Arthabowornpisan	-	-	N/A	-	-	N/A
7.	Sub Lt.Suree	Buranathanit	-	-	N/A	-	-	N/A
8.	Mrs.Taisika	Praisangob	-	-	N/A	-	-	N/A
9.	Ms.Metikan	Chutipongsiri	-	-	N/A	-	-	N/A
10.	Ms.Soontareeya	Wongsirikul <sup>4</sup>	-	-	N/A	-	-	N/A
11.	Mr.Suntorn	Comphiphot <sup>5</sup>	-	-	N/A	-	-	N/A
12.	Mr.Sumphan	Srijakkote <sup>6</sup>	-	-	N/A	-	-	N/A

<sup>1</sup> Mrs.Phenchan Yongvongphaiboon resign from Executives position on November 25,2019

<sup>2</sup> Mrs.Phenchan Yongvongphaiboon held share as 40,000,000 share and relation with Yongvongphaiboon Group

<sup>3</sup> Ms.Peerada Yongvongphaiboon Appointment of New Executive on July 31,2020

<sup>4</sup> Ms.Soontareeya Wongsirikul Appointment of New Executive on July 31,2020

<sup>5</sup> Mr.Suntorn Comphiphot Appointment of New Executive on July 31,2020

<sup>6</sup> Mr.Sumphan Srijakkote resign from Chief Financial Officer on July 20,2020

### Securities Issuance

In year 2020, The Company does not issue securities to shareholders.

### History of capital increase:

( Unit : baht )

Year	the paid-up capital before capital increase	Amount raising capital	the paid-up capital after capital increase	Type of raising capital
2545	30,000,000	70,000,000	100,000,000	Offer for sale to existing shareholders
2546	100,000,000	50,000,000	150,000,000	Offer for sale to existing shareholders
2547	150,000,000	50,000,000	200,000,000	Public offering
2548	200,000,000	199,973,800	399,973,800	Offer for sale to existing shareholders
2549	399,973,800	150,000,000	549,973,800	Offering to existing shareholders and the public

**Investment in a subsidiary**

As of December 31, 2020, the Company has 2 subsidiaries and 1 associated companies, which are :

1. STC Steel Company Limited operates the business of manufacturing and distributing steel pipes. The company holding 99.99% of STC Steel Company Limited's share, registered capital of 20 million baht and paid up 20 million baht.
2. Grand Asia Steel Processing Center Co., Ltd. (Formerly known as Asia Metal Fabrication Co., Ltd.) has changed its business model. From the past to provide design services of fabrication steel structures and construction contractor. Currently, it is a steel service center (Coil Center) cutting sheets and slitting coils, according to the customer's requirement. The company holds shares of Grand Asia Steel Processing Center Co., Ltd. is 99.99 percent, registered capital of 20 million baht and paid-up 10 million baht.

**Investment in an associate**

1. Prime Steel Mill Company Limited with a registered capital of 1,000 million baht, the company holding 35% of the shares , investment value is 350 million baht.

**Investment Policy and Management in Subsidiaries and Associated Companies**

The Company's investment policy is that the Company will consider investing in businesses that support and benefit the Company's or a business in an industry that is likely to thrive and will take into account the rate of return received from its investment. Importantly the company will supervise by sending directors to represent in proportion to their shareholding. And if it is an associated company, The company will send a representative from the company to be the director of that company. The number of representatives from the company to be the director will depend on the proportion of shareholding of the company.

**Legal dispute**

The company does not have any legal disputes that are material to the conduct of the company.

**Work not yet delivered**

The company has no work that has not yet been delivered.

## Dividend Policy

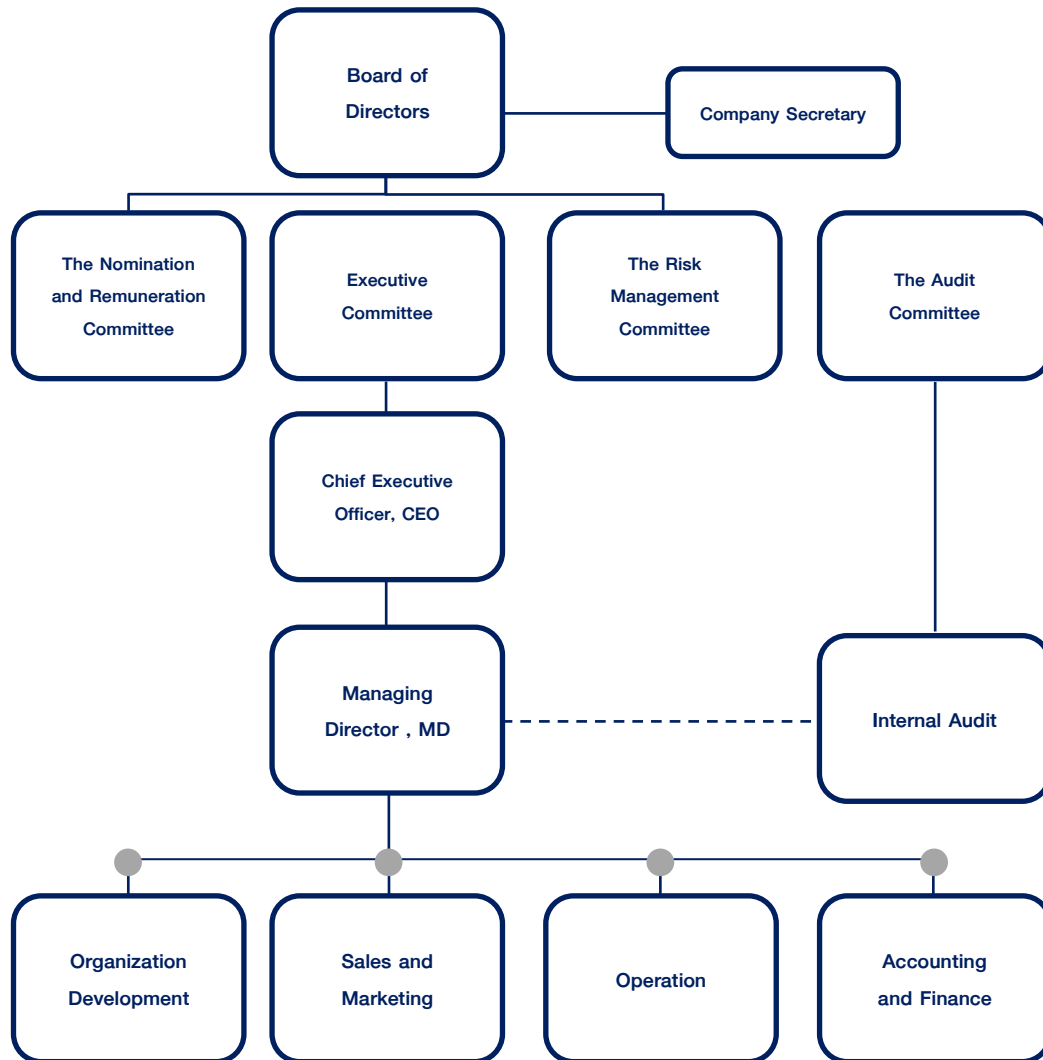
The company has a policy to pay dividends to its shareholders. At the rate of not less than 50% of the net profit after tax Unless the company has a project to invest in other projects. As for the subsidiary company, the dividend payment policy is the same as the company, that is, the dividend will be paid to the company at the rate of not less than 50% of the net profit after tax. Except in the case that the subsidiary has a project to invest in other projects.

Annual performance	Net profit (Baht)	Earnings per Share (Baht)	Dividend per share (Baht)	Dividend yield	Dividends paid (Baht)	Dividend Paid on Net Profit
2020	133.05	0.28	0.14	14%	67.21	51
2019	58.74	0.30	N/A	N/A	N/A	N/A
2018	(72.45)	(0.15)	N/A	N/A	N/A	N/A
2017	116.84	0.24	0.12	12%	57.60	49

- In 2020, operating results and financial position of the company. The net profit was 188.87 million baht, The Board of Directors have an opinion to propose that the meeting approve a dividend payment at the rate of 0.14 baht per share, totaling 67.21 million baht, after approved by the Annual General Meeting of Shareholders for the year 2021. The company will pay dividends on May 28, 2021.
- In 2019, Operating results and financial position of the Company is a net profit of 58.74 million baht, Due to the year 2020, the company will invest in installing a SOLAR ROOFTOP system, size 997.92 kwp, used with the company's machinery at A2 plant, Phanat Nikhom branch, an investment amount of approximately 29 million baht, even if the economic has not been. Including the pandemic, Covid-19 virus has causing further slowdown in the global economy. As a result, the company has to maintain its financial liquidity in the year 2020, therefore, the company has proposed no dividend payment For the operating results in 2019.
- In 2018, as the company has a net loss of 72.45 million baht from the operation of the business, the Board of Directors has an opinion to seek approval from the shareholders' meeting, to refrain from paying dividends for the performance of the business.
- In 2017, the Company's net profit for the year was 116.84 million baht. The Board of Directors had the opinion to propose the meeting to approve the dividend payment. At the rate of 0.12 baht per share, totaling 57.60 million baht, which is in accordance with the Company's dividend payment policy. In this regard, after receiving approval from the 2018 Annual General Meeting of Shareholders, the Company will pay dividends on 25 May 2018.

# Management Structure

Corporate structure as of December 31, 2020



## Board of Directors

	Name	Surname	Position	Meeting Attended	Annual General Meeting (Attended/ Meeting Rights)
1	Mr. Virachai	Suteerachai	Chairman of the Board of Directors	6/7	0/1
2	Mr. Chusak	Yongvongphaiboon	Managing Director / Chairman of the Risk management / Chairman of Nomination and Remuneration Committee	7/7	1/1
3	Ms. Chananya	Yongvongphaiboon	Director / Acting Chief Financial Officer <sup>1</sup>	7/7	1/1
4	Ms. Peerada	Yongvongphaiboon	Committee / Risk Management Committee <sup>2</sup>	2/2	1/1
5	Mr. Piboonsak	Arthabowornpisan	Chairman of the Audit Committee/ Independent Committee	7/7	1/1
6	Mrs. Taisika	Praisangob	Audit Committee/ Independent Committee	7/7	1/1
7	Sub Lt.Suree	Buranathanit	Audit Committee/ Independent Committee	6/7	1/1
8	Ms. Metikan	Chutipongsiri	Committee	7/7	1/1
9	Ms. Soontareeya	Wongsirikul	Committee <sup>3</sup>	2/2	1/1
10	Mr. Suntorn	Comphiphot	Committee / Risk Management Committee <sup>4</sup>	7/7	1/1

<sup>1</sup> Ms.Chananya Yongvongphaiboon Appointment of Acting Chief Financial Officer changing from Mr.Sumphan Srijakkote on July 20,2020

<sup>2</sup> Ms.Peerada Yongvongphaiboon <sup>3</sup> Ms. Soontareeya Wongsirikul and <sup>4</sup> Mr.Suntorn Comphiphot to an Appointment of Executives on July 31,2020

### Directors with authorize signatory

The signatory director binding with the company consist with;

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

The two of three directors jointly sign their names with the Company's seal fixed.

### **Meeting of the Board of Directors**

The Company has set a regular board of directors meeting (at least three months per time) and special meetings as needed. The agenda is set clearly in advance and there is an agenda to consider the performance on a regular basis. The meeting invitation letter together with the agenda and documents will be sent 7 days in advance of the meeting date. In order for the committee to have sufficient time to study the information before attending the meeting. As well as a written record of the meeting. Keeping the minutes of the meetings certified by the Board of Directors. Ready for the Board of Directors and the relevant persons to examine.

### **Selection of Directors and Executives**

The company realizes the importance of succession management to the young generation in order to achieve sustainable organizational development and to be able to inherit the business for the next generation. Therefore, the importance of recruiting personnel who will take the position in the future. In addition, to comply with the corporate governance policy. Therefore, the Nominating Committee was appointed and has been assigned to the Nomination and Remuneration Committee, which is a suitable person to be selected. The appropriate person will be selected by the Nominating Committee. The Nominating Committee determines the criteria and methods for selection depending on the suitability of the Company's situation at that time.

### **Development of Directors and Management**

The Board of Directors has promoted and supported the potential development of directors and executives. By providing training and to provide relevant knowledge to new directors and executives, as well as to develop and improve their operations continuously, such as organizing meetings and exchanges between directors and high-ranking executives. Also assigned to the Nomination and Remuneration Committee Follow up on the preparation of a succession plan for the Managing Director. Deputy Managing Director to ensure that the company will acquire executives with sufficient knowledge and capabilities for the operations as follows:

1. The Board of Directors has set up an executive development plan to formulate a succession plan consisting of Deputy Managing Director, Managing Director of all departments.
2. Nomination and Remuneration Committee Consider defining Experience of each position knowledge and abilities, in order to select an executive who has consistent qualifications as specified to be able to inherit the work in each position.
3. Nomination and Remuneration Committee Assigned to personnel management Serves to monitor the training and develop the knowledge and abilities of those who inherit their positions.
4. Nomination and Remuneration Committee Review and summarize the results of the Managing Director's succession plan. Deputy Managing Director Regularly and report to the Board of Directors at least a year, one at a time.



### Company Secretary

Nomination and Remuneration Committee will select persons with suitable qualifications and experience, to propose the Board of Directors meeting for consideration and approval of Secretary's appointment. The Board of Directors has appointed Ms. Sasithorn Limpiyachart, who Hold the position of company secretary since September 1, 2015 and who has all the qualifications as specified by the company. To be the company secretary and the secretary of all sub-committees, namely the Audit Committee, Executive, Committee, Corporate Governance Committee, Nomination and Remuneration Committee, and the Risk Management Committee. The roles, duties and responsibilities of the Company Secretary are as follows:

1. Knowledge and understanding of the business of the company.
2. Understand the roles and duties of the company secretary.
3. Knowledge and understanding of the laws, Regulations of the Office of the "Securities and Exchange Commission" and the "Stock Exchange of Thailand".
4. Not looking for personal benefit from business opportunities of the company, as well as keep the company secret as well.
5. Good human relationship, have the ability to coordinate with various departments both Inside and outside of the company.
6. Knowledge of English.
7. At least 3-5 years of experience in company secretary work.

### Roles, Duties and Responsibilities of the Company Secretary

- 1) Perform the duties with responsibly, caution, and honesty, comply to the law and related regulations.
- 2) Oversee the activities of the Board of Directors, as well as giving advice to directors on the Company's Articles, and various regulations of the relevant departments.
- 3) Manage and coordinate board's meetings, subcommittee and shareholders' meeting, including supervising and coordinating to ensure the implementation of the objectives Articles of Association. Board meeting resolution and shareholders, as well as other relevant legal and regulatory requirements.
- 4) Prepare and maintain various documents of the company, including director registration, Meeting Notice, Minutes of the Board of Directors and Shareholders Meetings and the annual report of the company etc.
- 5) Keeping reports of interest reported by the company's directors or executives, including sending a copy of the report and delivered to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 business days from the date the company receives the report.

- 6) In case the company secretary vacates office Or unable to perform duties, Nomination and Remuneration Committee will be consider and selected the candidates with appropriate qualifications and experience and presented to Board of Directors in the meeting. To consider and appoint a company secretary within 90 days from the date the former company secretary vacates office; or may not perform duties. The Board of Directors has the power to delegate any of director to perform his or her duties during the period.

#### Remuneration for Directors and Executives

At the 2020 Annual General Meeting of Shareholders on July 31, 2020 , the shareholders' meeting passed a resolution approving the remuneration of the Board of Directors in the amount of 4,000,000 baht, which is the same rate as in 2019 by the Company. Paid remuneration to the board of directors of 6 non-executive directors, namely as:

	Name	Surname	Position	Rate of Remuneration of position per Year (Baht)	
				2020	2019
1	Mr.Virachai	Suteerachai	- Chairman of The Board of Directors	440,000	440,000
2	Mr.Piboonsak	Arthabowornpisan	- Chairman of The Audit Committee	440,000	440,000
			- Independent Committee		
3	Sub Lt. Suree	Buranathanit	- Audit Committee	220,000	220,000
			- Independent Committee		
4	Mrs.Taisika	Praisangob	- Audit Committee		
			- Independent Committee		
5	Ms.Methikan	Chutipongsiri	- Committee	220,000	220,000
6	Ms.Soontareeya	Wongsirikul	- Committee	220,000	-

(Effective on July 31, 2020)

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

	Name	Surname	Position	Salary and Bonus	
				Total (Baht) 2020	2019
1	Mr.Chusak	Yongvongphaiboon	- Executive Committee - Managing Directors - Chairman of Risk Management	8,435,833.33 (Total for 4 persons)	8,025,000 (Total for 3 persons)
2	Ms.Chananya	Yongvongphaiboon	- Executive Committee - Executives Directors - Remuneration Committee - Acting Chief Financial Officer		
3	Ms.Peerada	Yongvongphaiboon	- Executive Committee - Executives Directors - Risk Management Committee		
			(Effective on July 31, 2020)		
4	Mr.Suntorn	Comphiphot	- Executive Committee - Executives Directors - Risk Management Committee		
			(Effective on July 31, 2020)		

In 2020, non-remuneration paid as a director. Since all 4 directors are executives Therefore, receive compensation as an executive. Remuneration of Executives who are not Directors consists of salaries, bonuses and provident funds for executives.

**As remuneration of non-executive directors:**

Compensation for directors, non-executive.

Specific meeting allowance 5,000 per time attended per person

Other compensation for non-executive directors there is no other benefit.

In the year 2020, meeting allowances are paid on a one-time basis when attending the meeting.

## Employee

As of December 31, 2020, the company has a total of Divided by organizational structure as follows

Description	Total Employee
Corporate Development	26
Sales and Marketing	21
Line of operations	299
Financial Accounting Division	10
<b>Total</b>	<b>356</b>

## Employee compensation

The company has a policy to develop employees with internal training and regular external training sessions to increase the potential of the employees of the company to have more knowledge and abilities in all areas. In addition, there is also a system of mentoring to new employees who are new to work by allowing older employees to mentor new employees to learn jobs. This will enable employees of the company to perform their duties appropriately and efficiently. In addition, the organization can be developed to have a competitive potential at both the national and regional levels. It also has a policy to provide employees with an appropriate rate of compensation in order to motivate and retain employees to work with the company for the long term. In addition, there is a compensation program for employees who recommend their peers who have never worked with the company to create incentives for referring and persuading friends and relatives to work for the company. In the year 2020, the company pays compensation for personnel. (Excluding management) comprising salaries, wages, overtime pay, bonuses and contributions to the provident fund. The total amount 120,269,468.53 baht

## Employee training and development

The company sees people as a key resource to enable the organization to grow sustainably and to have a business advantage. Therefore promoting continuous human resource development. Increase skills, knowledge and competence along with the development of human resource management system. Employees will be developed to be able to meet the competency needs of the personnel in accordance with the business operation and current business.

### Summary of training for executives and employees in 2020

Training	Total Training Attendance
In house Training	319
Public Training	11
<b>Total</b>	<b>330</b>

For the Company's overall internal and external training, there are examples of the 2020 internal and external as:

- Training Program SAP Software
- Training Information system Intranet program
- Training course of argon welding
- TIS 107-2561 Product Standard Course
- Measuring instrument usage course
- Course for machine checking and warehouse management system

## Corporate Governance Policy

The Board of Directors of Asia Metal Public Company Limited ("the Company") realizes Good corporate governance is a fundamental factor in raising the Company's operating standards for transparency. Increase the credibility of shareholders, investors and related parties as well as increasing the competitiveness of the enterprise Therefore, the Board of Directors has established a written policy on corporate governance and business ethics. Consistent with the principles of good corporate governance for the company. Listed by the SET And the concept of corporate social responsibility for the directors, executives and employees of the Company to abide by the policy of good corporate governance, responsible for all business related persons, including employees, Customers and shareholders As well as seriously supporting the society The Company Secretary Unit, which is the operating supervisory unit, is responsible for ensuring that the Company, directors and executives comply with various regulations. Of the SET, SEC, Public Company Act Including other laws Related At present, the company has followed the principles as follows.

