

Precautionary Measures and Guidelines of the Company for Attending the Annual General Meeting to Help Prevent the Spread of Corona Virus Disease (COVID-19)

Because of the ongoing situation of Corona Virus Disease 2019 (“COVID-19”) outbreak, the Company has a deeply concern over the situation and a great care for the Shareholders’ health, the Company would like to inform about Precautionary Measures and Guidelines of the Company for attending the Annual General Meeting of the Shareholders for the Year 2020 as follows:

1. Request for the Shareholders to consider appointing the Company’s Independent Directors to vote on their behalf.

In order to prevent and reduce the risk of spreading of COVID-19, the Shareholders could fill in the Proxy Form (Enclosure No. 4) and indicate our Independent Directors, to be their proxy person. The completed and executed proxy should be submitted, together with the required documents or evidence to Lohakit Metal Public Company Limited, Company Secretary, 43 Thai CC Tower , Room no. 167-169, 16th Fl., South Sathorn Road, Yannawa Sub-District, Sathorn District, Bangkok and delivered to us before 20th July 2020.

2. For the Shareholders who still wish to attend the meeting,

Since the Company needs to limit the number of the meeting attendants, the shareholders are, therefore, requested to reserve the meeting seat in advance by using the meeting attendance reservation form (Attachment 8) and send to the Company within July 15, 2020 via fax no.0-2673-9579, or email at ird@lohakit.co.th. Please be present at the meeting venue at least 30 minutes prior to the meeting time, otherwise the Company may need to allocate your seat to other shareholders. Shareholders can appoint the Company’s Independent Directors to vote on his/her behalf, as appeared in above-mentioned details.

To reduce the risk of spreading COVID-19

- **Snack, coffee, and tea will NOT be provided and snacking in the Meeting area is not allowed.**
- **Due to very limited seats, Shareholders cannot enter into the Meeting area when all the seats are occupied.**

3. The Company's precautionary measures and guidelines to prevent and reduce the risk of spreading of COVID-19 virus as follows.

3.1 the Company will provide screening area in accordance with the guidelines of the Department of Disease Control, the Ministry of Public Health on Ground Floor. In case of any persons having fever, or any of the following symptoms of respiratory infection illnesses such as fever, cough, sore throat, sneezing, runny nose, or risks of having respiratory infection illnesses, the Company reserves the right to deny participation of such Shareholders in the Meeting.

In this regard, in case the Shareholder is present at the meeting venue, such Shareholder can appoint the Company's Independent Directors to vote on his/her behalf, as appeared in above-mentioned details.

3.2 Each participant will be required to stand at any line of screening area, documents check point, the registration counter, and any other line, at least 1 meter distance between yourself and others.

3.3 The Shareholders or participants will be assigned to a seat with appropriate social distance at the minimum of at least 1 meter space from each other. This will significantly reduce the number of seats available to be approximately 50 seats and more seats could not be added because gathering of many people in the same place for a long time is not permitted.

3.4 The Shareholders or participants are requested to be seated at the assigned seat for the sake of following up in case of any unforeseen circumstances. When the seats are fully occupied, no more participants will be allowed to enter into the Meeting venue. The Company, therefore, requests the cooperation from the Shareholders who are present at the Meeting venue to appoint the Company's independent director to vote on your behalf, instead of participating in person.

3.5 The Company kindly requests all participants to prepare and wear a face mask throughout the meeting time.

3.6 For the safety and well-being of all participants, **NO microphone** will be available for participants who wish to ask questions at the Meeting. Participants will be asked to submit their written questions to the Company's staff to further submit to the Chairman of the Meeting.

3.7 Snack, coffee, and tea will NOT be provided, and snacking in the Meeting area is not allowed in order to minimize direct contact and to reduce the risk of spreading the Virus.

3.8 The printed copies of Annual Report 2019 and any other printed documents will NOT be provided in order to minimize personal direct contact and for safety and well-being of all participants.

3.9 If there are any changes in the situation or additional AGM-related measures from the Government Authorities, the Company will announce on the websites of the Company (www.lohakit.co.th)



Lohakit Metal Public Company Limited

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Tel : (662) 673-9559 Fax : (662) 673-9579 www.lohakit.co.th
Public Company Registration No. 0107548000315

June 23, 2020

- Subject** Notice of the Annual General Meeting of Shareholders for the year 2020
- To** All Shareholders
- Enclosures:**
- (1) Copy of the Minutes of the Annual General Meeting of Shareholders for the year 2019
 - (2) Annual Report of the year 2019, including the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity, Cash Flow Statement, which ended on March 31, 2020, and the auditor's report (QR Code)
 - (3) Preliminary information of the candidate for the election of director (Supporting document for Agenda 5)
 - (4) Proxy form and the list of documents or other evidences required to confirm eligibility to attend the meeting
 - (5) Details regarding the Independent Director
 - (6) Articles of Association on the Shareholders' Meeting
 - (7) A location map of the Shareholder Meeting's venue
 - (8) Meeting Attendance Reservation Form

The Board of Directors of Lohakit Metal Public Company Limited (the "Company") has resolved that the Annual General Meeting of Shareholders for the year 2020 will be called and held at 14.00 hrs. on July 24, 2020 at Surasak I Meeting Room, 11th Floor, Eastin Grand Hotel Sathorn, No.33/1, South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok. The meeting agenda is as follows:

Agenda Item 1 Consideration to certify the Minutes of the Annual General Meeting of Shareholders for the year 2019.

General Information:

The Annual General Meeting of Shareholders for the year 2019 was held on 25 July 2019, with details as according to the copy of the minutes (Enclosure (1)).

Board's Opinion: The Board confirms that the Minutes of the Annual General Meeting of Shareholders for the year 2019, as appeared in Enclosure (1), is accurate and shall be proposed for further certification by the Shareholders' Meeting.

Voting Rule:

The resolution under this agenda has to be passed by the majority vote of the shareholders, attending and voting in the meeting.

Agenda Item 2 Consideration to acknowledge the Company’s operating report, which ended on March 31, 2020.

