

## Contents

	Page
Message from Managing Director	1
Audit Committee Report	2
Overall Performance	3
Data in General	4
Risk Factors	6
Nature of the Business	8
Business Line	11
Assets for the Business Used	12
Major Shareholders	14
Management Structure	16
Report of Practice under the Good Corporate Governance	24
Corporate Social Responsibility Activities	35
Summary of the transactions of the company for 2014	36
History of Executive and Director	39
Report of Director Relating to Responsibility to the Finance Statement	45
Report of Certificated Public Accountant	46

## Message from the Managing Director

### To all Shareholders

In 2014, the profit of Asia Metal (Public) Company Limited and its subsidiaries from sales activities and services is 4,781.88 million baht. It was 641 million baht lower than that in the previous year. The net loss is 17 million baht. It was 184 million baht lower than that in 2012. Because of the economic slowdown in 2014 affecting Europe, America and Asia, the steel industry is affected by the mentioned economic slowdown. However, the company wants to be the complete metal service center. Thus, the company imports metals. Because of the economic slowdown, the company's inventory amount is high and products' prices are low. Nonetheless, its management is dedicated to sustainably increase the profits.

In 2015, the company aims for improving the efficiency of its personnel and equipments as well as ethically conducting its businesses with its partners, customers and other entities. Even though the political situations are not stable, the company is confident that business ethics can help it overcome difficulties in this year.

In the name of the company's committees, we would like to appreciate our shareholders, customers, partners, financial institutions, agencies and all entities supporting the company. We would like to appreciate all managers and employees who do their duties and improve the company's capabilities in all aspects in order to add more values to the shareholders, stakeholders and society. Please believe that the company will maximize benefits and sustainably grow.

Sincerely yours,



(Mr. Chusak Yongvongphaiboon)  
Managing director

## Reports from the Audit Committee

In the accounting year of 2014, the audit committees independently performed their duties assigned by the company's committees. The audit committees consulted with managers and auditors. Internal auditors were the ones performing completing their missions according to prescribed charters. The internal auditors could independently and transparently perform their duties in order to protect the company's benefits without limitations to access data. The internal auditors conducted four meetings without the management's involvement. The duties of the audit committees can be summarized as follows.

Financial reports – reviewing financial statements quarterly and that in 2014, consulting with auditors, and considering suggestions about internal control in order to correctly prepare the financial reports with adequate information according to widely accepted accounting standards

Relevant issues – checking and providing opinions about relevant issues or conflicts of interests in order to ensure that fair agreements are made and maximize the company's benefits according to the principles of good corporate governance and transparency

Good corporate governance – following ethics, assigning employees to report the names of associates and quarterly prepare shareholding reports for the company's committees to consider in 2013 (no conflicts of interests were found)

Audit committees' performances – presenting the audit committees' performance reports to the company's committees in the committees' meetings, providing opinions and suggestions useful for the management, and considering the evaluation results for the audit committees' performances in 2014 from the company's committees

Auditors evaluate the independency of the auditors and provide opinions about the auditors' wages in order to ask for permission from the general shareholder meeting in 2015 to assign auditors from BPR Audit and Advisory Company Limited. The assigned auditors will audit the company's activities in 2015. For 2014, the audit committees considered that they and the company's managers complied with good corporate governance and ethics in order to professionally achieve the company's goals, promote independent audit according to audit standards, and improve audit processes.



Pol. Gen. Jumpol Munmai  
Chairman of the Audit Committee

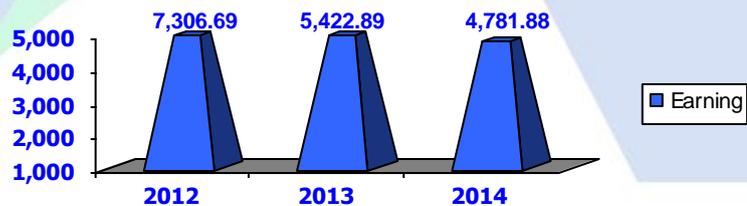
## Overall Performance

Data as of December 31, 2014.

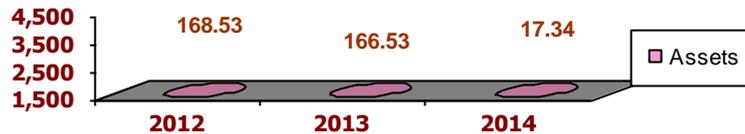
### Overall Financial Statements

	(Million Baht)		
	2012	2013	2014
Current Assets	2,316.67	1,862.41	2,477.80
Property, Plant & Equipment	1,052.66	999.23	1,154.33
<b>Total Assets</b>	<b>3,590.09</b>	<b>3,186.34</b>	<b>4,025.68</b>
Total Current Assets	1,844.47	1,394.42	2,272.81
Total Liabilities	1,868.13	1,415.80	2,281.97
Total Common Stock	479.94	479.94	480.10
Shareholders' Equity	1,721.95	1,770.54	1,743.71
<b>Liabilities and Shareholder's Equity</b>	<b>3,590.09</b>	<b>3,186.34</b>	<b>4,025.68</b>
Income	7,306.69	5,422.89	4,781.88
Cost of Sales	6,892.60	4,986.23	4,650.23
Gross profit	414.08	436.65	131.65
Administration Cost	91.91	79.00	69.23
Administration Expense	66.26	82.34	85.47
Other earnings	13.57	22.66	38.47
Operating Profit Margin	289.10	247.98	21.92
Interest	68.62	35.98	39.84
Tax	51.93	45.64	(0.58)
<b>Net Profit</b>	<b>168.53</b>	<b>166.53</b>	<b>(17.34)</b>

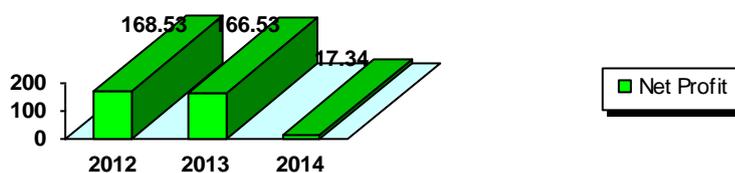
Million Baht



Million Baht



Million Baht



## Data in General

The Asia Metal Public Co., Ltd. was established on March 9, 1993 with registered capital and paid the initial amount of 30 million by the group of Mr. Chusak Yongvongpaibul. Its main business is steel service centers, including the full range of steel coil (Coiled) for both types of hot-rolled (Hot-Rolled) and the cold (Cold-Rolled), including the cutting and sale of steel sheets (Sheet) and slit steel coils (Slitting Coil) by the size demand by the customer. And the manufacturer and distributor of steel and steel pipe and structural steel C-shape used in the industries. Which on 31 December 2011 the company has registered capital of 549.97 million baht and paid 480.10 million and the group of Yongvongphaiboon remain as an executive and major shareholder in percent 24.90 of the capital. The group of Khunying Pattama Leesawatrakul Lady holds 14.37 per cent of the paid-up capital. Including the group of Suteerachai holds 19.13 per cent of the paid-up capital.

The Group consists of three subsidiary companies

1. STC Steel Co. Ltd., holds 99.99 percent operates in manufacturer and distributor of steel pipes, both round and square types with diameter of 0.5 inches (12 mm) to 1 inch (25 mm) with a total capacity of 6,490 tons of steel every year.
2. Asia Metal Fabrication Co., Ltd., holds 55.00 percent operates in services to design, manufacture of steel and plant construction.
3. Vientiane Bonded Warehouse Co., Ltd. holds 40.00 percent of the company, which operates the warehouse, the company is still in the process of construction. Not yet operational.

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

### 1. Steel service centers

The company provides steel products in the steel service center in hot rolled coil and cold rolled coils sold to wholesaler of steel and customers are steel mills, which will be used to transform a piece of steel to a variety of services including the cutting in different sizes according to the customer's demand, and a distributor of various types of steel that meet the requirements to be used in industrial applications focusing on service first and after sale. The company focuses on customer satisfaction with regard to product quality, which in 2014 the earnings of the company from the supply of steel products accounted for 27.09 percent of the total revenue.

### 2. Processing of steel products

The company provides cutting a slit steel coils, steel sheets and steel products including the steel and iron structure built. The company's revenue in 2014 from processing of steel products accounted for 72.91 percent of the total revenue.

The Group is currently producing and selling iron of all types in total 610,272 tons per year divided by the capacity of the company is 603,782 tons per year and subsidiary company of 6,490 tons per year. For the part of the company the production capacity of hot rolled strip in coils is divided into 34,000 tons per annum, production capacity of steel sheet is 280,000 tons per annum, production capacity of steel pipe is 199,782 tons per annum and production capacity of steel structure is 90,000 tons per annum. By the year 2014 the company uses the production capacity of 32.20 percent of the total capacity. The production capacity of the subsidiary is the capacity of

circular and rectangular steel tubes, both of which 6,490 tons per year capacity and in 2014 has use the production capacity of 60.20 percent.

The company purchased the steel, which is the main raw material for production of hot rolled steel manufacturer in the country, including the companies in the group of Sahaviriya Steel Plc. Industries, The companies in the group of G Steel PCL and GJ Steel PCL. The company distributes its products to the customers within the country. The company's customers can be divided into two groups: the wholesaler of steel is the group of operator of Steel wholesaler in Bangkok and its vicinity. The value of sales to these customers accounted for 76 percent of the total income of the company, and the entrepreneurs in various industries such as the furniture industry, Appliance industry, automotive industry, etc. The value of sales to these customers accounted for 24 percent of the total income of the company. The Company does not sell products to any customer more than 12 per cent of the total income of the company.

The company emphasizes the importance of the quality of products and services and delivery on time. The C-shaped steel products and steel pipes of the company have received the industry standard from the Ministry of Industry. In addition, the company uses to produce a quality management system ISO 9001: 2008 applied in the administration to confirm the customer to focus on the quality of products and Services Company. In the year 2014 the company began using the Quality Management System TS 16949, and in 2012 is expected to be certified with TS 16949 and the company has the building for the training of employees at the 2<sup>nd</sup> plant (Phanas Nikom) to raise the standard production and management of the company's future sustainability.

The performance in recent years, the company has the revenue from sales and services was 4,781.88 million, with net loss of 17.34 million as at December 31, 2014, the Company had assets totaling to 4,025.68 million baht with debt totaling to 2,281.97 million baht and the shareholders' equity equal to 1,741.71 million baht. The Company has a registered capital of 549.97 million baht, divided into common stock to 549.97 million shares, par value 1 baht each share and paid registered share of 480.10 million baht.

## Risk Factors

### 1. The risk of the business

- **The risk of fluctuations in raw material prices**

In 2014 the company and its subsidiaries has the revenues from sale of hot rolled coils and processed steel products from hot rolled coils accounted for 98.93 percent of the total revenue of the company and subsidiaries. Which the sold steel products has the value of iron equivalent to 91.16 percent of the cost which the price will changes according to the world market conditions, demand and supply manufacturers, and the steed users throughout the world including the other factors that affect the prices such as exchange rates, Tariff including the surcharge (Surcharge) etc. The cost of raw materials under conditions of fluctuating steel prices in the country and around the world all the time which may be at risk if the company and subsidiaries can not justify the changes cost of goods.

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

### 2.2 Risk Management

- **Customer's credit risk**

As at 31 December 2014, the Company had outstanding receivables at 660.62 million baht in rate of 13.67 percent from the overall income of the company and subsidiaries in 2014 for a period of collection of 45.81 days. The debtor with outstanding that is not yet due of 337.22 million baht with payment in arrears not over 90 days of 115.90 million baht, a Ttotal of 453.12 million baht in rate of 68.59 percent of total receivables. The company and subsidiaries has the potential risk of the customer that can not pay the agreed upon conditions or payment later than the time agreed upon. This could cause the company experiencing the liquidity problems or financial loss.

However, the companyand the subsidiaries hases the practice of granting credit to the customer based on customer profiles, payment and the credit limit. The company also has a diverse customer base in numbers which the company will not give credit and amount to any customers or group in special cases. This is to prevent any risk that may occur.

### **Risk from Interest Rate**

As at 31 December 2014, the Company had outstanding short-term debt of 2,272.81 million baht and the debt resulting of borrowing from financial institutions in total of 1,939.37 million baht. Mostly in the form of short-term promissory notes with interest rate from 1.09 percent to 3.80 percent per annum and 1.7 percent to 4.35 percent per yer, is repayable between 1-6 months to use as working capital for the purchase from the steel factory. If the domestic interest rate has increased. The cost of the higher interest of the company may affect the performance of the company.

In the past year the cost of debt (interest) is 39.54 million baht, representing 0.83 percent of the revenue from sales and services which comes from the interest, commercial loan from the increase of imported raw materials and economic conditions from the trend of deflation. The management team believes that there is no impact on interest rates and will not be affected the operation and the cash flow significantly.

### **Risk from exchange rate**

In year 2014, the company purchase the foreign goods accounted for 46.94 percent of the total orders. Most of the orders is in the US dollar which is likely to appreciate every day, and the Euro is also volatile. Therefore, the company has the risk from the fluctuations in exchange rates. The Company uses derivative financial instruments to reduce the uncertainty of future cash flows arising from changes in foreign exchange rates. Using this strategies to hedge against the risk of the exchange rate in advance, as of December 31, 2557, with the remaining 7.8 million dollars and 23.1 million and liabilities that are not hedged 4.7 million dollars and 5.4 million euro. The company will continues to hedge at the right time with the least impact to the financial statement.

Companies continue to order raw material from abroad, hence to maintain a policy to reduce the impact of exchange rate risk, the forward foreign exchange contracts are used as appropriate.

## Nature of Business

### History

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### Changes and development of the Company

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

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

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

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

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

Year 2010, the company has increases its production standard. As a steel service center that can accommodate the production of steel to the group of automotive industry and the industrial group of electrical appliances. The company has been awarded as the BEST VENDOR AWARD from Thai Samsung Electronic Ltd.

Year 2011, the company has the changes as follows;

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

Year 2012, the company certified management systems to support customers with TS 16949 Automotive Industry.

### Overall Business Performance of the group of company

Structure of the group of Asian Group Metals Ltd. (Public) as at December 31, 2014.

### Asia Metal Public Co., Ltd.

Operates in integrated steel service centers, including the steel coil (Coil) and type of Hot-Rolled and Cold-Rolled, galvanized steel (GI), aluminum zinc coated steel (GL), color coated steel and processed steel products such as steel sheets, slitting coil, steel pipes with diameter of 1 inch (25 mm) to 6 inches (175 mm) c-shaped steel structure, and service delivery to the customers. With production capacity of 603,782 tons per year, divided the production capacity to steel sheet 280,000 tons per year, steel slit coil 34,000 tons per year, steel pipes 199,782 tons per year and lip channel steel 90,000 tons per year.

### STC Steel Co., Ltd

Operates in production and distribution of steel pipes both round and square types with diameter of 0.5 inch (12 mm) to 1 zinc (25 mm) with production capacity of steel pipes in total of 6,490 tons per year

### Asia Metal Fabrication Co., Ltd

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

### Vientiane Bonded Warehouse Co., Ltd.

Operates in warehouse services

### Revenues of the company

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

Distribution Value	2012		2013		2014	
	Million baht	portion	Million baht	portion	Million baht	portion
• Steel Service Center						
1. Service supplier of steel products.	3,238.88	44.33	1,613.44	29.75	1,291.99	27.02
2. Cutting Services					3.59	0.08
Total Revenue of steel service centers	3,238.88	44.33	1,613.44	29.75	1,295.58	27.10
• Processing of steel products						
1. Iron sheet	1,126.74	15.42	889.36	16.40	734.67	15.36
2. Slit steel coil	408.46	5.59	368.52	6.80	417.37	8.73
3. Steel pipe	1,752.23	23.98	2,017.77	37.21	1,935.43	40.47
4. C-shaped steel structure	732.95	10.03	482.96	8.91	371.58	7.77
Total revenue for processing	4,020.38	55.02	3,758.61	69.31	3,459.05	72.33
• Others $\eta^*$	47.43	0.66	50.94	0.94	27.25	0.57
Total value of all sales	7,309.69	100	5,422.99	100.00	4,781.88	100.00

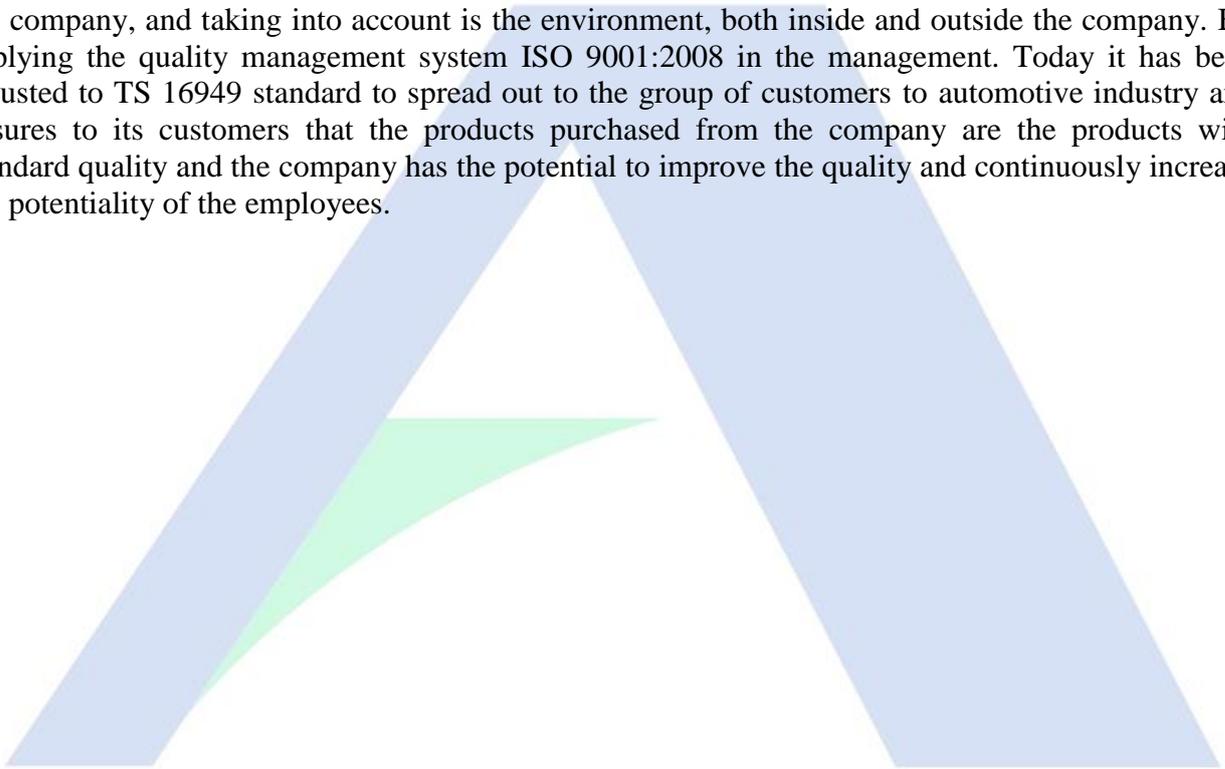
Note: \* other revenues include the sell of scrap from the manufacturing process.