### Chapter 1 Rights of the Shareholder

#### 1.1 Appointment of the Board of Directors

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

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

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

##### Before the date of the meeting

- 1) The company has given the shareholder their privilege to present the agenda at the meeting and names to be elected as the board of director of the company 60 days in advance before the meeting. Which prescribing the principles in presenting the above at the website of the company: [www.asiametal.co.th](http://www.asiametal.co.th) with the announcement through the Stock Exchange Market of Thailand. Including the forms for convenient to the shareholders to be presented the agenda of the meeting and the names of the above person. However, in 2020 there is no shareholder presented the agenda and names to be elected as the committee.

- 2) The Company provides shareholders an opportunity to proposing the agenda of the meeting and name of the persons to be elected as the Directors 60 days prior to the meeting date of the company by [www.asiametal.co.th](http://www.asiametal.co.th) and announced through the news channel of the Stock Exchange of Thailand as well as has prepared a form to facilitate the shareholders to propose the agenda of the meeting and the name of such person to proposes the agenda of the meeting and the name of the person to be considered for election as the director.
- 3) 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.
- 4) 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.
- 5) 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."

#### One 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 PowerPoint 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 determinethe 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 as      Telephone:      +66 (0) 2 338 7222  
                          Fax      :      +66 (0) 2 383 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 2020. 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-B and Form Kor-C. 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) Customer 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) Employee 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) Partner 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 gives the importance of development and social responsibility in parallel with the business operation. It is well aware that a business to survive must be based on society and environment that is growing steadily. Therefore, we pushing various of activities, to develop and be environmentally friendly .in the fields of production, working environment, workplaces and surrounding communities, taking care of safety, taking into account the physical and mental health of employees, and creating activities that are responsible for social as follow by social and environmental activities Of the annual report
- 8) Government Sectors The Company has compliance with the laws, rules and regulations of the government sectors strictly. Also to cooperate in providing the information about the company's performance and to participate with other activities organize by the government agency.

#### **Chapter 4 Disclosure and Evident**

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

#### **Chapter 5 Responsibilities of the Board of Directors**

- 1) 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.

- 2) Qualifications of Independent Directors

The Company's independent directors meet the qualifications of independent directors in the Notification of the Capital Market Supervisory Board No. Tor Chor.

- 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.

3.1) 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.

3.2) 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.

3.3) 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.

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

3.5) 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.

3.6) 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 or Form 56-1 One report 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 director, assignment to Audit Committee to consider of any issues of action of corruption complaints suspicion effect to The Company in direct or indirect 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: <a href="mailto:IA@asiametal.co.th">IA@asiametal.co.th</a> Company Secretary: <a href="mailto:Secretary@asiametal.co.th">Secretary@asiametal.co.th</a>	Chairman of Audit Committee or The Chairman of the Board of Directors 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.

- 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;
  - 6.6) Shall have no record of offence against the Office of the Securities and Exchange/Stock Exchange of Thailand.
  - 6.7) The chairman is not the same person of the managing director. With powers, authority and duties that clearly segregated from each other.
  - 6.8) 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.
  - 6.9) The Board of Directors provides a comprehensive internal control system for finance to performance performing in accordance with relevant laws, regulations and regulations As well as provide an appropriate and adequate risk management. As well as provide a mechanism for checks and balances that are effective enough to protect, maintain and care for assets. There is an internal audit department Which is an independent agency that reports directly to the Audit and Corporate Governance Committee. And prepare the report of the Audit Committee with quality It contains important information. And has established a risk management policy.
- 7) Join or separation of the position
- The chairman is not the same person of the managing director. However, the chairman and managing director will represent the group of the major shareholder that holds 17.98 percent and 33.43 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.
- 8) 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.

9) 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.

10) 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.

11) 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.

## 12) 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.

## Management Structure

### Board of Directors

At the end of 2020, there are 10 persons, who divided 3 person of independent directors and audit committee, which are in accordance with the regulations of the Stock Exchange of Thailand, who have knowledge, experience and skills that are beneficial to the company's business operations. .

The Board of Directors has been approved by the shareholders' meeting to hold such positions, details concerning and the scope, duties and responsibilities are listed in the Structure and Management section.

Audit and Governance Committee consists 2 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 2 of 3 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 2 other committee al together 3 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 4 committee altogether 5 of them which 5 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.

#### 11.1) Board of Directors

Name of the Board of Directors as on 31 December 2020 ;

	<b>Name</b>	<b>Surname</b>	<b>Position</b>
1	Mr. Virachai	Suteerachai	Chairman of the Board of Directors
2	Mr. Chusak	Yongvongphaiboon	Managing Director / Chairman of the Risk management / Chairman of Nomination and Remuneration Committee
3	Ms. Chananya	Yongvongphaiboon	Director / Acting Chief Financial Officer <sup>1</sup>
4	Ms. Peerada	Yongvongphaiboon	Committee / Risk Management Committee <sup>2</sup>
5	Mr. Piboonsak	Arthabowornpisan	Chairman of the Audit Committee/ Independent Committee
6	Mrs. Taisika	Praisangob	Audit Committee/ Independent Committee
7	Sub Lt.Suree	Buranathanit	Audit Committee/ Independent Committee
8	Ms. Metikan	Chutipongsiri	Committee
9	Ms. Soontareeya	Wongsirikul	Committee <sup>3</sup>
10	Mr. Suntorn	Comphiphot	Committee / Risk Management Committee <sup>4</sup>

<sup>1</sup> Ms.Chananya Yongvongphaiboon Appointment of Acting Chief Financial Officer changing from Mr.Sumphan Srijakkote on July 20,2020

<sup>2</sup> Ms.Peerada Yongvongphaiboon <sup>3</sup> Ms. Soontareeya Wongsirikul and <sup>4</sup> Mr.Suntorn Comphiphot to an Appointment of Executives on July 31,2020

#### Directors with authorize signatory

The signatory director binding with the company consist with;

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

The two of three directors jointly sign their names with the Company's seal fixed.

#### 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;

- 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.

#### 11.2) AUDIT COMMITTEE

Name of the Audit Committee as on 31 December 2020 ;

Name – Surname		Position
1.	Mr.Piboonsak Arthabowornpisan	Chairman of 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 and to consider the independence of the auditor and there is a meeting with the auditors at least once a year without the management's participation.

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.

### 11.3) Executive Board of Directors

Name of Executive Board of Directors as on 31 December 2020 ;

Name – Surname			Position
1.	Mr.Chusak	Yongvongphaiboon	Managing Directors
2.	Ms.Chananya	Yongvongphaiboon	Executives Committee / Acting Chief Financial Officer
3.	Ms.Peerada	Yongvongphaiboon	Executives Committee / General Manager
4.	Mr.Suntorn	Comphiphot	Executives Committee /Chief Operation Officer

#### **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.

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

#### 11.4) Board of Directors and remuneration of directors and executives

Name of Board of Directors and remuneration of directors and executives as on 31 December 2020;

Name – Surname		Postion
1.	Mr.Chusak Yongvongphaiboon	Chairman of Nomination and Remuneration Committee
2.	Mrs.Taisika Praisangub	Committee
3.	Ms.Chananya Yongvongphaiboon	Committee

#### 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.

#### 11.5 Risk Management Committee

Name of Board of Directors Risk management committee as on 31 December 2020;

Name – Surname			Position
1.	Mr.Chusak	Yongvongphaiboon	Chairman of the risk management
2.	Mrs.Taisika	Prasangub	Committee
3.	Ms.Peerada	Yongvongphaiboon	Committee
4.	Mr.Suntorn	Comphiphot	Committee

Scope of authority, responsibility of the risk management committee The scope and duties of the risk management committee in brief below;

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

#### 11.6 Executives

Name of Board of Directors of Executives as on 31 December 2020;

Name – Surname			Position
1.	Mr.Chusak	Yongvongphaiboon	Managing Director
2.	Ms.Chananya	Yongvongphaiboon	Committee / Acting Chief Financial Officer
3.	Ms.Peerada	Yongvongphaiboon	Committee / General Manager
4.	Mr.Suntorn	Comphiphot	Committee / Director of Operating Manager

#### Scope of authority of the Executive Directors

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

1. 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.
2. Assignment of power to control the daily management of the company.
3. To empower the Company to manage its business in accordance with its objectives, regulations, regulations, orders, and overall operational oversight.
4. To be the person who has the power of attorney to manage the company in accordance with the objectives, rules, regulations, requirements, orders as well as overall supervision of operations.

The above authorization of the Managing Director The Managing Director is required to comply with the requirements and agendas approved by the Board of Directors each time. And must not approve any transactions that themselves or people who may have a conflict of interest. Have interests Or there may be a conflict of interest in any other manner with the Company and its subsidiaries. And must disclose such transactions to the Board of Directors for the Board of Directors to consider anything other than the aforementioned. Managing Director cannot do this. Unless assigned by the Board of Directors from time to time.

#### 13) Merging or separating positions

The Chairman of the Board is not the same person as the Managing Director. However, the Chairman of the Board of Directors and the Managing Director represent a group of major shareholders holding 19.13% and 24.90% of the shares, respectively, of registered and paid-up capital. However, the board structure of the company consists of 3 audit committees, which will create a balance and review of management.

#### 14) Supervision of the operations of subsidiaries and associates.

The Company's Board of Directors has established the scope of powers, duties and responsibilities of directors and executives of subsidiaries and associated companies, Using the same policies as the Company. In addition, whether it is a transaction with a connected person, information must be disclosed in the same manner as the Company. In this regard, the company has sent representatives to join as directors in subsidiaries and associates. companies in proportion to their shareholding.

#### 15) Preventing the use of inside information.

1. The company has stipulated to prevent the use of the company's information by requiring the organization that knows the information not to disclose the information to agencies or individuals who are not involved.
2. Company executives who receive the Company's financial information, must not use of such information before made public, by prohibiting management from trading in company securities, for a period of one month before the financial statements are disclosed to the public.

#### 16) Auditor's remuneration

In 2020, the company hired BPR Audit and Advisory Co., Ltd. to be the Company's auditor, with an audit fee of 2,060,000 baht and BPR Audit and Advisory Company Limited. not being a person or business related to the company by comparing the audit fees as follows:

Fee (Baht)	Annual Audit	2020		Annual Audit	2019	
		Reviewing financial statements	Total		Reviewing financial statements	Total
		Quarter 3			Quarter 3	
AMC	1,000,000	690,000	1,690,000	900,000	690,000	1,590,000
Consolidated financial statements	160,000	210,000	370,000	200,000	210,000	410,000
Total	1,160,000	900,000	2,060,000	1,100,000	900,000	2,000,000



## Risk management and internal control

### Opinion of the Board of Directors on the Company's internal control system.

The Audit Committee has considered and reviewed the internal audit report, agreed that the audit system in each step is still in line with the company's standard of work. However, in some departments should be rotated the job in order to be reviewed the risk in a department. To development of personnel to create vary knowledge.

Regarding the financial report of the company,

from the auditor's opinion report and joint discussions, it can be seen that the Company has prepared the financial statements in accordance with the accounting standard properly, and appropriately in all significant in accordance with the accounting standards. Along with providing recommendations for the audit, which focuses on the operational audit to develop efficiency and effectiveness continuously. as well as to follow up on the amendment according to the audit report and report to the Board of Directors for acknowledgment. Regularly Sufficient internal control system covering both the organization and the environment. Risk management, Operational control, Information and communication systems, by continuously monitoring and evaluating the internal control results. In summary, the essence can be as follows:

### Organizational and environmental aspects

The company has an organizational structure, scope of powers of the various management departments. The company has an employee meeting for each department to set goals to summarize the company's goals. The company has set goals for its operations every year and use the results to review and set operational goals for the next year. In addition, the company has established business ethics. In order to guide management and employees to follow and penalties have been established in the employee handbook.

The company aims to improve production efficiency in order to obtain internationally accepted standardized products. As well as focus on the importance to environmental protection. The company has been certified for the quality system ISO 9001 and the IATF 16949 system has been inspected and monitored to ensure compliance with various requirements on a regular basis.

### Risk management

The management will assess the overall economic and national situation at least 3 months in advance. To analyze the risk factors that may occur and find measures to reduce the risks that arise. It will notify the relevant departments to acknowledge and work together to prevent or mitigate the risks that arise. In addition, the company has appointed a risk management sub-committee. In order to work with the management to assess the situation on a monthly basis. The committee receives a monthly performance report for the benefit of monitoring, controlling and analyzing or assessing the risk factors that occur each month.

### **Operational control of the management**

The company has clearly defined the scope of duties and authority for each level of management in writing. There is a system for checking between departments. At present, the company has adequate and concise internal control system for transactions with major shareholders, directors, executives and related persons. All connected transactions have been approved by the Board of Directors and the Audit Committee in order to supervise the related transactions. Therefore, the approval of the transaction must be approved by the director who has no interest in the transaction and has an opinion from the Audit Committee in accordance with the regulations of the Stock Exchange of Thailand.

The Company has appointed 2 sub-committees, namely the Risk Management Committee. And the Nomination and Remuneration Committee of Directors and Executives. To work with the Executive Committee and the Audit and Corporate Governance Committee, which all 4 committees have performed within the scope of The powers and duties assigned to control the performance of the management are as follows:

1. A clear and written scope of duties and limits for executives at all departments and levels. The position of authorized person to approve the credit limit for the formation of debts and debt repayment in writing. In addition, a suitability review is scheduled at least once a year.
2. Establish an operating system and authority for approval according to the nature of business operation and organizational structure.
3. Establish a list of laws or regulations related to the company in order to control all departments to strictly comply with the law.
4. Follow up on operational control and protection of assets of the Company and its subsidiaries that may be misused or without authority.

In addition, the Audit Committee has reviewed and approved an annual audit plan to cover all operating processes with high risks, ensuring that the company has adequate controls and operations. Both finance, operations, compliance with laws, regulations, rules, regulations.

The Audit Committee has considered important issues and problems detected from the audit by recommending the management to take corrective action and to report the remedial results, measures to prevent the occurrence of the same problem in the future.

### **Information and communication systems**

The company holds board meetings as required by law. By sending the meeting invitation letter together with supporting documents for the meeting Not less than 14 days in advance for the account storage and recording. The company has given importance to the account keeping and recording, In which the company has used System-wide accounting software, linked documents issued with barcode system for inventory control, Production control Delivery of products to the company's customers to achieve accuracy in operations and to help them work more efficiently.

### **Tracking System**

The company sets business goals and compares the actual performance with the defined goals. The reasons for the differences that occur must be clarified. If a defect occurs Must be reported to management for correction. In the past No significant defects were detected. The company conducts an audit of the internal control system on a regular basis, with the responsible person in the department responsible for supervising the internal control system compliance and has an internal audit department to examine the performance and report the results independently to the audit committee. In addition, the Audit Committee jointly considered and evaluated the internal control system by considering the operating procedures, Documents in the work system, scope of authority and related transactions Details as follows

### **Operating procedure**

The company has established a linkage operation procedure in terms of computer system information and important documents. The relevant documents will be signed on the part of the authors or recorders, auditors and approvals. Acting separately and the accounting department will be responsible for verifying the transactions in the system with the documents before posting into the accounting system again.

### **Documents in the work system**

The company has organized recording forms or vouchers. It is standard and permanent. In which important forms such as tax invoices, receipts Invoice Will be a type that is specially printed from the printing house and provide a number to control the document As well as provide a document keeper separated by departments for each department separated from the recording department In addition, important documents of the company such as checks, contracts, government documents, stamps, land title deeds, and computer system information have been identified with an executive officer.

### **Jurisdiction**

The company has clearly set the order and scope of authority for the approvals in each business segment, by specifying the name, position and scope of power respectively, starting from the level of operation, manager, director, deputy director. Director Executive Committee and the Board of Directors this will consider the importance and checks and balances in approving various items.

In addition, the independent auditors in addition, the study examined the system and assessed the effectiveness of the internal control system in accounting as deemed necessary. For the benefit of the scope of the audit to be concise and appropriate.

In 2020, the company has improved and developed the information technology system in reporting information for management and control of the internal management system, which has been started in early 2021, therefore plans to prepare for improving the operating system Report And internal management

Quarter 3/2021 The Nominating Committee will recruit and appoint an internal audit unit. It is expected that the internal management system will be audited in quarter 4/2021 or quarter 1/2022.

## Connected Transaction

### 1. Related company details as Directors and Executives

of Asia Metal Public Company Limited as includes close family members of directors or key managerial as:

Company	Type of Business	Shareholding Proportion	
		List of Shareholders	Percentage
Permchai Panich Co.,Ltd.	Operates sales the 2 <sup>nd</sup> grade of hot-rolled steel sheet (Wholesale) Which selling directly to customers Which is a small industry that uses second-tier steel sheet <sup>1</sup> to cut into sheets for use in production processes such as door bolts, hinges, bicycle parts, etc.	Mrs. Supaporn Suteerachai	76.00 24.00
Permsin Steel Works Public Co.,Ltd.	Trade cold rolled steel And cold-rolled steel service center Which cold rolled steel is used for exterior decoration that requires a smooth and thin surface such as the body, refrigerator, iron table, iron cabinet, etc.	Mr. Chukiat Yongwongpaiboon Mrs. Chamaiphon Yongwongpaiboon Miss Lalin Phon Yongwongpaiboon Ms. Natthaphon Yongwongpaiboon Mr. Chuchap Yongwongpaiboon Mr. Permsilp Yongwongpaiboon Mr. Kris Sutirachai	16.79 6.96 4.84 4.44 3.36 3.14 0.78 39.15
Ps Steel Processing Center CO.,LTD. (its name was Perm Sahai Steel Co.,Ltd.)	Operates in manufacture and sale the cold-rolled Narrow strip coil OEMs as foreign operators to supply cold rolled steel as raw materials.	Group Mr.Viracha Suteerachai <sup>2</sup> Other	59.80 40.20
G Steel Public Co., Ltd.	Operates in manufacture and sale the hot-rolled steel sheet and coil	Khunying Patama Leeswadtrakul Other	0.94 95.4
GJ Steel Public Co., Ltd.	Operates in manufacture and sale the hot-rolled steel sheet and coil	G Steel Public Co., Ltd. Other	8.33 83.27
Taweechoke Phanit Co.,Ltd.	Operates in retail of hot-rolled steel	Mr. Pornthep Yuthinupamai Mrs. Sengchan Lee <sup>3</sup> Mrs. Vatcharee Yuthinupamai	50.00 25.00 25.00
Prime Steel Mill Co.,Ltd. (its name was Delong (Thailand) Co., Ltd.)	Operates in manufacture and sale the hot-rolled Narrow strip coil	Asia Metal Public Co.,Ltd. Mr. Chusak Yongvongphaiboon Mr. Viracha Suteerachai Other	35.00 10.00 5.00 50.00

Company	Type of Business	Shareholding Proportion	
		List of Shareholders	Percentage
STC Steel Co.,Ltd.	Produce and providing steel cutting and modifying service.	Asia Metal Public Co.,Ltd. Mr. Chusak Yongvongphaiboon Mrs. Phenchana Yongvongphaiboon Other	99.9970 0.0005 0.0005 0.0020
Grand Asia Steel Processing Center Co.,Ltd.	Produce and providing steel and modifying service	Asia Metal Public Co.,Ltd. Win Win Holding Co.,Ltd. Mr. Somsak Wongsirisup	50.00 45.00 5.00
Win Win Holding Co.,Ltd.	Import and Steel produces	Mr.Viracha Suteerachai	100.00
In-Tech Steel Company Limited (its name was Precision Perfect Pipe Co.,Ltd.)	Manufacturer High Precision Mechanical Pipe	Win Win Holding Co.,Ltd. Other	65.100 34.90

<sup>1</sup> Second-tier steel sheet as Hot-rolled coil of non-standard sizes. Which is the steel produced from the production process of the manufacturer of hot rolled steel, for example, the thickness is not equal, both sheets or width are not equal. Which will be sold to second-tier steel traders and amortized to customers as small industrial enterprises.

<sup>2</sup> Mr. Virachai Suteerachai as aunt of Mr. Chusak Yongvongphaiboon an including as Mr. Virachai Suteerachai Mrs. Boonsri Suteerachai Mr. Kris Suteerachai Ms. Thananya Suteerachai and Mr. Win Suteerachai

<sup>3</sup> Mrs. Saengchan Lee and Mr. Pornthep Yothin Upamai are siblings of Mrs. Penchan. Yongvongpaiboon

<sup>4</sup> The Yongvongpaiboon siblings consisted of Mr. Chukiat Mrs.Chamaiporn Mr.Chairoch and Mrs.Suwannee

<sup>5</sup> Khunying Patama Leeswadtrakul as the major shareholder of Asia Metal Public Co.,Ltd., holding 14.37%

In the year 2020, the company has Connected Transaction with the above related companies in accordance with Form of intercompany transactions of the company and its subsidiaries.