General Information:

The Company’s operating report, which ended on March 31, 2020, with details as appeared in the annual report sent to the shareholders together with this notice.

Board’s Opinion: The Board recommends to propose the Company’s operating report, which ended on March 31, 2020, to be further acknowledged by the Shareholders’ Meeting. Details of the report as appeared in the Company’s Annual Report of the year 2019, Enclosure (2).

Voting Rule:

No voting is required since this agenda is for acknowledgement only.

Agenda Item 3 Consideration to approve the Company’s Financial Statement, consisting of Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Shareholders’ Equity and Cash Flow Statement, which ended on March 31, 2020 and the auditor’s report.

General Information:

The Company’s Financial Statement, which ended on March 31, 2020 as appeared in the Annual Report, already reviewed by the audit committee and obtained the examination from the authorized auditor, was sent together with this notice.

Board’s Opinion: The Board recommends that the Financial Statement, consisting of Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Shareholders’ Equity and Cash Flow Statement which ended on March 31, 2020 and the auditor’s report, as appeared in Enclosure (2), shall be proposed for further approval by the Shareholders’ Meeting.

Voting Rule:

The resolution under this agenda has to be passed by the majority vote of the shareholders, attending and voting in the meeting.

Agenda Item 4 Consideration on dividend

General Information:

According to Section 116 of the Public Limited Companies Act B.E. 2535 and Clause 48 of the Company’s Article of Association, the Company must reserve at least 5% of the annual profit deducted by the accumulated loss (if any) until this reserve is amounting to at least 10% of the registered capital.

As at March 31, 2020, the Company’s registered capital is Baht 383,000,000 and having legal reserve amounted to Baht 38,300,000 or equal to 10% of the Company’s registered capital, which is fully appropriated according to the Company’s Article of Association, therefore, no additional allocation is required.

The Company has a policy to pay the dividend of at least 40% of the net profit after deducting the corporate income tax but the Company may prescribe to pay the dividend less than the above mentioned rate in case the

Company needs to use such net profit to expand the Company's business operation.

Board's Opinion: According to the Statement of Comprehensive Income ended on March 31, 2020, the Company has a profit of Baht 88,585,622. The Board recommends to propose the Shareholders' Meeting to approve the dividend payment at Baht 0.22 per share deducting the paid interim dividend at Baht 0.12 per share in the total of Baht 45,960,000. The remaining dividend in the amount of Baht 0.10 per share, or the total of Baht 38,300,000, shall be paid to the shareholders. The record date on which the recorded shareholders have the right to the dividend will be on June 12, 2020 and the dividend payment will be on August 10, 2020.

Note:

A natural person shareholder shall be entitled to receive a tax credit since the net profit was already paid for corporate income tax at the rate 20%. Therefore, the tax credit for this dividend shall be equal to 20/80.

Table of comparison of dividend payment for the year 2018 – 2019 is as follows:

Details	2018	2019
Net profit (Baht)	142,910,235	89,012,981
Total comprehensive income for the year	142,809,411	88,585,662
Reserve for legal reserve	-	-
Dividend payment per share (Baht/Share)	0.37	0.22
- First half interim dividend (Baht/Share)	0.19	0.12
- Second half dividend (last 6 months) (Baht/share)	0.18	0.10
Number of Shares (Shares)	383,000,000	383,000,000
Total Dividend Payment (Baht)	142,710,000	84,260,000
Dividend Payment Ratio (%)	99.23	95.12

Voting Rule:

The resolution under this agenda has to be passed by the majority vote of the shareholders, attending and voting in the meeting.

Agenda Item 5

Consideration for appointment of directors in replacement of those retired by rotation and determination the directors' authorities

General Information:

According to Section 71 of the Public Limited Companies Act B.E. 2535 and Clause 21 of the Company's Article of Association, at each Annual General Meeting, one-third of the directors must be retired by drawing a lot for the 1st and 2nd year after registration of the Company. For the following years, the directors who remained in office the longest shall be retired.

In the year 2020, the directors who shall be retired are as follows:

- (1) Mr. Wanchai Umpungart Chairman of the Board, Independent Director, Chairman of the Audit Committee and Member of The Nomination and Compensation Committee
- (2) Mr. Anurut Vongvanij Director and Independent director

- (3) Mr.Lert Nitheranont Director, Independent director,
Member of the audit committee,
Member of The Nomination and
Compensation Committee

For the Annual General Meeting of Shareholders of the year 2020, the Independent Director could express opinion independently according to relevant regulations. The Company provided minor shareholders an opportunity to propose in advance the qualified candidates to be nominated for election in the annual shareholders' meeting between April 3, 2020 to May 7, 2020, as announced on the Company's website (www.lohakit.co.th) and on the SET's news and information system. However, there was no shareholder's nomination for a director candidate.

Board's Opinion:

- 5.1 The Board, excluding members having conflict of interest, agreed with the Nomination and Compensation Committee's proposal, that the Shareholders' Meeting should re-elect Mr. Wanchai Umpungart, Mr. Anurut Vongvanij and Mr.Lert Nitheranont, who were retired by rotation to be director of the Company for another term.
The director nominee who have been prudently and carefully considered by the Board of Director, were qualified according to the company's business strategies.

Details of age, education background, work experiences, are as appeared in Enclosure (3).

According to the Articles of Association of the Company, the election of Company's directors is to be determined by a majority of votes.

- 5.2 The Authority of directors for signing on behalf of the Company should be retained as follows:
"Mr. Prasarn Akarapongpisakdi, Mr. Somnuik Thanasarn, Mr. Vittawat Akarapongpisak, any two of these three directors jointly sign with affix the Company's seal."

Voting Rule:

The resolution under this agenda has to be passed by the majority vote of the shareholders, attending and voting in the meeting.

Agenda Item 6 Consideration for payment of directors' remuneration for the year 2020.

General Information:

According to Clause 35 of the Company's Articles of Association, the directors are entitled to receive the remuneration as salary, remuneration for the meeting, bonus or other benefits as per the Articles of Association or as approved by the Shareholders' Meeting.