### **The goal of our business**

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

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

Also the company has the policy to develop the quality, reliability of the product, services of the company, and taking into account is the environment, both inside and outside the company. By applying the quality management system ISO 9001:2008 in the management. Today it has been adjusted to TS 16949 standard to spread out to the group of customers to automotive industry and ensures to its customers that the products purchased from the company are the products with standard quality and the company has the potential to improve the quality and continuously increase the potentiality of the employees.



## Business line

### The products and services

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

#### 1) The supply of steel products

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

#### 2) Processing of steel products

##### 2.1 Slitting Coil

The company offers steel cutting a slit coil. This is the coil (Coil) and cut into small strips across the width of the customer and roll it back to the retailer. The company has a machine for cutting steel rolling a Little (Slitting Coil) The Company has a total installed capacity of 241,000 tons per year divided by the production, the raw material for support. Manufacturing is a C-shaped steel structure products of 207,000 tons per year and production to sales of 34,000 tonnes per year, in 2557 the Company for the year of 53.14 percent of capacity installed.

##### 2.2 Cutting Sheet production

The company provides the services of cutting the steel sheets. This is to cut the steel coil into steel sheet by the width and length desired by the customer. The company can cut the steel according to the width from 600 to 1,500 mm and lengths ranging from 300 to 6,100 mm by a machine for cutting plates (Cutting Sheet). The company has the installed production capacity of 280,000 tons per year. In the year 2014 the company for the year of 13.27 percent of capacity installed.

##### 2.3 Steel Pipe

The company produces and sells steel pipes for use in various industries. At present, the company has the machinery for the manufacture of steel pipes, which can produce the steel from a diameter of 12 mm to 175 mm. By forming the hot rolled coil that has been cut according to the desired width and welding the steel sheet with high frequency by modern machinery and efficient production. That makes the steel pipes of the company has the quality and acceptable by the customer. The company has the installed production capacity equivalent to 206,272 tons per year. In 2014 the company has the production capacity of 41.68 percent of the installed production capacity. The shape of steel pipe of the company is in round, square and rectangles which the company can be produced by the width and length demand by the customer.

##### 2.4 C-shaped steel structure

The company manufacture and sale of steel C-shaped. By bringing rolling a Little (Slitting Coil), cut to size, forming a C-shaped appearance. Which will be used in the construction of a roof structure. The company is used for the production of steelC-shaped ranging from 3 inches to 6 inches, with a total installed capacity of 90,000 tonnes per annum and in 2557 its capacity utilization was at 15.30 of the power plant. Set

## Assets for the Business Used

### The fixed assets use in business

As at 31 December 2014 the company has fixed assets use in the business as follows;

Unit: Million Baht

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, Soi Wat Namdaeng, Srinakarin Road, Bangkaew Sub-District, Bangplee District, Samut Prakan Province	Owned by the company	147.14	(1).Mortgage loan of 400 million baht
- Area of 100 acres, 85 square yard* Location: No. 90/1, Moo 10, Sasiliam Sub-District, Phanas Nikom District, Cholburi Province.	Owned by the company	84.38	(2). Mortgage loan of 600 million baht
- Area of 80 acres, 28 square yard** Location: No. 90/1, Moo 10, Sasiliam Sub-District, Phanas Nikom District, Cholburi Province.	Owned by the company	4.01	None
- Area of 17 acres, 34 square yard Location: No. 90/1, Moo 10, Sasiliam Sub-District, Phanas Nikom District, Cholburi Province.	Owned by the company	11.73	None
- Area of 3 acres, 82 square yard Location: No. 6/10, Moo 1, Soi Wat Namdaeng, Srinakarin Road, Bangkaew Sub-District, Bangplee District, Samut Prakan Province.	Owned by STC	25.64	(3). Mortgage loan of 250 million baht
<b>2. Factory Building</b>			
- Factory Building of the company Location: No. 55, 55/1, Moo 2, Soi Wat Namdaeng, Srinakarin Road, Bangkaew Sub-District, Bangplee District, Samut Prakan Province.	Owned by the company	74.45	(1). Mortgage loan of 400 million baht
- Cholburi Factory Building of the company** Location: No. 90/1, Moo 10, Sasiliam Sub-District, Phanas Nikom District, Chonburi Province.	Owned by the company	199.61	(2). Mortgage loan of 600 million baht
- Factory building of subsidiaries company Location: No. 6/10, Moo 1, Soi Wat Namdaeng, Srinakarin Road, Bangkaew Sub-District, Bangplee District, Samut Prakan Province.	Owned by STC	17.09	(3). Mortgage loan of 250 million baht
<b>3. Machinerics and equipment</b>	Owned by the company	46.72	(4). Mortgage loan of 320 million baht
<b>4. Machinerics</b>	Owned by the company	362.71	None
<b>5. Machinerics</b>	Owned by STC	0.37	None

Type / style of property	Type of Ownership	Value	Obligation
<b>6. Vehicles</b>	Owned by the company	10.63	None
<b>7. Furniture and office equipment</b>	Owned by the company	8.2	None
<b>8. Furniture and office equipment</b>	Owned by STC	2.59	None
<b>9. Machineries in progress</b>	Owned by the company	156.28	None
<b>10. Machineries in progress</b>	Owned by STC	2.77	None
<b>Total</b>		<b>1,154.33</b>	

### **Investment policy and the management of subsidiaries and associated companies**

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

## Major shareholders of the company

List of major shareholders as of the latest closing book of registration MAY 12, 2014 (par value of Baht 1)

No.	Name/Surname	Total of Share	% of total of shares
1	Group of Mr. Chusak Yongvongphaiboon		
	Mr. Chusak Yongvongphaiboon	76,700,000	15.98
	Ms Phenchana Yongvongphiboon	40,000,000	8.33
	Ms.Prerada Yongvongphiboon	30,842,500	6.42
	Ms.Chananya Yongvongphiboon	20,500,000	4.27
	Total group of Mr. Chusak Yongvongphaiboon	168,042,500	35
2	Khuning Patama Leesawatrakul	69,000,000	14.37
3	Group of Mr. Virachai Suteerachai		
	Mr. Virachai Suteerachai	46,432,400	9.67
	Mr. Win Suteerachai	39,900,000	8.31
	Mr. Krit Suteerachai	5,500,000	1.15
	Total group of Mr. Virachai Suteerachai	91,832,400	19.13
4	Mr. Chanathip Traiwut	20,000,000	4.17
5	Ms. Orawan Pongtanyaluck	9,705,000	2.02
6	Mr.Kittipol Juengwattananon	5,164,100	1.08
7	Mr.Sumontre Tharanitikul	4,050,500	0.84
8	Mr. Somsak Leejongpermpoon	3,535,000	0.74
9	Mr. Pichit Chatsakulwong	3,330,000	0.69
10	Mr.numchai Roylithiwuthikrai	2,982,500	0.62
11	Ms. Boonyaon Pipithkul	2,434,900	0.51
12	Thai RVDR Co.,ltd.	2,434,512	0.51
	Total	382,511,412	79.68

### **History of dividend policy for the past 3 years**

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

In 2012 the company has the net profit of 163.91 million baht. The board of directors has proposed at the shareholders meeting to approved to pay the dividend in rate of 0.18 baht per share, totaling to 86.38 million baht of 52.69 percent of the net profit which does not follow the policy of the company and if it will be approve at the annual shareholder meeting Year 2013 the company will pay the dividend on 17 May 2013.

In 2013 the company has the net profit of 166.53 million baht. The board of directors has proposed at the shareholders meeting to approved to pay the dividend in rate of 0.18 baht per share, totaling to 86.41 million baht of 51.89 percent of the net profit which does not follow the policy due to the expansion of second factory that not finish yet. The company will pay the dividend on 21 May 2014.

In 2014 the company has the net loss of 8.31 million baht because of cash flow from operations, net of 310.21 million baht Board has the approval of the shareholders. Approval of the dividend for the year 2014.

## Management structure

### Management Structure

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

#### Board of Directors

Names of the Board of Director as on 31 December 2014 are;

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

Mrs. Wannaree, the secretary of the company

#### Director with authorize signatory

The signatory director binding with the company consist with;

- 1.Mr. Chusak Yongvongphaiboon
- 2.Mrs Phenchan Yongvongphaiboon
- 3.Mr. Tanakorn Ritthibunlue

The two out of three director can joint to signed their names together affixed the seal of the company.

#### Scope of Authority of the Board of Directors

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

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

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

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

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

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

- Organize the meeting of shareholders as the Annual General Meeting within four months after the end of the accounting period.
- Provide the Board of Directors meeting at least once in every 3 months.
- Provide a balance sheet and income statement of the company at the end of the period. The auditor review and propose to the shareholders for the consideration and approval.
- The Board of Directors may delegate to one or several people or any other person to perform instead of the Board of Director under the control of the Board of Directors or may delegate to such person authorized by the Board of Directors deems appropriate and within the Board's discretion. The Board may cancel or revoke the changes to fix the person or authority authorized by them. When appropriate the Board of Directors may delegate to the Executive Committee is responsible for the operation. The details of the scope of authority authorized by the board. The authorization must not appear to be authorized at the Board of Directors. To consider and approve the self or person with a conflict of interest or conflict of interest made to any other companies. Or its subsidiaries. Except as authorized transactions are governed by policies and guidelines, the Board of Directors for consideration and approval.
- Set the policy, plans and budgets of the company, control and supervision of the administration and the management of the executive committee according to the policy that has been assigned. Except in the following that the Board of Directors must be approved by the shareholders before the operation, namely that the law requires the approval of the shareholders' meeting
- To consider the management structure of the executive Committee to appoint the Board of Directors, directors and others as appropriate.
- Monitoring the operation performance according to the plan and budget continuously.
- The committee must not engage in business which has the same condition and not in competition with the business of the company or become a partner in ordinary partnership or a partner in the partnership which is not limited authority or the director of private company or other companies that operate the same conditions. The will in competition with the

business of the company whether they do it for personal gain or for other benefit unless they have informed at the shareholder's meeting before the resolution of appointment.

- The director must notify the company without delay if interested, either directly or indirectly in the contract that made by the company or change the number of share or debentures in the company or its subsidiaries.

### **Audit Committee**

Names of the Audit Committee as on 31 December 2014 are;

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

### **Authorative Duties of the Audit Committee**

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

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

- Comments or observations by the Committee includes the reviews receive from performing their duties under the Charter.
  - Any other reports that the shareholders and public investors should be aware. Within the scope of duties and responsibilities assigned by the Board of Directors.
8. Report the performance of the Audit Committee to the Board of Directors at least once a quarter.
9. Perform any other act by the Board of Directors of the Company entrusted with the approval of the Audit Committee.

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

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

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

### **Executive Board of Director**

Names of Executive Board of Director as on 31 December 2014 are;

Name-Surname			Position
1.	Mr. Chusak	Yongvongphaiboon	President
2.	Mrs Phenchan	Yongvongphaiboon	Executive Committee
3.	Mr. Tanakorn	Ritthibanlue	Executive Committee

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

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

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

7. Allocation of reward money has been approved by the Board of Directors. Employees or employees of the Company or any persons who carry out the activities of the company.

Thus, the Executive Committee may delegate the duties to the Company's executive officers have the power to act in the particular subject matter or by the Board of Directors has deemed appropriate. The authorization above, the Executive Committee must comply with various requirements and agenda approved by the Board at a time and shall not approve any person or persons who may have conflicts of interest. Stakeholders, actual or potential conflict of interest in any other manner with the Company and its subsidiaries. And must present these items to the Board of Directors for the consideration of the Board of Directors.

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

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

List of appointed board of directors and remuneration of the directors and executives as at 31 December 2014 consists with;

Name-Surname			Position
1.	Mrs. Phenchan	Yongvongphiboon	Appointed Chairman and remuneration
2.	Mrs. Taisika	Praisangub	Director
3.	Mr. Tanakorn	Ritthibanlue	Director

### **Scope of authority and obligation**

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

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

1. Policies and guidelines proposed to the board of director for the following;
  - Procedure to nominate the committee and managing director.
  - How to pay the compensation and other benefits to paid to the board of directors, sub-committee and managing director.
2. Select and proposed the name of the qualified personnel to the board of director's consideration as follows;
  - Committee
  - The committee from the sub-committee authorize with power and duties, and direct responsibilities from the board of directors.
  - The managing director and vice managing director for the position of managing director. Authorize the managing director to initially consider and propose the nominated board of director for consideration and propose to the board of director.
3. To look after the board of director with appropriate quorum to the organization including the adjustment that correspond with changing environment.
4. To look after the committee and managing director to receive the appropriate compensation according to their duties and assign responsibilities.
5. To set the guidelines, propose and approve the work evaluation of the chief executive officer. To determine the compensation and annual incentive payouts.

6. Follow the succession plan of work, position, chief executive officer and vice chief executive officer to propose to the board of director's consideration at least once a year.
7. Report the work performance to the board of director at least once a year.
8. Other actions as authorize by the board of director.

### **Risk Management Committee**

The names of risk management committee as at 31 December 2014 consist with board of director and executive officer as follows;

Name-Surname			Position
1.	Mr. Chusak	Yongvongphaiboon	Chairman of the risk management
2.	Mrs. Taisika	Praisangub	Committee
3.	Mr. Chanatip	Traiwut	Committee

### **Scope of authority, responsibility of the risk management committee**

The scope and duties of the risk management committee in brief below;

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

### **Executive**

Names of the executive as on 31 December 2014;

Name-Surname			Position
1.	Mr. Chusak	Yongvongphaiboon	President
2.	Mrs Phenchana	Yongvongphaiboon	Vice managing president
3.	Mr. Tanakorn	Ritthibanlue	Director of Accounting and Finance

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### **Scope of authority of the President**

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

1. Shall have the power to decide on the operations of the company. The scope of the type or size of the mission, objectives and policy guidelines within the scope of its mandate. Including the supervision of the overall yield relationships with customers and be responsible to the Board.
2. To consider the case of procurement. The purchase of raw material at a time, if not more than 10,000 tons more than the amount approved to be presented for the approval at the next meeting of the Board of Directors as well as the investment expansion. Including the trading assets of the company for the proposal to the Board of Directors.
3. Have the power to act and show that he is the representative of the business in any business related and beneficial to the business.

4. The matter of funding for presentation to the Executive Committee and Board of Directors as follow
5. To approve the appointment of consultants in various fields that are essential to the operation of the business.
6. The parties relating to the management of the business in general.
7. To approve the action plan of each department and to approve the request from various departments having the excess power to order on that departments.

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

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

#### **Monetary remuneration in the year 2014**

For the past Annual General Meeting of the shareholders 2014 held on 29 April 2014. The remuneration for the board of director of 4,000,000.- Baht had been approved. Which is the same rate by the year 2013, the company paid the remuneration for the 5 board of directors with names below;

Name-Surname	Meeting Allowance (Baht) 2013	Meeting Allowance (Baht) 2014
1.Pol. Gen. Jumpol Munmai	480,000	480,000
2.Mr. Virachai Suteerachai	480,000	480,000
3.Sub.Lt. Suree Buranathanit	180,000	180,000
4.Mrs. Taisika Praisangub	180,000	180,000
5.Mr. Chanathip Traiwut	180,000	180,000

Board of Directors for 4 people (in 2013), and 3 (in 2014), no compensation as a director. The 4 directors are executives. Therefore receive compensation as an executive as follows:

Unit : Billion Baht

Details	Year 2013	Year 2014
	Salary and Bonus	Salary and Bonus
(4) Director- as executive	7,310.00	6,741.25
(2) Management	2,648.25	800.00
Total	9,958.25	7,541.25

#### **Other remuneration for directors and executives**

- None -

### Personnel

Total number of employees of the Company and subsidiaries as of December 31, 2013 and 2014 a total of 485 people and 325 people (excluding management) consisted of the following lines.

Department	Number of Regular Employees 2013	Number of Regular Employees 2014
1. Office	139	103
2. Factory	346	222
<b>Total</b>	<b>485</b>	<b>325</b>

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

### The compensation of the employees

The compensation of the employees who are not executives of the company and its subsidiaries (total output during the year). In 2013 and 2014 in total of 94.57 million baht and 91.35 million baht respectively which paid in terms of salary, bonus, labour fees, overtime, cost of living allowance and fund.