## **2. Measures or procedures for approving connected transactions**

For future transactions that are normal trade cases such as purchases of goods Product distribution And employment cuts The company has a policy for the audit committee of the company. Consider and comment on the said transaction. The internal auditor will compare the market price of others with the price of the related transactions. To support the audit committee's quarterly review for related transactions that are not normal trade cases. The company has a policy for the audit committee of the company. Consider and comment on the said transaction before the company enters the transaction. And asked the directors with interests to abstain from voting.

## **3. Policy or Trend of Connected transactions**

In the future, if the company must to enter into a transaction with a person who may have a conflict of interest with the company. The company has a policy to set various conditions. It is in accordance with the nature of normal trade and is the market price which can be compared with the price incurred with third parties. The company will assign the audit committee or the auditor of the company or an independent expert. Consider, examine and comment on the suitability of the price and the reasonableness of the transaction.

Connected transactions that may occur in the future. Directors must comply with various regulations. And the directors must not approve any transactions. That oneself or a person who may have a conflict of interest In any other way with the company And must disclose such transactions to the Board of Directors for consideration by the Board of Directors. The company must comply with the law on securities and exchange and regulations, announcements, orders or regulations of the Stock Exchange of Thailand. Including compliance with the disclosure requirements of the connected transaction. And the acquisition or disposition of assets of the Company or its subsidiaries

In additional, if there related-company transaction of Asia Metal Public Company Limited and its subsidiaries to individuals who may have conflicts of interest or have a stakeholders or there may be a conflict of interest That is not the case for normal trade. The company will have the audit committee to give opinion on the price. Rate of compensation Including the necessity and appropriateness of the item In the event that the Audit Committee does not have expertise in considering possible connected transactions. The company will provide an independent appraiser. Or specialists in that particular area Is the one who gave opinions on the said related transactions. To be used in decision-making by the audit committee, the board of directors or shareholders, as the case may be. The Company will disclose the connected transactions in the notes to the financial statements. Annual registration statement.

#### 4. Summary of the transactions of the company for 2020

Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
<b>STC Steel Co.,Ltd.</b>  Produce and providing steel cutting and modifying service.	Subsidiary AMC holds 99.99%	The company rent building and machines.	0.12	- Due to rent the office building with STC Steel Co.,Ltd. and according to pricing agreement of rent contract.
		with total outstanding account as of the end of the year	0.00	
		Accrued interest of the end of the year	21.00	
		Interest income	0.00	- 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.	7.58	
		Payable balance at the end of the year	0.69	- 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 rented space with STC Steel Co., Ltd. equal to	0.60	

Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
<b>Grand Asia Steel Processing Center Co.,Ltd.</b> Produce and providing steel and modifying service	Subsidiary AMC holds 50.00%	The company sold steel products to Grand Asia Steel Co., Ltd.  The company provides building and machinery rental to Grand Asia Steel Co., Ltd.  Outstanding receivables at the end of the year equal to  The company purchased the steel from Grand Asia Steel Processing Center Co.,Ltd.  With total outstanding account as of the end of the year	346.54  10.68  320.63  7.31  1.68	- 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.



Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
<b>Taweechoke PhanitCo.,Ltd.</b> operates in retail of hot-rolled steel	Mr. Pornthep Yuthinupamai,	The company sold the steel to	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.
	Mrs. Sengchan Lee and	Taweechoke Phanit Co., Ltd.		
	Mrs. Vatcharee Yuthinupamai,			
	the three are the authorized	The company has no other	0.00	
	signature and shareholders of	income and Non-Balance		
	TaweechokePhanit Co., Ltd. the	accounts receivable at the end of		
	sibling and mother of	the year		
	Ms.Phenchan			
	Yongvongphaiboon, as related	The company purchased the steel	27.39	
	with committee as the mother			
	of Ms.Peerada, Ms.Chnanya	The subsidiary company buys	0.60	
	and wife of Mr.Chusak	products		
	Yongvongphaiboon and the			
	major shareholder of the	With total outstanding account as	0.00	
	company.	of the end of the year		

Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
<b><u>Permchai Panich Co.Ltd.</u></b> operates sale the 2nd grade of hot- rolled steel sheet	Mr. Virachai Suteerachai, The shareholder of the company, an aunt of Mr. Chusak Yongvongphaiboon who is a director and the shareholder of the Company.	The company sold the steel to Permchai PanichCo.Ltd.	0.00	– 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.
		With total outstanding account as of the ended year	0.00	– Because there is no transaction in 2016-2020, the Audit Committee and Corporate Governance Committee. There are no comments

Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
<b>Permsin Steel Work Public Co.,Ltd.</b> Trading and cold-rolled steel service center	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	The company sold the hot-rolled coils steel to Permsin Steel Public Co.,Ltd.	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 Permsin Steel Work Public Co.,Ltd.. is the prices according to the market and the fair price given to the third party.
		The company purchased the steel	5.3	- 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.
		The subsidiary purchases steel products	13.21	
		With total outstanding account as of the ended year	0.00	- Audit and Corporate Governance Committee has reviewed the transaction Transactions are reasonable for the benefit of the company. The purchase price of - sales. The price to buy - sell to outsiders.

Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
<b>GJ Steel Public Co., Ltd.</b> 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	2.00  0.00	<ul style="list-style-type: none"> <li>- 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.</li> <li>- The audit committee has considered the report that the mentioned report is reasonable for the highest benefits of the company. The price of coil hot-rolled steel is the fair price purchase from the third party.</li> </ul>
<b>G Steel Public Co., Ltd.</b> 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	239.44  0.00	<ul style="list-style-type: none"> <li>- 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.</li> <li>- The audit committee has considered the report that the mentioned report is reasonable for the highest benefits of the company. The price of coil hot-rolled steel is the fair price purchase from the third party.</li> </ul>

Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
<b>Prime Steel Mill Co.,Ltd.</b>  operates in manufacture and sale the hot-rolled Narrow strip coil	Associates  AMC holds 35.00%	The company sold the steel to Prime Steel Mill Co.,Ltd	823.36	- Sale of Slab products and a service for producing steel coils. Which is normal trade The price that the company sells steel products and provides steel fabrication services with Prime Steel Mill Company Limited are bought at market prices and are comparable to those of third parties.
		With total outstanding account as of the ended year	540.53	
		Advance payment for goods	45.82	- 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
		The company purchased the steel to Prime Steel Mill Co.,Ltd	1,340.64	
		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
<b>Win Win Holding Co.,Ltd.</b>  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.	0.00	- Because there is no transaction in 2020, the Audit Committee and Corporate Governance Committee.  There are no comments
		with total outstanding account as of the end of the year	0.00	
		The company purchased the steel from Win Win Holding Co.,Ltd.	0.00	
		With total outstanding account as of the ended year	0.00	
<b>In-Tech Steel Company Limited</b>  Old name as Precision Perfect Pipe Co.,Ltd.  Munufacturer High Precision Mechanical Pipe	Mr. Win Suteerachai,  The shareholder of the company, authorized signature and shareholders of In-Tech Co.,Ltd. the sibling of Mr. Chusak Yongvongphaiboon, the director and major shareholder of the company	The subsidiary sold steel products to In-tech Co., Ltd.	0.00	- Because there is no transaction in 2020, the Audit Committee and Corporate Governance Committee.  There are no comments
		with total outstanding account as of the end of the year	0.00	
		The subsidiary purchase steel products from In-tech Co., Ltd.	0.00	
		With total outstanding account as of the ended year	0.00	

Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
<b>PS STEEL Processing Center Co.,Ltd.</b> 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	- Because there is no transaction in 2020, the Audit Committee and Corporate Governance Committee. There are no comments
		Subsidiary Purchased Cold Rolled Steel from PS Steel Processing Center Co., Ltd.	0.00	
		with total outstanding account as of the end of the year	0.00	





# **ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

Financial Statements

For the Year Ended December 31, 2020

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, 2020, 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, 2020, 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, 2020, 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, 2020, 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.

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

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***Revenue recognition from sale of goods***

As described in Note 6 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 in accordance with accounting policies and Thai Financial Reporting Standards.

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.

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***Net realizable value of inventories***

As described in Note 11 to financial statements and the significant accounting policies, As at December 31, 2020, the Group have inventories at Baht 987 million. Inventories are measured at cost or net realizable value whichever is lower.

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

My audit procedures included, among others,

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

## **Other Information**

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

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

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

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

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

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

In preparing the 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 Bunsakchalerms)  
Independent Auditor  
Registration No. 6031

BPR AUDIT AND ADVISORY CO., LTD.  
Bangkok  
February 25, 2021

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
	Notes	2020	2019	2020	2019
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	9	192,413,300	105,291,453	136,522,025	95,027,413
Trade and other receivables - related parties	8, 10	540,528,703	218,180,806	861,162,957	549,359,699
Trade and other receivables - other parties	10	383,449,434	355,360,997	204,560,155	206,508,961
Short-term loans to and interest receivable from related parties	8	1,881,132	1,962,532	22,247,529	23,862,532
Inventories	11	987,406,479	977,333,396	884,576,082	792,708,954
Advance payment for purchasing of goods - related parties	8	45,820,695	8,313,804	45,820,695	8,313,804
Advance payment for purchasing of goods - other parties		135,024	1,293,958	135,024	1,293,958
Other current financial assets	12	1,830,105	62,154,002	1,830,105	62,154,002
Other current assets		23,565	28,416	-	-
<b>Total current assets</b>		<b>2,153,488,437</b>	<b>1,729,919,364</b>	<b>2,156,854,572</b>	<b>1,739,229,323</b>
<b>NON - CURRENT ASSETS</b>					
Deposits at financial institutions pledged as collateral	13	152,783,412	151,460,074	151,759,112	150,435,774
Other non-current financial assets	14	3,824,280	3,824,280	3,824,280	3,824,280
Investments in associates	15	299,643,077	363,066,689	318,000,000	318,000,000
Investments in subsidiaries	16	-	-	24,980,807	24,980,807
Investment properties	17	-	-	29,971,354	32,517,403
Property, plant and equipment	18	962,730,815	1,115,427,616	875,153,130	1,021,834,738
Right-of-use assets	8, 22	127,244,678	-	126,448,478	-
Intangible assets		18,559,662	12,168,088	18,559,662	12,168,088
Other non - current assets		21,717,645	22,732,696	14,617,590	14,607,590
<b>Total non - current assets</b>		<b>1,586,503,569</b>	<b>1,668,679,443</b>	<b>1,563,314,413</b>	<b>1,578,368,680</b>
<b>TOTAL ASSETS</b>		<b>3,739,992,006</b>	<b>3,398,598,807</b>	<b>3,720,168,985</b>	<b>3,317,598,003</b>

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT DECEMBER 31, 2020**

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
	Notes	2020	2019	2020	2019
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short-term loans from financial institutions	19	1,226,084,211	1,119,312,568	1,226,084,211	1,115,667,618
Trade and other payables - related parties	8, 20	4,616,658	2,324,177	2,820,695	2,732,680
Trade and other payables - other parties	20	133,037,505	113,924,074	119,149,328	94,521,628
Current portion of long - term loan from financial institution	21	11,096,040	14,821,613	11,096,040	14,821,613
Current portion of liabilities under lease liabilities	8, 22	30,923,737	17,099,589	30,513,998	16,438,163
Income tax payable		34,816,982	-	34,816,982	-
<b>Total current liabilities</b>		<b>1,440,575,133</b>	<b>1,267,482,021</b>	<b>1,424,481,254</b>	<b>1,244,181,702</b>
<b>NON - CURRENT LIABILITIES</b>					
Long - term loan from financial institution - net of current portion	21	-	11,201,182	-	11,201,182
Lease liabilities - net of current portion	8, 22	71,070,420	30,111,854	71,616,760	29,070,294
Deferred tax liabilities	27	17,057,722	16,158,402	9,575,374	8,794,655
Provision for employee benefit obligations	23	16,624,165	14,810,228	14,017,114	12,638,467
<b>Total non - current liabilities</b>		<b>104,752,307</b>	<b>72,281,666</b>	<b>95,209,248</b>	<b>61,704,598</b>
<b>TOTAL LIABILITIES</b>		<b>1,545,327,440</b>	<b>1,339,763,687</b>	<b>1,519,690,502</b>	<b>1,305,886,300</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital - common shares, Baht 1 par value					
Authorised share capital					
- 549,973,800 shares of Baht 1 par value		549,973,800	549,973,800	549,973,800	549,973,800
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	24	55,000,000	55,000,000	55,000,000	55,000,000
- Unappropriated		1,098,434,631	965,383,464	1,133,752,939	944,986,159
Other components of shareholders' equity		261,490,870	261,490,870	233,884,143	233,884,143
Total equity attributable to equity holders of the parent company		2,192,766,902	2,059,715,735	2,200,478,483	2,011,711,703
Non-controlling interests	16	1,897,664	(880,615)	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>2,194,664,566</b>	<b>2,058,835,120</b>	<b>2,200,478,483</b>	<b>2,011,711,703</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>3,739,992,006</b>	<b>3,398,598,807</b>	<b>3,720,168,985</b>	<b>3,317,598,003</b>

ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

	Notes	In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2020	2019	2020	2019
<b>REVENUES</b>	8, 29				
Revenues from sales and services		4,936,610,700	5,386,944,503	4,704,126,551	5,219,163,993
Gain on foreign currency exchange		-	7,228,565	-	7,228,565
Other income		41,281,771	41,573,012	41,295,511	48,016,422
<b>Total Revenues</b>		<u>4,977,892,471</u>	<u>5,435,746,080</u>	<u>4,745,422,062</u>	<u>5,274,408,980</u>
<b>EXPENSES</b>	8, 26				
Cost of sales and services		4,550,472,481	5,174,138,930	4,359,559,774	5,026,300,054
Selling and distribution expenses		68,191,150	86,696,654	49,802,375	71,693,965
Administrative expenses		69,384,865	64,573,501	60,673,709	56,213,626
Loss on foreign currency exchange		8,142,276	-	8,142,276	-
Management benefit expenses		12,705,348	19,791,991	8,928,192	13,086,942
<b>Total Expenses</b>		<u>4,708,896,120</u>	<u>5,345,201,076</u>	<u>4,487,106,326</u>	<u>5,167,294,587</u>
<b>Profit from operating activities</b>		268,996,351	90,545,004	258,315,736	107,114,393
Finance costs		(19,076,065)	(35,307,807)	(19,000,330)	(32,583,971)
Share of profit (loss) on investment in associate	15	(63,423,613)	94,889,994	-	-
<b>Profit before income tax</b>		186,496,673	150,127,191	239,315,406	74,530,422
Income tax expenses	27	(50,667,227)	(15,785,599)	(50,548,626)	(15,785,599)
<b>Profit for the year</b>		<u>135,829,446</u>	<u>134,341,592</u>	<u>188,766,780</u>	<u>58,744,823</u>
<b>Other comprehensive income (loss) - net of tax</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Loss from remeasurement of equity investments	14	-	(1,699,680)	-	(1,699,680)
Income tax of other comprehensive income (loss) relating to items that may be reclassified	27	-	339,936	-	339,936
<b>Total items that may be reclassified subsequently to profit or loss</b>		<u>-</u>	<u>(1,359,744)</u>	<u>-</u>	<u>(1,359,744)</u>
<b>Items that will not be reclassified to profit or loss</b>					
Premium on land revaluation	18	-	167,587,750	-	148,357,750
Actuarial gain from employee benefit plan	23	-	934,906	-	-
Share of comprehensive income (loss) in associates	15	-	393,969	-	-
Income tax of other comprehensive income (loss) relating to items that will not be reclassified to profit or loss	18, 27	-	(33,517,550)	-	(29,671,550)
<b>Total items that will not be reclassified to profit or loss</b>		<u>-</u>	<u>135,399,075</u>	<u>-</u>	<u>118,686,200</u>
<b>Other comprehensive income (loss) for the year</b>		<u>-</u>	<u>134,039,331</u>	<u>-</u>	<u>117,326,456</u>
<b>Total comprehensive income (loss) for the year</b>		<u>135,829,446</u>	<u>268,380,923</u>	<u>188,766,780</u>	<u>176,071,279</u>
<b>Profit (Loss) for the year attributable to:</b>					
- Owner of the parent company		133,051,167	145,763,344	188,766,780	58,744,823
- Non-controlling interests	16	2,778,279	(11,421,752)	-	-
		<u>135,829,446</u>	<u>134,341,592</u>	<u>188,766,780</u>	<u>58,744,823</u>
<b>Total comprehensive income (loss) for the year attributable to:</b>					
- Owner of the parent company		133,051,167	279,335,222	188,766,780	176,071,279
- Non-controlling interests		2,778,279	(10,954,299)	-	-
		<u>135,829,446</u>	<u>268,380,923</u>	<u>188,766,780</u>	<u>176,071,279</u>
<b>Earnings per share</b>	28	<u>0.28</u>	<u>0.30</u>	<u>0.39</u>	<u>0.12</u>



ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2020

In Baht											
Consolidated Financial Statements											
Shareholders' equity of the parent company											
Other components of shareholders' equity											
		Retained earnings		Adjustment from			Surplus from	Total other	Total equity		
Issued and fully		Appropriated		Premium on	the combination of	Loss from remeasurement	change in	components of	attributable to	Non-	Total
paid-up share	Premium on	for legal		land	entity under	of equity investments of fair value	equity interest	shareholders'	owners of the	controlling	shareholders'
capital	share capital	reserve	Unappropriated	revaluation	common controls	through other comprehension income (loss)	in subsidiary	equity	parent company	interests	equity
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
-	-	-	145,763,344	-	-	-	-	-	145,763,344	(11,421,752)	134,341,592
-	-	-	861,422	134,070,200	-	(1,359,744)	-	132,710,456	133,571,878	467,453	134,039,331
-	-	-	146,624,766	134,070,200	-	(1,359,744)	-	132,710,456	279,335,222	(10,954,299)	268,380,923
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
-	-	-	133,051,167	-	-	-	-	-	133,051,167	2,778,279	135,829,446
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	133,051,167	-	-	-	-	-	133,051,167	2,778,279	135,829,446
480,096,277	297,745,124	55,000,000	1,098,434,631	257,094,458	12,038,972	(4,419,168)	(3,223,392)	261,490,870	2,192,766,902	1,897,664	2,194,664,566

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	In Baht							
	Separate Financial Statements							
	Issued and fully paid-up share capital	Premium on share capital	Retained earnings		Other components of shareholders' equity			
			Appropriated for legal reserve	Unappropriated	Premium on land revaluation	Loss from remeasurement of equity investments of fair value through other comprehension income (loss)	Total other components of shareholders' equity	Total shareholders' equity
<b>Balance as at January 1, 2019</b>	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
<b>Comprehensive income (loss) for the year</b>								
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
<b>Total comprehensive income (loss) for the year</b>	-	-	-	58,744,823	118,686,200	(1,359,744)	117,326,456	176,071,279
<b>Balance as at December 31, 2019</b>	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
<b>Comprehensive income (loss) for the year</b>								
Profit for the year	-	-	-	188,766,780	-	-	-	188,766,780
Other comprehensive income (loss)	-	-	-	-	-	-	-	-
<b>Total comprehensive income (loss) for the year</b>	-	-	-	188,766,780	-	-	-	188,766,780
<b>Balance as at December 31, 2020</b>	480,096,277	297,745,124	55,000,000	1,133,752,939	238,303,311	(4,419,168)	233,884,143	2,200,478,483