To ensure that the directors will receive appropriate and fair remuneration, the Nomination and Remuneration Committee proposed that the remuneration of the Board be determined by considering their duties and responsibilities, past performance, experience, business expansion, and the Company turnover, details of the proposed directors' remuneration for the year 2020 are in the table below, and the Directors who are the Company's Executives shall not be entitled to receive the directors' remuneration.

Board's Opinion: The Board agreed with the Nomination and Remuneration Committee's proposal. It is of the opinion that the Shareholders' Meeting should approve the allocation of directors' remuneration for the year 2020.

Table of comparison of directors' remuneration for the year of 2018 – 2020 is as follows:

Directors' Remuneration	2018 (Baht)	2019 (Baht)	2020 (Baht)
Remuneration for the Meeting of the Board			
- Chairman (per meeting)	30,000	30,000	30,000
- Director (per meeting)	20,000	20,000	20,000
Remuneration for the Meeting of the Audit Committee			
- Chairman (per meeting)	30,000	30,000	30,000
- Director (per meeting)	20,000	20,000	20,000
Remuneration for the Meeting of the Nomination and Remuneration Committee			
- Chairman (per meeting)	30,000	30,000	30,000
- Director (per meeting)	20,000	20,000	20,000
Bonus (assigned the Board of Directors to allocate)	-	-	-

- Directors who are the Company's executive shall not be entitled to receive the directors' remuneration.

Voting Rule:

The resolution under this agenda has to be passed by the vote of not less than two-thirds of the total votes of shareholders, attending the meeting.

Agenda Item 7

Consideration for appointment of Company's auditors and approval of auditors' fee for the year 2020.

General Information:

According to Section 120 of the Public Limited Companies Act B.E. 2535 and Clause 43 of the Company's Article of Association, the Annual General Meeting of Shareholders shall appoint the auditors and determine the auditor's remuneration.

In addition, according to the Notification of the Capital Market Supervisory Board No. Tor. Jor. 75/2561 regarding the rule, condition and method of report to release the information on financial status and the operation of the Company (No. 14), the Company must rotate the auditors if such auditors have been on the duty for 7 accounting years whether consecutively or not. The Company can re-appoint such auditors when they are not on the duty for 5 consecutively accounting years. In this regard, EY Office Ltd. has been audited the Company for 32 consecutive years. In addition, EY Office Ltd. is also proposed to serve as an auditor of Company's subsidiaries.

Board's Opinion: According to the opinion of the Audit Committee, the Board recommends that the following auditors from EY Office Ltd. shall be proposed for appointment by the Shareholders' Meeting. Anyone of the above may carry out the work for the company for the year of 2020. The auditor's fee for annual audit would be Baht 1,170,000.

Auditors' Name	License No.	No. of years of duty
(1) Mrs. Gingkarn Atswarangsalit	4496	3
(2) Mr. Chayapol Suppasedtanon	3972	-
(3) Ms. Sumana Punpongsanon	5872	-
(4) Ms. Orawan Techawatanansirikul	4807	-

Additional Information:

- (1) The above proposed auditors are independent and do not have any relationship or any conflict of interest with the Company, the executives, the major shareholders or their related persons.
- (2) The above proposed auditors have been approved by the Office of the Securities and Exchange Commission to examine the listed company.
- (3) Table of comparison of audit fee for the year 2018 – 2020 is as follows:

Year	2018	2019	2020
Audit Fee	1,170,000 Baht	1,170,000 Baht	1,170,000 Baht
Non-Audit Fee	-	-	-

Voting Rule:

The resolution under this agenda has to be passed by the majority vote of the shareholders, attending and voting in the meeting.

Agenda Item 8 Other matters, (if any)

The record date on which the recorded shareholders have the right to attend the Annual General Shareholders' Meeting for the year of 2020 will be on June 12, 2020.

Kindly attend the meeting on the date, time and place as specified above. If you are unable to attend the meeting, you may appoint

1. Mr. Wanchai Umpungart, Chairman of the Board, Independent Director, Chairman of the Audit Committee and Member of the Nomination and Compensation Committee
2. Mr. Lert Nittheranont, Director, Independent Director, Member of the Audit Committee, Member of the Nomination and Compensation Committee or other person to attend and vote at the meeting on your behalf.

The Proxy Form is enclosed herewith; please complete, sign the Form B Proxy as appeared in Enclosure (4) and affix 20 Baht stamp duty and return to the Company at least one day before the meeting date, or hand in the completed and signed Proxy to the Chairman of the Board or the designated person at the meeting venue before the meeting starts. The meeting registration will start at 12.00 hrs.

Yours sincerely,



Mr. Wanchai Umpungart
Chairman
Lohakit Metal Public Company Limited



**Minutes of Annual General Meeting of Shareholders for the Year 2019
of
Lohakit Metal Public Company Limited**

The Meeting was held on July 25, 2019 at 14.00 hrs. at the Meeting Room, 12th Floor, Parking Building, No.43, Thai CC Tower, South Sathorn Road, Yannawa, Sathorn, Bangkok.

Ms. Sukonta Kasemsuk, the master of ceremony, welcomed the shareholders to the Annual General Meeting of Shareholders for the Year 2019 of Lohakit Metal Public Company Limited and informed the meeting that there were 74 shareholders attended the meeting, both in person and by proxy, together represented 257,641,279 shares with equivalent to 67.2693% of the total issued shares, thus forming a quorum according to Article 39 of the Articles of Association. The master of ceremony introduced the attendees as follows;

Attending Directors

- | | | |
|----|------------------------------|--|
| 1. | Mr. Wanchai Umpungart | Chairman of the Board,
Chairman of the Audit Committee and Member of the
Nomination and Remuneration Committee |
| 2. | Mr. Prasarn Akarapongpisakdi | Director, Chairman of the Executive Director and
Managing Director |
| 3. | Mr. Teera Na Wangkanai | Director, Audit Committee and Chairman of the
Nomination and Remuneration Committee |
| 4. | Mr. Lert Nitheranont | Director, Audit Committee and Member of the
Nomination and Remuneration Committee |
| 5. | Mr. Anurut Vongvanij | Director |
| 6. | Mr. Somnuik Thanasarn | Director, Executive Director and Deputy Managing
Director |
| 7. | Mr. Vittawat Akarapongpisak | Director, Executive Director and Assistant Managing
Director |

All 7 directors attended to the meeting, equivalent to 100% of the total directors.