### Policy Development

The company has the policy for the development of the employees by organizing the training within the company and a regular training on the field to increase the potentiality of the employees and to enhance the employee's ability in every aspect. They also have the transmission system like a sitter to the newly employee. The older people will act like a mentor to new employee to learn the job. This will enable the employees to perform their duties properly and efficiently. It also develops the organization to have potentiality in competition both regionally and nationally, and also the policy in rewarding the employees at affordable rates to encourage and retain the employees to work with the company in the long period.

## Report of practice under the good corporate governance

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

### Chapter 1 Rights of the Shareholder

#### 1.1 Election

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

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

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

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

##### Before the date of the meeting

- (1) The company has give the shareholder their privilege to present the agenda at the meeting and names to be elected as the board of director of the company 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 2014 there is no shareholder presented the agenda and names to be elected as the committee.
- (2) The company has send the invitation letter of the meeting to the shareholder prescribing the agenda and opinion of the board of each agenda. The letter has included the document for the meeting and send to the shareholder at least 14 days in advance before the meeting of the shareholder. The entire data shall be presented at the website of the company headed "data for the investor" in 30 days in advance before the shareholder's meeting under the AGM Checklists to let the shareholder has the chance to review the data before attending the meeting in advancebefore receiving the data in shape of document.
- (3) To provide conveniences at the meeting to the shareholders that could not attend the meeting by their own, the company has the proxy letter herein attached Form Kor. and Form Kor. together with the invitation letter. To allow the shareholder staying abroad can appoint their proxy to attend the meeting and can cast their vote on their behalf or

able to assign the power to the independent committee appoints by the company as the proxy.

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

#### **On the meeting day**

- (1) The company has provides the conveniences to the shareholder in particular of the place for convenience to travel, preparation of the invitation letter for those shareholder failure to bring the document, monitor to present the agendas in term of Power Point for the conveniences to consider each agenda with micro phone. To allow the shareholder the right to ask, present or show their opinion as long necessary. Provide the table for the registration and examine the document with the assistance of the staff.
- (2) The board of director, board of audit committee and executive board are aware how important is to attend the meeting that shall be considered as duty and responsibility. That enable the previous ordinary shareholder's meeting consist with the board of director, board of audit committee, board of director that determine the compensation, executive board and administrative having the highest authority in finance department and accounting are attended the meeting except the president who is absent due to urgent task that could not able to attend the meeting.
- (3) Before stating to consider the several agendas as mentioned in the letter of invitation. The company has appointed the secretary of the company to inform the method of how to vote of each agenda as well as to inform the number of shareholder attended the meeting and total of share having the right to vote.
- (4) To give the chance to the shareholder in fair justice to show their opinion and ask the board of director of the company in each meeting agenda.

#### **After the meeting**

- (1) In addition to make notice to the resolution of the annual ordinary shareholder's meeting through the information system of the Market Stock Exchange of Thailand. The company also publish at the website of the company to allow the shareholder the chance to correctly review that resolution. It is also the other way to know the data of the shareholder which could not be able to attend the meeting by their own and other investor as well.
- (2) The company has the minutes of the annual ordinary shareholder's meeting and published at the website of the company with 14 days from the date of the annual ordinary shareholder's meeting.

### **1.3 Rights to receive the dividend**

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

The company has allocated the reserves amount 55 million bath under the law regulation. The committees approved to no dividend payment which from the net loss in 2014.

#### **1.4 Rights to receive the sufficient data about the business**

The company has manage to publish the necessary information such as the work performance or financial statement etc. through the Market Stock Exchange of Thailand. Moreover, also publish at the website of the company headed “ data to inform the Market Stock Exchange of Thailand.” The company also appoints the investor public relation to follow up and negotiate with the investor, analyzer including the related government and private sector. For enquiry contact the Tel. No.

Tel : 02 383 4100 ext. 223  
Fax : 02 383 4102



## Chapter 2 Treating Fair Practice to the shareholder

- (1) Preparation of Invitation to Annual General Meeting of Shareholders. The Company has treated the fair practices to the shareholders in the country and foreign shareholders equally. The invitation letter is prepared such documents and the agenda in Thai and English language.
- (2) The company has been prepared the Proxy Form Kor and Form Kor. So that the shareholders in both domestic and foreign who are unable to attend the meeting may appoint another person to an independent company offering a proxy to attend and vote on their own. And convenience by allowing the shareholders to download the proxy form from the company's Web site 30 days prior to the meeting.
- (3) The shall have no additional agenda for the meeting without informing the shareholders in advance.
- (4) The company directors and managers must report to the company's aware of the interest of the person or persons involved. The interests involved in managing the business of the Company as defined in Section 89/14 of the Securities and Exchange Commission (No. 4) Act 2551 for the Board to consider the company's transactions. Potential conflicts of interest and can make decisions for the overall benefit of the company. The directors and executives who have an interest to make transactions with the Company will not participate in the decision on the transaction.
- (5) The Board of Directors is aware of the importance of data protection within the company to use for personal gain. The company has the policy to keep the information which has not yet been disclosed to the public as confidential. By the perception that only for those involved.

The company informs the directors and all executives acknowledged the obligation to report holdings of securities in the company of their own Including the spouses and minor children. As well as the changes in securities reports on SEC and stock under section 59 and penalties under Section 275 of the Securities and Exchange Act BE 2535 and has also prohibits the directors and executives. Including spouses and minor children of such persons to buy, sell, transfer or accept transfer of the securities using inside information that has not yet been disclosed to the public. For the case of executives, including spouses and minor children to buy, sell, transfer or transfer of securities of companies that fall into the above cases shall be reported to the SEC and the Stock Exchange every time you buy, sell, transfer or transfer of such securities within three days from the date incurred and send the copy to this report to the Secretary as evidence.

### Chapter 3 The role of stakeholders

The company was aware of the rights and importance of the stakeholders, both in terms of customers, employees, partners, shareholders or investor, creditors, competitors. Also focuses on environment and social responsibility, community where the company is located. As well as the society and government sector. In 2011 the company has added the best practices and set the policy such as; the management and staff are not allowed to illegally use the software, do not copy the software copyright, don't involve the violation of human rights, encourage the employees to use the resources efficiently with value, pay attention and always aware the safety and environmental awareness, encourage the employee and stakeholders of the company to get involved in the development of the community and society. As can summarized below;

- (1) Customers To adhere that the customer is the center that the company should ready to serve to comprehensive the needs. By providing the guidance, solution and assistance to supply the product, create the new services, developed the broad range of options, adding the value of steel products. As the new perspective in steel business under the management that fully support the manufacture, modern technology, determine the product quality, deliver on time that corresponds to the production of the customers. In order to build the confidence to the customers and conveniences to the customers.
- (2) Employees Because of the potential of the employees is one of the important structures that every thought and every imagination becomes a reality. Therefore the company tend to develop the employees of the company become a professional, with value in thinking and practices. That tending the success, trusted and reliable that can fully correspond the needs. At the same time the company also focuses on providing the employee the knowledge, experience and expertise to give consulting and learn new things. By providing the regular training and skill development.
- (3) Partners The Company has the policy to builds a good relationship to the partners, and treats the partners fairly as agreed under the business terms and/or agreement. In order to develop and maintain the sustainable relationship for the mutual benefit of both party.
- (4) Shareholders The Company is committed to grow the business of the company continuously. Until the company enable to grow as the leading company in steel industry. Although in recent years there are the economic problems due to many factors. That is to build the confidence and add the value to the shareholder over the long terms. To provide the way for the shareholders/stakeholders to contact/complaint to the independent committee. Also to determine to accept the complaint about the good governance from the employee through the secretary of the company. By reporting the good governance to the board of audit and good governance on a quarterly basis
- (5) Creditors The Company shall comply the terms of loan agreement and provide the accurate financial information, including the payment on time.
- (6) Competitors The Company operates under the rules of fair competition and not to destroy the reputation or cause damages to their competitors.

- (7) Community and Society The board of directors has focused how important is the development and social responsibility along with business operation. With realization that business will survive must based on growing steadily of the society and environment. Therefore it has encourage various activities for the development and friendly to the environment in terms of production, work environment, work place and community around, safety, take into account the physical and mental health of the employees, including to organize the activities that will give benefits to the society.
- (8) Government Sectors The Company has compliance with the laws, rules and regulations of the government sectors strictly. Also to cooperate in providing the information about the company's performance and to participate with other activities organize by the government agency.

#### Chapter 4 Disclosure and Evident

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

## Chapter 5 Responsibilities of the Board of Directors

### 1. Structure of the board of directors

Board of directors At the end of 2014 there are 8 board of directors segregated into independent directors and 3 audit committee which complies with the requirements of the Stock Exchange of Thailand. The person with knowledge, experience and skills that is beneficial to the company's business. The board of directors has been approved from the general meeting of the shareholder to hold such position. The details of the scope of duties and responsibilities are listed in the structure and management.

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

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

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

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

### 2. Determine the office terms of the Committee

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

### 3. Qualifications of independent directors

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

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

2. Is not participate in the management of the company. Affiliates, subsidiaries, associated companies or shareholders of the Company. Is not an employee or consultant who receives a salary from the company. Its subsidiaries Associate companies or shareholders of the Company. As Managing Director of the Company can not be verified because the President is directly responsible for the management and so on.

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

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

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

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

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

### 4. Leadership and Vision

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

### 5. Conflict of Interest

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

- List of possible conflict of interest: The committee should aware the conflict of interest, related transaction and always carefully consider. Including the compliance with the rules of the Market Stock Exchange which the price and conditions like the transaction with the third party (as Arm's Length Basis) and revealed the details of the details, value, partners of the contract, reason/necessity at the annual report and Form 56-1 in the next topic of the transaction.
- Monitoring the use of internal information: The board of the directors designed that the management shall report the changes of holding the assets at the Securities and Exchange Commission under Section 59 of the Securities Exchange Act B.E. 2535 prohibits the executive or agencies that have been informed by the disclosure to the third party or person which are not related and not trade the assets of the company during 1 month before the publication of the financial statement.

## 6. Code of Ethics

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

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

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

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

6.4 The board of directors of the company has the guidelines of “ethical behavior” as a discipline. Which the committee, management and all employees must strictly adhered to comply. Any infringement is a violation against the discipline in accordance with the personnel management.

6.5 The board of directors has the policy about the conflict of interest in the ethical guidelines. To prevent the chances of seeking personal gain elaborated below;

- Shall have no record of offence against the Office of the Securities and Exchange/Stock Exchange of Thailand.
- The chairman is not the same person of the managing director. With powers, authority and duties that clearly segregated from each other.
- Organize the meeting between the non-executive directors without the management side for the freedom to express their opinion for the improvement of the management of the management department.
- The board of directors has established the system of internal control that covering the financial, work performance, operations complying the law, rules and related regulations, including providing the adequate risk management. As well as providing the device for inspection and scale that is effectively sufficient to protect and preserve the assets. With plan for internal inspection conducted by the in depended agency that directly reported to the Audit Committee and Governance Committee. Also to report it to the Audit Committee with quality that contains the important and accurate information with the policy of risk management in a clear manner.

## 7. Scale of Non-Executive Directors

As of December 31, 2014 there are 8 board of directors of the company with details below;

1. Executive Director
2. Committee
3. Audit Committee

Therefore, the company has 3 independent directors representing to 37.50 percent of all directors. It also held the meeting with the non-executive directors and management side to have the freedom to express their ideas fully.

### 8. Join or separation of the position

The chairman is not the same person of the managing director. However, the chairman and managing director will represent the group of the major shareholder that holds 19.13 percent and 24.90 percent respectively of registered capital and paid up share. But the board of director consists of 3 audit committee which will cause the balance and can review the administration.

### 9. Directors and Executive Remuneration

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

### 10. Meeting of the Board of Directors

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

For the past 2014, there are 7 meetings of the board of directors as follows;

Name-Surname			Numbers attended
1.	Mr. Virachai	Suteerachai	7/7
2.	Mr. Chusak	Yongvongphaiboon	7/7
3.	Mr. Thanakorn	Ritthibanlue	7/7
4.	Mrs. Phenchan	Yongvongphaiboon	7/7
5.	Pol.Gen.Jumpol	Munmai	7/7
6.	Mrs. Taisika	Praisangub	7/7
7.	Sub Lt. Suree	Buranathanit	7/7
8.	Mr. Chanathip	Traiwut	7/7

### 11. Subcommittee

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

## **12. Internal Control and Audit control system**

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

## **13. Report of the board of directors**

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

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

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

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

## **14. Relationship with the Investors**

The board of directors of the company is aware that the information relating to the financial and non financial. All are influence to the decision making of the investors and stakeholders of the company. Therefore there is an instructing explicitly to the management to act in the matters relating to the disclosure of the complete information, accurate, reliable and on time. Which the management of the company has been aware how important and always abide. For the part of investor relation section, at present the company has the agencies for overseeing the responsibility such as the secretary of the company together with the finance and accounting department to negotiate with the investors of that institutional, shareholder together with the analysts and related government sector in order to report the data on time.

## Corporate Social Responsibility Activities

The company has focused on how important is the organization and being participated in the society in various ways such as providing scholarships to the children of the employees on annual basis granting scholarships to elementary school and high school level at the urban areas. Together with the school to construct the toilet for the student of kindergarten school as well as participated together with the government sector to encourage the employees to donate items and others to poorer people that complementing the activities of the industrial sector and community to live together in a warm and creatively.

### Program for the community

The company has participated with school community by granting the scholarship to the students at the community school in elementary level and high school level, recognizing that the youth are important resources of the country in the future. Therefore it should promote the learning and skills development activities in the year 2014 as follows;

Scholarship Elementary School is WATNAMDANG (green dedication) of 20 scholarships	1,000 Baht.
The support of the Children's Day. School is WATNAMDANG (green dedication)	5,000 Baht.
Contribution to the community welfare fund contributions, Tambon Sasilliam	50,000 Baht
The donation of 150 sacks of rice - Foundation Trilogy You Good	75,000 Baht

### Program for employees

The Company focuses on the health of employees as well. For employees who are vital in driving business growth, sustainability and quality. In order to have an annual health check and with the advice of health care by doctors and nurses.

The company has provided its employees have participated in the training of fire and other threats by the repair of fire extinguishers, evacuation annual debt every years. In 2014, It presents both the headquarters and branch offices Bang. To provide employees with a better understanding of the health and safety of the employees who have been trained to use in their daily lives, whether in the workplace, home and community-based living.

## Summary of the transactions of the company for 2014

Summary of the transactions between the company, subsidiaries and related companies or individuals who may have conflicts of interest that occurred in 2014.

Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
Taweechoke Phanit Co.,Ltd. operates in retail of hot-rolled steel	Mr. Pornthip Yuthinupamai, Mrs. Sengchan Lee and Mrs. Vatcharee Yuthinupamai, the three are the authorized signature and shareholders of Taweechoke Phanit Co., Ltd. the sibling and mother of Miss Phenchan Yuthinupamai, the director and major shareholder of the company	The company sold the steel to Taweechoke Phanit Co., Ltd. with total outstanding account as of the end of the year	1.50	- Due to selling the steel and offer the service to cut the steel which is the normal business operation. Which the price of the steel and cut the steel with Taweechoke Phanit Co., Ltd. is the prices according to the market and the fair price given to the third party.  - Due to selling the steel sheet in big size with thickness given to the customer. The price of the steel purchase by the company with Taweechoke Phanit Co., Ltd. is the market price and fair price given to the third party which is the normal business.  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.
			0.44	
		The company purchased the steel from Taweechoke Phanit Co., Ltd.	5.10	
		With total outstanding account as of the end of the year	-0-	

Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
Permchai Panich Co.Ltd. operates sale the 2 <sup>nd</sup> grade of hot-rolled steel sheet	Mr. Virachai Suteerachai, The shareholder of the company, an uncle of Mr. Chusak Yongvongphaiboon who is a director and the shareholder of the Company.	The company sold the steel to Permchai Panich Co.Ltd. With total outstanding account as of the ended year	-0-  -0-	<p>- The transaction is a sale of steel products, and provides cutting slit, which is normal. The price that the company sells steel and features a cutting slit with limited commercial company to finish a sale at market price and the price of the sale to a third party.</p> <p>- Because there is no transaction in 2557, the Audit Committee and Corporate Governance Committee. There are no comments</p>
Permsin Steel Work Public Co.,Ltd.	The group of the relatives' Yongvongphaiboon ,The major of shareholder's Permsin Steel Public Co.,Ltd. Which is a director and the shareholder of the Company	The company purchase the coil hot-rolled steel from Permsin Steel Public Co.,Ltd.With total outstanding account as of the ended year	17.09  -0-	<p>- The cold rolled steel is the normal trading The purchase price of cold rolled steel with Permsin Steel Work Limited (the Company) as at market prices and the price of buying from a third party.</p> <p>- Audit and Corporate Governance Committee has reviewed the transaction Transactions are reasonable for the benefit of the company. The purchase price of - sales. The price to buy - sell to outsiders.</p>

Particular	Relationship	Description	Value (Million Baht)	Opinion of the Board of Audit
GJ Steel Public Co., Ltd. operates in manufacture and sale the hot-rolled steel sheet and coil	Khun Chanathip Traiwut, the director of GJ Steel Public Co., and the director of the company	The company purchase the coil hot-rolled steel from GJ Steel Public Co.,Ltd. With total outstanding account as of the ended year	192.26  -0-	<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>
G Steel Public Co., Ltd. operates in manufacture and sale the hot-rolled steel sheet and coil	Khunying Patama Leeswadtrakul ,The director and shareholder of G Steel Public Company Limited, the major of shareholder of the company.	The company purchase the coil hot-rolled steel in coil from G Steel Public Co.,Ltd. With total outstanding account as of the ended year	1.98  770.25	<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>

## History of Executive and Director

Name-Surname Position	Age (Year)	Educational qualifications	Proportion of shares in companies (%)	relationship	Work History	
					Period	Position and Location
1. Mr. Virachai Suteerachai President and Chairman	64	Master of Political Science Ramkhamhaeng University MINI MBA. Thammasat University Bachelor's Degree. RCA INSTITUTE OF TECHNOLOGY. NEW YORK U.S.A.  Passed the training of Director Accreditation Program (DAP) Batch No. 15/2004 on 18 May 2004 from Thai Institute of Directors Association.	9.67%	Uncle Mr. Chusak Yongvongphaiboon	2009 – Present  1988 – Present  1994 – Present  1976 – Present	President and Chairman, Asia Metal Public Company Limited  Managing Director, Cosmo Land & House Co., Ltd.  Managing Director, Cosmo Property Management Co.,Ltd.  Managing Director, Sinteerachai Co., Ltd.
2. Mr. Chusak Yongvongphaiboon Managing Director and authorize signatory	52	Bachelor's Degree Assumption Business Administration  Passed the training of Director Accreditation Program (DAP) Batch No. 15/2004 on 18 May 2004 and training of Director Certification Program (DCP) Batch No. 46/2004 on 25 August 2004 from Thai Institute of Directors Association	15.98%	Husband of Mrs. Phenchan	1993 – Present  2003 – Present	Managing Director, Asia Metal Public Company Limited  Directors, STC Steel Co.,Ltd.