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax	186,496,673	150,127,191	239,315,406	74,530,422
<b>Adjustments for</b>				
Depreciation and amortization	108,516,563	105,438,407	105,202,360	101,924,605
Expected credit losses (Reversal of) - trade receivables (2019 : Doubtful account (reversal of))	920,730	(2,440,158)	(93,972)	(2,598,048)
Expected credit losses - interest receivable to related party (2019 : Doubtful accounts )	-	-	593,004	-
Loss on decline in value of inventories (Reversal)	(7,377,026)	(30,295,669)	(5,781,273)	(31,926,004)
Unrealized gain on change in fair value of other current financial assets	(773)	(32,157)	(773)	(32,157)
Gain on sales of other current financial assets	(295,501)	(1,694,175)	(295,501)	(1,694,175)
Profit on fair value adjustment in derivatives	(218,373)	-	(218,373)	-
Unrealized gain on foreign currency exchange	(1,415,952)	(1,723,670)	(1,415,952)	(1,723,670)
Loss on sales of and written-off property, plant and equipment and intangible assets	14,101,005	1,017,565	14,092,336	1,017,564
Loss on written-off of deposit	-	743,028	-	743,028
Loss on impairment of property, plant and equipment	-	1,444,000	-	1,444,000
Share of (profit) loss on investment in associate	63,423,613	(94,889,994)	-	-
Provision for employee benefit obligations	1,702,636	4,327,049	1,088,666	3,410,648
Interest income	(1,267,470)	(1,427,108)	(1,225,855)	(1,303,950)
Finance costs	19,076,065	35,307,807	19,000,330	32,583,971
<b>Profit from operating activities before change in operational assets and liabilities</b>	383,662,190	165,902,116	370,260,403	176,376,234
<b>Decrease (Increase) in operational assets</b>				
Trade and other receivables - related parties	(322,347,897)	628,500,550	(311,803,258)	562,046,221
Trade and other receivables - other parties	(29,131,962)	75,649,971	1,919,983	75,626,762
Bank receivables from currency forward contracts	-	2,168,351	-	2,168,351
Inventories	(2,696,057)	118,293,343	(86,085,856)	118,210,851
Advance payment for purchasing of goods	(36,347,958)	104,470,803	(36,347,958)	104,470,803
Other current assets	4,851	2,848,306	-	2,848,162
Other non - current assets	1,015,051	(7,400,871)	(10,000)	(994,997)
<b>Increase (Decrease) in operational liabilities</b>				
Trade and other payables - related parties	2,292,481	(60,594,677)	88,015	(46,339,083)
Trade and other payables - other parties	19,060,815	(55,558,249)	24,575,083	(51,011,260)
Bank payable from currency forward contracts	-	(1,773,583)	-	(1,773,583)
Cash paid for employee benefit	(224,282)	-	-	-
<b>Cash generated (paid) from operations</b>	15,287,232	972,506,060	(37,403,588)	941,628,461
Interest paid	(15,575,099)	(34,374,107)	(15,434,418)	(31,810,356)
Income tax paid	(14,950,926)	(8,561,277)	(14,950,926)	(8,561,278)
<b>Net Cash Provided by (Used in) Operating Activities</b>	(15,238,793)	929,570,676	(67,788,932)	901,256,827

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Decrease (Increase) in deposits at financial institutions pledged as collateral	(1,323,339)	5,517,942	(1,323,339)	5,517,942
Decrease (Increase) in short-term loans to related parties	81,400	(304,328)	1,022,000	(204,328)
Proceeds from sales of other current financial assets	1,883,279,126	3,430,661,249	1,883,279,126	3,430,661,249
Cash paid for purchases of other current financial assets	(1,822,440,582)	(3,349,300,000)	(1,822,440,582)	(3,349,300,000)
Cash received from sale of property, plant and equipment	51,098,386	42,984,558	51,093,386	42,984,558
Cash paid for purchases of investments in associate	-	(48,000,000)	-	(48,000,000)
Cash paid for purchase of property, plant and equipment	(57,621,825)	(53,408,269)	(55,678,862)	(50,373,505)
Cash paid for deposit for machineries acquisition	-	(4,125,410)	-	(4,125,410)
Cash paid for purchase of intangible assets	(17,857,800)	(909,133)	(17,857,800)	(909,133)
Interest received	1,390,265	1,371,879	1,348,649	2,248,721
<b>Net Cash Provided by Investing Activities</b>	<b>36,605,631</b>	<b>24,488,488</b>	<b>39,442,578</b>	<b>28,500,094</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase (Decrease) in bank overdrafts and short-term loans from financial institutions	108,187,596	(884,236,588)	111,832,546	(883,349,141)
Decrease in short-term loans from related party	-	(25,000,000)	-	-
Repayments of liabilities under finance lease contracts	(27,505,832)	(16,255,003)	(27,064,825)	(15,584,444)
Repayments of long-term loan from finance institution	(14,926,755)	(14,232,002)	(14,926,755)	(14,232,002)
Dividends paid	-	(28,116)	-	(28,116)
<b>Net Cash Provided by (Used in) Financial Activities</b>	<b>65,755,009</b>	<b>(939,751,709)</b>	<b>69,840,966</b>	<b>(913,193,703)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>87,121,847</b>	<b>14,307,455</b>	<b>41,494,612</b>	<b>16,563,218</b>
cash and cash equivalents at beginning of year	105,291,453	90,983,998	95,027,413	78,464,195
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>192,413,300</b>	<b>105,291,453</b>	<b>136,522,025</b>	<b>95,027,413</b>
<b>Supplemental Disclosure of Cash Flow Information</b>				
<b>Non-cash transactions</b>				
Acquisition of right-of-use assets under lease contracts	52,734,181	43,974,558	51,392,125	42,984,558

## **ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

### **Notes to the financial statements**

**For the year ended December 31, 2020**

These notes form an integral part of the financial statements.

These financial statements were authorized for issue by the Company's Directors on February 25, 2021.

#### **1. GENERAL INFORMATION**

Asia Metal Public Company Limited ("The Company") 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. CORONARIRUS DISEASE 2019 PANEMIC**

The Coronavirus disease 2019 pandemic is currently impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgements in respect of various issues as the situation has evolved

#### **3. BASIS OF FINANCIAL STATEMENT PREPARATION**

3.1 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.

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2020**

**3.2 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, 2020 and 2019 as follows:

Name of companies	Nature of business	In Thousand Baht		Percentage of shareholdings directly or indirectly (%)	
		Paid-up share capital		2020	2019
		2020	2019		
STC Steel Co., Ltd.	Produce and providing steel cutting and modifying service	20,000	20,000	100	100
Grand Asia Steel Processing Center Co., Ltd.	Produce and sell of processed steel products	10,000	10,000	50	50

- 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.

- 3.3 The separate financial statements present investments in subsidiaries and associates presented under the cost method.

**4. NEW FINANCIAL REPORTING STANDARDS**

**a) New financial reporting standards that become effective in the current year**

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2020. 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 Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

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**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.

The effects of the adoption of these accounting standards are described below:

*Classification and measurement*

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through other comprehensive income, with no subsequent recycling to profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss.

Recognition of credit losses - The Group is to recognise an allowance for expected credit losses on its financial assets, and they are no longer necessary for a credit - impaired event to have occurred. The Group apply simplified approach to consider impairment of trade receivables. The Group's management has considered that the recognition of credit losses does not have any significant impact on the adjustment of retained earnings as at January 1, 2020.

The cumulative effect of the change is described in Note 5 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

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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.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to right-of-use of asset and lease liabilities as at January 1, 2020. Therefore, the comparative information was not restated.

The cumulative effect of the change is described in Note 5 to the financial statements.

**b) Financial reporting standards that became effective for fiscal years beginning on or after January 1, 2021**

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2021. 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 Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

**5. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS**

As described in Note 4 to the financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16.

The impacts from changes in accounting policies due to the adoption of these standards are presented as follows:

	In Thousand Baht			
	Consolidated financial statements			
	The impacts of			January 1, 2020
	December 31, 2019	Financial reporting standards related to financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Current investments	60,678	(60,678)	-	-
Bank receivables from currency forward contracts	1,476	(1,476)	-	-
Other current financial assets	-	62,154	-	62,154
<b>Non-current assets</b>				
Other non-current financial assets	-	3,824	-	3,824
Available-for-sales investments	3,824	(3,824)	-	-
Right-of-use assets	-	-	87,428	87,428
Property, plant and equipment	1,115,428	-	(60,986)	1,054,442



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	In Thousand Baht			
	Consolidated financial statements			
	The impacts of			January 1, 2020
	December 31, 2019	Financial reporting standards related to financial instruments	TFRS 16	
<b>Current liabilities</b>				
Current portion of lease liabilities	17,099	-	1,179	18,278
<b>Non-current liabilities</b>				
Lease liabilities-net of current portion	30,112	-	25,263	55,375

	In Thousand Baht			
	Separate Financial Statements			
	The impacts of			January 1, 2020
	December 31, 2019	Financial reporting standards related to financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Current investments	60,678	(60,678)	-	-
Bank receivables from currency forward contracts	1,476	(1,476)	-	-
Other current financial assets	-	62,154	-	62,154
<b>Non-current assets</b>				
Other non-current financial assets	-	3,824	-	3,824
Available-for-sales investments	3,824	(3,824)	-	-
Right-of-use assets	-	-	87,822	87,822
Property, plant and equipment	1,021,835	-	(58,750)	963,085
<b>Current liabilities</b>				
Current portion of lease liabilities	16,438	-	1,699	18,137
<b>Non-current liabilities</b>				
Lease liabilities-net of current portion	29,070	-	27,373	56,443

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**5.1 Financial instruments**

The classifications, measurement basis and carrying values of financial assets and financial liabilities in accordance with TFRS 9 as at January 1, 2020, and with the carrying amounts under the former basis, are as follows:

	In Thousand Baht				
	Consolidated financial statements				
	Classification and measurement in accordance with TFRS 9				
	Carrying amounts under the former basis	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
<b>Financial assets as at January 1, 2020</b>					
Cash and cash equivalents	105,291	-	-	105,291	105,291
Current investments	60,678	60,678	-	-	60,678
Trade and other receivables - related	218,181	-	-	218,181	218,181
Trade and other receivables - other	355,361	-	-	355,361	355,361
Bank receivables from currency forward contracts	1,476	1,476	-	-	1,476
Short-term loans to and interest receivable from related parties	1,963	-	-	1,963	1,963
Deposits at financial institution pledged as collateral	151,460	-	-	151,460	151,460
Available-for-sales investments	3,824	-	3,824	-	3,824
Other non - current assets	538	-	-	538	538
<b>Total financial assets</b>	<b>898,772</b>	<b>62,154</b>	<b>3,824</b>	<b>832,794</b>	<b>898,772</b>
	In Thousand Baht				
	Separate Financial Statements				
	Classification and measurement in accordance with TFRS 9				
	Carrying amounts under the former basis	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
<b>Financial assets as at January 1, 2020</b>					
Cash and cash equivalents	95,027	-	-	95,027	95,027
Current investments	60,678	60,678	-	-	60,678
Trade and other receivables - related	549,360	-	-	549,360	549,360
Trade and other receivables - other	206,509	-	-	206,509	206,509
Bank receivables from currency forward contracts	1,476	1,476	-	-	1,476
Short-term loans to and interest receivable from related parties	23,862	-	-	23,862	23,862
Deposits at financial institution pledged as collateral	150,436	-	-	150,436	150,436
Available-for-sales investments	3,824	-	3,824	-	3,824
Other non - current assets	160	-	-	160	160
<b>Total financial assets</b>	<b>1,091,332</b>	<b>62,154</b>	<b>3,824</b>	<b>1,025,354</b>	<b>1,091,332</b>

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As at January 1, 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

## **5.2 Leases**

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at January 1, 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Operating lease commitments as at December 31, 2019	36,266	35,335
Less: Short-term leases	(930)	-
Add: Option to extend lease term	1,550	4,400
Less: Deferred interest expenses	(10,444)	(10,663)
Lease liabilities as at January 1, 2020 due to TFRS 16 adoption	26,442	29,072
Lease liabilities as at December 31, 2019	47,211	45,508
Lease liabilities as at January 1, 2020	73,653	74,580
Comprise of:		
Current lease liabilities	18,279	18,137
Non-current lease liabilities	55,374	56,443
	73,653	74,580

The adjustments of right-of-use assets due to TFRS 16 adoption as at January 1, 2020 are summarised below:

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
As at January 1, 2020		
Land	24,958	24,958
Buildings	1,484	4,114
Machineries	56,133	56,133
Vehicles	4,853	2,617
Total right-of-use assets	87,428	87,822

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

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

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

### ***Business combinations***

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

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

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2020***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.

***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.

***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.

***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.

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2020*****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.

***Leases***

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

***The Group as a lessee***

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use the underlying assets and lease liabilities based on lease liabilities based on lease payments.

***(a) Right-of-use assets***

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2020**

amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Depreciation of right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of their estimated useful lives and the lease term, as follows:

Land	17	years
Buildings	3	years
Machineries	10, 20	years
Vehicles	5	years

*(b) Lease liabilities*

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

*(c) Short-term leases and leases of low-value assets*

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

*(d) Sale and leaseback transactions*

The Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group. Accordingly, the Group recognises only the amount of any gain or loss that relates to the rights transferred to the lessor.

If the fair value of the consideration for the sale of an asset lower than the fair value of the asset, the difference is accounted for as a prepayment of lease payments to measure the sale proceeds at fair value.

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2020**

**The Group as a lessor**

*Finance leases*

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

*Operating leases*

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

***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 live and residual values are reviewed at each financial year-end and adjusted if appropriate.

***Impairment of non-financial assets***

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets - cost of spectrum licenses, other related right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher



**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2020**

of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

***Trade and other payables***

Trade and other payables are stated at cost.

***Employee Benefit******Short-term employee benefits***

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

***Post - employment benefits******Defined contribution plans***

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

***Defined benefit plans***

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

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

Actuarial gains and losses arising from post-employment benefits and other long-term employee benefits arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. The defined benefit obligations are

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**For the year ended December 31, 2020**

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 recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

***Financial instruments***

Accounting policies adopted since January 1, 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

*Classification and measurement of financial assets*

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

*Financial assets at amortised cost*

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

*Financial assets designated at FVOCI (equity instruments)*

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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*Financial assets at FVTPL*

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

*Classification and measurement of financial liabilities*

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

The Group may elect to measure financial liabilities at FVTPL if doing so eliminates, or significantly reduces a recognition inconsistency (sometimes referred to as an accounting mismatch).

*Derecognition of financial instruments*

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

*Impairment of financial assets*

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

*Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2020**

Accounting policies adopt before January 1, 2020

***Trade receivables***

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

***Investments***

Investments other than investments in subsidiaries, associates and joint ventures are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

(1) Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.

(2) Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.

(3) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

(4) Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available for sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of trading investments are recognised in income statement. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the income statement.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2020*****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 Group applies 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 Group measures 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 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 Group determines 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.

***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.

## **ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

### **Notes to the financial statements (Continued)**

**For the year ended December 31, 2020**

#### *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 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.

## **7. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

The preparation of financial statements in conformity with financial reporting standards 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 from these estimates. Significant judgments and estimates are as follow:

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2020**

**Revenue from contracts with customers**

*Identification of performance obligations*

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

*Determination of timing of revenue recognition*

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Group recognises revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

*Recognition and derecognition of assets and liabilities*

In considering whether to recognise or to derecognise 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 assessments.

**Leases**

*Determining the lease term with extension and termination options - The Group as a lessee*

In determining the lease term, the management is required to exercise judgment in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease, considering all relevant factors and circumstances that create an economic incentive for the Group to exercise either the extension or termination option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

*Lease classification - The Group as a lessor*

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

***Allowance for expected credit losses of trade receivables***

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

***Fair value of financial instruments***

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

***Depreciation of property, plant and equipment and right-of-use assets and amortisation of intangible assets***

In determining depreciation of plant and equipment and right-of-use assets and amortisation of intangible assets, the management is required to make estimates of the useful lives and residual values (if any) and to review useful lives and residual values when there are any changes.

In addition, the property, plant and equipment, right-of-use assets and intangibles assets are subject to impairment if there is an indication they may be impaired, and impairment losses are recorded in the period when it is determined that their recoverable amount is lower than the carrying amount.

Indications include significant falls in the market value of assets or the future economic benefits of assets, significant changes in the overall business strategy impacting to the future utilization of assets, significant negative industry or economic trends, significant loss of market share, and significant unfavourable regulatory and court decisions that impact the business.

The impairment analysis of property, plant and equipment, right-of-use assets and intangible assets requires management to make subjective judgments concerning estimates of cash flows to be generated by the assets or the cash generating units and to choose a suitable discount rate in order to determine the present value of those cash flows. The cash flow estimates are based on currently available information about the operations and require management to make judgments regarding future market conditions and future revenues and expenses relevant to the assets or the cash generating units subject to the review. Events and factors that may significantly affect the estimates include, among others, competitive forces, changes in revenue growth trends, cost structures, changes in discount rates and specific industry or market sector conditions.

***Deferred tax assets***

Deferred tax assets are recognised for temporary difference arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the end of reporting period when it is highly probable that the Group will generate sufficient taxable profits from their future operations to utilise these deferred tax assets. If management need to estimate the amounts of the deferred tax assets that the Group should recognise, they take into account the amount of taxable profit expected in each future period.



**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2020**

***Post-employment benefits under defined benefit plans***

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary incremental rate, mortality rates and other demographic factors. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. The mortality rate is based on publicly available mortality tables for the country. Actual post-retirement costs may ultimately differ from these estimates.

**8. RELATED PARTY TRANSACTIONS**

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

Types of relationship of related parties are as follows:

The Company's name	Type of business	Type of relationship
STC Steel Co., Ltd.	Produce and providing steel cutting and modifying service	Subsidiary
Grand Asia Steel Processing Center Co.	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
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	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)

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2020**

The Company's name	Type of business	Type of relationship
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, 2020 and 2019, are summarized as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
<b>Revenue from sale of goods</b>				
Grand Asia Steel Processing Center Co., Ltd.	-	-	346,539	455,085
Prime Steel Mill Co., Ltd.	823,355	696,008	823,355	696,008
Win Win Holding Co., Ltd.	-	10,070	-	-
In-Tech Steel Co., Ltd.	-	484	-	-
<b>Total</b>	<b>823,355</b>	<b>706,562</b>	<b>1,169,894</b>	<b>1,151,093</b>
<b>Other income</b>				
STC Steel Co., Ltd.	-	-	120	120
Grand Asia Steel Processing Center Co., Ltd.	-	-	10,682	12,855
<b>Total</b>	<b>-</b>	<b>-</b>	<b>10,802</b>	<b>12,975</b>
<b>Purchase of goods , raw materials and cost of services</b>				
STC Steel Co., Ltd.	-	-	11,599	8,549
Grand Asia Steel Processing Center Co., Ltd.	-	-	7,300	4,242
Prime Steel Mill Co., Ltd.	1,340,642	2,470,532	1,340,642	2,470,532
Taweechoke Panich Co., Ltd.	27,987	258	27,392	258
G J Steel Public Co., Ltd.	2,008	-	2,008	-
G Steel Public Co., Ltd.	239,438	7,103	239,438	7,103
Permsin Steel Works Public Co., Ltd.	13,212	15,960	5,355	-

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**Notes to the financial statements (Continued)**
**For the year ended December 31, 2020**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
PS Steel Processing Center Co., Ltd.	-	219	-	-
Total	1,623,287	2,494,072	1,633,734	2,490,684
<b>Other expense</b>				
Prime Steel Mill Co., Ltd.	187	-	187	-
Grand Asia Steel Processing Center Co., Ltd.	-	-	17	31
Total	187	-	204	31
<b>Rental</b>				
STC Steel Co., Ltd.	-	-	-	600
<b>Financial costs</b>				
Mrs. Phenchan Yongvongphaiboon	-	1,006	-	-

Key managements personnel compensation and directors' remuneration for the years ended December 31, 2020 and 2019, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
<b>Key managements personnel compensation and directors remuneration</b>				
Short-term employment benefits	12,005	19,066	8,436	12,734
Post-employment benefits	700	726	492	353
Total	12,705	19,792	8,928	13,087

Significant balances as at December 31, 2020 and 2019, with related parties were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
<b>Trade and other receivables</b>				
<b>Trade receivable</b>				
Prime Steel Mill Co., Ltd.	540,529	217,740	540,529	217,740
Grand Asia Steel Processing Center Co., Ltd.	-	-	320,634	331,681
Win Win Holding Co.,Ltd.	-	497	-	-
In-Tech Steel Co.,Ltd.	-	5	-	-
Total	540,529	218,242	861,163	549,421
Less : Allowance for expected credit losses (2019 : Allowance for doubtful accounts)	-	(61)	-	(61)
Net	540,529	218,181	861,163	549,360
<b>Short-term loans to and interest receivable</b>				
<b>Short-term loans</b>				
Other related person (No interest)	1,881	1,963	1,841	1,863
<b>Accrued interest</b>				
STC Steel Co., Ltd.				
(Interest rate 4.92% p.a.)	-	-	21,000	22,000
Total	1,881	1,963	22,841	23,863