Absent Director

-

Auditor

- | | | |
|----|-------------------------------|----------------|
| 1. | Mrs. Gingkarn Atsawarangsalit | EY Office Ltd. |
| 2. | Ms. Phavadee Sangkhawatthana | EY Office Ltd. |
| 3. | Ms. Prim Wacharaprapha | EY Office Ltd. |
| 4. | Ms. Pattama Wanprasit porn | EY Office Ltd. |

Legal Consultant who Attended the Meeting and Examined the Vote Counting.

- | | | |
|----|--------------------------|-------------------------|
| 1. | Mrs. Nittaya Kiatserikul | Seri Manop & Doyle Ltd. |
| 2. | Ms. Wassaya Iemvijan | Seri Manop & Doyle Ltd. |
| 3. | Ms. Phanlapa Saelow | Seri Manop & Doyle Ltd. |

Ms. Sukonta Kasemsuk informed the Meeting of the voting procedures on each agenda as follows:

Each shareholder shall have the vote equal to the amount of shares held in person or by proxy and may place the vote to adopt the resolution, objecting to, or abstaining on each agenda in equal to the amount of shares held in person or by proxy as stated on the voting card received upon registration.

On counting the votes, the Company's officials would count only the shareholder's votes objecting to, or abstaining on each agenda. The shareholders may raise their hands for the official to collect voting cards for objecting vote, or abstaining vote. Those objecting votes or abstaining votes would be subtracted from the total votes that attend the meeting. Non-vote should be deemed approval of the agenda. If the majority of vote adopts the resolution and the voting is conformed to the Company's regulation regarding the vote, it would be deemed that the meeting has adopted or approved such agenda. Any ballot with the following conditions shall be regarded as an invalid ballot and shall not be included in vote counting;

- (1) A ballot of other agenda
- (2) A ballot with no mark
- (3) A ballot with several marks
Nevertheless, split of votes is allowed for the shareholder having appointed custodians.
- (4) A damaged ballot with unclear voting intention by shareholders

This is with an exception to the agenda No. 5 regarding the appointment of new director to replace the retired director, which must collect the objecting and abstaining votes before collecting the adopting votes. Non-vote shall be considered approval of the agenda. For any shareholder who wish to leave the meeting early or absent from the meeting in any agenda, such shareholder may place the vote by submitting the voting card to the Company's official in advance.

In addition, it is permissible for the shareholder to reasonably inquire regarding the issue concerning the agenda before voting time of such agenda. The shareholder who wishes to place the inquiry must inform the meeting of his full name before placing inquiry or giving opinion.

The Company reserves the right to collect the voting cards from all shareholders at the end of the meeting as evidences.

The master of ceremony provided an opportunity to the shareholders to make any inquiries on the voting procedures. As there is no inquiry, the master of ceremony then invited the Chairman to give a speech.

Mr. Wanchai Umpungart, The Chairman of the Meeting, informed that the shareholders had attended forming a quorum then proceeded as according to the following agendas:

Agenda 1. Consideration to certify the Minutes of the Annual General Meeting of Shareholders for the year 2018

The Chairman proposed the Meeting to consider and certify the Minutes of the Annual General Meeting of Shareholders for the year 2018 held on July 26, 2018 whereas a copy of minutes has been formerly sent to shareholders together with the invitation letter for approval by the Meeting.

The Chairman inquired whether any shareholder having any question or suggestion. Since there was no question, the Chairman then proposed the Meeting to consider for approval.

The Meeting has unanimously resolved to approve the minutes of the Annual General Meeting of Shareholders for the year 2018 with the following voting results:

- Approved, representing 257,736,579 votes, equivalent to 100.0000% of the total votes of shareholders attending the meeting and having the rights to vote;

- Disapproved, representing 0 vote, equivalent to 0.0000% of the total votes of shareholders attending the meeting and having the rights to vote;
- Total 257,736,579 votes, equivalent to 100.0000% of the total votes of shareholders attending the meeting and having the rights to vote;
- Abstained, representing 0 vote, equivalent to - % of the total votes of shareholders attending the meeting and having the rights to vote.
- Void ballot, representing 0 vote, equivalent to - % of the total votes of shareholders attending the meeting and having the rights to vote.

Agenda 2. Consideration to acknowledge the Company's operating report, which ended on March 31, 2019

The Chairman proposed the Meeting to consider the Company's operating report, which ended on March 31, 2019, which had already been sent to the Shareholders in advance. Then, the Chairman assigned Mr. Prasarn Akarapongpisakdi, Chairman of the Executive Director, to propose the Meeting to present the Company's operating report:

Mr. Prasarn Akarapongpisakdi presented to the Meeting relating to the Company's operating report which ended on March 31, 2019 as followings;

Total income: the Company has a net income of 3,319.23 million Baht, which is approximately 2.6% lower than the previous year. The volume decreased by 1.2% and the price decreased by 1.4% compared to the previous year.

Gross profit: the Company has a gross profit of 411.43 million Baht or 12.5% of sales volume, which is approximately 1.8% lower than the previous year.

Net profit: the Company has a net profit of 143.59 million Baht or 4.4% of the sales volume or which is approximately 1.8% lower than the previous year.

Profit per share: the Company has profit per share equal to 0.37 Baht/share.

Return on Asset (ROA) = 6.10%

Return on Equity (ROE) = 9.85%

Current Liquidity = 2.69 times

Debt to Equity Ratio (D/E RATIO) = 0.41 times

The Chairman inquired whether any shareholder having any question or suggestion. There were shareholders inquired and the Company answered as follows:

Mr. Prasit Limpavithayakul, the shareholder, inquired as follows:

- Why the Company's annual operating report was not sent along with the Invitation letter of Annual General Meeting of Shareholders for his advance reviewing. Moreover, the shareholders cannot find such information through the Company's website. Therefore, the shareholder suggests the Company to prepare and deliver the Company's annual operating report together with the Invitation letter of Annual General Meeting to all shareholders in the subsequent years.

