

AMC2021E-06-002

June 18, 2021

Subject: Notification of additional investment in an associate to connected transaction. (EDIT)  
To: The President of the Stock Exchange of Thailand

According to the Board of Directors Meeting of Asia Metal Public Company Limited (“the Company”) on June 17, 2021 as 4<sup>th</sup> /2021 the Board of Directors’ resolutions to investment in an associate Prime Steel Mill Co., Ltd. with the following details;

1. **Transaction date** : The transaction and payment are expected to be completed by June 2021.

2. **Related parties** :

Seller : Mr.Virachai Suteerachai (a connected person which is the chairman of the Board Asia Metal Public Company Limited and as a director at Prime Steel Mill Co., Ltd.

Buyer : Asia Metal Public Company Limited

Number of shares : 500,000 ordinary shares of Prime Steel Mill Co., Ltd.  
(accounting for 5% of the paid-up capital)

Value : 35,000,000 baht (thirty-five million baht)

Basis to determine the value of consideration

: The offering price is 70 baht per share, which is lower than the par value per share. 100 baht Book value per share 104.46 baht As of March 31, 2021 and December 31, 2020, the book value is 81.37 baht. This selling price, compared to book value, is considered the most advantageous price to settle over other methods, as it causes the company to lose its liquidity the least. And the company estimates that this additional investment will result in better earnings in the future.

### Financial statements of Prime Steel Mill Co., Ltd.

(unit : baht)

	31/3/2021	31/12/2020
<b>Total Assets</b>	3,381,068,792	2,321,331,502
<b>Total Liabilities</b>	2,336,466,537	1,507,640,461
<b>Number of Shares</b>	10,000,000	10,000,000
<b>Book Value</b>	104.46	81.37

#### 3. Assets acquired

The Company intends to purchase 500,000 ordinary shares of Prime Steel Mill Company Limited with a par value of 100 baht, equivalent to 5% of the registered capital. From Mr. Virachai Suteerachai (a connected person the chairman of Asia Metal Public Company Limited and is a director of Prime Steel Mill Company Limited. The company will enter transaction at a price 35,000,000 baht (Thirty-five million baht only).

#### 4. List of connected persons and their nature of connection

Name list connected person	Position	Shareholding proportion*
1. Mr.Virachai Suteerachai	Chairman of AMC and Director of Prime Steel Mill Co.,Ltd.	5%
2. Mr.Chusak Yongvongphaiboon	Chairman of AMC and Director of Prime Steel Mill Co.,Ltd.	10%

Directors with vest interest or Director who is a connected person will not have voting rights in the meeting as:

- 1) Mr.Virachai Suteerachai
- 2) Mr.Chusak Yongvongphaiboon

Who left the meeting room and has no voting rights in the Board of Directors' meeting.

## 5. Type of Business Prime Steel Mill Company Limited

Basic and Intermediate Steel Production The Company's main business is the production and distribution of hot-rolled narrow strip in coils, which produces and delivers raw materials with efficiency and reasonable prices to AMC.

Head office address : No. 1011 Supalai Grand Tower, Room 1202 ,12th Floor, Rama 3 Road,  
 Chong Nonsi Subdistrict, Yannawa District, Bangkok

Registered capital : 1,000,000,000 baht (paid-up registered capital)

Number of shares : 10,000,000 shares

Par value per share : 100 baht

### Financial statement information of Prime Steel Mill Company Limited

(unit : million baht)

Item	31/12/2018	31/12/2019	31/12/2020	31/3/2021
Total Assets	4,123.46	2,882.95	2,321.34	3,381.07
Total Liabilities	3,436.43	1,877.72	1,507.64	2,336.47
Total Shareholders' Equity	687.04	1,005.23	813.70	1,044.60
Total Revenues	6,479.23	6,948.29	3,701.05	1,292.98
Profit / Loss	(47.90)	(317.07)	(191.54)	230.91

## 6. Shareholder of Prime Steel Mill Company Limited

Shareholder List	Number of shares and shareholding percentage		Number of shares and shareholding percentage		Relationships between companies (AMC) and individuals.
	Before Transaction		After Transaction		
	No. of shares (shares)	(%)	No. of shares (shares)	(%)	
1. The Steel Plc.	5,000,000	50%	5,000,000	50%	Irrelevance
2. Asia Metal Plc.	3,500,000	35%	4,000,000	40%	-
3. Mr. Chusak Yongvongphaiboon	1,000,000	10%	1,000,000	10%	Director
4. Mr. Virachai Suteerachai	500,000	5%	-	-	Director
<b>Total</b>	<b>10,000,000</b>	<b>100%</b>	<b>10,000,000</b>	<b>100%</b>	

## 7. The Value to Investment

The company will pay for shares 35,000,000 baht (thirty-five million baht only).