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**Notes to the financial statements (Continued)**
**For the year ended December 31, 2020**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Less : Allowance for expected credit losses (2019 : Allowance for doubtful accounts)	-	-	(593)	-
Net	<u>1,881</u>	<u>1,963</u>	<u>22,248</u>	<u>23,863</u>
<b>Advance payment for purchasing of goods</b>				
Prime Steel Mill Co., Ltd.	<u>45,821</u>	<u>8,314</u>	<u>45,821</u>	<u>8,314</u>
<b>Right-of-use assets</b>				
STC Steel Co., Ltd.	<u>-</u>	<u>-</u>	<u>2,076</u>	<u>-</u>
<b>Trade and other payables</b>				
<b>Trade payables</b>				
Permsin Steel Works Public Co., Ltd.	4,171	-	-	-
Grand Asia Steel Processing Center Co., Ltd.	-	-	1,637	-
Prime Steel Mill Co., Ltd.	-	1,150	-	1,150
Taweechoke Panich Co., Ltd.	-	179	-	179
STC Steel Co., Ltd.	-	-	365	144
<b>Other payables</b>				
STC Steel Co., Ltd.	-	-	328	915
Grand Asia Steel Processing Center Co., Ltd.	-	-	45	-
Prime Steel Mill Co., Ltd.	168	-	168	-
In-Tech Steel Co., Ltd	-	650	-	-
Mr. Chusak Yongvongphaiboon	61	-	61	-
Miss Chananya Yongvongphaiboon	-	10	-	10
Miss Peerada Yongvongphaiboon	217	335	217	335
Total	<u>4,617</u>	<u>2,324</u>	<u>2,821</u>	<u>2,733</u>
<b>Lease liabilities</b>				
STC Steel Co., Ltd.	<u>-</u>	<u>-</u>	<u>2,111</u>	<u>-</u>

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			
	2019	Increase	Decrease	2020
<b>Short-term loans</b>				
Other related person	<u>1,963</u>	<u>214</u>	<u>(296)</u>	<u>1,881</u>

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

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2020**

	In Thousand Baht			
	Separate Financial Statements			2020
	2019	Increase	Decrease	
<b>Short-term loans</b>				
Other related person	1,863	214	(236)	1,841
<b>Accrued interest</b>				
STC Steel Co., Ltd.	22,000	-	(1,000)	21,000
Total	23,863	214	(1,236)	22,841

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

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

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

**9. CASH AND CASH EQUIVALENTS**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Cash	260	320	180	240
Cash in banks – Current accounts	90,730	61,590	89,611	61,540
Cash in banks – Saving accounts	101,423	43,381	46,731	33,247
Total	192,413	105,291	136,522	95,027

As at December 31, 2020 and 2019, the Company and its subsidiaries has bank deposits in saving accounts, bearing the interest rates at 0.05% - 0.13% per annum and 0.15% - 0.38% per annum, respectively (Separate financial statements: at 0.05% - 0.13% per annum and 0.15% - 0.38% per annum, respectively).

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2020**

**10. TRADE AND OTHER RECEIVABLES**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
<b>Trade and other receivables</b>				
<b>- Related parties</b>				
Trade receivable	540,529	218,242	861,163	549,421
Less : Allowance for expected credit losses (2019 : Allowance for doubtful accounts)	-	(61)	-	(61)
Net	<u>540,529</u>	<u>218,181</u>	<u>861,163</u>	<u>549,360</u>
<b>Trade and other receivables</b>				
<b>- Other parties</b>				
Trade receivables	447,975	407,202	277,817	280,753
Posted date cheques	31,007	33,244	20,798	13,124
Total	478,982	440,446	298,615	293,877
Less : Allowance for expected credit losses (2019 : Allowance for doubtful accounts)	(104,071)	(103,089)	(102,141)	(102,174)
Net	<u>374,911</u>	<u>337,357</u>	<u>196,474</u>	<u>191,703</u>
Other receivables				
Prepaid expenses	1,249	3,408	1,136	3,198
Advance payment	2,399	13,132	2,315	10,313
Others	4,890	1,464	4,635	1,295
Total	<u>8,538</u>	<u>18,004</u>	<u>8,086</u>	<u>14,806</u>
Total	<u>383,449</u>	<u>355,361</u>	<u>204,560</u>	<u>206,509</u>

Outstanding trade receivables - related parties as at December 31, 2020 and 2019, are aged as follows;

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Not yet due	292,261	217,679	382,501	379,935
Over due				
Less than 3 months	-	5	103,175	132,839
Over 3 - 6 months	248,268	497	345,961	36,586
Over 6 - 12 months	-	-	29,526	-
Over 12 months	-	61	-	61
Total	540,529	218,242	861,163	549,421
Less : Allowance for expected credit losses (2019 : Allowance for doubtful accounts)	-	(61)	-	(61)
Net	<u>540,529</u>	<u>218,181</u>	<u>861,163</u>	<u>549,360</u>

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**Notes to the financial statements (Continued)**
**For the year ended December 31, 2020**

Outstanding trade receivables - other parties as at December 31, 2020 and 2019, are aged as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Not yet due	252,083	248,167	129,528	140,457
Over due				
Less than 3 months	122,226	81,475	66,843	50,469
Over 3 - 6 months	749	7,516	-	608
Over 6 - 12 months	278	400	278	369
Over 12 months	103,646	102,888	101,966	101,974
Total	478,982	440,446	298,615	293,877
Less : Allowance for expected credit losses (2019 : Allowance for doubtful accounts)	(104,071)	(103,089)	(102,141)	(102,174)
Net	<u>374,911</u>	<u>337,357</u>	<u>196,474</u>	<u>191,703</u>

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Expected credit losses (Reversal) (2019 : Doubtful accounts (Reversal))				
- For the years ended December 31,	<u>(921)</u>	<u>(2,440)</u>	<u>(94)</u>	<u>(2,598)</u>

**11. INVENTORIES**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Finished goods	398,326	467,642	354,281	439,696
Raw materials	617,413	538,749	559,537	381,083
Spare parts and factory supplies	10,121	8,585	9,178	7,943
Goods in transit	-	8,188	-	8,188
Total	1,025,860	1,023,164	922,996	836,910
Less : Allowance for decline in value of inventories	(38,454)	(45,831)	(38,420)	(44,201)
Net	<u>987,406</u>	<u>977,333</u>	<u>884,576</u>	<u>792,709</u>

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

- Cost of goods sold	4,569,448	5,204,435	4,365,341	5,058,226
- Loss on decline in value of inventories (Reversal)	(7,377)	(30,296)	(5,781)	(31,926)
Total	<u>4,562,071</u>	<u>5,174,139</u>	<u>4,359,560</u>	<u>5,026,300</u>

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2020**

Movements of the allowance for decline in value of inventories for the years ended December 31, 2020 and 2019 are summarised below.

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Balance as at January 1,	45,831	76,127	44,201	76,127
Add : Loss on decline in value of inventories (Reversal)	(7,377)	(30,296)	(5,781)	(31,926)
Balance as at December 31,	<u>38,454</u>	<u>45,831</u>	<u>38,420</u>	<u>44,201</u>

**12. OTHER CURRENT FINANCIAL ASSETS**

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2020	2019
Forward contracts receivable	-	1,476
Investment in open fund in debt	-	60,678
Other current financial assets measured at fair value through profit or loss		
- Investments in open fund in debt	136	-
- Derivative assets	1,694	-
Total	<u>1,830</u>	<u>62,154</u>

The detail of investments in trading securities as at December 31, 2020 and 2019 are as follow:

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2020	2019
Investment in trading securities consisted of		
Units of investments in open fund in debt securities		
At the beginning of the year	60,678	140,313
Additions	1,822,440	3,349,300
Disposals	(1,883,279)	(3,430,661)
Add Change in fair value	1	32
Gain on sales	296	1,694
At the end of year	<u>136</u>	<u>60,678</u>



**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2020**

*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, 2020 and 2019 are as follows.

	In Thousand Baht			
	Consolidated Financial Statements and Separate Financial Statements			
	2020		2019	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Units of investments in open fund in debt securities	136	136	60,678	60,678

As at December 31, 2020, 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 0.4 million and EUR 3.1 million (December 31, 2019 amount of US Dollar 0.9 million and EUR 6.0 million).

As at December 31, 2020, the Company had the foreign currency - dominated liabilities remaining unhedged in the amount of US Dollar 1.6 million and EUR 3.5 million (December 31, 2019 amount of US Dollar 0.9 million and EUR 2.1 million).

The fair values measurements of investments in open fund in debt securities and derivative assets have 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).

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

As at December 31, 2020 and 2019, the Company and its subsidiary held fixed deposits at several local financial institutions amounting to Baht 152.8 million and Baht 151.5 million, respectively (Separate financial statements: Baht 151.8 million and Baht 150.4 million, respectively). The deposits were pledged as collateral for credit facilities of overdrafts and short-term loans from financial institutions (Note 19 to the financial statements) and for letter of guarantee from bank against the payment of electricity of the Company and its subsidiary.

**14. OTHER NON-CURRENT FINANCIAL ASSETS**

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2020	2019
Available-for-sales investments	-	3,824
Equity investment measured at fair value through other comprehensive income		
- Investments of listed company	3,824	-
Total	3,824	3,824

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2020**

**Fair value**

The fair value measurements of equity investment has been categorised as a level 1 fair value based on the quoted price in active markets and the Company can access at the measurement date. During the period, there were no transfers within the fair value hierarchy.

	In Thousand Baht			
	Consolidated Financial Statements and Separate Financial Statements			
	2020		2019	
	Cost	Fair value	Cost	Fair value
<b>Available-for-sales investments</b>				
Equity investments of listed company	3,824	3,824	5,524	3,824
Change in fair value of equity investments	-	-	(1,700)	-
Net	<u>3,824</u>	<u>3,824</u>	<u>3,824</u>	<u>3,824</u>

*Fair values*

The fair values of financial assets together with the carrying amounts in the consolidated statement of financial position as at December 31, 2020 and December 31, 2019 are as follows:

	In Thousand Baht			
	2020		2019	
	Carrying amount	Fair Value Level 1	Carrying Amount	Fair Value Level 1
Equity investments of listed company	<u>3,824</u>	<u>3,824</u>	<u>3,824</u>	<u>3,824</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, 2020**

**15. INVESTMENTS IN ASSOCIATES**

Investments in associates as at December 31, 2020 and 2019 are as follows:

		In Thousand Baht								
Company's name	Nature of business	Country of incorporation	Shareholding percentage (%)		Consolidated Financial Statements		Separate Financial Statements		Consolidated Financial Statements	
			2020	2019	Carrying amounts based on equity method		Cost		Share of profit (loss) from investments in associates in the year	
					2020	2019	2020	2019	2020	2019
Prime Steel Mill Co., Ltd.	Production and distribution of hot rolled narrow strip coil	Thailand	35	35	299,643	363,067	318,000	318,000	(63,424)	94,890
Less : Allowance for impairment of investment					-	-	-	-	-	-
Net					<u>299,643</u>	<u>363,067</u>	<u>318,000</u>	<u>318,000</u>	<u>(63,424)</u>	<u>94,890</u>

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2020**

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, 2020, 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, 2020 and 2019 are as follow:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Balance as at January 1,	363,067	219,783	318,000	270,000
Increase in investments	-	48,000	-	48,000
Share of profit (loss) of investment - equity method	(63,424)	94,890	-	-
Share of comprehensive income in associate	-	394	-	-
Balance as at December 31,	299,643	363,067	318,000	318,000

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**Notes to the financial statements (Continued)**
**For the year ended December 31, 2020**

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	
	2020	2019
Net assets	813,691	1,005,226
Group's interest in the associate	35%	35%
Group's share in the net assets	284,792	351,829
Adjustment for using the equity method		
(Gain) Loss on inventories	2,208	(1,699)
Surplus not yet amortized	334	628
Goodwill	12,309	12,309
Carrying amount under the equity method	299,643	363,067

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,	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Prime Steel Mill Co., Ltd. "Audited"	1,000	1,000	2,321	2,883	1,508	1,878	3,700	6,948	(192)	317

**16. INVESTMENTS IN SUBSIDIARIES**

The Company's name	Separated Financial Statement					
	In Thousand Baht					
	Percentages of direct and indirect holdings (%)		Issued and fully paid-up share capital		Cost method	
	2020	2019	2020	2019	2020	2019
STC Steel Co., Ltd.	100	100	20,000	20,000	20,000	20,000
Grand Asia Steel Processing Center Co., Ltd.	50	50	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, 2020**

**Summarised statement of financial position**

	Grand Asia Processing Center Co., Ltd.	
	In Thousand Baht	
	2020	2019
Non-controlling interest percentage	50%	50%
Assets	345,973	356,379
Liabilities	(342,178)	(358,140)
Net assets	3,795	(1,761)
Carrying amount of non-controlling interest	1,898	(881)

**Summarised statement of income**

	Grand Asia Processing Center Co., Ltd.	
	In Thousand Baht	
	2020	2019
Revenue	597,047	633,313
Profit (Loss) for the year	5,556	(22,844)
Other comprehensive income (loss)	-	935
Total comprehensive income (loss)	5,556	(21,909)
Profit (Loss) attributable to non-controlling interests	2,778	(11,422)
Profit (Loss) other comprehensive income attributable to non-controlling interests	-	468

**Summarised statement of cash flows**

	Grand Asia Processing Center Co., Ltd.	
	In Thousand Baht	
	2020	2019
Net Cash Provided by Operating Activities	48,004	28,096
Net Cash Used in Investing Activities	(1,938)	(3,035)
Net Cash Used in Financial Activities	(4,826)	(26,558)
Net Decrease in Cash and Cash Equivalents	41,240	(1,497)
Cash and Cash Equivalents - Beginning of Year	5,975	7,472
Cash and Cash Equivalents – End of Year	47,215	5,975

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2020**

**17. INVESTMENT PROPERTIES**

	In Thousand Baht	
	Separate Financial Statements	
	2020	2019
Cost	50,744	50,744
Less Accumulated depreciation	(20,773)	(18,227)
Net	29,971	32,517

A reconciliation of the net book value of investment properties for the years 2020 and 2019 is presented below:

	In Thousand Baht	
	Separate Financial Statements	
	2020	2019
Net book value at beginning of year	32,517	35,054
Depreciation	(2,546)	(2,537)
Net book value at end of year	29,971	32,517
Fair Value *	60,250	60,250

\*Its fair value assessed by professional appraisers is as the reports dated December 2, 2019 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 loans from financial institutions (Note 19 to the financial statements).

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2020**

**18. PROPERTY, PLANT AND EQUIPMENT**

	In Thousand Baht							
	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	Total
Cost								
Balance as at January 1, 2019	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/write - off	-	-	-	(3,465)	-	(1,899)	(42,984)	(48,348)
Balance as at December 31, 2019	440,498	509,410	60,939	960,452	46,370	42,811	120,182	2,180,662
The adjustments due to TFRS 16 adoption	-	-	-	(59,485)	(8,080)	-	-	(67,565)
Acquisition	-	433	-	2,410	7,271	2,817	44,691	57,622
Transfer in (out)	-	33,876	-	12,607	3,600	-	(46,483)	3,600
Disposal/written off	-	(29,032)	-	(31,852)	(9,218)	(17,008)	(4,633)	(91,743)
Balance as at December 31, 2020	440,498	514,687	60,939	884,132	39,943	28,620	113,757	2,082,576



**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2020**

In Thousand Baht								
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	Total
<u>Accumulated depreciation and accumulated impairment loss</u>								
Balance as at January 1, 2019	-	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)
Balance as at December 31, 2019	-	292,415	3,500	671,162	33,783	37,157	27,217	1,065,234
The adjustments due to TFRS 16 adoption	-	-	-	(3,351)	(3,227)	-	-	(6,578)
Depreciation for the year	-	24,243	3,353	64,261	1,605	1,662	-	95,124
Impairment loss	-	-	-	-	2,547	-	-	2,547
Disposal/write – off	-	(146)	-	(17,362)	(2,104)	(16,870)	-	(36,482)
Balance as at December 31, 2020	-	316,512	6,853	714,710	32,604	21,949	27,217	1,119,845
<u>Net book value</u>								
December 31, 2019	440,498	216,995	57,439	289,290	12,587	5,654	92,965	1,115,428
December 31, 2020	440,498	198,175	54,086	169,422	7,339	6,671	86,540	962,731
<u>Depreciation included in the consolidated statement of comprehensive income for the years ended December 31,</u>								
2019								104,319
2020								95,124

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2020**

In Thousand Baht								
Separate Financial Statements								
	At Appraised value	At Cost						Total
	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>								
Balance as at January 1, 2019	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)
Balance as at December 31, 2019	395,628	416,185	60,939	937,629	42,111	40,378	119,449	2,012,319
The adjustments due to TFRS 16 adoption	-	-	-	(59,484)	(5,279)	-	-	(64,763)
Acquisitions	-	369	-	1,023	7,271	2,325	44,691	55,679
Transfer in (out)	-	33,876	-	12,607	3,600	-	(46,483)	3,600
Disposal/write – off	-	(28,950)	-	(31,802)	(9,218)	(17,003)	(4,633)	(91,606)
Balance as at December 31, 2020	395,628	421,480	60,939	859,973	38,485	25,700	113,024	1,915,229

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2020**

	In Thousand Baht							
	Separate Financial Statements							
	At Appraised value	At Cost						
		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	Total
	Land							
<u>Accumulated depreciation and accumulated impairment loss</u>								
Balance as at January 1, 2019	-	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)
Balance as at December 31, 2019	-	241,427	3,500	650,437	32,511	35,392	27,217	990,484
The adjustments due to TFRS 16 adoption	-	-	-	(3,351)	(2,663)	-	-	(6,014)
Depreciation for the year	-	19,657	3,353	63,678	1,466	1,262	-	89,416
Transfer in (out)	-	-	-	-	2,547	-	-	2,547
Disposal/write – off	-	(63)	-	(17,325)	(2,104)	(16,865)	-	(36,357)
Balance as at December 31, 2020	-	261,021	6,853	693,439	31,757	19,789	27,217	1,040,076
<u>Net book value</u>								
December 31, 2019	395,628	174,758	57,439	287,192	9,600	4,986	92,232	1,021,835
December 31, 2020	395,628	160,459	54,086	166,534	6,728	5,911	85,807	875,153
<u>Depreciation included in the statement of comprehensive income for the years ended December 31,</u>								
2019								98,267
2020								89,416

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2020**

Depreciations included in the statement of comprehensive income for the years ended December 31, 2020 and 2019 are as follow:

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Cost of sales and services	87,148	91,480	84,472	88,513
Administrative expenses	7,976	12,839	4,944	9,754
Total	95,124	104,319	89,416	98,267

As at December 31, 2020 and 2019, land and building of the Company and its subsidiary amounting to Baht 559.4 million and Baht 570.8 million, respectively (Separate financial statements: Baht 506.8 million and Baht 516.3 million, respectively), are mortgaged as collateral for credit facilities of short-term and long-term loan from financial institution.

As at December 31, 2020 and 2019, 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 403.2 million and Baht 361.3 million, respectively (Separate financial statements : Baht 380.0 million and Baht 338.3 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, respectively 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.

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

	In Thousand Baht			
	Consolidated Financial		Separate Financial	
	Statements		Statements	
	2020	2019	2020	2019
Promissory Notes	326,000	601,000	326,000	601,000
Liabilities under trust receipts	900,084	514,668	900,084	514,668
Loans from discounting of trade receivables	-	3,645	-	-
Total	1,226,084	1,119,313	1,226,084	1,115,668

As at December 31, 2020 and 2019, the Company has short-term trade financing facilities from financial institutions according to the loan agreements with a total maximum credit limit of Baht 3,335 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

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**Notes to the financial statements (Continued)**
**For the year ended December 31, 2020**

annum and the other facilities charged interest at the rates ranging from 0.45% to 1.80% 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 13, 17 and 18 to the financial statements).