Mr. Prasarn Akarapongpisakdi answered that the Company has already sent the Company's annual operating report to all shareholders together with the Invitation letter of Annual General Meeting and asked whether there are any other shareholders who did not receive the annual operating report, since such mistake might be an individual errors. The Company thanks the shareholder for the suggestion. In this regards, the Company sincerely apologize for the mistake which shall be further improved.

The Meeting unanimously acknowledged the operating report which ended on March 31, 2019.

Agenda 3. Consideration to approve the Company's Financial Statement, consisting of Statements of Financial Position, Statement of Comprehensive Income, Statement of Change in Shareholders' Equity and Cash Flow Statement, which ended on March 31, 2019 and the auditor's report

The Chairman proposed the Meeting to consider and approve the Company's Financial Statement, consisting of Statements of Financial Position, Statement of Comprehensive Income, Statement of Change of Shareholders' Equity and Cash Flow Statement, which ended on 31 March 2019, and the auditor's report which had already been sent to the Shareholders in advance.

The Chairman inquired whether any shareholder having any question or suggestion. There were shareholders inquired and the Company answered as follows:

Mrs. Kulya Pakakrong, the proxy of Thai Investors Association, inquired as follows:

- According to the subsidiaries notes of the consolidated financial statements for the year ended on 31 March 2019, item 10: Inventories, page 17 of the Invitation letter of Annual General Meeting, regarding the reduce cost to net realizable value of years 2018 – 2019, whether the Company expect that it will continue to be reduced, and what was the cause of such reduction?

Mrs. Gingkarn Atsawarangsalit, the auditor, informed that the reduce cost to net realizable value in the subsidiaries notes of the consolidated financial statements item 10 was principally from an estimation of the allowance for diminution in value of inventories. In this regards, the Company shall consider based upon the estimating prices, which can be sold in the future, or so called, net realizable value, considering the aging profile of outstanding inventories and the stock conditions. The Company will reserve only when there is any impairment of such inventories. The policies or principles for the impairment of assets are stated in the subsidiaries notes of the consolidated financial statements item 4.12, page 9.

The Chairman then proposed the Meeting to consider for approval.

After due consideration, the Meeting has unanimously resolved to approve the financial statement, which ended on 31 March 2019 as proposed, with the following voting results:

- Approved, representing 257,777,801 votes, equivalent to 100.0000% of the total votes of shareholders attending the meeting and having the rights to vote;
- Disapproved, representing 0 vote, equivalent to 0.0000% of the total votes of shareholders attending the meeting and having the rights to vote;
- Total 257,777,801 votes, equivalent to 100.0000% of the total votes of shareholders attending the meeting and having the rights to vote;
- Abstained, representing 0 vote, equivalent to - % of the total votes of shareholders attending the meeting and having the rights to vote.
- Void ballot, representing 0 vote, equivalent to - % of the total votes of shareholders attending the meeting and having the rights to vote.

Agenda 4. Consideration on dividend

The Chairman assigned Mr. Prasarn Akarapongpisakdi, Chairman of the Executive Director, to report to the Meeting.

Mr. Prasarn Akarapongpisakdi reported the Meeting that according to the Company's Statement of Comprehensive Income ended on 31 March 2019, the Company has a net profit of Baht 42,809,411 hence proposed the meeting's approval of dividend payment at Baht 0.37 per share deducting the paid interim dividend at Baht 0.19 per share totaling of Baht 72,770,000 the remaining

dividend in the amount of Baht 0.18 per share, totaling of Baht 68,940,000 shall be paid to the shareholders. The record date on which the recorded shareholders have the right to the dividend will be on June 20, 2019 and the dividend payment will be on August 9, 2019.

The Chairman then proposed the Meeting to consider for approval.

After due consideration, the Meeting has unanimously approved for the dividend payment pursuant to the proposition, with the following voting results:

- Approved, representing 257,792,297 votes, equivalent to 100.0000% of the total votes of shareholders attending the meeting and having the rights to vote;
- Disapproved, representing 0 vote, equivalent to 0.0000% of the total votes of shareholders attending the meeting and having the rights to vote;
- Total 257,792,297 votes, equivalent to 100.0000% of the total votes of shareholders attending the meeting and having the rights to vote;
- Abstained, representing 0 vote, equivalent to - % of the total votes of shareholders attending the meeting and having the rights to vote.
- Void ballot, representing 0 vote, equivalent to - % of the total votes of shareholders attending the meeting and having the rights to vote.

Agenda 5. Consideration for appointment of the directors in replacement of those retired by rotation and determination of the authorized directors

The Chairman presented to the Meeting that, according to section 71 of Public Limited Companies Act B.E. 2535 and article 21 of the Company's Articles of Association stipulates that at the first Annual General Meeting of each year, one-third of the directors must be retired by rotation. The directors to retire during the first and second years following the registration of the Company shall be drawn by lots. In every subsequent year, the director who has been in office for the longest term shall retire. In this year 2019, there are 3 directors who retire by rotation as follow;

- | | |
|----------------------------------|--|
| (1) Mr. Prasarn Akarapongpisakdi | Director / Chairman of the Executive Director / Managing Director |
| (2) Mr. Teera Na Wangkanai | Director / Audit Committee / Chairman of the Nomination and Remuneration Committee |
| (3) Mr. Somnuik Thanasarn | Director / Executive Director / Deputy Managing Director |

For the Annual General Meeting of Shareholders for the year 2019, the Company provided minor shareholders an opportunity to propose in advance qualified candidates to be nominated for election in the annual shareholders' meeting between April 3, 2019 to May 7, 2019, as announced on the Company's website (www.lohakit.co.th) and on the SET's news and information system. However, there was no shareholder's nomination of a director candidate.

In addition, the Board, excluding members having conflict of interest, agreed with the Nomination and Compensation Committee's proposal, that the Shareholders' Meeting should elect Mr. Prasarn Akarapongpisakdi, Mr. Teera Na Wangkanai and Mr. Somnuik Thanasarn to be new directors of the Company, in replacement of the directors who retired by rotation. Details of age, education background, work experiences, are as appeared in Enclosure (3).