Name-Surname Position	Age (Year)	Educational qualifications	Proportion of shares in companies (%)	relationship	Work History	
					Period	Position and Location
3. Mrs. Phenchan Yongvongphiboon Managing Director and Deputy Director authorized signatory	50	Certificate of Higher Vocational Education Assumption Commercial School. Passed the training Director Accreditation Program (DAP) Batch No. 15/2004 on 18 May 2004 and Certificate of Training Director Program (DCP) Batch No. 49/2004 on 7 October 2004 from Thai Institute of Directors Association.	8.33%	Wife of Mr. Chusak Yongvongphaib oon	1993 – Present  2003 – Present	Deputy Managing Director, Asia Metal Plc.  Directors, STC Steel Co., Ltd.
4. Mr. Tanakorn Ritthibunlue Committee and Director of Finance and account	47	Bachelor of Business Administration, Accounting Ramkhamhaeng University.  Passed the training of Director Accreditation Program (DAP) Batch No. 15/2004 on 18 May 2004 from Thai Institute of Directors Association.	-	-	2005 – Present  2003 – Present 2002 – 2005  1996 – 2002	Director of Finance and Accounting, Asia Metal Plc.. Directors, STC Steel Co.,Ltd. Finance and Accounting Manager, Asia Metal Plc. Finance and Accounting Manager, Sinterachai Co., Ltd. Business in two steel plates steel Vilas
5. Police General Jumpol Munmai Chairman of Audit Committee and Independent Director	64	Political Science of Administration, Master, Graduate Institute of science of Administration.  Passed the training of DAP Batch No. 64/2004 ACP Batch No. 19/2007 and UFS Batch No. 10/2007.	-	-	2004 – Present   2008 – 2010  2008 2006 – 2008	Chairman of Audit Committee and Independent Director, Asia Metal Public Company Limited Deputy Chief of Royal Thai Police Advisor (SorBor 10) Advisor of Prime Minister, government official

Name-Surname Position	Age (Year)	Educational qualifications	Proportion of shares in companies (%)	relationship	Work History	
					Period	Position and Location
6. Sub Lt. Suree Buranathanit Audit Committee and Independent Director	80	Master's Degree of Political Science Ramkhamhaeng University.  Master's Degree of Political Science (Diplomatic and Foreign Affairs) Chulalongkorn University  Passed the training from Thai Institute of Directors Association. (IOD) Director Accreditation Program (DAP) Batch No. 19/2004 Audit Committee Program (ACP) Batch No. 18/2007 Audit Committee Program (ACP) Batch No. 17	-	-	2004 – Present	Audit Committee and Independent Director, Asia Metal Plc.
					Present	Audit Committee and Independent Director, IT City Plc.
					Present	Qualified Director of the National Council of Boy Scouts.
					Present	Executive director of local boy scout.
					Present	Executive Council of Bangkok University
					Present	Directors Association in monitoring the development of women
					Present	Peacemaker in Thanyaburi Provincial Court
					Present	Advisor Association of Private Higher Education Institutions of Thailand
					Present	Advisor The Border Patrol Police Association of Thailand
					Present	Advisor to The Subcommittee of Boy Scout Activities, Committee on Education Chairman of Voraboon Housing Estate
Present	Advisor Sacred Heart Convent Alumni Association					

Name-Surname Position	Age (Year)	Educational qualifications	Proportion of shares in companies (%)	relationship	Work History	
					Period	Position and Location
7. Mrs. Taisika Praisangob Audit Committee and Independent Director	64	Master of Political Science of Administration Terry, University of Eastern Asia.  Passed the training from Thai Institute of Directors Association. (IOD)  Director Accreditation Program (DAP) Batch No. 15/2004 Audit Committee Program (ACP) Edition 7 / 2005	-	-	2004 – Present  2003 – Present 1999 – Present  2004 – 2009  2002 – 2003  2000 – 2001	Audit Committee and Independent Director, Asia Metal Plc. Directors, STC Steel Co.,Ltd. Director, Boonsiri Real Estate Co., Ltd. Senior Manager, Small Business 8. Siam City Bank Plc. Development Manager SorChor.,Siam City Bank Plc. Business Manager 4, Siam City Bank Plc.
8. Mr. Chanatip Triwut Director	50	MBA, National Institute of Development Administration (NIDA) Bachelor of Economics, Thammasat University  Passed the training of Director Accreditation Program (DAP) Batch No. 64/2007 on 20 July 2007 from Thai Institute of Directors Association	4.17%	-	2006 – Present 2008 – Present  2004 – Present  2004 – 2006  2001 – Present	Directors, Asia Metal Plc. Directors, G J Steel Plc. (Business: producer and distributor of Hot Rolled Coil) Directors, Felix River Kwai Resort (Kanchanaburi) (Business: hotel) Associate judge in Central Labor Court Managing Director, SSP Place Co., Ltd. (Business: office building space rental)



Name-Surname Position	Age (Year)	Educational qualifications	Proportion of shares in companies (%)	relationship	Work History		
					Period	Position and Location	
					1999 – Present	Managing Director Great Eastern International Co., Ltd.(Steel coil center)	
					1991 – Present	Managing Director Intelligence System Network Limited (Business: computer system integrator)	
9.	Mrs.Wannaree Thipsuwan	39	MBA Accountant Major , Burapha University	-	-	2012-Present	Secretary Corporation, Asia Metal Public Company Limited
						1997-1998	Finance and Accounting Manager,, AC Congress Co.ltd.

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

Name-Surname		Company	S T C Steel Co., Ltd.	Asia Metal Fabrication Co., Ltd.	Vientiane Bonded Warehouse Co., Ltd.
Mr. Virachai	Suteerachai	1,5	-	5	-
Mr. Chusak	Yongvongphaiboon	3, 5, 6	5	5,6	5,6
Mr. Tanakorn	Ritthibunlue	5, 6	5	-	-
Ms. Phenchan	Yothinaupamai	5, 6	5	-	-
Ms. Taradee	Piemsamrit	5,6	5	-	-
Police General Jumpol	Munmai	2, 5	-	-	-
Mrs. Taisika	Praisangob	4, 5	5	-	-
Sub Lieutenant Suree	Buranathanit	4, 5	-	-	-
Mr. Chanatip	Trivuth	5	-	-	-
Mr. Puvong	Korasak	-	-	-	5,6
Mr. Suwit	Ratanachinda	-	-	-	5,6
Mrs.Wannaree	Thipsuwan	7	-	-	-

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

## Report of Directors Relating to Responsibility for Financial Statements

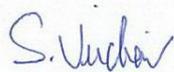
The company committee is responsible for the company's financial budget, including financial information that appears in the annual report. The financial budget has set according to the standard of certified general accounts by selecting the account policy that is appropriate and operating constantly.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

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

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

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

The committee has the opinion that the overall internal control systems of the company are in the satisfactory level and can create confidence with reason that the financial budget of Asia Metal Public Company Limited for the year that ended on December 31, 2014 is looked upon respectively by following the law and related regulations.



(Mr. Virachai Suteerachai)  
Chairman of the Board



(Mr. Chusak Yongvongphaiboon)  
Managing Director

## REPORT OF CERTIFIED PUBLIC ACCOUNTANT

### INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying consolidated financial statements of Asia Metal Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2014, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. 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, 2014, the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Opinion*

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, 2014, and their consolidated financial performance and their cash flows for the year then ended and the financial position of Asia Metal Public Company Limited and its subsidiaries as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

(Mr. Boonlert Kaewphanpurk)  
Independent Auditor  
Registration No. 4165

BPR AUDIT AND ADVISORY CO., LTD.  
Bangkok  
March 2, 2015



ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES							
STATEMENT OF FINANCIAL POSITION							
AS AT DECEMBER 31, 2014							
In Baht							
		Consolidated financial statements			Separate financial statements		
		December 31, 2014	December 31, 2013	January 1, 2013	December 31, 2014	December 31, 2013	January 1, 2013
Notes			"Reclassified"	"Reclassified"		"Reclassified"	"Reclassified"
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	6	120,881,793	51,648,357	46,711,647	112,294,636	41,839,750	39,844,391
Current investments		137,903	134,717	131,343	137,903	134,717	131,343
Trade and other receivables - related parties	5, 7	440,261	277,600	15,783,243	450,436	287,774	14,297,611
Trade and other receivables - other parties	7	660,183,041	539,361,886	851,724,629	659,768,659	538,559,043	847,785,765
Bank receivables from currency forward contracts	8	-	8,744,986	-	-	8,744,986	-
Short-term loans to and interest receivable from related parties	5	1,907,962	730,782	835,462	25,907,962	26,730,782	31,346,879
Inventories	9	1,476,130,726	1,101,758,057	1,139,359,185	1,471,700,631	1,096,885,033	1,134,090,488
Advance payment for purchasing of goods	5, 10	217,720,550	157,959,813	257,855,678	217,720,550	157,959,813	257,855,678
Other current assets		392,793	1,789,021	4,271,088	346,559	1,789,021	4,225,955
<b>Total current assets</b>		<b>2,477,795,029</b>	<b>1,862,405,219</b>	<b>2,316,672,275</b>	<b>2,488,327,336</b>	<b>1,872,930,919</b>	<b>2,329,578,110</b>
<b>NON - CURRENT ASSETS</b>							
Deposits at financial institutions pledged as collateral	11	149,291,956	87,357,325	76,697,786	148,345,215	86,431,212	75,792,786
Available-for-sales investments	12	29,744,400	21,246,000	-	29,744,400	21,246,000	-
Investments in associates	13	143,239,200	286,715	286,715	150,000,000	86,323	86,323
Investments in subsidiaries	14	-	-	-	22,000,000	22,000,000	22,000,000
Property, plant and equipment	15	1,154,330,997	999,231,449	1,052,668,056	1,106,408,920	951,642,650	1,001,588,918
Intangible assets		11,550,887	-	-	11,550,887	-	-
Deposit for machineries acquisition		21,198,088	163,505,892	100,269,844	21,198,088	163,505,892	100,269,844
Assets not used in operation		1,800,000	5,000,000	5,000,000	1,800,000	5,000,000	5,000,000
Deferred tax assets	24	31,639,031	27,121,077	15,508,206	31,639,031	27,121,077	15,508,206
Other non - current assets		5,088,242	6,650,724	7,418,403	4,840,641	6,357,941	6,002,736
<b>Total non - current assets</b>		<b>1,547,882,801</b>	<b>1,310,399,182</b>	<b>1,257,849,010</b>	<b>1,527,527,182</b>	<b>1,283,391,095</b>	<b>1,226,248,813</b>
<b>TOTAL ASSETS</b>		<b>4,025,677,830</b>	<b>3,172,804,401</b>	<b>3,574,521,285</b>	<b>4,015,854,518</b>	<b>3,156,322,014</b>	<b>3,555,826,923</b>



ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES							
STATEMENT OF FINANCIAL POSITION							
AS AT DECEMBER 31, 2014							
In Baht							
Consolidated financial statements							
Separate financial statements							
December 31, 2014							
December 31, 2013							
January 1, 2013							
December 31, 2014							
December 31, 2013							
January 1, 2013							
Notes							
"Reclassified"							
"Reclassified"							
"Reclassified"							
"Reclassified"							
"Reclassified"							
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>							
<b>CURRENT LIABILITIES</b>							
Short-term loans from financial institutions	16	1,939,378,171	1,234,293,070	1,428,123,285	1,939,378,171	1,234,293,070	1,428,123,285
Trade and other payables - related parties	5, 17	654,308	6,113,301	285,621	1,141,528	6,993,257	1,287,127
Trade and other payables - other parties	17	317,563,578	152,717,537	345,403,049	312,962,802	145,833,187	338,671,075
Bank payables from currency forward contracts	8	4,437,889	-	17,831,440	4,437,889	-	17,831,440
Current portion of liabilities under financial lease contracts	18	1,476,664	1,015,810	1,436,994	1,476,664	1,015,810	1,436,994
Current portion of long-term loans from financial institutions		-	-	12,500,000	-	-	12,500,000
Advance received from construction projects		-	-	7,663,978	-	-	-
Income tax payable		9,300,274	284,805	31,228,466	9,300,274	284,805	31,228,466
<b>Total current liabilities</b>		<b>2,272,810,884</b>	<b>1,394,424,523</b>	<b>1,844,472,833</b>	<b>2,268,697,328</b>	<b>1,388,420,129</b>	<b>1,831,078,387</b>
<b>NON - CURRENT LIABILITIES</b>							
Liabilities under financial lease contracts - net of current portion	18	1,250,894	439,681	738,398	1,250,894	439,681	738,398
Deferred tax liabilities	24	3,517,747	2,665,960	3,065,854	-	-	-
Employee benefit obligations	19	4,392,774	4,735,312	4,287,691	3,320,617	3,663,155	3,256,428
<b>Total non - current liabilities</b>		<b>9,161,415</b>	<b>7,840,953</b>	<b>8,091,943</b>	<b>4,571,511</b>	<b>4,102,836</b>	<b>3,994,826</b>
<b>TOTAL LIABILITIES</b>		<b>2,281,972,299</b>	<b>1,402,265,476</b>	<b>1,852,564,776</b>	<b>2,273,268,839</b>	<b>1,392,522,965</b>	<b>1,835,073,213</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	549,973,800	549,973,800
Issued and fully paid - up share capital							
- 480,096,277 shares of Baht 1 par value in 2014 and 479,937,265 shares of Baht 1 par value in 2013	20	480,096,277	479,937,265	479,937,265	480,096,277	479,937,265	479,937,265
Premium on common shares	20	297,745,124	297,427,100	297,427,100	297,745,124	297,427,100	297,427,100
Retained earnings							
- Appropriated for legal reserve	21	55,000,000	55,000,000	52,100,000	55,000,000	55,000,000	52,100,000
- Unappropriated		801,049,872	904,224,519	828,459,635	817,322,047	911,273,837	839,165,690
Other components of shareholders' equity		107,868,350	32,199,819	63,762,733	92,422,231	20,160,847	52,123,655
Total equity attributable to equity holders of the parent company		1,741,759,623	1,768,788,703	1,721,686,733	1,742,585,679	1,763,799,049	1,720,753,710
Non-controlling interests		1,945,908	1,750,222	269,776	-	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,743,705,531</b>	<b>1,770,538,925</b>	<b>1,721,956,509</b>	<b>1,742,585,679</b>	<b>1,763,799,049</b>	<b>1,720,753,710</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>4,025,677,830</b>	<b>3,172,804,401</b>	<b>3,574,521,285</b>	<b>4,015,854,518</b>	<b>3,156,322,014</b>	<b>3,555,826,923</b>