**20. TRADE AND OTHER PAYABLES**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
<b>Trade and other payables – related parties</b>				
Trade payables	4,171	1,330	2,030	1,474
Other payables	446	994	791	1,259
Total	4,617	2,324	2,821	2,733
<b>Trade and other payables – other parties</b>				
Trade payables	97,800	64,427	89,232	48,725
Other payables	35,238	49,497	29,917	45,797
Total	133,038	113,924	119,149	94,522

As at December 31, 2020 and 2019, trade and other payables – other parties classified by currencies as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Baht	133,038	104,378	119,149	84,976
US Dollar	-	9,546	-	9,546
Total	133,038	113,924	119,149	94,522

**21. LONG-TERM LOANS FROM FINANCIAL INSTITUTION**

	In Thousand Baht	
	Consolidated Financial statements and Separate financial statements	
	2020	2019
Long-term loans	11,096	26,023
Less : Current portion	(11,096)	(14,822)
Net of current portion	-	11,201

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, 5<sup>th</sup> installment – 39<sup>th</sup> installment will be paid of Baht 1.3 million per installment and 40<sup>th</sup> installment will be paid for the remaining amount.

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**Notes to the financial statements (Continued)**
**For the year ended December 31, 2020**

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, 2020 and 2019 are summarized as follows:

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2020	2019
Balance as at January 1	26,023	40,255
Add addition loan	-	-
Less repayment	(14,927)	(14,232)
Balance as at December 31	11,096	26,023

**22. LEASE**
**The Group as a lessee**

The Group has lease contracts for various items of property, plant and equipment used in its operations.

**1) RIGHT-OF-USE ASSETS**

Movements of the right-of-use assets account for the year ended December 31, 2020 are summarised below.

	In Thousand Baht				
	Consolidated Financial Statements				
	At Cost				
	Land	Buildings	Machineries	Vehicles	Total
<u>Cost</u>					
Balance as at January 1, 2020 - after the adjustments due to TFRS 16 adoption	24,958	1,484	59,484	8,080	94,006
Acquisitions	-	28,950	14,742	9,042	52,734
Transfer in (out)	-	-	-	(3,600)	(3,600)
Disposal/write – off	-	-	-	-	-
Balance as at December 31, 2020	24,958	30,434	74,226	13,522	143,140
<u>Accumulated depreciation and accumulated</u>					
Balance as at January 1, 2020 - after the adjustments due to TFRS 16 adoption	-	-	3,351	3,227	6,578
Depreciation for the year	1,454	669	7,154	2,587	11,864
Transfer in (out)	-	-	-	(2,547)	(2,547)
Disposal/write - off	-	-	-	-	-
Balance as at December 31, 2020	1,454	669	10,505	3,267	15,895
<u>Net book value</u>					
December 31, 2020	23,504	29,765	63,721	10,255	127,245
<u>Depreciation included in the statement of comprehensive income for the year ended December 31, 2020</u>					11,864

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**Notes to the financial statements (Continued)**
**For the year ended December 31, 2020**

	In Thousand Baht				
	Separate Financial Statements				
	At Cost				
	Land	Buildings	Machineries	Vehicles	Total
<u>Cost</u>					
Balance as at January 1, 2020 - after the adjustments due to TFRS 16 adoption	24,958	4,114	59,484	5,279	93,835
Acquisitions	-	28,950	14,742	7,700	51,392
Transfer in (out)	-	-	-	(3,600)	(3,600)
Disposal/write – off	-	-	-	-	-
Balance as at December 31, 2020	24,958	33,064	74,226	9,379	141,627
<u>Accumulated depreciation and accumulated</u>					
Balance as at January 1, 2020 - after the adjustments due to TFRS 16 adoption	-	-	3,351	2,663	6,014
Depreciation for the year	1,454	1,223	7,154	1,881	11,712
Transfer in (out)	-	-	-	(2,547)	(2,547)
Disposal/write - off	-	-	-	-	-
Balance as at December 31, 2020	1,454	1,223	10,505	1,997	15,179
<u>Net book value</u>					
December 31, 2020	23,504	31,841	63,721	7,382	126,448
<u>Depreciation included in the statement of comprehensive income for the year ended December 31, 2020</u>					11,712

**2) LEASE LIABILITIES**

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Lease liabilities	115,475	49,965	115,593	48,152
Less : Deferred interest	(13,481)	(2,754)	(13,462)	(2,644)
Total	101,994	47,211	102,131	45,508
Less : Current portion	(30,924)	(17,099)	(30,514)	(16,438)
Net	71,070	30,112	71,617	29,070

As at December 31, 2020 and 2019, the Company and its subsidiary have lease liabilities with the year of payment as follows:

	In Thousand Baht					
	Consolidated Financial Statements					
	2020			2019		
	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	34,113	3,189	30,924	18,672	1,573	17,099
Payment due over 1 year to 5 years	56,283	5,260	51,023	31,293	1,181	30,112
Over 5 years	25,079	5,032	20,047	-	-	-
Total	115,475	13,481	101,994	49,965	2,754	47,211

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**Notes to the financial statements (Continued)**
**For the year ended December 31, 2020**

	In Thousand Baht					
	Separate Financial Statements					
	2020			2019		
	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	33,674	3,160	30,514	17,942	1,504	16,438
Payment due over 1 year to 5 years	56,840	5,270	51,570	30,210	1,140	29,070
Over 5 years	25,079	5,032	20,047	-	-	-
Total	115,593	13,462	102,131	48,152	2,644	45,508

**3) Expenses relating to leases that are recognised in profit or loss for the year ended December 31, 2020**

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Depreciation expense of right-of-use assets	11,864	11,712
Interest expense on lease liabilities	3,253	3,223
Expense relating to short-term leases (not over 1 year)	484	-

**23. EMPLOYEE BENEFIT OBLIGATIONS**

Employee benefit liabilities in statements of financial position as at December 31, 2020 and 2019, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Post-employment benefits				
Legal severance payment plan	16,624	14,810	14,017	12,638

Movement in the present value of the defined benefit obligations for the years ended December 31, 2020 and 2019, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Defined benefit obligations as at January 1,	14,810	11,116	12,638	8,994
Current service costs	1,703	1,823	1,089	1,137
Interest costs	335	302	290	234
Previous service costs	-	2,504	-	2,273
Included in other comprehensive :				
Actuarial (gains) losses arising from				
Financial assumptions changes	-	224	-	-
Demographic assumptions changes	-	-	-	-
Experience adjustments	-	(1,159)	-	-
Benefits paid during the year	(224)	-	-	-
Defined benefit obligations as at December 31,	16,624	14,810	14,017	12,638



**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2020**

Expenses recognized in statement of comprehensive income for the years ended December 31, 2020 and 2019, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Current service costs	1,703	1,823	1,089	1,137
Interest on obligation	335	302	290	234
Total	2,038	2,125	1,379	1,371

The above expenses recognized in the statement of comprehensive income for the years ended December 31, 2020 and 2019, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Cost of sales and services	582	550	303	369
Selling expenses	149	140	94	85
Administrative expenses	272	407	200	330
Management benefit expenses	700	726	492	353
Total	1,703	1,823	1,089	1,137

The Company and its subsidiaries expect to pay Baht 0.9 million of long-term employee benefits during the next year (Separate financial statements: Baht 0.7 million).

As at December 31, 2020, the weighted average duration of the liabilities for long-term employee benefit is 8 years, 9 years and 20 years (Separate financial statements: 8 years).

Principal actuarial assumptions at the reporting date as at December 31, 2020 and 2019 are as follows:

	2020	
	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)

**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.

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**Notes to the financial statements (Continued)**
**For the year ended December 31, 2020**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
As at 31 December				
Discount rate				
Increase 1.00%	(796)	(981)	(711)	(719)
Decrease 1.00%	899	1,130	803	811
Salary increase rate				
Increase 1.00%	1,114	1,190	1,004	882
Decrease 1.00%	(1,000)	(1,056)	(901)	(795)
Turnover rate				
Increase 20.00%	(1,350)	(1,307)	(1,242)	(1,084)
Decrease 20.00%	1,702	1,638	1,577	1,362

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.

**24. 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.

**25. REGISTERED PROVIDENT FUND**

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

Provident fund contributions for the years ended December 31, 2020 and 2019, as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Provident fund contributions	486	557	392	414

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**Notes to the financial statements (Continued)**
**For the year ended December 31, 2020**
**26. EXPENSES BY NATURE**

The significant expenses classified by nature for the years ended December 31, 2020 and 2019 are as follow:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Changes in finished goods and work in progress	69,316	11,107	85,415	19,919
Purchase of raw materials and finished goods	446,553	534,322	810,870	1,018,039
Raw materials used	3,760,935	4,366,560	3,230,514	3,770,302
Depreciation and amortization	108,517	105,438	105,202	101,925
Loss on decline in value of inventories (Reversal)	(7,377)	(30,296)	(5,781)	(31,926)
Loss on impairment of property, plant and equipment	-	1,444	-	1,444
Loss on foreign currency	8,142	-	8,142	-
Employee expense	120,269	125,988	98,242	105,312
Transportation and distribution	47,468	63,732	37,073	53,471
Utility expenses	38,640	43,140	31,495	34,729
Doubtful accounts (Reversal) - Trade receivable	921	(2,440)	(94)	(2,598)
Management benefit expenses	12,705	19,792	8,928	13,087
Commission, advertising and sale promotion	5,715	7,392	2,322	5,621
Outsourcing production cost	10,235	5,538	8,860	3,731
Other expenses	86,857	93,484	65,918	74,239
<b>Total</b>	<b>4,708,896</b>	<b>5,345,201</b>	<b>4,487,106</b>	<b>5,167,295</b>

**27. INCOME TAXES**

Income tax income (expenses) for the years ended December 31, 2020 and 2019, are as follows:

	In Thousand Baht	
	Consolidated Financial Statements	
	2020	2019
<b>Current income tax:</b>		
Current income tax expenses for the year	(49,768)	(8,562)
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(899)	(7,224)
Income tax income (expenses) reported in the statement of comprehensive income	(50,667)	(15,786)

	In Thousand Baht	
	Separate Financial Statements	
	2020	2019
<b>Current income tax:</b>		
Current income tax expenses for the year	(49,768)	(8,562)
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(781)	(7,224)
Income tax income (expenses) reported in the statement of comprehensive income	(50,549)	(15,786)

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to the financial statements (Continued)**  
**For the year ended December 31, 2020**

Reconciliations of effective tax rate for the years ended December 31, 2020 and 2019, are as follow;

	In Thousand Baht			
	Consolidated Financial Statements			
	2020		2019	
	Tax rate (%)	Amount	Tax rate (%)	Amount
Accounting profit before income tax		186,497		150,127
Income tax by applicable tax rate	20	(37,299)	20	(30,025)
Utilized loss carry forward		2,153		1,282
Effect to income tax from tax-exempt incomes and non-deductible expenses		(2,405)		241
Effects of elimination entries on consolidation		(12,217)		19,940
Tax income (expenses) relating to the imposition of the recognition and reversal of temporary differences		(899)		(7,224)
Total income tax expenses	27	(50,667)	11	(15,786)

	In Thousand Baht			
	Separate Financial Statements			
	2020		2019	
	Tax rate (%)	Amount	Tax rate (%)	Amount
Accounting profit before income tax		239,315		74,530
Income tax by applicable tax rate	20	(47,863)	20	(14,906)
Utilized loss carry forward		-		1,282
Effect to income tax from tax-exempt incomes and non-deductible expenses		(1,905)		5,062
Tax income (expenses) relating to the imposition of the recognition and reversal of temporary differences		(781)		(7,224)
Total income tax expenses	21	(50,549)	21	(15,786)

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, 2020**

Movements in total deferred tax assets and liabilities for the years ended December 31, 2020 and 2019 were as follows:

	In Thousand Baht						
	Consolidated Financial Statements						
	(Charged) / Credited to:			(Charged) / Credited to:			
	January 1, 2019	Profit or loss	Other comprehensive income	December 31, 2019	Profit or loss	Other comprehensive income	December 31, 2020
<b>Deferred tax assets</b>							
Allowance for doubtful accounts - Trade accounts receivable	20,967	(520)	-	20,447	(19)	-	20,428
Allowance for decline in value of inventories	15,225	(6,385)	-	8,840	(1,156)	-	7,684
Change in fair value of available-for-sales investments	11,643	-	340	11,983	-	-	11,983
Allowance for impairment of investments in subsidiary and associate	2,237	(1,337)	-	900	-	-	900
Allowance for impairment loss of assets not used in operation	640	-	-	640	-	-	640
Allowance for impairment of property, plant and equipment	5,154	289	-	5,443	-	-	5,443
Employee benefit obligations	1,799	729	-	2,528	276	-	2,804
<b>Total</b>	<b>57,665</b>	<b>(7,224)</b>	<b>340</b>	<b>50,781</b>	<b>(899)</b>	<b>-</b>	<b>49,882</b>
<b>Deferred tax liabilities</b>							
Premium on land revaluation of the Company	(29,904)	-	(29,672)	(59,576)	-	-	(59,576)
<b>Net</b>	<b>27,761</b>	<b>(7,224)</b>	<b>(29,332)</b>	<b>(8,795)</b>	<b>(899)</b>	<b>-</b>	<b>(9,694)</b>
<b>Deferred tax liabilities</b>							
Premium on land revaluation of the subsidiary	(3,518)	-	(3,845)	(7,363)	-	-	(7,363)
<b>Net</b>	<b>24,243</b>	<b>(7,224)</b>	<b>(33,177)</b>	<b>(16,158)</b>	<b>(899)</b>	<b>-</b>	<b>(17,057)</b>

	In Thousand Baht						
	Separate Financial Statements						
	(Charged) / Credited to:			(Charged) / Credited to:			
	January 1, 2019	Profit or loss	Other comprehensive income	December 31, 2019	Profit or loss	Other comprehensive income	December 31, 2020
<b>Deferred tax assets</b>							
Allowance for doubtful accounts - Trade accounts receivable	20,967	(520)	-	20,447	(19)	-	20,428

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**Notes to the financial statements (Continued)**
**For the year ended December 31, 2020**

	In Thousand Baht						
	Separate Financial Statements						
	(Charged) / Credited to:			(Charged) / Credited to:			December 31, 2020
	January 1, 2019	Profit or loss	Other comprehensive income	December 31, 2019	Profit or loss	Other comprehensive income	
Allowance for decline in value of inventories	15,225	(6,385)	-	8,840	(1,156)	-	7,684
Change in fair value of available-for-sales investments	11,643	-	340	11,983	-	-	11,983
Allowance for impairment of investments in subsidiary and associate	2,237	(1,337)	-	900	-	-	900
Loans to related parties	-	-	-	-	119	-	119
Allowance for impairment loss of assets not used in operation	640	-	-	640	-	-	640
Allowance for impairment of property, plant and equipment	5,154	289	-	5,443	-	-	5,443
Employee benefit obligations	1,799	729	-	2,528	275	-	2,803
Total	57,665	(7,224)	340	50,781	(781)	-	50,000
<b>Deferred tax liabilities</b>							
Premium on land revaluation	(29,904)	-	(29,672)	(59,576)	-	-	(59,576)
<b>Net</b>	<b>27,761</b>	<b>(7,224)</b>	<b>(29,332)</b>	<b>(8,795)</b>	<b>(781)</b>	<b>-</b>	<b>(9,576)</b>

The amount of income tax relating to each component of other comprehensive income for the years ended December 31, 2020 and 2019 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
<b>Deferred tax relating to</b>				
Loss on change in fair value of available-for-sales investments	-	340	-	340
Revaluations	-	(33,517)	-	(29,672)
Total	-	(33,177)	-	(29,332)

As at December 31, 2020 and 2019, the Company and its subsidiaries had unused tax losses totaling Baht 17.5 million and Baht 27.6 million, respectively 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.

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**Notes to the financial statements (Continued)**
**For the year ended December 31, 2020**
**28. EARNINGS PER SHARE**

The calculation of earnings per share for the years ended December 31, 2020 and 2019, were based on the profit 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	
	2020	2019	2020	2019
Profit attributable to equity holders of the Company	133,051	145,763	188,767	58,745
Weighted average number of common shares outstanding	480,096	480,096	480,096	480,096
Earnings per share (Baht)	0.28	0.30	0.39	0.12

**29. 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, 2020 and 2019 are the following;

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
<b>Major products and service line</b>				
Revenue from sale of goods	4,936,038	5,383,477	4,704,122	5,219,087
Revenue from rendering of services	573	3,468	5	77
Total revenue	4,936,611	5,386,945	4,704,127	5,219,164
<b>Timing of revenue recognition</b>				
At a point in time	4,936,611	5,386,945	4,704,127	5,219,164
Over time	-	-	-	-
Total revenue	4,936,611	5,386,945	4,704,127	5,219,164

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2020****Major customers**

For the year ended December 31, 2020, the Company and its subsidiaries have 2 major customers from operate to produce and sell of processed steel products and providing steel cutting and modify service of Baht 1,274.9 million of the Company and its subsidiaries' total revenue. (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).

**30. FINANCIAL INSTRUMENTS****30.1 Derivatives and hedge accounting**

	In Thousand Baht	
	Consolidated financial statement and Separate financial statements	
	2020	2019
<b>Derivative assets</b>		
Derivative assets not designated as hedging instruments		
Forward contract	1,694	1,476

**Derivatives not designated as hedging instruments**

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally not over 1 year.

**30.2 Financial risk management objectives and policies**

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, lease receivable, other financial assets, trade and other payables, long-term loans, debentures, accrued cost of spectrum licenses and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

**Credit risk**

The Group is exposed to credit risk primarily with respect to trade and other receivables, deposits with banks and other financial instruments. Except for derivative financial instruments, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

**Trade and other receivables**

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and any shipments to major customers are covered by credit insurance obtained from the banks. In addition, the Group does not have high concentrations of credit risk since it has a large customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision for expected credit losses rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and other receivables are written-off in accordance with the Group's policy.



**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**Notes to the financial statements (Continued)**
**For the year ended December 31, 2020**
**Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. Investments are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits may be updated throughout the year. The limits are set to minimize the concentration of risks and therefore mitigate risk through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivative is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

**Market risk**

There are two types of market risk comprising currency risk and interest rate risk. The Group enters into foreign exchange forward contracts to hedge the foreign currency risk arising on the import.

**Foreign currency risk**

The Group's exposure to the foreign currency risk relates primarily to its trading transactions in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate.

As at 31 December 2020 and 2019 the Group had the following liabilities denominated in foreign currencies:

	In Thousand			Exchange rate	
	Consolidated financial statements and Separate financial statements			as at 31 December	
	2020	2019	Foreign currency	2020	2019
<b>Assets</b>					
Deposits at banks	9	8	United States Dollar	29.8674	29.9767
<b>Liabilities</b>					
Trust receipts	1,965	1,539	United States Dollar	30.2068	30.3313
	6,640	8,174	Euro	37.2578	34.0846

As at 31 December 2020 and 2019, the Group had outstanding forward contracts as summarised below.