The Chairman inquired whether any shareholder having any question or suggestion. Since there was no question, the Chairman then proposed the Meeting to appoint new directors in replacement of the retired directors and to approve the authority of directors.

After due consideration, the Meeting had resolved with the majority votes to re-appoint Mr. Prasarn Akarapongpisakdi, Mr. Teera Na Wangkanai and Mr. Somnuik Thanasarn as directors of the Company, with the following results:

- (1) Mr. Prasarn Akarapongpisakdi
Director, Chairman of the Executive Director and Managing Director
 - Approved, representing 244,547,737 votes, equivalent to 100.0000% of the total votes of shareholders attending the meeting and having the rights to vote;
 - Disapproved, representing 0 votes, equivalent to 0.0000% of the total votes of shareholders attending the meeting and having the rights to vote;
 - Total 244,547,737 votes, equivalent to 100.0000% of the total votes of shareholders attending the meeting and having the rights to vote;
 - Abstained, representing 13,320,960 vote, equivalent to - of the total votes of shareholders attending the meeting and having the rights to vote.
 - Void ballot, representing 0 vote, equivalent to - of the total votes of shareholders attending the meeting and having the rights to vote.
- (2) Mr. Teera Na Wangkanai
Director, Audit Committee and Chairman of the Nomination and Remuneration Committee
 - Approved, representing 257,868,597 votes, equivalent to 99.9999% of the total votes of shareholders attending the meeting and having the rights to vote;
 - Disapproved, representing 100 votes, equivalent to 0.0001% of the total votes of shareholders attending the meeting and having the rights to vote;
 - Total 257,868,697 votes, equivalent to 100.0000% of the total votes of shareholders attending the meeting and having the rights to vote;
 - Abstained, representing 0 vote, equivalent to - of the total votes of shareholders attending the meeting and having the rights to vote.
 - Void ballot, representing 0 vote, equivalent to - of the total votes of shareholders attending the meeting and having the rights to vote.
- (3) Mr. Somnuik Thanasarn
Director, Executive Director and Deputy Managing Director
 - Approved, representing 257,868,697 votes, equivalent to 100.0000% of the total votes of shareholders attending the meeting and having the rights to vote;
 - Disapproved, representing 0 votes, equivalent to 0.0000% of the total votes of shareholders attending the meeting and having the rights to vote;
 - Total 257,868,697 votes, equivalent to 100.0000% of the total votes of shareholders attending the meeting and having the rights to vote;
 - Abstained, representing 0 vote, equivalent to - of the total votes of shareholders attending the meeting and having the rights to vote.
 - Void ballot, representing 0 vote, equivalent to - of the total votes of shareholders attending the meeting and having the rights to vote.

The Authority of directors should be retained as follows:

“Mr. Prasarn Akarapongpisakdi, Mr. Somnuik Thanasarn, Mr. Vittawat Akarapongpisak, any two of these directors jointly signed with affix the Company’s seal” with the following voting results:

- Approved, representing 257,868,697 votes , equivalent to 100.0000% of the total votes of shareholders attending the meeting and having the rights to vote;

- Disapproved, representing 0 votes, equivalent to 0.0000% of the total votes of shareholders attending the meeting and having the rights to vote;
- Total 257,868,697 votes, equivalent to 100.0000% of the total votes of shareholders attending the meeting and having the rights to vote;
- Abstained, representing 0 vote, equivalent to - of the total votes of shareholders attending the meeting and having the rights to vote.
- Void ballot, representing 0 vote, equivalent to - of the total votes of shareholders attending the meeting and having the rights to vote.

Agenda 6. Consideration for payment of directors' remuneration for the year 2019

The Chairman assigned Mr. Teera Na Wangkanai, Chairman of the Nomination and Remuneration Committee, to propose the Meeting to consider the payment of directors' remuneration for the year 2019

Mr. Teera Na Wangkanai presented to the Meeting that according to article 35 of the Company's Articles of Association, director is entitled to receive the remuneration in form of salary, remuneration of the meeting, bonus or other forms of remuneration pursuant to the Articles of Association or as approved by the shareholders meeting.

In order to provide the appropriate and fair remuneration to directors, the Nomination and Remuneration Committee hereby presented the Board of Director for considering the remuneration whereby considered on duty, role, responsibility, performance, and experience along with the business expansion, financial status and turnover of the Company. The Company ultimately proposes to determine the director remuneration of year 2019 as appeared in the annex which had already been sent to the Shareholders together with the notice, in this regard, the director who is the executive director will not be entitled for the remuneration of the meeting as followings;

- (1) Remuneration of the Meeting for the Board of directors
 - Baht 30,000 per Meeting for Chairman of the Board.
 - Baht 20,000 per person / Meeting for Director
 Directors who are the Company's executive or employee shall not be entitled to receive the directors' meeting fee
- (2) Remuneration of the Meeting for the Audit Committee
 - Baht 30,000 per Meeting for Chairman of Audit Committee
 - Baht 20,000 per person / Meeting for Audit Committee
- (3) Remuneration of the Meeting for the Nomination and Remuneration Committee
 - Baht 30,000 per Meeting for Chairman of Audit Committee
 - Baht 20,000 per person / Meeting for Audit Committee

The Chairman inquired whether any shareholder having any question or suggestion. There were shareholders inquired and the Company answered as follows:

Mr. Saravuth Wachirasuntonpoj, the shareholder, inquired as follows:

- How many meetings for the Board of directors in a year?

Mr. Wanchai Umpungart answered that the Company holds 4 meetings for the Board of directors per year, 4 meetings for the Audit Committee per year, and 2 meetings for the Nomination and Remuneration Committee per year.

Aef. Sub Chartchai Wongsiripaisarn, the shareholder, inquired as follows:

- As the Company informed that the directors are not entitled to receive any bonus, why there was the bonus matter of Baht 4,000,000 specified in the directors' remuneration table and indicating the assignment for the Board of Director to allocate?