## 8. Characteristics the size of transaction

(unit : million baht)

Item	Asia Metal Plc.	Prime Steel Mill Co.,Ltd.
Total Assets	4,254.84	3,381.07
Intangible Assets	(20.99)	(18.38)
Total Liabilities	(1,791.58)	(2,336.47)
Non-Controlling Shareholders' Equity	(13.79)	-

Sources : Financial statements of Asia Metal Public Company Limited audited by KPMG Phoomchai Audit Company Limited for the first quarter of the year 2021 as of March 31, 2021.

Type of Assets	Calculation formula	Calculating
1. Calculation based on the value of net tangible assets	$\frac{(\text{NTA of investment in the company} \times \text{Proportion of assets acquired or disposed}) \times 100}{\text{NTA of the listed company}}$	2.11 %
2. Calculation based on net operating profits	$\frac{(\text{Net operating profits of the investment} \times \text{Buying or selling ratio}) \times 100}{\text{Net operating profits of the listed company}}$	1.01 %
3. Calculation based on total value of consideration paid or received	$\frac{\text{Value of transaction paid or received} \times 100}{\text{Total assets of listed company}}$	0.82 %
4. Calculation based on value of equity shares issued for the payment of assets	$\frac{\text{Equity shares issued for the payment of assets} \times 100}{\text{Paid-up shares of the company}}$	Cannot be calculated because no shares are issued to pay for the goods.

Entering into such transactions, the Company will hold an additional 500,000 ordinary shares of Prime Steel Mill Company Limited, representing 5% of the number of additional shares purchased, when calculating the size of the asset acquisition transaction, the maximum transaction size calculated based on Net Tangible Asset Value Criteria is 2.11%, which is not more than 15% of the total asset value of the Company. Referring to the financial information as of 31 March 2021. The company has an asset acquisition transaction that occurs in 6 months prior to the date of the transaction, the highest acquisition of assets is equal to 4.24% based on the net profit criteria from operations, therefore it is not subject to the company having to report. Information in accordance with the criteria for the acquisition and disposition of assets according to the Capital Market Supervisory Board's notification.

#### Calculation of the transaction size

	Listed Company Asia Metal Public Company Limited As of March 31, 2021 (million baht)
Net tangible assets (NTA)	2,428.49
0.03% NTA	0.73
3.00% NTA	72.85
Value of transaction	35.00

Entering into transactions considered a connected transaction in the type of asset or service transaction. The transaction size exceeds 0.03% but does not exceed 3.00% of the net tangible assets of the listed company. Based on the reviewed consolidated financial statements of listed companies as of March 31, 2021, which is considered a medium-sized transaction, when including connected transactions in the past 6 months, it was 1.57%, which was considered a transaction that exceeds 0.03% but not more than 3.00 percent of the net tangible assets of the listed company. Therefore, the company must request approval from the Board of Directors' meeting and disclose information about entering into such transaction to the Stock Exchange of Thailand.

**9. Expected benefits for the company.**

Dividends on profits generated from operations (In the past, the company has not received dividends from Prime Steel Mill Co., Ltd.) **increases the opportunity for long-term revenue recognition and profitability and positively affects the Company's future operations.**

**10. Source of Funds**

Working Capital of Company

**11. Conditions for entering the transaction**

The value of entering into transaction will be in accordance with the purchase agreement of 35,000,000 baht (thirty-five million baht only). It is estimated that the transaction will be completed within June 2021.

**12. Opinion of the Board of Directors Committee**

The Board of Directors is of the opinion that this transaction is beneficial to the Company. The growth trend of Prime Steel Mill Company Limited will improve accordingly. Therefore, appropriate to purchase additional 500,000 shares or equivalent to 5% of the paid-up capital.

**13. Opinion of the Audit Committee**

**No opinion difference in opinion. of the Audit Committee.**

Please be informed accordingly.

Best regards,



Mr. Chusak Yongvongphaiboon

Managing Director