Foreign currency	Consolidated and separate financial statements					
	As at 31 December 2020			As at 31 December 2019		
	Bought amount	Contractual exchange rate	Contractual maturity date	Bought amount	Contractual exchange rate	Contractual maturity date
	(Thousand)	(Baht per 1 foreign currency unit)		(Thousand)	(Baht per 1 foreign currency unit)	
USD	400	29.86 – 31.40	Jan 16, 21 – Jun 22, 21	936	30.00 - 30.19	Apr 16, 20 – Jul 3, 20
EUR	3,132	36.07 – 36.72	May 5, 21 – May 12, 21	6,043	33.69 - 34.85	Jan 24, 20 – Jun 29, 20

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**Notes to the financial statements (Continued)**
**For the year ended December 31, 2020**
**Interest rate risk**

The Group's exposure to interest rate risk relate primarily to their deposits at bank, other financial assets, long-term loans, and lease liabilities. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at December 31, 2020 and 2019, 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, 2020						
	Floating interest rate within				Non-interest bearing	Total	Effective interest rate (% p.a.)
	Fixed interest rates	1 year	2-5 years	Over 5 years			
<b>Financial Assets</b>							
Cash and cash equivalents	-	101.4	-	-	91.0	192.4	0.05-0.13
Trade and other receivables							
- Related parties	-	-	-	-	540.5	540.5	-
- Others	-	-	-	-	383.4	383.4	-
Short-term loans to and interest receivable from related parties	-	-	-	-	1.9	1.9	-
Other current financial assets	-	-	-	-	1.8	1.8	-
Deposit at financial institution pledged as collaterals	152.8	-	-	-	-	152.8	0.20-1.00
<b>Financial Liabilities</b>							
Bank overdrafts and short-term loans from financial institutions	-	1,226.1	-	-	-	1,226.1	0.45-1.80
Trade and other payables							
- Related parties	-	-	-	-	4.6	4.6	-
- Others	-	-	-	-	133.0	133.0	-
Liabilities under financial lease contracts	-	30.9	51.0	20.1	-	102.0	0.317-4.875
Long - term loan from financial institution	-	11.1	-	-	-	11.1	MLR-2.00

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**Notes to the financial statements (Continued)**
**For the year ended December 31, 2020**

	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			
<b>Financial Assets</b>						
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	-
Short-term loans to and interest receivable from related parties	-	-	-	2.0	2.0	-
Other current financial assets	-	-	-	62.2	62.2	-
Deposit at financial institution pledged as collaterals	151.5	-	-	-	151.5	0.65-1.30
<b>Financial Liabilities</b>						
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	-
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						
	Separate Financial Statements						
	As at December 31, 2020						
	Fixed interest rates	Floating interest rate within			Non-interest bearing	Total	Effective interest rate (% p.a.)
		1 year	2-5 years	Over 5 years			
<b>Financial Assets</b>							
Cash and cash equivalents	-	46.7	-	-	89.8	136.5	0.15-0.38
Trade and other receivables							
- Related parties	-	-	-	-	861.2	861.2	-
- Others	-	-	-	-	204.6	204.6	-
Short-term loans to and interest receivable from related parties	-	-	-	-	22.2	22.2	-
Other current financial assets	-	-	-	-	1.8	1.8	-
Deposit at financial institution pledged as collaterals	151.8	-	-	-	-	151.8	0.20-1.00

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**Notes to the financial statements (Continued)**
**For the year ended December 31, 2020**

	In Million Baht						
	Separate Financial Statements						
	As at December 31, 2020						
	Fixed interest rates	Floating interest rate within			Non-interest bearing	Total	Effective interest rate (% p.a.)
		1 year	2-5 years	Over 5 years			
<b>Financial Liabilities</b>							
Bank overdrafts and short-term loans from financial institutions	-	1,226.1	-	-	-	1,226.1	0.45-1.80
Trade and other payables							
- Related parties	-	-	-	-	2.8	2.8	-
- Others	-	-	-	-	119.1	119.1	-
Liabilities under financial lease contracts	-	30.5	52.7	18.9	-	102.1	0.317-4.875
Long - term loan from financial institution	-	11.1	-	-	-	11.1	MLR-2.00

	In Million Baht					
	Separate 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			
<b>Financial Assets</b>						
Cash and cash equivalents	-	33.2	-	61.8	95.0	0.15-0.38
Current investment	-	-	-	60.7	60.7	-
Trade and other receivables						
- Related parties	-	-	-	549.4	549.4	-
- Others	-	-	-	206.5	206.5	-
Short-term loans to and interest receivable from related parties	-	-	-	62.2	62.2	-
Other current financial assets	-	-	-	23.9	23.9	-
Deposit at financial institution pledged as collaterals	150.4	-	-	-	150.4	0.65-1.30
<b>Financial Liabilities</b>						
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

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2020****Liquidity risk**

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. The Group has access to a sufficient variety of sources of funding, then this risk is expected to be minimal.

**30.3 Fair value of financial instruments**

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

During the current year, there were no transfers within the fair value hierarchy.

**31. 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, 2020 and 2019, The Company and its subsidiaries debt-to-equity ratio was 0.70:1 and 0.65:1 respectively and the Company's debt-to-equity ratio was 0.69:1 and 0.65:1, respectively.

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

- As at December 31, 2020, the Company had the commitments for the development of program computer amounting to Baht 5.5 million.
- 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.

**B) Lease agreements and service contracts**

- 1) As at December 31, 2020 and 2019, a subsidiary had leases and service contracts for office building with outstanding commitments with the detail as follows;

	In Million Baht	
	Consolidated Financial Statements	
	2020	2019
Less than 1 year	-	0.9
Over 1 year to 5 years	-	-
Total	-	0.9

- 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.

**ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to the financial statements (Continued)****For the year ended December 31, 2020**

As at December 31, 2020 and 2019, future minimum payments under the above operating lease agreements are as follows:

	In Million Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2020	2019
Less than 1 year	-	1.6
Over 1 year to 5 years	-	6.8
Over 5 years	-	26.9
Total	-	35.3

As at December 31, 2020, the Group had no obligations under lease agreements for land as a result of the adoption of the TFRS 16 as at January 1, 2020. The Group recognised the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate, as described in Note 5 to the interim consolidated financial statements.

C) Letter of credit issued by banks

As at December 31, 2020, The Company had the commitment for acquisition of goods amounting of US Dollar 1.3 million (December 31, 2019 amounting of US Dollar 2.2 million).

D) Bank guarantees issued by bank

As at December 31, 2020 and 2019, 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, 2020, and 2019 the Company had contingent liabilities from the guarantee for credit facilities of an associate from a financial institution amount of Baht 322 million and 276 million, respectively.

**33. EVENTS AFTER FINANCIAL REPORTING DATE**

At the Board of directors' meeting of the Company No. 1/2021 held on February 25, 2021, the directors passed a resolution to approve the appropriation of dividends of Baht 0.14 per share, amounting to Baht 67.2 million. The proposed dividends must be approved by the shareholders' meeting.

## PART 4 : Certification of correctness of information for the submission of Form 56-1 One Report

The certification shall contain the following statements in the following format: “The Company has reviewed the information on this annual registration statement with care and hereby certifies that the information is accurate, complete, not false or misleading, and does not lack material information that should be notified. In addition, the Company certifies that:

(1) The financial statements and financial information summarized in this annual registration statement show material information accurately and completely regarding the financial condition, the operating results and the cash flows of the Company and the subsidiaries;

(2) The Company has provided an efficient disclosure system to ensure that the material information of the Company and the subsidiaries is disclosed accurately and completely, and has supervised compliance with such disclosure system;

(3) The Company has provided an efficient internal control system, supervised compliance with the system, and submitted the information on the internal control assessment to the auditor and the Audit Committee, which covers deficiencies, significant changes on the internal control system, and wrongful acts that may affect the preparation of financial reporting of the Company and the subsidiaries.

In this regard, as proof that all the documents are identical to those certified by the Company, the Company has authorized FULL NAME to sign on every page of the documents, and the absence of the authorized signature as Ms. Narin Phuyangthon any document shall be deemed that such unsigned document has not been certified by the company.

	Name	Surname	Position	Signature
1	Mr. Virachai	Suteerachai	Chairman of the Board of Directors	.....
2	Mr. Chusak	Yongvongphaiboon	Managing Director / Chairman of the Risk management / Chairman of Nomination and Remuneration Committee	.....
3	Ms. Chananya	Yongvongphaiboon	Director / Acting Chief Financial Officer <sup>1</sup>	.....
4	Ms. Peerada	Yongvongphaiboon	Committee / Risk Management Committee <sup>2</sup>	.....
5	Mr. Piboonsak	Arthabowornpisan	Chairman of the Audit Committee/ Independent Committee	.....
6	Mrs. Taisika	Praisangob	Audit Committee/ Independent Committee	.....
7	Sub Lt.Suree	Buranathanit	Audit Committee/ Independent Committee	.....
8	Ms. Metikan	Chutipongsiri	Committee	.....
9	Ms. Soontareeya	Wongsirikul	Committee <sup>3</sup>	.....
10	Mr. Suntorn	Comphiphot	Committee / Risk Management Committee <sup>4</sup>	.....

## Attorney Signature

	Name	Surname	Position	Signature
1	Ms. Narin	Phuyangthon	Accountant / Accounting and Finance Manager	.....



**INFORMATION OF DIRECTORS , MANAGEMENT AND COMPANY SECRETARY**

NAME/SURNAME/POSITION	AGE (YEARS)	EDUCATION BACKGROUND	SHARE HOLDING (%)	RELATION TO THE COMPANY	PERIOD	POSITION	COMPANY NAME / BUSINESS
1. Mr. Virachai Suteerachai – Chairman – Chairman of the Board of Directors	69	– Master of Political Science of Administration Ramkhamhaeng University. MINI MBA, Thammasat University – MINI MBA Thammasat University – Bachelor's Degree, RCA Institute of technology, New York U.S.A. – Director Accreditation Program (DAP) 15/2004	9.540	Aunt of Mr. Chusak Yongvongphaiboon	2009–Present 1988–Present 1994–Present 1976–Present	Chairman Managing Director Managing Director Managing Director	Asia Metal Public Co.,Ltd. Cosmo Land & House Co.,Ltd. Cosmo Property Management Co.,Ltd. Sinteerachai Co.,Ltd.
2. Mr. Chusak Yongvongphaiboon – Managing Director – Authorized Director	57	– Bachelor's Degree Assumption Business Administration – Director Accreditation Program (DAP) Batch No. 15/2004 – Director Certification Program (DCP) Batch No. 46/2004	15.976	Father of Ms.Peerada and Ms.Chananya Yongvongphaiboon	1993–Present 2003–Present 2015–Present 2015–Present 2018–Present	Managing Director Director Director Director Director	Asia Metal Public Co.,Ltd. STC Steel Co., Ltd. Prime Steel Mill Co., Ltd. Grand Asia Steel Processing Co., Ltd. VK Land Development Co., Ltd.

NAME/SURNAME/POSITION	AGE (YEARS)	EDUCATION BACKGROUND	SHARE HOLDING (%)	RELATION TO THE COMPANY	PERIOD	POSITION	COMPANY NAME / BUSINESS
3. Ms. Chananya Yongvongphaiboon – Acting Chief Financial Officer – Authorized Director – Director	27	– Bachelor Degree of Business Administration Major in Finance, Thammasat University – Director Accreditation Program (DAP) 123/2016 – ORIENTATION IPOs : CFO FOCUS ON FINANCIAL REPORTING Edition 7 – e-Learning CFO’s Orientation Course 12 Hours 2/2021	4.539	Duaghter of Mr.Chusak and Sister of Ms.Peerada Yongvongphaiboon	2015–Present  2015–Present  2018–Present	Director and Acting Chief Financial Officer  Director  Director	Asia Metal Public Co.,Ltd.  Grand Asia Steel Processing Co., Ltd.  BPC Land Co., Ltd.
4. Ms. Metikan Chutipongsiri – Director	53	– MBA, Business Administration, Chulalongkorn University – BBA, Com Science, King Mongkut’s University of Technology Thonburi – Director Accreditation Program (DAP) 164/2019	N/A	Not related	2017–Present 2005–2019 2014–2018	Director Chief Operating Officer and Director Senior general manager	Asia Metal Public Co.,Ltd. G Steel Public Co.,Ltd. G Steel Public Co.,Ltd.
5. Mr. Piboonsak Arthabowornpisan – Independent Director – Chairman of Audit Committee	68	– Master Degree of Business Administration, Thammasart – Beachelor Degree Electric Engineering, Chulalongkorn University – Director Accreditation Program (DAP) 123/2016	N/A	Not related	2015–Present  1997–2013 1985–1997 1978–1985 1977–1978 1975–1977	Chairman of Audit Committee and Independent Director Assistant General Manager Factory Manager Electrical Maintenance Manager Engineer Engineer	Asia Metal Public Co.,Ltd.  Thai Wire Products Plc. Thai Wire Products Plc. Siam Iron and Steel Co., Ltd. The Electrical General Authority of Thailand The Telephone Organization of Thailand

NAME/SURNAME/POSITION	AGE (YEARS)	EDUCATION BACKGROUND	SHARE HOLDING (%)	RELATION TO THE COMPANY	PERIOD	POSITION	COMPANY NAME / BUSINESS
6. Sub Lt. Suree Buranathanit – Independent Director – Audit Committee	86	– Master’s Degree of Political Science, Ramkhamhaeng University – Bachelor’s degree Political Science (Diplomatic and Foreign Affairs) Chulalongkorn University	N/A	Not related	2004–Present Present Present  Present  Present Present Present Present Present	Audit Committee and Independent Audit Committee and Independent Qualified Director  Executive director  Executive director Association Executive director Directors Association Advisor to the Subcommittee	Asia Metal Public Co.,Ltd. IT City Public Co.,Ltd. the National Council of Boy Scouts. Local boy scout Council of Bangkok University Private higher education institution, Thailand Thanyaburi Provincial Court The development of women Scout Affairs Senate Thailand Allocated Village Juristic Person Sacred Heart Convent School
7. Mrs. Taisika Praisangob – Independent Director – Audit Committee	70	– Master of Political Science of Administration, Terry, University of Eastern Asia – Director Accreditation Program (DAP) 15/2004 – Audit Committee Program (ACP) 7/2005	N/A	Not related	2004–Present 2003–Present 1999–Present 2004–2009 2002–2003 2000–2001	Audit Committee and Independent Executive director Executive director Senior Manager Development Manager Business Manager 4	Asia Metal Public Co.,Ltd. STC Steel Co., Ltd. Boonsiri Real Estate Co., Ltd. Siam City Bank Plc. Siam City Bank Plc. Siam City Bank Plc.
8. Mr. Suntorn Comphiphot – Chief Operation Officer – Executive director – Risk Management Committee	52	– Master Degree (MBA/HRM) – Bachelor Degree Engineering (IE)	N/A	Not related	2020–Present  2018–2020 2010–2018 1994–2009	Executive director and Chief Operation Officer Chief Operation Officer	Asia Metal Public Co.,Ltd.  Asia Metal Public Co.,Ltd. Thaisin Metal Industry Co., Ltd. Pacific Pipe Plc.

NAME/SURNAME/POSITION	AGE (YEARS)	EDUCATION BACKGROUND	SHARE HOLDING (%)	RELATION TO THE COMPANY	PERIOD	POSITION	COMPANY NAME / BUSINESS
9. Ms.Peerada Yongvongphaiboon – Executive director – Authorized Director – Risk Management Committee	28	– Master of Science in management, cass business school – 2 Degree International Graduate Engineering Program – Bachelor of Engineering (Mechanical), University of NOTTINGHAM – Bachelor of Engineering Thammasat University – Future Entrepreneurship Course, Class 6	3.958	Duaghter of Mr.Chusak and Sister of Ms.Chananya Yongvongphaiboon	2020–Present 2018–2020 2015–2017	Executive Director Management Manager Management Trainee	Asia Metal Public Co.,Ltd. Asia Metal Public Co.,Ltd. JOHNSON & JOHNSON (THAILAND) LTD.
10. Ms. Soontareeya Wongsirikul – Executive director	52	– MBA Financial Chulalongkorn University – Master of Science Biotechnology Chulalongkorn University – Bachelor of Science Biotechnology King Mongkut’s Institute of Technology Ladkrabang – Course Certificate (RCL) Class 18/2019 – Course Certificate (SFLP) 2018	N/A	Not related	2020–Present 2015–Present 2019–2019 2015–2019 2005–2006 1996–2005	Director Director Deputy Chief Executive Officer, Strategy and Business Planning Director and Chief Executive Officer, Accounting and Finance Director of Corporate Banking Credit Assistant Director of Credit Banking	Asia Metal Public Company Limited STRATEGIC STEERING COMMITTEE GJ Steel Public Company Limited GJ Steel Public Company Limited CIMB Thai Bank Limited UOB Public Company Limited (Formerly Asia Bank Public Company Limited)

NAME/SURNAME/POSITION	AGE (YEARS)	EDUCATION BACKGROUND	SHARE HOLDING (%)	RELATION TO THE COMPANY	PERIOD	POSITION	COMPANY NAME / BUSINESS
11. Ms. Sasithorn Limpiyachart - Company Secretary	43	- Bachelor of Business Administration, Assumption University - Master of Business Administration, Assumption University	0.000	Not related	2015–Present 2012–Present 2003-2016	Company secretary Executive representative Marketing Supervisor	Asia Metal Public Company Limited Asia Metal Public Company Limited Asia Metal Public Company Limited

## ENCLOSURE 2

### Details of Directors , Management and Controlling Persons of the Company's Subsidiary, Associated or Related Company

Name – Surname		Asia Metal Public Co.,Ltd.	STC Steel Co., Ltd.	Grand Asia Steel Processing Co., Ltd.	Prime Steel Mill Co., Ltd.
Mr.Viracha	Suteerachai	1, 5	–	–	5
Mr.Chusak	Yongvongphaiboon	3, 5, 6	5	5, 6	5
Mrs.Phenchan	Yongvongphaiboon	–	5	–	5
Ms.Chananya	Yongvongphaiboon	5	–	5	–
Ms.Peerada	Yongvongphaiboon	6	–	–	5
Mr.Suntorn	Comphiphot	5	–	–	–
Ms.Metikan	Chutipongsiri	5	–	–	–
Ms.Soontareeya	Wongsirikul	5	–	–	–
Ms.Thandee	Phiensamrit	–	5	–	–
Mr.Piboonsak	Attawornpisarn	2, 4	–	–	–
Mrs.Taisika	Praisangob	4, 5	5	–	–
Sub Lt.Suree	Buranathanit	4, 5	–	–	–
Mr.Boonchai	Jiraphongtrakul	–	–	–	5
Mr.Surach	Jiraphongtrakul	–	–	–	5
Mr. Wanna	Sittisirinukul	–	–	–	5
Mr. Chidchanok	Tomawong	–	5	–	–
Mr.Suvit	Ratanachinda	–	–	–	5
Mr.Win	Suteerachai	–	–	5	5, 6
Mr. Somsak	Wongsirisap	–	–	5	–
Ms.Sasithorn	Limpiyachart	7	–	–	–

**Remark :**

1 = <b>Chairman of the Board</b>	2 = <b>Chairman of the Audit Committee</b>
3 = <b>Managing Director</b>	4 = <b>Audit Committee</b>
5 = <b>Director</b>	6 = <b>Executive</b>
7 = <b>Company secretary</b>	

**Details of Directors , Management and Controlling Persons of the Company's Subsidiary, Associated**

	Name	Surname	STC Steel Co., Ltd.
1	Mr.Chusak	Yongvongphaiboon	1
2	Mrs.Phenchan	Yongvongphaiboon	5
3	Mrs.Taisika	Praisangob	5
4	Thandee	Phiensamrit	5
5	Chidchanok	Tomawong	5

**Remark :**      **1 = Chairman of the Board**                      **2 = Chairman of the Audit Committee**  
                         **3 = Managing Director**                                      **4 = Audit Committee**  
                         **5 = Director**    **6 = Executive**  
                         **7 = Company secretary**

	Name	Surname	Grand Asia Steel Processing Co., Ltd.
1	Mr.Chusak	Yongvongphaiboon	1
2	Ms.Chananya	Yongvongphaiboon	5
3	Mr.Win	Suteerachai	5
4	Mr.Somsak	Wongsirisub	5

**Remark :**      **1 = Chairman of the Board**                      **2 = Chairman of the Audit Committee**  
                         **3 = Managing Director**                                      **4 = Audit Committee**  
                         **5 = Director**    **6 = Executive**  
                         **7 = Company secretary**

	Name	Surname	Prime Steel Mill Co., Ltd.
1	Mr.Chusak	Yongvongphaiboon	5
2	Mr.Virachai	Suteerachai	5
3	Mrs.Phenchan	Yongvongphaiboon	5
4	Mr.Boonchai	Jiraphongtrakul	5
5	Mr.Surach	Jiraphongtrakul	5
6	Mrs. Wanna	Sittisirinukul	5
7	Ms.Peerada	Yongvongphaiboon	5
8	Mr.Suvit	Jiraphongtrakul	5

**Remark :**      **1 = Chairman of the Board**                      **2 = Chairman of the Audit Committee**  
                         **3 = Managing Director**                                      **4 = Audit Committee**  
                         **5 = Director**    **6 = Executive**  
                         **7 = Company secretary**

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**Information of the Internal Auditor as of December 31, 2020**

The Audit Committee deems it appropriate to delay the audit and review of the internal control system according to the plan of various work as Asia Metal Public Company Limited in the year 2020 has improved and developed the information technology system in reporting information for management and control of the internal management system, which has been started in early 2021, therefore plans to prepare for improving the operating system Report And internal management

Quarter 3/2021 The Nominating Committee will recruit and appoint an internal audit unit. It is expected that the internal management system will be audited in quarter 4/2021 or quarter 1/2022.