Mr. Wanchai Umpungart answered that the bonus matter of Baht 4,000,000, which assigned the Board of Director to allocate, was the information from the year 2017,

included herewith as reference for the 3 years comparison purpose only, the directors are currently not entitled to receive any bonus.

- Despite the Company's profit decreased, the directors' remuneration rates remain the same every year. Thus, if the Company's performance result is still not better, the shareholders suggest the Company to reduce the directors' remuneration rates in order to be fairer and more appropriate.

Mr. Wanchai Umpungart informed that the Company would take such comments for further consideration.

The Chairman then proposed the Meeting to consider for approval.

After due consideration, the Meeting has approved for the remuneration payment of year 2019 as proposed by the Chairman with the following results:

- Approved, representing 257,786,428 votes, equivalent to 99.9612% of the total votes of shareholders attending the meeting and having the rights to vote;
- Disapproved, representing 0 vote, equivalent to 0 % of the total votes of shareholders attending the meeting and having the rights to vote;
- Abstained, representing 100,000 vote, equivalent to 0.0388% of the total votes of shareholders attending the meeting and having the rights to vote.
- Total 257,886,428 votes, equivalent to 100.0000% of the total votes of shareholders attending the meeting and having the rights to vote;
- Void ballot, representing 0 vote, equivalent to - % of the total votes of shareholders attending the meeting and having the rights to vote.

Agenda 7. Consideration for appointment of Company's auditor and approval of auditors' fee for the year 2019

The Chairman proposed the Meeting that section 120 of the Public Limited Companies Act B.E. 2535 and article 43 of the Company's Articles of Association stipulate that the Annual General Meeting of Shareholders shall appoint Company's auditor and approval of auditors' fee. In addition, the Notification of the Capital Market Supervisory Board No. Tor. Jor. 75/2561 regarding the rule, condition and method of report to release the information on financial status and the operation of the Company (No. 14), stating that the Company must rotate the auditors if such auditors have been on the duty for 7 accounting years whether consecutively or not. The Company can re-appoint such auditors when they are not on the duty for 5 consecutively accounting year. In this regard, EY Office Ltd. has been auditing the Company for 31 consecutive years. In addition, EY Office Ltd. was proposed by the Company's affiliate to be the auditor for the year 2019.

The Board of Directors, after considering the approval of the Audit Committee, deemed appropriate for the Meeting to approve the appointment of;

- 1) Mrs. Ginkarn Atsawarangsalit, CPA License No. 4496
- 2) Mr. Chayapol Suppasedtanon, CPA License No. 3972
- 3) Ms. Sumana Punpongsanon, CPA License No. 5872
- 4) Ms. Orawan Techawatanasirikul, CPA License No. 4807

of EY Office Ltd. to be the Company's auditor for the year 2019. Any one of these auditors can audit and provide opinion to the financial statement of the Company. The auditing fee for an annual audit would be Baht 1,170,000 which is equivalent to the previous year.

The Chairman inquired whether any shareholder having any question or suggestion. There were shareholders inquired and the Company answered as follows:

Aef. Sub Chartchai Wongsiripaisarn, the shareholder, inquired Mr. Lert Nitheranont, Audit Committee as follows:

- Since there was a news concerning EY Office Ltd. that its employees have used the inside information of the registered companies' clients and were penalized by the Securities and Exchange Commission (SEC), why the Company still appoints EY Office Ltd. as the Company's Auditor for the year 2019.

Mr. Lert Nitheranont answered that the Company still elects EY Office Ltd. as the Company's Auditor as EY Office Ltd. is a reliable and well-known company. Further, the EY Office Ltd. has already sent a letter to the Company clarifying about the situation that happened to the Company.

Mr. Prasarn Akarapongpisakdi further clarified that after there was the news concerning such incident in the newspaper, EY office Ltd. promptly sent a clarifying letter to the Company within 3 - 4 days explaining what had happened and its protective measures. Further, EY office Ltd. has been the Company's auditor for over 31 years. One reason that the Company has chosen EY office Ltd. is because they are attentive, up to standard, a leading and well known company. Therefore, the Company deemed that since EY office Ltd. has clearly explained such incident to the Company which was acceptable as well as the Company has already examined the matter and mutually consulted with the Board of Directors and the Audit Committee, the Company was of an opinion that such explanation and the clarifying letter are sufficient for appointing EY office Ltd. as the Company's Auditor.

- Why the Company still considers paying EY office Ltd.'s remuneration at the same rates for 3 consecutive years despite the decrease of Company's income and that the shareholders have received less dividend payment? The shareholders thus suggest the Company to reduce such remuneration.

Mr. Wanchai Umpungart informed that the Company would take such comments for further consideration.

The Chairman then proposed the Meeting to consider for approval.

After due consideration, the Meeting has unanimously resolved the appointment of the auditor and set the audit fee of 1,170,000 baht per year as proposed with the following voting results:

- Approved, representing 257,921,035 votes, equivalent to 100.0000% of the total votes of shareholders attending the meeting and having the rights to vote;
- Disapproved, representing 0 vote, equivalent to 0 % of the total votes of shareholders attending the meeting and having the rights to vote;
- Total 257,921,035 votes, equivalent to 100.0000% of the total votes of shareholders attending the meeting and having the rights to vote;
- Abstained, representing 0 vote, equivalent to - % of the total votes of shareholders attending the meeting and having the rights to vote.
- Void ballot, representing 0 vote, equivalent to - % of the total votes of shareholders attending the meeting and having the rights to vote.

Agenda 8. Other matters

The Chairman inquired whether any shareholder having any question or suggestion.

There were shareholders inquired and the Company answered as follows:

Mr. Verasak Sahachaisaree, the shareholder, inquired as follows:

- The shareholders understand that the Company's products are processed metals and would like to know the percentage of Company's Market Share in Thailand? Moreover,

according to the current situation, since the metals' prices in China have decreased, how the Company is to be affected by this situation?