<b>ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES</b>					
<b>STATEMENT OF COMPREHENSIVE INCOME</b>					
<b>FOR THE YEAR ENDED DECEMBER 31, 2014</b>					
		In Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2014	2013	2014	2013
<b>REVENUES</b>					
	5, 23				
Revenues from sales and service		4,781,881,936	5,422,887,737	4,781,881,937	5,422,999,306
Gain on foreign currency exchange		13,096,572	-	13,096,572	-
Other income		38,625,624	22,662,599	38,679,664	12,341,923
<b>Total Revenues</b>		<b>4,833,604,132</b>	<b>5,445,550,336</b>	<b>4,833,658,173</b>	<b>5,435,341,229</b>
<b>EXPENSES</b>					
	5, 23				
Cost of sales and services		4,650,226,920	4,986,235,442	4,649,961,650	4,985,379,748
Selling expenses		69,228,356	79,003,350	69,228,356	79,003,350
Administrative expenses		76,629,123	82,291,287	74,714,118	78,099,044
Loss on foreign currency exchange		-	40,028,790	-	40,028,790
Management benefit expenses		8,840,894	10,010,483	8,840,894	10,010,483
Finance costs		39,837,654	35,983,476	39,805,599	35,959,489
<b>Total Expenses</b>		<b>4,844,762,947</b>	<b>5,233,552,828</b>	<b>4,842,550,617</b>	<b>5,228,480,904</b>
<b>Profit (Loss) before share of loss on investment in associate and income tax</b>		<b>(11,158,815)</b>	<b>211,997,508</b>	<b>(8,892,444)</b>	<b>206,860,325</b>
Share of loss on investment in associate	13	(6,760,800)	-	-	-
<b>Profit (Loss) before income tax</b>		<b>(17,919,615)</b>	<b>211,997,508</b>	<b>(8,892,444)</b>	<b>206,860,325</b>
Income tax income (expenses)	24	580,191	(45,464,370)	580,191	(45,464,370)
<b>Profit (Loss) for the year</b>		<b>(17,339,424)</b>	<b>166,533,138</b>	<b>(8,312,253)</b>	<b>161,395,955</b>
<b>Other comprehensive income (loss) - net of tax</b>					
Surplus on revaluation of land		86,087,264	-	81,828,330	-
Gain (Loss) from change in fair value of available-for-sale investments		(8,498,400)	(42,492,000)	(8,498,400)	(42,492,000)
Actuarial gain from employee benefit plan	19	963,534	-	963,534	-
Effect of new tax rate imposition to other comprehensive income					
- Premium on land revaluation		-	2,030,792	-	2,030,792
- Adjustment from the combination of entity under common controls		-	399,894	-	-
Income tax relating to components of other comprehensive income	24	(15,710,479)	8,498,400	(14,858,693)	8,498,400
Other comprehensive income for the year		62,841,919	(31,562,914)	59,434,771	(31,962,808)
<b>Total comprehensive income for the year</b>		<b>45,502,495</b>	<b>134,970,224</b>	<b>51,122,518</b>	<b>129,433,147</b>
<b>Profit (Loss) for the year attributable to:</b>					
- Equity holders of the parent company		(17,535,110)	165,052,692	(8,312,253)	161,395,955
- Non-controlling interests		195,686	1,480,446	-	-
		<b>(17,339,424)</b>	<b>166,533,138</b>	<b>(8,312,253)</b>	<b>161,395,955</b>
<b>Total comprehensive income for the year attributable to:</b>					
- Equity holders of the parent company		45,306,809	133,489,778	51,122,518	129,433,147
- Non-controlling interests		195,686	1,480,446	-	-
		<b>45,502,495</b>	<b>134,970,224</b>	<b>51,122,518</b>	<b>129,433,147</b>
<b>BASIC EARNINGS (LOSS) PER SHARE</b>					
Profit (Loss) attributable to Equity holders of the parent company	25	(0.0365)	0.3439	(0.0173)	0.3363



ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES												
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY												
FOR THE YEAR ENDED DECEMBER 31, 2014												
In Baht												
Consolidated financial statements												
Shareholders' equity of the parent company												
	Notes	Issued and fully paid-up share capital	Premium on share capital	Retained earnings		Premium on land revaluation	Adjustment from the combination of entity under common controls	Change in fair value of available-for-sales investments	Total other components of shareholders' equity	Total equity attributable to owners of the parent company	Non-controlling interests	Total shareholders' equity
				Appropriated for legal reserve	Unappropriated							
<b>Balance as at January 1, 2013</b>		479,937,265	297,427,100	52,100,000	828,459,635	52,123,655	11,639,078	-	63,762,733	1,721,686,733	269,776	1,721,956,509
<b>Transaction with owners, recorded directly in shareholders' equity</b>												
Legal reserve		-	-	2,900,000	(2,900,000)	-	-	-	-	-	-	-
Dividends paid	21	-	-	-	(86,387,808)	-	-	-	-	(86,387,808)	-	(86,387,808)
<b>Total transactions with owners, recorded directly in shareholders' equity</b>		479,937,265	297,427,100	55,000,000	739,171,827	52,123,655	11,639,078	-	63,762,733	1,635,298,925	269,776	1,635,568,701
<b>Comprehensive income (loss) for the year</b>												
Profit for the year		-	-	-	165,052,692	-	-	-	-	165,052,692	1,480,446	166,533,138
Other comprehensive income (loss)		-	-	-	-	2,030,792	399,894	(33,993,600)	(31,562,914)	(31,562,914)	-	(31,562,914)
<b>Total comprehensive income (loss) for the year</b>		-	-	-	165,052,692	2,030,792	399,894	(33,993,600)	(31,562,914)	133,489,778	1,480,446	134,970,224
<b>Balance as at December 31, 2013</b>		479,937,265	297,427,100	55,000,000	904,224,519	54,154,447	12,038,972	(33,993,600)	32,199,819	1,768,788,703	1,750,222	1,770,538,925
<b>Balance as at January 1, 2014</b>		479,937,265	297,427,100	55,000,000	904,224,519	54,154,447	12,038,972	(33,993,600)	32,199,819	1,768,788,703	1,750,222	1,770,538,925
<b>Transaction with owners, recorded directly in shareholders' equity</b>												
Dividends paid	21	-	-	-	(86,410,364)	-	-	-	-	(86,410,364)	-	(86,410,364)
Warrants exercised to buy common shares	20	159,012	318,024	-	-	-	-	-	-	477,036	-	477,036
<b>Total transactions with owners, recorded directly in shareholders' equity</b>		480,096,277	297,745,124	55,000,000	817,814,155	54,154,447	12,038,972	(33,993,600)	32,199,819	1,682,855,375	1,750,222	1,684,605,597
<b>Comprehensive income (loss) for the year</b>												
Profit (Loss) for the year		-	-	-	(17,535,110)	-	-	-	-	(17,535,110)	195,686	(17,339,424)
Other comprehensive income		-	-	-	770,827	68,869,811	-	6,798,720	75,668,531	76,439,358	-	76,439,358
<b>Total comprehensive income (loss) for the year</b>		-	-	-	(16,764,283)	68,869,811	-	6,798,720	75,668,531	58,904,248	195,686	59,099,934
<b>Balance as at December 31, 2014</b>		480,096,277	297,745,124	55,000,000	801,049,872	123,024,258	12,038,972	(27,194,880)	107,868,350	1,741,759,623	1,945,908	1,743,705,531

<b>ASIA METAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES</b>				
<b>STATEMENT OF CASH FLOWS (CONTINUED)</b>				
<b>FOR THE YEAR ENDED DECEMBER 31, 2014</b>				
In Baht				
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in current investments	-	(3,374)	-	(3,374)
Increase in deposits at financial institutions pledged as collateral	(61,934,631)	(10,659,539)	(61,914,002)	(10,638,426)
Decrease (Increase) in short-term loans to related parties	(1,177,180)	104,680	(1,177,180)	4,616,097
Cash paid for purchases of investments in associate	(150,000,000)	-	(150,000,000)	-
Increase in deposit for machineries acquisition	(19,992,449)	(63,236,048)	(19,992,449)	(63,236,048)
Cash paid for purchase of property, plant and equipment	(16,254,011)	(55,740,332)	(16,254,011)	(55,740,332)
Repayments of liabilities under financial lease contracts	(4,408,211)	-	(4,408,211)	-
Cash paid for purchase of intangible assets	(1,344,032)	-	(1,344,032)	-
Cash received from sale of fixed assets	1,568,053	1,149,368	1,565,421	1,149,368
Interest received	2,102,609	-	4,102,609	-
<b>Net Cash Used in Investing Activities</b>	<b>(251,439,852)</b>	<b>(128,385,245)</b>	<b>(249,421,855)</b>	<b>(123,852,715)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase (Decrease) in short-term loans from financial institutions	716,018,812	(217,931,847)	716,018,812	(217,931,847)
Repayments of long-term loans from financial institutions	-	(12,500,000)	-	(12,500,000)
Proceeds from warrants exercised to purchase common shares	477,036	-	477,036	-
Dividends paid	(86,410,364)	(86,387,808)	(86,410,364)	(86,387,808)
<b>Net Cash Provided by (Used in) Financial Activities</b>	<b>630,085,484</b>	<b>(316,819,655)</b>	<b>630,085,484</b>	<b>(316,819,655)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>69,233,436</b>	<b>4,936,710</b>	<b>70,454,886</b>	<b>1,995,359</b>
Cash and cash equivalents at beginning of year	51,648,357	46,711,647	41,839,750	39,844,391
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>120,881,793</b>	<b>51,648,357</b>	<b>112,294,636</b>	<b>41,839,750</b>
<b>Supplemental Disclosure of Cash Flow Information</b>				
<b>Non-cash transactions</b>				
The Company purchased assets under financial lease contracts	5,505,000	-	5,505,000	-

## 1. GENERAL INFORMATION

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

The principal business operation of the Company is to produce and sell of processed steel products. There are two subsidiaries which operate to produce and sell of processed steel products and steel structure installation and factory construction service.

The Company and its subsidiaries operate in Thailand.

## 2. BASIS OF FINANCIAL STATEMENT PREPARATION

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

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

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand Baht unless otherwise stated.

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

### 2.2) Basis of consolidation

a) The consolidated financial statements include the financial statements of Asia Metal Public Company Limited and its subsidiaries as at December 31, 2014 and 2013 as follows:

Name of companies	Nature of business	In Thousand Baht		Percentage of shareholdings	
		2014	2013	2014	2013
STC Steel Co., Ltd.	Produce and sell of processed steel products	20,000	20,000	100.00	100.00
Asia Metal Fabrication Co., Ltd.	Factory construction service	20,000	20,000	55.00	55.00

b) Subsidiary is fully consolidated as from being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

- c) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements, which present investments in subsidiary under the cost method, have been prepared solely for the benefit of the public.

### **3. APPLICATION OF NEW ACCOUNTING STANDARDS, FINANCIAL REPORTING STANDARD AND ACCOUNTING STANDARD INTERPRETATION**

The Federation of Accounting Professions has issued notifications, already published in the Royal Gazette, mandating the use of accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations as follows:

a) Accounting standards, financial reporting standards and interpretations which were effective.

		<u>Effective date</u>
<b>Accounting Standards:</b>		
TAS 1 (Revised 2012)	Presentation of Financial Statements	January 1, 2014
TAS 7 (Revised 2012)	Statement of Cash Flows	January 1, 2014
TAS 12 (Revised 2012)	Income Taxes	January 1, 2014
TAS 17 (Revised 2012)	Leases	January 1, 2014
TAS 18 (Revised 2012)	Revenues	January 1, 2014
TAS 19 (Revised 2012)	Employee Benefits	January 1, 2014
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rate	January 1, 2014
TAS 24 (Revised 2012)	Related Party Disclosures	January 1, 2014
TAS 28 (Revised 2012)	Investment in Associates	January 1, 2014
TAS 31 (Revised 2012)	Interests in Joint Venture	January 1, 2014
TAS 34 (Revised 2012)	Interim Financial Reporting	January 1, 2014
TAS 38 (Revised 2012)	Intangible Assets	January 1, 2014
<b>Financial Reporting Standards:</b>		
TFRS 2 (Revised 2012)	Share - Based Payments	January 1, 2014
TFRS 3 (Revised 2012)	Business Combinations	January 1, 2014
TFRS 5 (Revised 2012)	Non - current Assets Held for Sale and Discontinued Operations	January 1, 2014
TFRS 8 (Revised 2012)	Operating Segments	January 1, 2014
<b>Accounting Standard Interpretations:</b>		
TSIC 15	Operating Leases-Incentives	January 1, 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	January 1, 2014
TSIC 29	Service Concession Arrangements: Disclosures	January 1, 2014
TSIC 32	Intangible Assets-Web Site Costs	January 1, 2014
<b>Financial Reporting Standard Interpretations:</b>		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	January 1, 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	January 1, 2014
<b>Financial Reporting Standard Interpretations:</b>		
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	January 1, 2014

		<u>Effective date</u>
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	January 1, 2014
TFRIC 10	Interim Financial Reporting and Impairment	January 1, 2014
TFRIC 12	Service Concession Arrangements	January 1, 2014
TFRIC 13	Customer Loyalty Programmes	January 1, 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	January 1, 2014
TFRIC 18	Transfer of Assets from Customers	January 1, 2014

The revised accounting standard, revised financial reporting standards and related interpretations have no significant impact to the Company and its subsidiaries.

b) New accounting standards, financial reporting standards and interpretations issued not yet effective

		<u>Effective date</u>
<b>Accounting Standards:</b>		
TAS 1 (Revised 2014)	Presentation of Financial Statements	January 1, 2015
TAS 2 (Revised 2014)	Inventories	January 1, 2015
TAS 7 (Revised 2014)	Statement of Cash Flows	January 1, 2015
TAS 8 (Revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	January 1, 2015
TAS 10 (Revised 2014)	Events after the Reporting Period	January 1, 2015
TAS 11 (Revised 2014)	Construction Contracts	January 1, 2015
TAS 12 (Revised 2014)	Income Taxes	January 1, 2015
TAS 16 (Revised 2014)	Property, Plant and Equipment	January 1, 2015
TAS 17 (Revised 2014)	Leases	January 1, 2015
TAS 18 (Revised 2014)	Revenue	January 1, 2015
TAS 19 (Revised 2014)	Employee Benefits	January 1, 2015
TAS 20 (Revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2015
TAS 21 (Revised 2014)	The Effects of Changes in Foreign Exchange Rates	January 1, 2015
TAS 23 (Revised 2014)	Borrowing Costs	January 1, 2015
TAS 24 (Revised 2014)	Related Party Disclosures	January 1, 2015
TAS 26 (Revised 2014)	Accounting and Reporting by Retirement Benefit Plans	January 1, 2015
TAS 27 (Revised 2014)	Separate Financial Statements	January 1, 2015
TAS 28 (Revised 2014)	Investments in Associates and Joint Ventures	January 1, 2015
TAS 29 (Revised 2014)	Financial Reporting in Hyperinflationary Economies	January 1, 2015
TAS 33 (Revised 2014)	Earnings per Share	January 1, 2015
TAS 34 (Revised 2014)	Interim Financial Reporting	January 1, 2015
TAS 36 (Revised 2014)	Impairment of Assets	January 1, 2015
TAS 37 (Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	January 1, 2015
TAS 38 (Revised 2014)	Intangible Assets	January 1, 2015

			<u>Effective date</u>
TAS 40 (Revised 2014)		Investment Property	January 1, 2015
<b>Financial Reporting Standard:</b>			
TFRS 2 (Revised 2014)		Share-based Payment	January 1, 2015
TFRS 3 (Revised 2014)		Business Combinations	January 1, 2015
TFRS 4 (Revised 2014)		Insurance Contracts	January 1, 2016
TFRS 5 (Revised 2014)		Non-current Assets Held for Sale and Discontinued Operations	January 1, 2015
TFRS 6 (Revised 2014)		Exploration for and Evaluation of Mineral Resources	January 1, 2015
TFRS 8 (Revised 2014)		Operating Segments	January 1, 2015
TFRS 10		Consolidated Financial Statements	January 1, 2015
TFRS 11		Joint Arrangements	January 1, 2015
TFRS 12		Disclosure of Interests in Other Entities	January 1, 2015
TFRS 13		Fair Value Measurement	January 1, 2015
<b>Accounting Standard Interpretations:</b>			
TSIC 10 (Revised 2014)		Government Assistance - No Specific Relation to Operating Activities	January 1, 2015
TSIC 15 (Revised 2014)		Operating Leases - Incentives	January 1, 2015
TSIC 25 (Revised 2014)		Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	January 1, 2015
TSIC 27 (Revised 2014)		Evaluating the Substance of Transactions Involving the Legal Form of a Lease	January 1, 2015
TSIC 29 (Revised 2014)		Service Concession Arrangements: Disclosures	January 1, 2015
TSIC 31 (Revised 2014)		Revenue - Barter Transactions Involving Advertising Services	January 1, 2015
TSIC 32 (Revised 2014)		Intangible Assets - Web Site Costs	January 1, 2015
<b>Financial Reporting Standard Interpretations:</b>			
TFRIC 1 (Revised 2014)		Changes in Existing Decommissioning, Restoration and Similar Liabilities	January 1, 2015
TFRIC 4 (Revised 2014)		Determining whether an Arrangement contains a Lease	January 1, 2015
TFRIC 5 (Revised 2014)		Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	January 1, 2015
TFRIC 7 (Revised 2014)		Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	January 1, 2015
TFRIC 10 (Revised 2014)		Interim Financial Reporting and Impairment	January 1, 2015
TFRIC 12 (Revised 2014)		Service Concession Arrangements	January 1, 2015
TFRIC 13 (Revised 2014)		Customer Loyalty Programmes	January 1, 2015

			<u>Effective date</u>
2014)			
TFRIC 14		TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	January 1, 2015
TFRIC 15	(Revised 2014)	Agreements for the Construction of Real Estate	January 1, 2015
TFRIC 17	(Revised 2014)	Distributions of Non-cash Assets to Owners	January 1, 2015
TFRIC 18	(Revised 2014)	Transfers of Assets from Customers	January 1, 2015
TFRIC 20		Stripping Costs in the Production Phase of a Surface Mine	January 1, 2015

The Company and its subsidiaries have made a preliminary assessment of the potential initial impact on the financial statements of these new and revised TFRSs and expects that there will be no material impact on the financial statements in the period of initial application.

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

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

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

##### ***Business combinations***

The Company and its subsidiaries apply 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 recognises 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 recognised directly in the profit or loss.

### *Subsidiary*

Subsidiary are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. If subsidiary of the Company uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to their financial statements in preparing the consolidated financial statements.

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 derecognises 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 recognised in profit or loss. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted or as an investment available-for-sale investment depending on the level of influence retained.

### *Investment in associate*

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

### *Foreign Currencies*

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

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

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

### ***Cash and cash equivalents***

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less since it is acquired and not subject to withdrawal restrictions.