# Assets Used In Operations

Total assets at 31 December 2020 the company has fixed assets use in the business as follows;

Type / style of property	Type of Ownership	Value	Obligation
<b>1. Land</b>			
- Area of 16 acres, 3 Ngan and 5 square yard Location: No. 55, 55/1, Moo 2, SoiWatNamdaeng, Srinakarin Road, Bangkaew Sub-District, Bangplee District, SamutPrakan Province	Owned by AMC	254.79	(1) Guarantee obligation
- 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) Guarantee obligation
- 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	44.97	(3) Guarantee obligation
<b>2. Factory Building (3)</b>			
1. Company factory building	Owned by AMC	41.10	(1) Guarantee obligation
Location: No. 55, 55/1 Moo 2, Soi Wat Nam Daeng Srinakarin Road, Bang Kaeo Subdistrict, Bang Phli, Samut Prakan Province	Owned by AMC	5.01	- None
Buildings and building improvements on leased land		54.09	- None -

Type / style of property	Type of Ownership	Value	Obligation
2. Chonburi factory building of the company * * Location No. 90/1, Village No. 10, Tambon Sa Siang Phanat Nikhom District Chonburi Province	Owned by AMC	91.81	(2) Guarantee obligation
3. Factory building of a subsidiary Location: No. 6/10 Moo 1, Soi Wat Nam Daeng Srinakarin Road, Bang Kaeo Subdistrict, Bang Phli, Samut Prakan Province	Owned by STC	7.66	(3) Guarantee obligation
4. Factory building improvements and rental offices	Owned by GA	0.02	- None -
5. Machinery and plant equipment	Owned by AMC	166.54	- None -
6. Vehicles	Owned by AMC	6.73	- None -
7. Vehicles	Owned by GA	0.61	- None -
8. Furniture and office equipment	Owned by AMC	5.90	- None -
9. Furniture and office equipment	Owned by GA	0.76	- None -
10. Construction in progress and Machineries in progress	Owned by AMC	85.81	- None -

#### Important trademarks, copyrights, or other intellectual property

Logo / Copyright	Owner	Product / Service Category	Registration number / Registered country	Period
Trademark	Owned by AMC	class 6	201122578 Thailand	10 Years

## Real estate appraisal, property

Asia Metal Public Company Limited has appraised land in 2014, according to the company's accounting policy, will conduct land appraisal every 5 years of accounting period as hired UK Valuation and Agency Company Limited ("Independent Appraisers") to assess the value of tangible assets and the schedule for the next audit in 2024. The results of the land appraisal in 2019 are as follows:

Assets	Land assets (Steel factory type)
Location	Asia Metal Public Company Limited 90/1 Moo 10, Chachoengsao-Sattahip Road (Highway 331), Tambon Sa Suek Phanat Nikhom District Chonburi Province
List	
Land	201-1-74 Rai
Land Owner	Asia Metal Public Company Limited
Obligation	Mortgage Siam Commercial Bank Public Company Limited
Date of appraisal of property	October 10, 2019
Land value according to the appraisal value	140.84 million baht
Accounting land value as of valuation date	99.75 million baht

Assets	Land (industrial plant type)
Location	Asia Metal Public Company Limited 55, 55/1 Moo 2, Srinakarin Road, Bang Kaeo Subdistrict, Bang Phli District, Samut Prakan Province
List	
Land	16-3-5 Rai
Land Owner	Asia Metal Public Company Limited
Obligation	Mortgage Bangkok Bank Public Company Limited
Date of appraisal of property	October 10, 2019
Land value according to the appraisal value	254.79 million baht
Accounting land value as of valuation date	147.51 million baht
Government appraisal price (Only land)	133.46 million baht

Assets	Land (industrial plant type)
Location	STC Steel Company Limited 6/10 Moo 1, Soi Wat Nam Daeng Srinakarin Road, Bang Kaeo Subdistrict, Bang Phli District, Samut Prakan Province
List	
Land	3 Rai, 82 square wa
Land Owner	Asia Metal Public Company Limited
Obligation	Mortgage Bangkok Bank Public Company Limited
Date of appraisal of property	October 10, 2019
Land value according to the appraisal value	44.87 million baht
Accounting land value as of valuation date	25.64 million baht

## List of important contracts

Contract / Agreement	Contract party	Details	Period
Land lease agreement	Holder (Lessor) : Mr. Sombat Boonam	Rental property Title Deed No. 7570 Land Number 118 Survey Page 584 Bang Kaew Subdistrict (North Samrong) Bang Phli District (Phra Khanong) Samut Prakan Province Rent at the rate of 3/12	Period term 21 years ● Since 1 June 2015 Until 31 May 2036 rental rates <u>Rates</u> 1) From 2015 to 2016, the rental rate is 1,440,000 baht. 2) Year 2016 to 2018 at the rate of 120,000 baht per month 3) Year 2018 to 2021 at a rate of 132,000 baht per month 4) Year 2021 - Year 2024, rate 145,200 baht per month 5) Year 2024 - Year 2027, monthly rate 159,700 baht 6) Year 2027 to 2030 at a 175,700 baht per month. 7) Year 2030 to year 2033, rate 193,300 per month 8) Year 2033 - Year 2036 at a rate of 212,600 per month, payable at the end of month.
Housing Benefit Employee	Champ Transport (1996) Co., Ltd. By Mrs. Noojit Pengnam	Property rented: 28 rooms, 1 building	Period term 3 years 1 July 2019 Until 31 July 2022 The rental rate is 50,000 baht per month, payable at the end of month.
Industrial Lease Agreement	STC Steel Company Limited	Rental property Rent an area of the building, House No. 55 Moo 2, Soi Wat Nam Daeng, Srinakarin Road, Bang Kaeo Subdistrict, Bang Phli District, Samut Prakan Province, area 75 square meters.	Period term 5 years January 1, 2020 to December 31, 2024. Rental rate of 50,000 baht per month, this price does not include 7% VAT, payable at the end of month.

## **Corporate Governance Policy**

The company has practices that are international standards in corporate governance management. Enhancing transparency and efficient management and operation to be accepted to build confidence among of shareholders, investors and all stakeholders as well as in accordance with good corporate governance principles for listed companies.

The Board of Directors Therefore stipulates the corporate governance policy of the Group of Companies To acknowledge and practice are as follows:

1. Recognize the roles and responsibilities of the Board of Directors as an organizational leader who creates sustainable value for the business.
  - 1) the board's responsibility to ensure that the goals and responsibilities as leaders who must oversee the organization's good management covers as:
    - Ensure that the goals and objectives.
    - Strategy determination operating policy and allocation of important resources to achieve objectives and goals.
    - Monitoring, evaluation and supervision of performance reports.
  - 2) To ensure sustainable value for business The board is responsible for corporate governance to lead to the following results.
    - The company competitive and key performance with regard to long-term impacts
    - Conduct business ethically, respect rights and be responsible to shareholders and stakeholders. beneficial to society. And develop or reduce negative impact on the environment.
    - Beneficial to society. And develop or reduce negative impact on the environment.
    - Be able to adapt under changing factors. The board of directors is responsible for all directors and executives. Perform duties with care and responsibility And honesty to the organization And to ensure that the operations are in accordance with the laws, regulations and resolutions of the shareholders' meeting
  - 3) The board of directors is responsible for directors and executives to perform duties with duty and care responsibility as honesty to the organization and ensure that the operations are in accordance with the laws, regulations and resolutions of the shareholders' meeting.
  - 4) The board of directors to ensure the scope of duties and responsibilities of the board and formulate the scope of assignment of duties and responsibilities to the President And the management clearly As well as monitoring and supervising the President and the Management to perform duties as assigned.

2. Determine the business objectives and main goals for sustainability
  - 1) The board of directors is responsible for setting and overseeing the objectives to main goals of the business to sustainable. It is an objective that is consistent with creating value for the entire business, customers, stakeholders and society.
  - 2) The board is responsible for ensuring that objectives and goals as well as the short, medium or long term strategy and/or the year of the enterprise consistent with the achievement of the objectives and main goals of the business. With innovation and technology being used appropriately and safely.
3. Productive Committee
  - 1) The board of directors responsible for review structure and a definition of the board structure, Both in terms of scale, composition, proportion of independent directors that are appropriate and necessary to lead the organization to the objectives and main goals defined.
  - 2) The committee has the duty to elect a chairperson and to ensure that the composition and operation of The board of directors as duties are conducive to the exercise of discretion and independent judgment.
  - 3) The board of directors responsible for overseeing the elect of directors with a transparency of the Board's nomination and election process to obtain a qualified board with the specified elements.
  - 4) In Proposing the remuneration to the shareholders for approval The board of directors must consider that the structure and remuneration are suitable for their responsibilities and motivate the board to lead the organization to achieve its goals. Both short and long term.
  - 5) The board of directors responsible for ensuring that all directors are responsible for performing their duties and allocate sufficient time.
  - 6) The board of directors responsible for ensuring a framework and mechanism for governance of the policy and the operations of subsidiaries and other businesses in which the Company has significantly invested in appropriate level for each business including that the subsidiaries and other businesses invested by the company have the same correct understanding.
  - 7) The committee must arrange for an annual assessment of the committee's performance ,Sub-committees and individual directors The assessment results will also be used for further development of the duties.
  - 8) The board of directors irresponsible for ensuring them have knowledge and understanding about their roles and duties, Nature of business And laws relating to business operation As well as encouraging all directors to acquire skills and knowledge for their regular performance of duties.
  - 9) The board of directors has the duty to ensure that the operations of the committee are carried out in a orderly manner and able to access the necessary information and has company secretary who has the knowledge and experience necessary and appropriate to support the board's operations.

#### 4. Executive and Leadership Hiring and Development

- 1) The committee has a duty to ensure a recruitment and development of the President or the highest level management and senior management to have the knowledge, skills, experience and characteristics necessary to drive the organization towards its goals.
- 2) The board of directors responsible for oversee compensation and benefits, of an appropriate compensation structure and evaluation.
- 3) The board should ensure the structure and relationship of shareholders that may to affect the management and operation of the business.
- 4) The board of directors responsible for monitoring the management and development of personnel in order to appropriate of knowledge, skills, experience and motivation.

#### 5. Support promoting and enabling responsible business conduct

- 1) The Board of Directors attend importance to innovation that creates business value while creating benefits for customers or related parties. And have social and environmental responsibility.
- 2) The Board of Directors responsible for monitoring Supervising and management to conduct business with social and environmental responsibility and reflected in the operational plan to ensure the departments of the organization in accordance with the objectives, main goals and strategic plans of the organization.
- 3) The board of directors responsible for the management allocation and manage resources to be efficient and effective and account the impact and development of resources throughout the chain (Value Chain) in order to achieve sustainable objectives and main goals.
- 4) The board of directors should establish a corporate information technology governance and management framework that is consistent with the needs including to ensuring that information technology is used to increase business opportunities and improve operations Risk management so that the business achieve the objectives and main goals of the business.

#### 6. Ensure the proper functioning of the risk management system

- 1) The board of directors responsible for ensuring that the company has a risk management and internal control system to achieve its objectives effectively. And practice in accordance with the relevant laws and standards.
- 2) The board of directors establish an audit committee capable of performing duties efficiently and independently.
- 3) The board of directors responsible for monitoring and managing conflicts of interest that may arise between the company and the management, board of directors or shareholders. Including the prevention of improper use of the property Company information and opportunities and transactions with those having a relationship with the company in an inappropriate manner.
- 4) The board of directors responsible for overseeing the formulation of anti-corruption policy and practice and communicating of the organization and to third parties. In order to achieve practical implementation.
- 5) The committee responsible for overseeing the establishment of a mechanism for receiving complaints and taking action in case of clues are identified.

7. Maintain transparency in disclosures is essential for financial reporting
  - 1) The board of directors responsible for ensuring that the financial reporting system and the disclosure of important information are correct, adequate, timely, in accordance with relevant rules, standards and practices.
  - 2) The board of directors responsible for monitoring the sufficiency of financial liquidity and debt servicing ability.
  - 3) The condition the business faces financial problems or likely to problems, The board of directors must ensure that the entity has a plan to resolve the problem or there are other mechanisms to resolve financial problems under consideration of the rights of stakeholders.
  - 4) The board of directors responsible for overseeing the preparation of a sustainability report as appropriate.
  - 5) The Board of Directors has a duty to supervise the management to arrange for an investor relations unit or person responsible for communicating with shareholders and other stakeholders such as investors and analysts to be equally appropriate and in time.
  - 6) The Board of Directors responsible for promoting the application of information technology to disseminate information.
8. Encourage participation and communication to shareholder
  - 1) The Board of Directors responsible for ensuring that Shareholders are involved in make decisions on important matters of the company.
  - 2) The Board of Directors responsible for ensuring that the operations of the shareholders' meeting are neat, transparent, efficient and allows shareholders to exercise their rights.
  - 3) The Board of Directors responsible for the disclosure of the meeting resolutions and the preparation of the minutes of the shareholders' meeting. Is accurate and complete.



## Code of Business Ethics

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The company has formulated the Business Ethics and Code of Conduct according to the principles of good corporate governance by adhering to transparent work obey the law equal responsibility to stakeholders and responsible for society and environment Including focus on the quality of products and services that are good for the business in the long term by stipulating that directors, executives and employees of all levels Strict adherence to business ethics.

**Customer:** The Company committed to the concept of customer centricity with overall services, Whether it is to provide advice, solve problems, help in product sourcing. Offering a wide range of options under a management system that covers production and product quality inspection with modern technology. Including fast delivery on time consistent with the production plan.

**Shareholders:** The Company determined to expand the business for continuous and sustainable growth until becoming the leading company in the domestic steel industry. There is a management of risk from factors having significant impacts. To build confidence and add value to the shareholders in the long term. Including providing a channel for shareholders / stakeholders to contact / complain to independent directors And has a channel for receiving complaints about good governance from employees Through the company secretary Which will be compiled to report to the Audit Committee. **Creditors:** The Company complies with the terms of the loan agreement. And provide accurate financial information Including the repayment of the debt on time every time.

**Creditors:** The Company complies with the terms of the loan agreement. And provide accurate financial information Including the repayment of the debt on time.

**Employees:** The company aims to develop employees' potential to be professional in their work, Because employees' potential is one of the most important structures that make every idea, imagination and plan come true. Build values and corporate culture Practices that are committed to success are trustworthy and trustworthy. At the same time, the company has also established a knowledge management system for employees to knowledge, exchange, accumulate experience And learn new things all the time.

**Business Partners and Counterparties:** The Company has a policy to build a good relationship with trade partners. Including treating trade partners fairly It is according to the commercial terms and/or mutual agreement This is in order to develop and maintain a lasting relationship based on mutual benefits.

**Competitors:** The Company should conduct business in accordance with the rules of free and fair competition. Not destroying reputation Or misrepresent the information to damage the commercial competitors And does not take social issues as a competitive advantage.

**Community, society and environment:** The Company realizes the importance of development and social responsibility. In parallel with the business operation With a strong realization that business will survive It must be based on a society and environment that is growing in stability. Support activities With the objective of development and environmental friendly production Working environment Workplaces and surrounding communities safety physical and mental health of employees Including creating activities for social responsibility.

**Government Sector:** The Company is committed to strictly complying with the laws, rules and regulations of the government sector. Along with providing cooperation in providing information about the business operations of the business And participating in various activities As required by government agencies.

**Confidentiality:** Employees are required to maintain confidentiality in the performance of business functions or to protect the confidentiality of customers. Leak or fall to those who are not involved Which causes an impact on the company or other persons Including the use of such information for unlawful benefits for both oneself and others. Even after retiring, resigning or ending working with the company Unless such disclosure has been properly assigned by the company. Or disclosure according to the regulations of the law.

**Internal information disclosure:** The Company realizes the importance of safeguarding the Company's internal information for personal gain. Therefore, there is a policy to keep the information which has not yet been disclosed to the public as a secret. By stating to recognize only those who are involved

**Stakeholders and Conflicts of Interest:** Directors, executives, and employees should perform their duties with the interests of the company as a priority. Without the need for personal or influence from close people Including always being aware that They will not have a stake or a conflict of interest in the performance of their work. Whether it is money, property or any other benefit And does not operate a business That are in conflict with the interests of the company

**Prevention and Anti-Corruption:** Directors, executives and employees should perform their duties carefully. Be honest In accordance with the principles of good corporate governance And strict legal requirements, whereby directors, executives and employees will not participate in corruption. Does not consent to and opposes giving or accepting property, gift, bribe or any other benefit in any form beyond what is traditionally necessary. And not doing anything for unlawful benefits.

Use of information technology and intellectual property: The Company promotes the use of information technology in its business operations and as a communication tool. Taking into account the best interests of the company, directors, executives and employees have duties and responsibilities in performing their work with prudence. Be careful in use, respect the rights

Personal does not violate intellectual property or good morals Including compliance with laws and regulations on the use of information technology.

Political Rights: The Company is politically impartial, directors, executives and employees can exercise their political rights under the provisions of the Constitution But must not impersonate a company employee or bring any assets, equipment, tools Of the Company for the benefit of any political action and should avoid the use of illegal rights or political activities Or create a divide in the workplace and in society.

Internal Control and Internal Audit: The Company places great importance on the internal control system at both the management level. And operational levels to be effective Therefore, the duties and powers of the operator and the management are clearly specified in writing. There is control and supervision of the use of the Company's assets for the benefit of And there is a separation of duties of the operators The followers controlled and evaluated apart. This is to create an appropriate counterbalance and audit, and to have internal controls related to the financial system. The company has provided a financial reporting system to present to the executives in the responsible line. Including the company established an internal audit unit to ensure that the core operations and important financial activities of the company are carried out according to the established and efficient guidelines. Including checking compliance with laws and regulations related to the company (COMPLIANCE CONTROL) and to make the internal audit agency independent. Able to perform checks and balances fully. The board therefore requires the internal audit unit to report the audit results directly to the audit committee. And has been assessed by the Audit Committee as well And to make the audit of the internal control and audit system very independent.

Ensuring adherence to business ethics: Directors, executives and employees have a duty to acknowledge, understand and strictly adhere to the business ethics. The management and supervisors must be a role model in complying with business ethics. And has a duty to monitor and encourage subordinates to strictly comply with the established business ethics. Waivers from complying with this Code of Conduct must be approved by the Board of Directors.

Reporting Non-Compliance with the Code of Conduct: People who witness a violation of the Code of Conduct. Violating or deliberately failing to comply with the Code of Conduct stated in this manual, report to your supervisor directly or to Supervisor of the line to which the offender belongs.

Channels for receiving complaints:

- Board of Directors or Company Secretary Which can be sent at

By email: SECRETARY@ASIAMETAL.CO.TH or IA@ASIAMETAL.CO.TH

By mail: Asia Metal Public Company Limited

No. 55,55 / 1, Moo. 2, Soi Wat Nam Daeng Srinakarin Road, Bang Kaeo Subdistrict, Baphli District,  
Samut Prakan Province 10540

The company has a policy of keeping confidential information and a good reporter. The company takes into account the safety and damage that may occur to the reporter or witnesses concerned.

Discipline: Code of conduct for a company is a discipline to found violated or act contrary to the performance of this Code of business conduct, The company will consider punishing according to the nature of the offense as appropriate for the case.

## **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 BPR Audit and Advisory Co., Ltd. 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, 2020 is looked upon respectively by following the law and related regulations.



(Mr. Virachai Suteerachai)

Chairman of the Board



(Mr. Chusak Yongvongphaiboon)

Managing Director

## Reports from the Audit Committee

In the accounting year of 2020, 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.

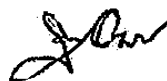
Financial reports , Reviewing financial statements quarterly and for year 2020, consulting with auditors, and deliver suggestions about internal control in order to correctly submit the financial reports with adequate information according to generally accepted accounting standards

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 2020, 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 2020 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 2021 to assign auditors from BPR Audit and Advisory Company Limited. The assigned auditors will audit the company's activities in 2021. For 2020, 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