

No. AMC2022E-02-002

February 25 , 2022

**Subject: Acquisition of Assets transaction – Galvanized steel coil factory (GI) construction project**  
**(edit)**

To : Directors and Managers of the Stock Exchange of Thailand

Enclosure Information memorandum on acquisition of assets of the company regarding investment in  
**Galvanized steel coil factory (GI) construction project**

Asia Metal Public Company Limited (“ the Company ”) would like to inform the conclusions from the Board of Directors Meeting No. 1/2565 on Friday, February 25, 2022. The main conclusion was to approve the investment in the construction of a galvanized steel coil factory with the total project value of 750 million baht. The objective of this investment is to construct a new factory that produces galvanized steel coils which are the main raw materials for the company’s current products. The factory will be located at Asia Metal Public Company Limited, Phanat Nikhom Branch.

The Acquisition of Assets from Investment in the Galvanized Steel Coil (GI) Factory construction project is an asset acquisition transaction, which has the transaction size according to the total value of consideration criterion, equivalent to 17.64%, together with the asset acquisition transaction in the past 6 months. It was found that the highest transaction size was 18.16%. This means the transaction is classified as Category 2 transaction with a transaction size greater than or equal to 15% but lower than 50% of the total asset value. Therefore, a report on the transaction has to be made and disclose to the Stock Exchange of Thailand (“SET”). Also, letters need to be shared to the shareholders within 21 days from the date of disclosure of the transaction to the SET. According to the announcement on the acquisition or disposition of assets, this transaction does not require approval from the Company's shareholders in the shareholders’ meeting. However, the transaction is not qualified as a connected transaction under the Connected Transaction Notification.

Please be informed accordingly.

Best regards,

Asia Metal Public Company Limited



( Mr. Chusak Yongvongphaiboon )

**Information Memorandum on Acquisition of Assets of**

**Asia Metal Public Company Limited**

**Subject: Investment in Galvanized steel coil factory (GI) construction project**

**1. Day, month, year of entering into the transaction.**

It is expected that the transactions and payments will be completed by the beginning of 2023.

**2. Related parties and their relationship with the Company.**

The company is the direct investor of this project. The company has already selected the construction contractors and sellers of machinery and equipment. All parties are not related to the Company under the Connected Transaction Notification.

**3. General characteristics, type and size of the transaction**

**3.1 General Characteristics of the Transaction**

The Board of Directors Meeting No. 1/2522 held on February 25, 2022 approved the increase in the investment in the galvanized steel coil (GI) factory from 500 million baht to 750 million baht to 750 million baht to 750 million baht. The Acquisition of Assets from Investment in the Galvanized Steel Coil (GI) Factory construction project is an asset acquisition transaction, which has the transaction size according to the total value of consideration criterion, equivalent to 17.64%, together with the asset acquisition transaction in the past 6 months. It was found that the highest transaction size was 18.16%. This means the transaction is classified as Category 2 transaction with a transaction size greater than or equal to 15% but lower than 50% of the total asset value. Therefore, a report on the transaction has to be made and disclose to the Stock Exchange of Thailand (“SET”). Also, letters need to be shared to the shareholders within 21 days from the date of disclosure of the transaction to the SET. According to the announcement on the acquisition or disposition of assets, this transaction does not require approval from the Company's shareholders in the shareholders' meeting. However, the transaction is not qualified as a connected transaction under the Connected Transaction Notification.

The main reasons for changes in the size of investment are as follows:

1. To increase production capacity from the initial design.
2. To equip and install more advanced production technology systems.
3. The yuan currency was appreciated from 4.6 baht/yuan to 5.2 baht/yuan.

4. Rising steel prices led to higher construction and machinery costs.
5. Additional waste management facilities and environmental protection system.

According to the Board of Directors' meeting of Asia Metal Public Company Limited (“the Company”) No. 1/21, dated February 26, 2021, the total investment in the construction of a galvanized steel coil factory was approved at 500 million baht (this transaction size is 13.37%, which does not exceed 15% of the total asset value. 3,739,992,006 baht, according to the consolidated financial statements of listed companies that had been audited by the auditor as of December 31, 2020, which did not qualify for the notification of the Stock Exchange of Thailand).