### ***Trade and other receivables***

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

### ***Inventories***

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

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

### ***Investments***

#### ***Investments in subsidiaries***

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

#### ***Investment in associate***

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

#### ***Investments in other debt and other equity securities***

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

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

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

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

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

#### *Disposal of investments*

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

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

#### *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
Machineries and equipment	5, 10	years
Vehicles	5	years
Furniture, fixtures and office equipment	5	years

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

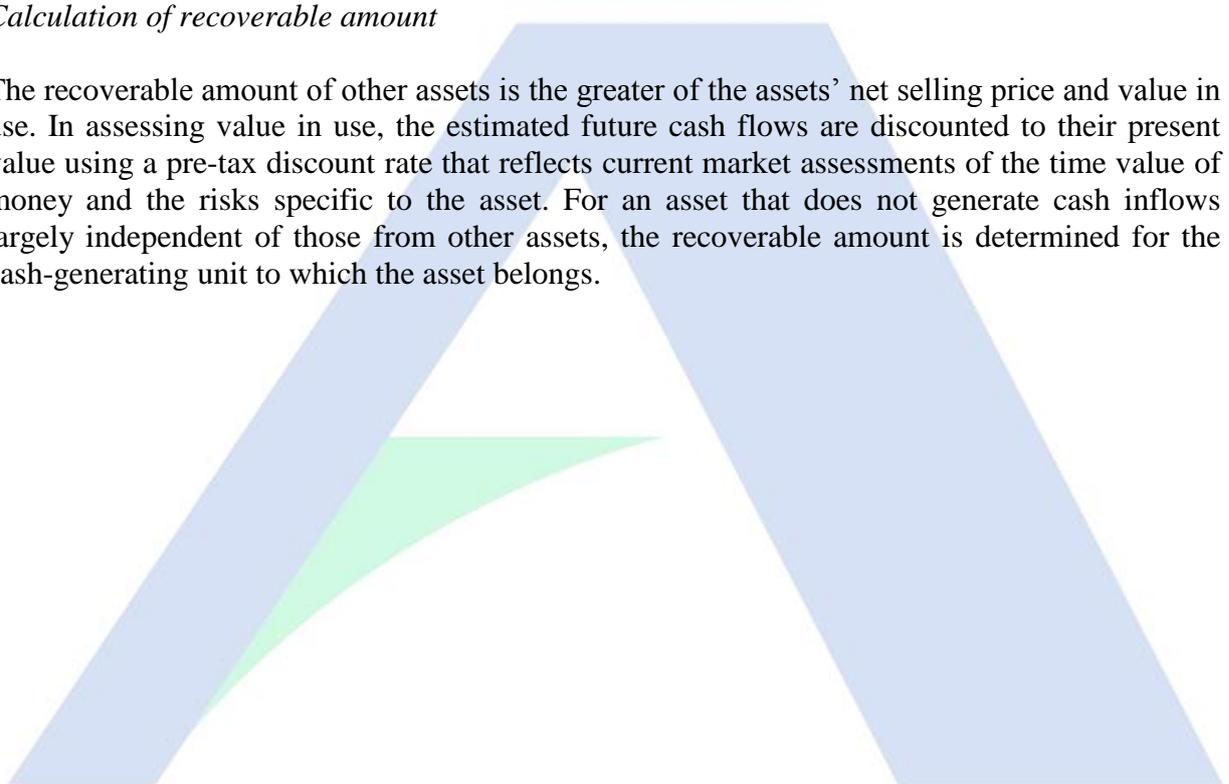
### ***Impairment of assets***

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

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

### ***Calculation of recoverable amount***

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



### *Reversals of impairment*

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

### *Leases - where a Company is the lessee*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Company leases certain property, plant and equipment. Leases of property, plant or equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

### *Trade and other payables*

Trade and other payables are stated at cost.

### *Employee benefits*

#### *Short-term employee benefits*

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

The Company and its employees have jointly established a provident fund as approved by the Ministry of Finance in accordance with the Provident Fund (B.E. 2530). Contributions are made to the fund by both employees at the rate of 2 percent of salary and the Company at the rate of 2 percent of salary. Provident fund contributions is recorded as expenses in the year incurred.

#### *Post-employment benefits*

##### *Defined benefit plans*

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

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

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

### ***Provisions***

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

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

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

### ***Revenue recognition***

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

#### ***Sales of goods and services rendered***

Revenue from sales is recognized in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized 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.

Service income is recognized as services.

#### *Interest income and other income*

Interest income and other income are recognized in the statement of comprehensive income as it accrues.

#### *Dividends*

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

#### **Expenses**

##### *Operating leases*

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

##### *Finance costs*

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

##### **Income tax**

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

##### *Current tax*

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

##### *Deferred tax*

Deferred income 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 income tax asset is realised or the deferred income tax liability is settled.

The Company and its subsidiary recognise deferred tax liabilities for all taxable temporary differences while they recognise 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 subsidiary 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 income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income 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.

### ***Significant accounting estimates and assumptions***

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

#### ***Leases***

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

#### ***Allowance for doubtful accounts and loans***

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

### *Impairment of investments*

The Company treats investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

### *Fair value of financial instruments*

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

### *Property plant and equipment and depreciation*

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

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

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

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

## **5. RELATED PARTY TRANSACTIONS**

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

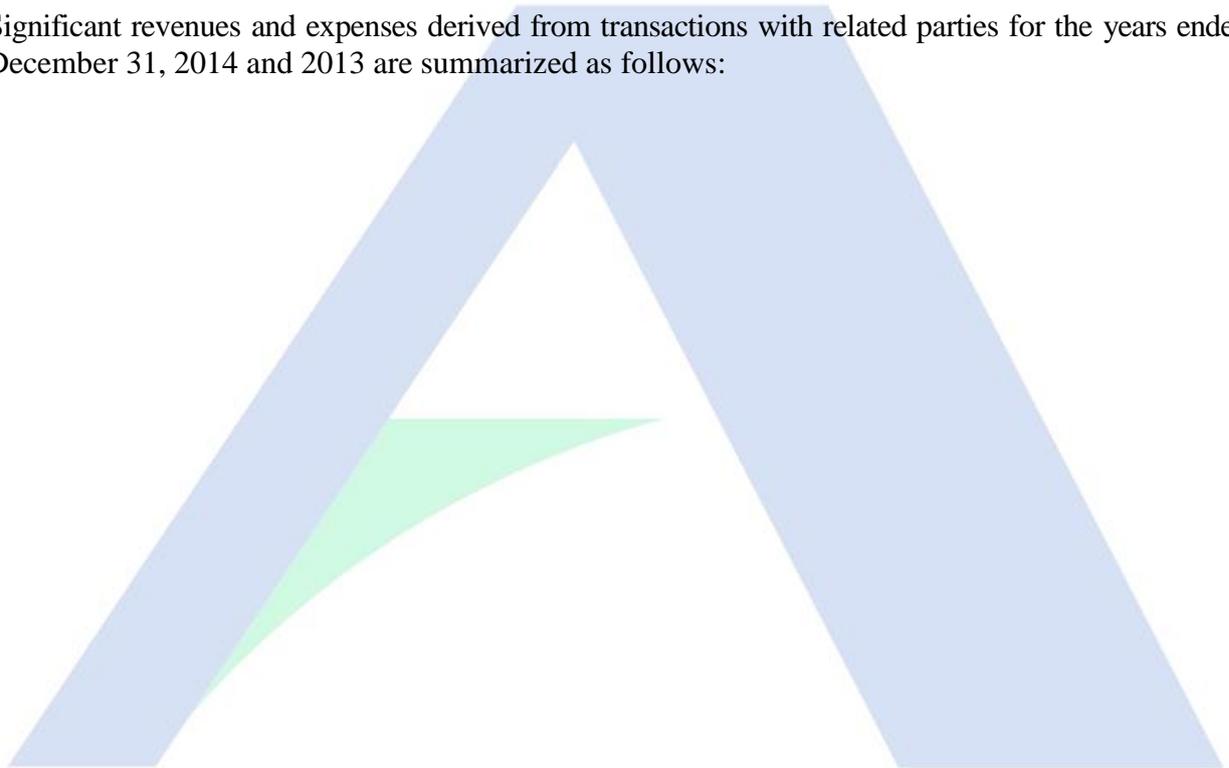
Types of relationship of related parties are as follows:

The Company's name	Type of business	Type of relationship
STC Steel Co., Ltd.	Manufacturing of steel pipe and U-channel steel bars	Subsidiary
Asia Metal Fabrication Co., Ltd.	Steel structure installation service and factory construction	Subsidiary
Vientiane Bonded Warehouse Co., Ltd.	Providing bonded warehouse service on the border of Lao PDR	Associate
Delong (Thailand) Co., Ltd.	Production and distribution of steel and basic steel barrier dare, including hot rolled and structural steel	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 Company Limited	Manufacturing and distribution of hot rolled coil steel products	Co - shareholders
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
Permsahai Steel 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	Co directors
Other related person	-	Employee

Pricing policies for each transactions are described as follows:

Type of transactions	Pricing policies
Revenue from sale of goods and services	Carried out on commercial terms and conditions
Interest income	Approximates to the Company's average cost of finance. There is no interest charged for the loans to employees
Other income	Charged at the rate according to the agreements
Purchases of goods, raw materials and services	At cost and carried out on commercial terms and conditions

Significant revenues and expenses derived from transactions with related parties for the years ended December 31, 2014 and 2013 are summarized as follows:



	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
<b>Revenue from sale of goods and services</b>				
Taweechoke Panich Co., Ltd.	1,497	92,193	1,497	92,193
Permchaipanich Co., Ltd.	-	166	-	166
<b>Total</b>	<b>1,497</b>	<b>92,359</b>	<b>1,497</b>	<b>92,359</b>
<b>Other income and interest income</b>				
STC Steel Co., Ltd.	-	-	120	90
Taweechoke Panich Co., Ltd.	1,910	1,891	1,910	1,891
Permchaipanich Co., Ltd.	-	257	-	257
<b>Total</b>	<b>1,910</b>	<b>2,148</b>	<b>2,030</b>	<b>2,238</b>
<b>Purchase of goods , raw materials and cost of services</b>				
STC Steel Co., Ltd.	-	-	7,110	6,128
G Steel Public Co., Ltd.	770,254	-	770,254	-
G J Steel Public Co., Ltd.	192,258	64,945	192,258	64,945
Permsin Steel Works Public Co., Ltd.	17,085	45,407	17,085	45,407
Taweechoke Panich Co., Ltd.	5,071	1,103	5,071	1,103
<b>Total</b>	<b>984,668</b>	<b>111,455</b>	<b>991,778</b>	<b>117,583</b>

Key managements personnel compensation and directors' remuneration for the years ended December 31, 2014 and 2013, are as follows:

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2014	2013
<b>Key managements personnel compensation and directors' remuneration</b>		
Short-term employment benefits	8,801	9,958
Post-employment benefits	40	52
<b>Total</b>	<b>8,841</b>	<b>10,010</b>

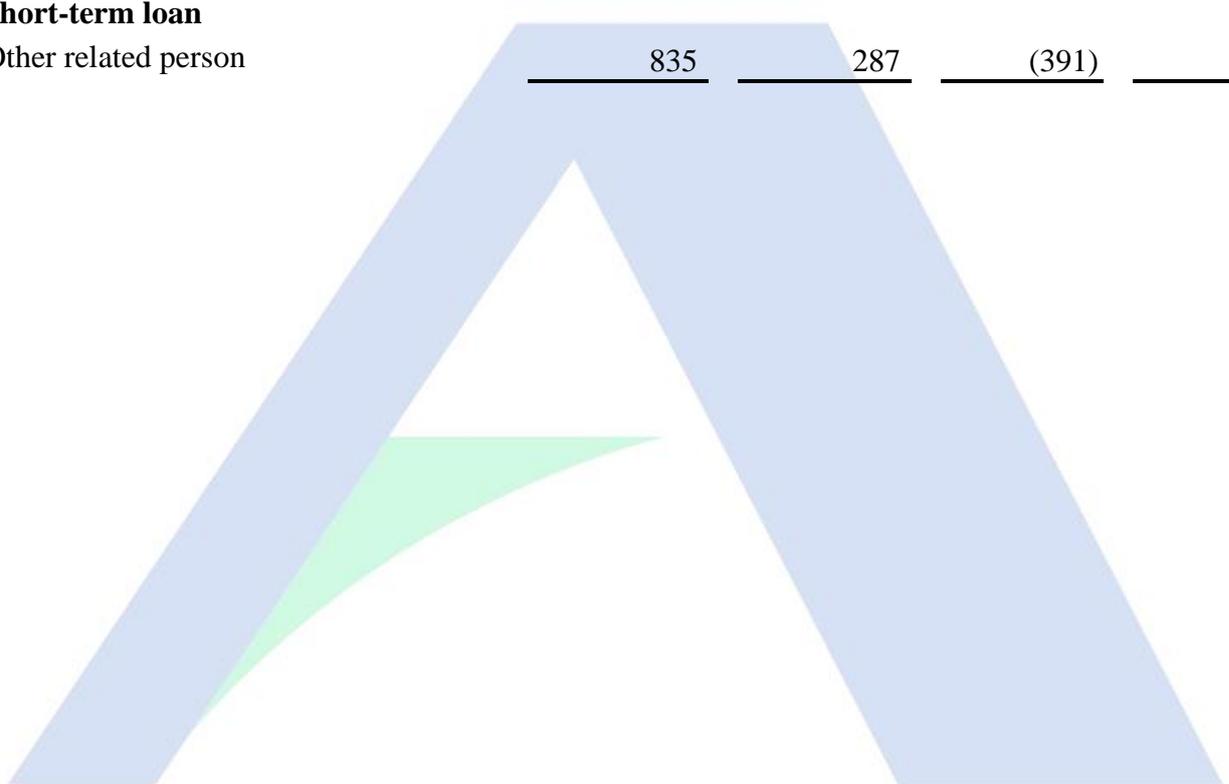
Significant balances as at December 31, 2014 and 2013, with related parties were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
<b>Trade and other receivables</b>				
<b>Trade receivable</b>				
Taweechoke Panich Co., Ltd.	440	278	440	278
Other receivable				
STC Steel Co., Ltd.	-	-	10	10
<b>Total</b>	<b>440</b>	<b>278</b>	<b>450</b>	<b>288</b>
Short-term loans to and interest receivable				
Other related person (No interest)	1,908	731	1,908	731
Accrued interest				
STC Steel Co., Ltd.	-	-	24,000	26,000
<b>Total</b>	<b>1,908</b>	<b>731</b>	<b>25,908</b>	<b>26,731</b>
Advance payment for purchasing of goods				
G Steel Public Co., Ltd.	1,978	1,308	1,978	1,308
Trade and other payables				
Trade payables				
Director	651	-	651	-
Permsin Steel Works Public Co., Ltd.	-	5,892	-	5,892
Taweechoke Panich Co., Ltd	-	221	-	221
STC Steel Co., Ltd.	-	-	-	193
Other payable				
STC Steel Co., Ltd.	-	-	487	687
Taweechoke Panich Co., Ltd	3	-	3	-
<b>Total</b>	<b>654</b>	<b>6,113</b>	<b>1,141</b>	<b>6,993</b>

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

	In Thousand Baht			
	Consolidated Financial Statements			
	2013	Increase	Decrease	2014
<b>Short-term loan</b>				
Other related person	731	1,932	(755)	1,908

	In Thousand Baht			
	Consolidated Financial Statements			
	2012	Increase	Decrease	2013
<b>Short-term loan</b>				
Other related person	835	287	(391)	731



	In Thousand Baht			
	Separate financial statements			
	2013	Increase	Decrease	2014
<b>Short-term loan</b>				
Other related person	731	1,932	(755)	1,908
<b>Accrued interest</b>				
STC Steel Co., Ltd.	26,000	-	(2,000)	24,000
<b>Total</b>	<b>26,731</b>	<b>1,932</b>	<b>(2,755)</b>	<b>25,908</b>

	In Thousand Baht			
	Separate Financial Statements			
	2012	Increase	Decrease	2013
<b>Short-term loan</b>				
Other related person	835	287	(391)	731
<b>Accrued interest</b>				
STC Steel Co., Ltd.	30,512	-	(4,512)	26,000
<b>Total</b>	<b>31,347</b>	<b>287</b>	<b>(4,903)</b>	<b>26,731</b>

## 6. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Cash	125	123	122	122
Deposits	120,757	51,525	112,173	41,718
<b>Total</b>	<b>120,882</b>	<b>51,648</b>	<b>112,295</b>	<b>41,840</b>

## 7. TRADE AND OTHER RECEIVABLES

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
<b>Trade and other receivables - Related parties</b>				
Trade receivable	440	278	440	278
Other receivable	-	-	10	10
<b>Total</b>	<b>440</b>	<b>278</b>	<b>450</b>	<b>288</b>
<b>Trade and other receivables - Other parties</b>				
Trade receivables	545,903	492,956	544,820	491,873
Posted date cheques	168,003	111,225	167,953	109,375
<b>Total</b>	<b>713,906</b>	<b>604,181</b>	<b>712,773</b>	<b>601,248</b>
Less : Allowance for doubtful accounts	(86,027)	(79,484)	(84,894)	(76,551)
<b>Net</b>	<b>627,879</b>	<b>524,697</b>	<b>627,879</b>	<b>524,697</b>
Other receivables				
Prepaid expenses	4,984	2,243	4,913	1,805
Advance payment	6,576	12,337	6,377	12,057
Others	20,744	85	20,600	-
<b>Total</b>	<b>32,304</b>	<b>14,665</b>	<b>31,890</b>	<b>13,862</b>
<b>Total</b>	<b>660,183</b>	<b>539,362</b>	<b>659,769</b>	<b>538,559</b>

Outstanding trade receivables - related parties as at December 31, 2014 and 2013, are aged as follows;

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Not yet due	227	278	227	278
Over due				
Less than 3 months	213	-	213	-
Over 3 - 6 months	-	-	-	-
Over 6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
<b>Total</b>	<b>440</b>	<b>278</b>	<b>440</b>	<b>278</b>

Outstanding trade receivables - other parties as at December 31, 2014 and 2013, are aged as follows;

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Not yet due	371,369	378,792	371,369	378,792
Over due				
Less than 3 months	238,536	129,684	238,536	129,684
Over 3 - 6 months	10,441	1,707	10,441	1,707
Over 6 - 12 months	14,943	4,683	14,943	4,683
Over 12 months	78,567	89,315	77,484	86,382
<b>Total</b>	<b>713,856</b>	<b>604,181</b>	<b>712,773</b>	<b>601,248</b>
Less: Allowance for doubtful accounts	(85,977)	(79,484)	(84,894)	(76,551)
<b>Net</b>	<b>627,879</b>	<b>524,697</b>	<b>627,879</b>	<b>524,697</b>

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Doubtful accounts (Reversal)				
- For the years ended December 31,	<u>6,543</u>	<u>(10,216)</u>	<u>8,343</u>	<u>(8,213)</u>

### **8. RECEIVABLES (PAYABLES) FROM FOREIGN CURRENCY FORWARD CONTRACTS**

As at December 31, 2014, 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 8.0 million and EUR 7.4 million and December 31, 2013 amount of US Dollar 8.1 million. The details of such balance are as follows;

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2014	2013
Bank receivables from foreign currency forward contract	561,184	265,857
Bank payables from foreign currency forward contracts	(565,622)	(257,112)
Net	<u>(4,438)</u>	<u>8,745</u>

As at December 31, 2014, the Company had the foreign currency - dominated liabilities remaining unhedged in the amount of US Dollar 4.7 million and EUR 5.4 million (December 31, 2013 amount of US Dollar 9.7 million.)

## 9. INVENTORIES

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Finished goods	590,858	578,161	588,556	575,858
Work in process	4,944	4,072	4,944	4,072
Raw materials	751,055	540,960	747,950	537,855
Factory supplies	1,773	1,773	1,600	1,600
Goods in transit	252,781	-	252,781	-
<b>Total</b>	<b>1,601,411</b>	<b>1,124,966</b>	<b>1,595,831</b>	<b>1,119,385</b>
Less : Allowance for decline in value of inventories	(125,280)	(23,208)	(124,130)	(22,500)
<b>Net</b>	<b>1,476,131</b>	<b>1,101,758</b>	<b>1,471,701</b>	<b>1,096,885</b>
<p>The cost of inventories which is recognised as an expense and included in cost of goods sold for the years ended December 31,</p>				
- Cost of goods sold	4,548,155	4,885,839	4,548,332	4,985,380
- Loss on decline in value of inventories	102,072	396	101,630	-
<b>Total</b>	<b>4,650,227</b>	<b>4,986,235</b>	<b>4,649,962</b>	<b>4,985,380</b>

Movements of the allowance for decline in value of inventories for the years ended December 31, 2014 and 2013 are summarised below.

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Balance as at January 1,	23,208	22,812	22,500	22,500
Add : Loss on decline in value of inventories	102,072	396	101,630	-
Balance as at December 31,	<u>125,280</u>	<u>23,208</u>	<u>124,130</u>	<u>22,500</u>

#### 10. ADVANCE TO SUPPLIERS FOR PURCHASE OF GOODS

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2014	2013
<b>Advance to suppliers for purchase of goods</b>		
- Related parties	1,359	1,308
- Other parties	216,361	156,652
Total	<u>217,720</u>	<u>157,960</u>

According to there was an advance payment for purchase of goods amounting to Baht 104.7 million to 2 related parties who are the manufacturer and distributors of hot-roll steels. The suppliers, however, failed to deliver the products, causing the Company to temporarily cease the purchase transactions and request for the repayments. The suppliers are unable to repay the debts. Subsequently such suppliers propose the debt compromise agreement offering the conversion of all outstanding debt into newly issued supplier's common shares, which are listed securities in the Stock Exchange of Thailand, in the amount of 212,460,000 shares at the offering price of Baht 0.50 per share, while the closing price quoted by the Stock Exchange of Thailand at the share transferring date is Baht 0.30 per share. The fair value of securities received for debt settlement is Baht 63.7 million. There is total loss from debt settlement recognized of Baht 41 million, which the Company has previously recognized as doubtful accounts in the statement of comprehensive income in 2012 in the amount of Baht 9 million, in the first quarter of 2013 of Baht 30.4 million and in the second quarter of 2013 of Baht 1.6 million. For those securities the Company received, the Company has classified them as available-for-sales investment as presented in Note 12 to the financial statements.

The entering of the debt compromise agreement with such suppliers is considered the related party transaction, which had already received the ratification from Board of Shareholders' meeting on April 29, 2014.

## 11. DEPOSITS AT FINANCIAL INSTITUTIONS PLEDGED AS COLLATERAL

As at December 31, 2014 and 2013, the Company and its subsidiary held fixed deposits at several local financial institutions amounting to Baht 149.3 million and Baht 87.4 million, respectively (Separate financial statements: Baht 148.3 million and Baht 86.4 million, respectively). The deposits were pledged as collateral for credit facilities of overdrafts and short-term loans from financial institutions (Note 16 to the financial statements) and for letter of guarantee from bank against the payment of electricity of the Company and its subsidiary.

## 12. AVAILABLE-FOR-SALES INVESTMENTS

	In Thousand Baht			
	Consolidated Financial Statements and Separate Financial Statements			
	2014		2013	
	Cost	Fair value	Cost	Fair value
<b>Available-for-sales investments</b>				
Listed securities	63,738	29,744	63,738	21,246
Less : Valuation adjustment	(33,994)	-	(42,492)	-
Net	<u>29,744</u>	<u>29,744</u>	<u>21,246</u>	<u>21,246</u>

### 13. INVESTMENTS IN ASSOCIATES

Investments in associates as at December 31, 2014 and 2013 are as follows:

The Company's name	Type of Business	Country of incorporation	Percentage of direct and indirect holding (%)		In Thousand Baht			
					Consolidated Financial Statements		Separate Financial Statements	
			2014	2013	Equity method	Equity method	Cost method	Cost method
Delong (Thailand) Co., Ltd.	Production and distribution of steel and basic steel barrier dare, including hot rolled and structural steel	Thailand	15.00	-	143,239	-	150,000	-
Vientiane Bonded Warehouse Co., Ltd*	Providing bonded warehouse service on the border of Lao PDR	Lao	40.00	40.00	287	287	6,686	6,686
Total					143,526	287	156,686	6,686
Less : Allowance for impairment of investment					(287)	-	(6,686)	(6,600)
Net					143,239	287	150,000	86

\*As at December 31, 2014 and December 31, 2013, Vientiane Bonded Warehouse Company Limited, incorporated in Lao PDR, operates in business of providing bonded warehouse service on the border of Lao PDR such company has not started operation. The Company, therefore, set aside allowance for impairment of investments against such companies amounting of Baht 6.7 million and and Baht 6.6 million, respectively. In 2014, the Company had appointed a lawyer for follow such investment.

### Share of loss and dividend income from investment in associate

During the year, the Company has recognised its share of loss from investment in associates and dividend income in the consolidated financial statements as follows:

The Company's name	In Thousand Baht	
	Consolidated Financial Statements	
	For the year ended December 31, 2014	
	Share of loss from investments in associates in during the year	Dividend income
Delong (Thailand) Co., Ltd.	6,761	-

### Summarised financial information of associate

Financial information of the associate is summarised below:

The Company's name	In Thousand Baht			For the year ended December 31, 2014	
	As at December 31, 2014			Total revenues	Net loss
	Paid-up capital	Total assets	Total liabilities		
Delong (Thailand) Co., Ltd	1,000,000	1,043,320	133,392	4,168	45,072

On February 6, 2014, the Executive Committees' Meeting had a resolution to approve the purchase investment of Delong (Thailand) Co., Ltd. which had share registered totaling Baht 700 million for paid up capital at 50% in amount of Baht 350 million. The proportion investment of the Company was 15% of share registered, so it had already the paid for purchasing investment in such company amount of Baht 52.5 million and in the 2<sup>nd</sup> quarter, 2014, such company had already called for the remaining paid up capital at 50% in amount of Baht 350 million which the Company had already paid in the proportion of the Company was 15% of Baht 52.5 million in June, 2014.

According the resolution of shareholder meeting of such associate on July 17, 2014, has resolution to increase its register capital from Baht 700.00 million to Baht 1,000.00 million. Such associate has registered its register capital with the Department of Business Development, Ministry of Commerce on August 2014. The Company has purchased such investment as its proportion 15% of Baht 45 million, totally investment of the Company in such company was of Baht 150 million.

The Company classified investment in Delong (Thailand) Co., Ltd. as investment in associate due to the Company has be entitle to nominate one director to joint with the board of director of Delong (Thailand) Co., Ltd. and has right to participation in the decision marking regarding management and financial decision in accordance with joint venture agreement.

#### 14. INVESTMENTS IN SUBSIDIARIES

The Company's name	Separated Financial Statement					
	Percentages of holdings (%)		In Thousand Baht			
	2014	2013	Issued and fully paid-up share capital		Cost method	
			2014	2013	2014	2013
STC Steel Co., Ltd.	100.00	100.00	20,000	20,000	20,000	20,000
Asia Metal Fabrication Co., Ltd.*	55.00	55.00	20,000	20,000	11,000	11,000
Total					31,000	31,000
Less : Allowance for impairment of investments					(9,000)	(9,000)
Net					22,000	22,000

\*As at December 31, 2014 and 2013, the subsidiary, Asia Metal Fabrication Company Limited, had deficits and suffered continuing loss from operation. The Company, therefore, set aside allowance for impairment of investment against such company amounting of Baht 9 million.



**PROPERTY, PLANT AND EQUIPMENT**

	In Thousand Baht						
	Consolidated Financial Statements						
	At Appraised value	At Cost					Total
Land	Buildings and improvement	Machineries and equipment	Vehicles	Furniture, fixture and office equipment	Construction in progress		
<u>Cost</u>							
Net book value as at January 1, 2013	186,823	478,663	639,344	30,178	37,914	62,666	1,435,588
Acquisitions	-	63	8,630	3,668	3,278	24,268	39,907
Transfer in (out)	-	-	-	-	-	9,821	9,821
Disposal/write - off	-	-	-	(3,860)	-	(336)	(4,196)
Net book value as at December 31, 2013	186,823	478,726	647,973	29,986	41,192	96,419	1,481,119
Acquisition	-	259	5,498	7,030	1,358	7,614	21,759
Revaluations	86,087	-	-	-	-	-	86,087
Transfer in (out)	-	-	97,270	-	(557)	55,209	151,922
Disposal/written off	-	-	-	(4,669)	(4)	(184)	(4,857)
Net book value as at December 31, 2014	272,910	478,985	750,741	32,347	41,989	159,058	1,736,030
<u>Accumulated depreciation</u>							
Net book value as at January 1, 2013	-	126,319	212,518	18,438	25,645	-	382,920
Depreciation for the year	-	30,730	62,484	3,902	2,852	-	99,968
Disposal	-	-	-	(1,000)	-	-	(1,000)
Net book value as at December 31, 2013	-	157,049	275,002	21,340	28,497	-	481,888
Depreciation for the year	-	30,787	65,390	4,487	2,946	-	103,610
Transfer in (out)	-	-	-	-	(237)	-	(237)
Disposal	-	-	-	(4,106)	(1)	-	(4,107)
Net book value as at December 31, 2014	-	187,836	340,392	21,721	31,205	-	581,154



	In Thousand Baht						
	Consolidated Financial Statements						
	Land	Buildings and improvement	Machineries and equipment	Vehicles	Furniture, fixture and office equipment	Construction in progress	Total
<u>Allowance for impairment</u>							
Balance as at December 31, 2013	-	-	-	-	-	-	-
Allowance for impairment for the year	-	-	545	-	-	-	545
Balance as at December 31, 2014	-	-	545	-	-	-	545
<u>Net book value</u>							
December 31, 2013	186,823	321,677	372,971	8,646	12,695	96,419	999,231
December 31, 2014	272,910	291,149	409,804	10,626	10,784	159,058	1,154,331
<u>Depreciation included in the consolidated statement of comprehensive income for the years ended December 31,</u>							
2013							99,968
2014							103,610



	In Thousand Baht						Total
	Separate Financial Statements						
	At Appraised value	At Cost					
	Land	Buildings and improvement	Machineries and equipment	Vehicles	Furniture, fixture and office equipment	Construction in progress	
<u>Cost</u>							
Net book value as at January 1, 2013	165,442	441,598	618,638	29,514	32,629	59,890	1,347,711
Acquisitions	-	63	8,629	3,668	3,278	24,268	39,906
Transfer in (out)	-	-	-	-	-	9,821	9,821
Disposal/write - off	-	-	-	(3,860)	-	(336)	(4,196)
Net book value as at December 31, 2013	165,442	441,661	627,267	29,322	35,907	93,643	1,393,242
Acquisitions	-	259	5,497	7,030	1,359	7,614	21,759
Revaluations	81,828	-	-	-	-	-	81,828
Transfer in (out)	-	-	97,270	-	(557)	55,209	151,922
Disposal	-	-	-	(4,669)	-	(184)	(4,853)
Net book value as at December 31, 2014	247,270	441,920	730,034	31,683	36,709	156,282	1,643,898
<u>Accumulated depreciation</u>							
Net book value as at January 1, 2013	-	109,852	195,000	17,774	23,496	-	346,122
Depreciation for the year	-	28,976	61,030	3,902	2,569	-	96,477
Disposal	-	-	-	(1,000)	-	-	(1,000)
Net book value as at December 31, 2013	-	138,828	256,030	20,676	26,065	-	441,599
Depreciation for the year	-	29,034	64,036	4,487	2,675	-	100,232
Transfer in (out)	-	-	-	-	(236)	-	(236)
Disposal	-	-	-	(4,106)	-	-	(4,106)
Net book value as at December 31, 2014	-	167,862	320,066	21,057	28,504	-	537,489
<u>Net book value</u>							
December 31, 2013	165,442	302,833	371,237	8,646	9,842	93,643	951,643
December 31, 2014	247,270	274,058	409,968	10,626	8,205	156,282	1,106,409
<u>Depreciation included in the statement of comprehensive income for the years ended December 31,</u>							
2013							96,477
2014							100,232

As at December 31, 2014 and 2013, land, building, machineries and machineries under installation of the Company and its subsidiaries amounting to Baht 583.8 million and Baht 535.2 million, respectively (Separate financial statements: Baht 540.7 million and Baht 493.3 million, respectively), are mortgaged as collateral for credit facilities of short-term and long-term loan from financial institution.

As at December 31, 2014 and 2013, the Company has leased assets included above, where the Company is a lessee under hire purchase agreements are motor vehicles with net book value of Baht 6.5 million and Baht 3.9 million, respectively.

As at December 31, 2014 and 2013, 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 150.4 million and Baht 100.1 million, respectively (Separate financial statements : Baht 140.6 million and Baht 91.1 million, respectively).

The Company and its subsidiary's land was revalued on December 22, 2014 by independent valuers. Valuations were made on the basis of Market Approach. The book values of the land were adjusted to the revalued amounts and the resultant surplus (net off deferred tax) was credited to premium on land revaluation in equity at the amount of Baht 123 million (Separate financial statements : Baht 119.7 million) in the shareholders' equity.

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

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2014	2013
Bank overdrafts	-	8
Short-term loans from financial institutions	1,939,378	1,234,285
Net	<u>1,939,378</u>	<u>1,234,293</u>

As at December 31, 2014 and 2013, the Company has short-term trade financing facilities from financial institutions according to the loan agreements with a total maximum credit limit of Baht 4,720 million and Baht 4,320 million, respectively. The trade financing facilities include bank overdrafts, letters of credit, trust receipts, promissory notes, bills discounted, packing credits and banks' letters of guarantee. The overdraft facilities charged interest at the rate of MOR per annum and the other facilities charged interest at the rates ranging from 1.09% to 3.80% per annum and 1.70% to 4.35% 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 and fixed deposits of the Company and its a subsidiary (Note 15 to the financial statements).

**16. TRADE AND OTHER PAYABLES**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
<b>Trade and other payables - related parties</b>				
Trade payables	651	6,113	651	6,306
Other payables	3	-	490	687
<b>Total</b>	<b>654</b>	<b>6,113</b>	<b>1,141</b>	<b>6,993</b>
<b>Trade and other payables - other parties</b>				
Trade payables	267,963	80,497	267,358	79,900
Other payables	49,601	72,221	45,605	65,933
<b>Total</b>	<b>317,564</b>	<b>152,718</b>	<b>312,963</b>	<b>145,833</b>

**17. LIABILITIES UNDER FINANCIAL LEASE CONTRACTS**

	In Thousand Baht	
	Consolidated Financial Statements and Separate Financial Statements	
	2014	2013
Liabilities under financial lease contracts	2,880	1,576
Less : Deferred interest	(152)	(120)
<b>Total</b>	<b>2,728</b>	<b>1,456</b>
Less : Current portion	(1477)	(1,016)
<b>Net</b>	<b>1,251</b>	<b>440</b>

As at December 31, 2014 and 2013, the Company has liabilities under financial lease contracts with the year of payment as follows:

	In Thousand Baht					
	Consolidated Financial Statements and Separate Financial Statements					
	2014			2013		
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	1,590	113	1,477	1,103	87	1,016
Payment due over 1 year to 5 years	1,290	39	1,251	473	33	440
<b>Total</b>	<b>2,880</b>	<b>152</b>	<b>2,728</b>	<b>1,576</b>	<b>120</b>	<b>1,456</b>

## 18. EMPLOYEE BENEFIT OBLIGATIONS

The Company and its subsidiaries paid retirement benefits and pension in accordance with the regulation of Labor Protection Act B.E. 2541 for the retirement benefit and other long-term benefit entitled to the employees based on their right and length of services.