The objectives of the project are:

1. To support constant increase in domestic demand for galvanized steel coils.
2. To substitute for imports and support the production of the company's products. (for own use)
3. To create higher margin for products as the raw materials are obtained with reasonable prices. The raw material of galvanized steel coils (hot-rolled narrow steel strips) will be supplied by Prime Steel Mill Co., Ltd. (Associated Company)

### 3.2 Transaction size

Criterion	Calculation method (unit : thousand baht)	Item size	Transaction size for the past 6 months	total item size
1. Value of net tangible assets	$\frac{\text{Shareholding percentage} \times \text{NTA of the invested company}}{\text{NTA of the company}} \times 100$	Cannot be calculated because it is not an acquisition or disposition of ordinary shares.		
2. Net profit from operations	$\frac{\text{Shareholding percentage} \times \text{net profit of the invested company}}{\text{The company's net profit}} \times 100$	Cannot be calculated because it is not an acquisition or disposition of ordinary shares.		
3. Total Value of Consideration	$\frac{\text{Shareholding percentage} \times \text{net profit of the invested company}}{\text{Total assets}} \times 100$ $\frac{750,000}{4,250,531} \times 100$	17.64%	0.52%	18.16%
4. Value of equity shares issued to pay for assets	$\frac{\text{Number of shares issued to settle assets}}{\text{No. of issued and paid-up shares of the company}} \times 100$	Cannot be calculated because no securities have been issued.		

**4. Details of assets acquired and value of assets acquired**

Galvanized steel coil factory, machineries and equipments required in the production of good quality galvanized steel coils.

**5. Total Value of Consideration**

The total value of consideration for the acquisition of assets is approximately 750 million baht .

**6. Value of assets acquired**

It is expected that the investment in this project is approximately 750 million baht, equal to the total value of the consideration.

	Unit : thousand baht
1. Total of Machines and equipments	412,254
2. Total of infrastructures	207,914
3. Facility systems (included Environmental management system)	97,024
4. Others	32,808
<b>Total</b>	<b>750,000</b>

**7. Criteria of used to determine the value of consideration**

calculation criteria	Item size
1. Net Tangible Asset Value	-
2. Net Profit	-
3. Total Value of Consideration	17.64 percent
4. Share Value	No new shares are issued.

However, such transaction will have the highest transaction size according to the total value of consideration criteria which is equal to 17.64%, which the Company has an asset acquisition transaction that occurred during the period of 6 months, 0.52% before entering in this transaction.

**8. Expected benefits**

The company expects that such investment will strengthen the Company as the Company is a manufacturer and distributor of steel products, including the manufacture of their own instead of purchasing

raw materials from outside. The investment in this project will enable the Company to manage the cost of raw materials, which will be able to generate profits of the company continuously in the future. Including helping to create good returns for shareholders in the long run.

**9. Source of funds**

- Working capital and cash from the company's performance including from retained earnings.
- Loans from the financial institutions.
- Loan from the Leasing company.

However, the Company will use the investment from the Company's working capital first, if it is insufficient then it will consider borrowing money from financial institutions and/or Leasing Company next order.

If borrowing money from financial institutions and/or leasing companies, the Company expects that there will be no conditions that affect the rights of shareholders.

**10. Conditions for entering into the transaction**

- None -

**11. Opinion of the Board of Directors about agreeing to enter into the transaction**

The Board of Directors Meeting No. 1/2022 on Friday, February 25, 2022 has considered the details of investments with honesty and prudence to protect the interests of the Company as priority. The meeting resolved to agree and approve the entry into the transaction. Since it is considered that the investment in the construction of the galvanized coil plant will enable the Company to support the demand of consumers who have increased demand for galvanized coil and create added value of the product because the raw materials are obtained at reasonable prices. Therefore, entering into such transactions is appropriate and beneficial to the company and its shareholders, which will enhance the company's business potential in the long run.

**12. Opinions of the Board of Directors and/or Directors of the Company that are different from the opinions of Board of Directors under Clause 11.**

- None -