Employee benefit liabilities in statements of financial position as at December 31, 2014 and 2013, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Post-employment benefits				
Legal severance payment plan	4,393	4,735	3,321	3,663

Movement in the present value of the defined benefit obligations for the years ended December 31, 2014 and 2013 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Defined benefit obligations as at January 1,	4,735	4,288	3,663	3,256
Benefits paid by the plan	-	-	-	-
Current service costs and interest	621	447	621	407
Actuarial gains in the statements of comprehensive income	(963)	-	(963)	-
Defined benefit obligations as at December 31,	<u>4,393</u>	<u>4,735</u>	<u>3,321</u>	<u>3,663</u>

Expenses recognized in statement of comprehensive income for the years ended December 31, 2014 and 2013, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Current service costs	477	360	477	330
Interest on obligation	144	87	144	77
Total	<u>621</u>	<u>447</u>	<u>621</u>	<u>407</u>

The above expenses recognised in the statement of comprehensive income for the years ended December 31, 2014 and 2013 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Cost of sales and services	281	101	281	71
Selling expenses	113	74	113	74
Administrative expenses	44	133	44	133
Management benefit	39	52	39	52
<b>Total</b>	<b>477</b>	<b>360</b>	<b>477</b>	<b>330</b>

Principal actuarial assumptions at the reporting date as at December 31, 2014 and 2013 are as follows:

	Consolidated Financial Statements and Separate Financial Statements	
	2014	2013
Discount rate	4.52% per annum for permanent staffs and 4.52% per annum for daily staffs	4.17% per annum for permanent staffs and 4.20% per annum for daily staffs
Salary increase rate	5.04% per annum for permanent staffs and 3.45% per annum for daily staffs	4.39% per annum for permanent staffs and 3.43% per annum for daily staffs
Employee turnover rate	Scale related to Age and type of employment ranging from 0-50% for permanent staffs Scale related to Age and type of employment ranging from 0-62% for daily staffs	Scale related to Age and type of employment ranging from 0-50 %for permanent staffs Scale related to Age and type of employment ranging from 0-78% for daily staffs
Mortality rate	TMO2008(Thai Mortality Ordinary Table 2008 male and female tables)	TMO1997(Thai Mortality Ordinary Table 1997 male and female tables)

## 19. SHARE CAPITAL

### Warrants exercise to purchase common shares

At the extraordinary shareholders' meeting held on July 21, 2006 and November 24, 2006 the shareholders passed the resolution to allocate the free-of-charge warrants ("AMC-W1") are as follows:

#### Warrants offered to the existing shareholders ("AMC-W1")

Type of warrants	: Warrants # 1 appropriated for the former shareholders of the Company (Warrants # 1 or "AMC-W1")
Number of Issued and Offered	: 50,000,000 units
Exercise Period	: 7 years commencing from the issued date and last exercise date of warrants March 7, 2014, exercising after last date of March and September
Issue Date	: September 28, 2007
Exercise Ratio	: Warrant 1 unit per 1 share
Exercise Price	: At Baht 3.00 per share (par value at Baht 1.00)

During the year 2014, the holders of warrants to purchase common share of the Company's had exercised 159,012 units of warrant to purchase 159,012 common shares of Baht 3 per share, totally of Baht 477,036 resulting to the increase in the Company's paid-up capital from Baht 479,937,265 to Baht 480,096,277 and premium on share increase from Baht 297,427,100 to Baht 297,745,124. The Company has registered the increasing of its paid-up capital with the Department of Business Development, Ministry of Commerce on March 18, 2014.

As at March 7, 2014 and December 31, 2013, such warrants has been exercised 10,177,306 units and 10,018,294 units, respectively.

The Company issued and offered warrants as follows:

Type of warrants	Date of issue and offer of warrants	Exercise price (Baht per Share)	Exercise right (warrant per ordinary share)	Number of allotted shares (units)	Number of reserved shares (units)	Last exercise date of warrants
AMC-W1	September 28, 2007	3.00	1 : 1	10,177,306	39,822,694	March 7, 2014

## 20. LEGAL RESERVE AND DIVIDEND PAID

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.

At the Shareholders' Meeting held on April 29, 2013, the shareholders had a resolution to pay dividends from operation result for the year 2012 for 479.9 million shares at Baht 0.18, amounting to Baht 86.4 million. The payment was made on May 17, 2013 and appropriated for legal reserve at 5% of its net profit for the year 2012 amount of Baht 8.3 million.

On April 29, 2014, the Shareholders' Meeting approved for payment of dividends for the years 2013 of Baht 0.18 per share, 480,096,277 shares, of Baht 86.4 million and appropriated for legal reserve amounting to Baht 2.9 million. As at December 31, 2014, the Company has legal reserve of Baht 55 million.

## 21. REGISTERED PROVIDENT FUND

The Company 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 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 contribution expenses for the years ended December 31, 2014 and 2013 as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Provident fund contribution expenses	362	496	354	485

## 22. EXPENSES BY NATURE

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

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Changes in finished goods and work in progress	(13,570)	(4,201)	(13,570)	(4,201)
Purchase of finished goods	118,460	123,431	125,570	129,559
Raw materials and consumable used	4,255,538	4,679,616	4,255,538	4,679,616
Depreciation and amortization	103,789	99,968	100,411	96,478
Loss on diminution of inventories	102,073	396	101,630	-
Employee benefit expense	91,345	94,571	89,258	92,647
Transport and distribution	52,326	61,560	52,326	61,560
Utility expenses	29,028	30,074	25,714	26,970
Doubtful accounts - Trade receivable (reversal)	6,543	(10,216)	8,343	(8,213)
Management benefit expenses	8,841	10,010	8,841	10,010
Loss on foreign exchange rate	-	40,029	-	40,029
Loss from debt restructuring - advance payment for purchasing of goods	-	31,995	-	31,995
Commission, advertising and sale promotion	5,480	4,545	5,480	4,545
Outsourcing production cost	4,540	3,715	4,540	3,715
Financial costs	39,838	35,983	39,806	35,959
Other expenses	40,532	32,077	38,664	27,812
<b>Total</b>	<b>4,844,763</b>	<b>5,233,553</b>	<b>4,842,551</b>	<b>5,228,481</b>

### 23. INCOME TAXES

Income tax expenses for the years ended December 31, 2014 and 2013 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
<b>Current income tax:</b>				
Current income tax expenses for the year	(22,196)	(46,547)	(22,196)	(46,547)
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	22,776	5,137	22,776	5,137
Decrease in income tax rates	-	(4,054)	-	(4,054)
<b>Income tax income (expenses) reported in the statement of comprehensive income</b>	<b>580</b>	<b>(45,464)</b>	<b>580</b>	<b>(45,464)</b>

Reconciliations of effective tax rate for the years ended December 31, 2014 and 2013 are as follow;

	In Thousand Baht			
	Consolidated Financial Statements			
	2014		2013	
Tax rate (%)	Amount	Tax rate (%)	Amount	
Accounting profit (loss) before tax		(17,920)		211,998
Accounting profit (loss) before tax multiplied by applicable tax rate	20	3,584	20	(42,400)
Effect to income tax from tax-exempt incomes and non-deductible expenses		(25,780)		(4,147)
Tax expenses relating to the imposition of new tax rate and the recognition and reversal of temporary differences		22,776		1,083
Total income tax income (expenses)	3	580	21	(45,464)

	In Thousand Baht			
	Separate Financial Statements			
	2014		2013	
	Tax rate (%)	Amount	Tax rate (%)	Amount
Accounting profit (loss) before tax		<u>(8,892)</u>		<u>206,860</u>
Accounting profit (loss) before tax multiplied by applicable tax rate	20	1,778	20	(41,372)
Effect to income tax from tax-exempt incomes and non-deductible expenses		(23,974)		(5,175)
Tax expenses relating to the imposition of new tax rate and the recognition and reversal of temporary differences		<u>22,776</u>		<u>1,083</u>
Total income tax income (expenses)	<u>7</u>	<u>580</u>	<u>22</u>	<u>(45,464)</u>

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.

Deferred tax assets (liabilities) as at December 31, 2014 and 2013 are as follows:

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2014	2013	2014	2013
Deferred tax assets	<u>31,639</u>	<u>27,121</u>	<u>31,639</u>	<u>27,121</u>
Deferred tax liabilities	<u>(3,518)</u>	<u>(2,666)</u>	<u>-</u>	<u>-</u>
Net	<u>28,121</u>	<u>24,455</u>	<u>31,639</u>	<u>27,121</u>

The components of deferred tax assets (liabilities) as at December 31, 2014 and 2013 are as follows:

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2014	2013	2014	2013
<u>Deferred tax assets</u>				
Allowance for doubtful accounts - Trade accounts receivable	16,979	15,310	16,979	15,310
Allowance for decline in value of inventories	24,826	4,500	24,826	4,500
Change in fair value of available-for-sales investments	15,297	16,997	15,297	16,997
Allowance for impairment of investments in associate and subsidiary	3,137	3,120	3,137	3,120
Change in value of available-for-sales investments	640	-	640	-
Employee benefit obligations	664	733	664	733
Premium on land revaluation	(29,904)	(13,539)	(29,904)	(13,539)
Net	<u>31,639</u>	<u>27,121</u>	<u>31,639</u>	<u>27,121</u>
<u>Deferred tax liabilities</u>				
Premium on land revaluation	(3,518)	(2,666)	-	-
Net	<u>28,121</u>	<u>24,455</u>	<u>31,639</u>	<u>27,121</u>

The amount of income tax relating to each component of other comprehensive income for the years ended December 31, 2014 and 2013 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
<b>Deferred tax relating to</b>				
Actuarial gain from employee benefit plan	(193)	-	(193)	-
Gain on valuation of available-for-sales investments	1,700	-	1,700	-
Premium on land revaluation	(17,217)	-	(16,366)	-
<b>Total</b>	<b>(15,710)</b>	<b>-</b>	<b>(14,859)</b>	<b>-</b>

## 24. EARNINGS PER SHARE

### Basic earnings per share

The calculation of basic earnings per share for the years ended December 31, 2014 and 2013, 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	
	2014	2013	2014	2013
Profit attributable to equity holders of the Company	(17,535)	165,053	(8,312)	161,39
Weighted average number of common shares outstanding	480,070	479,937	480,07	479,93
Earnings per share (Baht)	<b>(0.0365)</b>	<b>0.3439</b>	<b>(0.0173)</b>	<b>0.3363</b>

## 25. 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 2 operating segments as follows;

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

Asia Metal Fabrication Co., Ltd. has ceased its operation and the Group has abandoned the segments of steel structure installation and factory construction since 2011; 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.

### Major customers

For the year ended December 31, 2014, no major customer from operate to produce and sell of processed steel products and steel structure installation and factory construction service of the Company and its subsidiary's total revenues. (2013 ; revenues from a customer from operate to produce and sell of processed steel products and steel structure installation and factory construction service approximately of Baht 601.9 million of the Company and its subsidiary's total revenues).

## 26. FINANCIAL INSTRUMENTS

### A) Financial risk management policies

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

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

## B) Interest rate risk

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

As at December 31, 2014 and 2013, 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, 2014						
	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	-	99.6	-	21.2	120.8	0.25-0.375
Current investment	-	-	-	0.1	0.1	-
Deposit at financial institution pledged as collaterals	149.3	-	-	-	149.3	1.5-2.0
<b>Total</b>	<b>149.3</b>	<b>99.6</b>	<b>-</b>	<b>21.3</b>	<b>270.2</b>	
<b>Financial Liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	-	1,939.4	-	-	1,939.4	1.1-3.8
Liabilities under financial lease contracts	-	1.5	1.3	-	2.8	1.39-4.84
<b>Total</b>	<b>-</b>	<b>1,940.9</b>	<b>1.3</b>	<b>-</b>	<b>1,942.2</b>	

In Million Baht						
Separate Financial Statements						
As at December 31, 2014						
	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	-	91.0	-	21.2	112.2	0.25-0.375
Current investment	-	-	-	0.1	0.1	-
Deposit at financial institution pledged as collaterals	149.3	-	-	-	149.3	1.5-2.0
<b>Total</b>	<b>149.3</b>	<b>91.0</b>	<b>-</b>	<b>21.3</b>	<b>261.6</b>	
<b>Financial Liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	-	1,939.4	-	-	1,939.4	1.1-3.8
Liabilities under financial lease contracts	-	1.5	1.3	-	2.8	1.39-4.84
<b>Total</b>	<b>-</b>	<b>1,940.9</b>	<b>1.3</b>	<b>-</b>	<b>1,942.2</b>	

In Million Baht						
Consolidated financial statements						
As at December 31, 2013						
	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	-	41.4	-	10.2	51.6	0.125-0.50
Current investment	-	-	-	0.1	0.1	-
Deposit at financial institution pledged as collaterals	87.5	0.1	-	-	87.6	1.5-2.0
<b>Total</b>	<b>87.5</b>	<b>41.5</b>	<b>-</b>	<b>10.3</b>	<b>139.3</b>	
<b>Financial Liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	-	1,210.4	-	-	1,210.4	1.10-3.45
Liabilities under financial lease contracts	-	1.0	0.4	-	1.4	3.20-4.84
<b>Total</b>	<b>-</b>	<b>1,211.4</b>	<b>0.4</b>	<b>-</b>	<b>1,211.8</b>	

In Million Baht

Separate Financial Statements

As at December 31, 2013

	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	-	31.6	-	10.2	41.8	0.125- 0.50
Current investment	-	-	-	0.1	0.1	-
Deposit at financial institution pledged as collaterals	87.5	0.1	-	-	87.6	1.5-2.0
<b>Total</b>	<b>87.5</b>	<b>31.7</b>	<b>-</b>	<b>10.3</b>	<b>129.5</b>	
<b>Financial Liabilities</b>						
Bank overdrafts and short- term loans from financial institutions	-	1,210.4	-	-	1,210.4	1.10-3.45
Liabilities under financial lease contracts	-	1.0	0.4	-	1.4	3.20-4.84
<b>Total</b>	<b>-</b>	<b>1,211.4</b>	<b>0.4</b>	<b>-</b>	<b>1,211.8</b>	

C) Foreign currency risk

The Company and its subsidiaries were exposed to foreign currency risk as some of the payment for importing of goods and raw materials are made in US dollar. For the year ended December 31, 2014, there were the foreign currency dominated purchase transactions approximating to Baht of 2,087 million. The Company manages such risks through the use of forward currency contract, as and when it considers appropriate.

As at December 31, 2014, the foreign currency-dominated liabilities amounting of USD 8 million and EUR 7.4 million were hedged through the use of forward contracts. (December 31, 2013: USD 8.1 million) (Note 8 to financial statements)

As at December 31, 2014, there were the foreign currency-dominated liabilities remaining unhedged in the amount of USD 4.7 million and EUR 5.4 million. (December 31, 2013: USD 9.7 million)

D) Credit risk

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

E) Fair value

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

## 27. CAPITAL MANAGEMENT

The primary objective of the Company's 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, 2014 and 2013, The Company and its subsidiaries debt-to-equity ratio was 1.31:1 and 0.79:1, respectively and the Company's debt-to-equity ratio was 1.30:1 and 0.79:1, respectively.

## 28. COMMITMENTS AND CONTINGENT LIABILITIES

A) Capital commitments

- As at December 31, 2014, the Company had the commitment for the acquisition of machine amounting to Baht 4.6 million and US Dollar 0.5 million and December 31, 2013 amounting to Baht 4.9 million and US Dollar 0.6 million.
- As at December 31, 2014 and 2013, the Company had the commitments for the development of program computer amounting to Baht 0.4 million.

B) Lease agreements and service contracts

As at December 31, 2014 and 2013, the Company had leases contracts for new office with outstanding commitments with the detail as follows;

	In Million Baht	
	Consolidated Financial Statements and Separate Financial Statement	
	2014	2013
Less than 1 year	2.4	2.4
Over 1 year to 5 years	1.6	3.9
<b>Total</b>	<b>4.0</b>	<b>6.3</b>

C) Investment commitments

As at December 31, 2014 and 2013, The Company had commitments relating to the payment for the remaining 50% of unpaid share capital of investment in Asia Metal Fabrication Company Limited amounting to Baht 11 million.

D) Letter of credit issued by banks

As at December 31, 2014, The Company and its subsidiaries had the commitment for acquisition of goods amounting of US Dollar 7.8 million and EUR 23.1 million and December 31, 2013 amounting of US Dollar 7.8 million.

E) Bank guarantees issued by bank

As at December 31, 2014 and 2013, The Company and its subsidiaries had contingent liabilities from letters of guarantee issued by banks for the payment of electricity and utility fee amounting to Baht 7.8 million and Baht 7.9 million respectively (Separate financial statements : Baht 6.9 million and Baht 7 million, respectively).

## 29. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the comparative statement of financial position as at December 31, 2013 and January 1, 2013 to conform with the presentation of the statement of financial position as at December 31, 2014 as follows :

	In Thousand Baht					
	Consolidated Financial Statements					
	December 31, 2013			January 1, 2013		
	As previousl y reported	Reclassifi ed	As currently reported	As previously reported	Reclassifie d	As currentl y reported
<b>Statement of financial position</b>						
Deferred tax assets	40,660	(13,539)	27,121	31,078	(15,570)	15,508
Deferred tax liabilities	(16,205)	13,539	(2,666)	(18,636)	15,570	(3,066)

	In Thousand Baht					
	Separate Financial Statements					
	December 31, 2013			January 1, 2013		
	As previousl y reported	Reclassifi ed	As currently reported	As previously reported	Reclassifie d	As currentl y reported
<b>Statement of financial position</b>						
Deferred tax assets	40,660	(13,539)	27,121	31,078	(15,570)	15,508
Deferred tax liabilities	(13,539)	13,539	-	(15,570)	15,570	-