Mr. Prasarn Akarapongpisakdi answered that as the Company's business is purchasing the metals e.g. stainless steel, aluminum or copper to be fabricated according to the sizes and shapes defined by the customers which is a matter of supply chain management, i.e. customers are not required to stock the products at all. The Company sells products to the automotive business for approximately 50% of the revenue, approximately 20% of the remaining revenue comes from the electrical appliances business, approximately over 10% of the revenue comes from the construction business, also some from the food business, and approximately 10% of the rest of revenue is a wholesale business. Therefore, it is difficult to inform the market share of the company due to the customers of the Company, such as electrical appliance business customers, would buy raw materials from many sources including importing from foreign countries in order to diversify the risks and to prevent anyone from becoming the main supplier. The Company can only classify that the automotive business is in the proportion of nearly 50% of the Company's main revenue.

Regarding the concern about the decreased prices of metals in China, although the manufacturers in Thailand import raw materials from foreign countries, the proportion is still less than purchasing raw materials from the domestic distributors. For example, a washing machine manufacturer will import raw materials from foreign countries at around 30% and purchase from the domestic distributors at 70%. This was due to the customers do not need to stock the raw materials when purchasing from the domestic distributors. The Company would manage all the process whereas the customers can order on a weekly or daily basis. Moreover, the standard of products from China is not very reliable except for some manufacturers that use all raw materials from China, buying with condition that if, after those raw materials are used to manufacture the products, the left un-used raw materials could be returned to the supplier in China, then re-purchase the new materials when required.

Moreover, concerning the dumping, although Thailand has imposed an anti-dumping tax measures to prevent the dumping from China, it still appears that there are goods from China imported through other countries; the amount will depend on each period. If, during any period, the market price situation in Thailand is not favorable, there will be more import of products from China. Nevertheless, since the Company's main income was obtained from the automotive business whereas the automotive manufacturers in Thailand impose strict quality standards on raw materials used for the production. Therefore, the automotive manufacturers use the domestic raw materials and imported mostly from Japan or Korean.

At present, there is a high market competition in every country and the trade is very free. Although it is still not possible to trade online but the modern logistics management system is very convenient resulting in high competition. However, the advantage is that it would be difficult for a new supplier in the market since the customers would like to be confidence in the reliability and capabilities of the supplier. In this regards, as the Company has been operating for over 30 years, which is the strength of the Company.

For shareholders who have just recently invested in the Company's shares, please be informed that the Company regularly participates in the Opportunity Day activities at the Stock Exchange every 3 months. The interested parties can participate in listening to questions and discussing on the Company's business, both in the meeting room and online, which the Company can promptly answer on the Company's operating results of the past 3 months.

Ms. Achida Yongmetavuti, the proxy of Ms. Chidchanok Sermkiatipong, inquired as follows:

- Whether the majority of Company's revenue obtained from selling products locally or from abroad and what is the ratio? How the baht appreciation affect the revenue of the Company?

- How the current Trade War affect the Company?

Mr. Prasarn Akarapongpisakdi answered that, for the first question, as aforementioned that the main income of the Company of around 50% is obtained from the

automotive business, the remaining incomes are from the construction business, electric equipment and the food industries which are within the buildings, condominiums, or food courts. Most of the said products are domestic trading, only very few are exported. The reason is due to the Company would purchase the stainless and fabricate into small parts for selling to manufacturers, e.g. washing machine or rice cooker, in order for the manufacturers not to import the raw materials. The manufacturers then assemble these raw materials into products that will be exported by themselves. Therefore, the Company does not directly export products to foreign countries. Further, the ASEAN region currently has many stainless steel production plants, the exporting opportunity is almost non-existent, and in the current situation that the supply more than doubles the demand, the Company has no needs to export at all. The baht appreciation is thus benefit the Company due to the low cost. However, the Company has policy not to speculate from the cost price and will charge all products at fixed rate, as our trading with customers is 1 - 2 month in advance. Therefore, from the main reason that customers do not wish to import raw materials by themselves, the Company has almost no interest from the baht appreciation.

Regarding the Trade War, the Company initially benefits from the Trade War; many customers bought more products from the Company since they did not buy products from China. However, the Company was later negatively affected because the purchasing power was lower and the customers had no desire to purchase. Such effects were the overall impact and negatively affects all parties even the parties of the Trade War themselves, not only affecting the Company. From the lower sales in the past years, the Company sees that if there is no trade war, the performance will not be at this low level. In addition, it can be seen that Thailand's exports were in negative for 4 - 5 months. In this regards, the Company must consider the overview, if the customers of the Company sell poorly, the Company's product sales shall not be good as well. Upon considering each business, the domestic automotive business still goes well. On the other hand, the electrical appliances business has poor sales and the construction business has slowed down, despite the construction of many new condominium projects.

Ms. Jannate Matarweewinij, the shareholder, inquired as follows:

- From what the directors mentioned above, how can the Company solve the problem? Is the business of the Company an Original Equipment Manufacturer (OEM)?

Mr. Prasarn Akarapongpisakdi answered that the Company is not a manufacturer but a supplier of raw materials to customers. That is, customers who manufacture microwave previously buy metals to cut into small parts by themselves and having to stock a large amount of materials in their warehouses. The Company thus provides such services to manufacturers. Consequently, if the customers cannot sell their products, the Company also cannot sell our materials as well. Moreover, finding new markets is not easy and the Company has been considering the matter since 4 - 5 years ago. What the Company could do is cost management by minimizing the major risk in the Company's business when the economic crisis occurred, such as the risk from not being able to collect money from customers i.e. bad debt, which the Company has always been able to effectively control the bad debts but the sale profit may decrease. For the exports, there were problems from baht appreciation as well, which are not a long-term problem as the Company is engaging in the main industry of the country and distributes in many businesses such as automotive business where sales are continue to increase.

In addition, the Company did not just start adjusting the strategies upon the economic crisis occurs, we have always been planning and assessing the risks since the Company registered with the SET. Thus, when problems arise, the Company is confident to having sufficient sum to pay for various debts and conducting the business. In addition, our products have appropriate services and management with confident to further proceed with the business.

- The Company pays dividends from the its retained earnings or the net profit and upon the net profit of the Company decreases, how the other companies within same industry adjust? How the company would solve the problems, such as, reducing the number of workers and replacing them with machines etc?

Mr. Prasarn Akarapongpisakdi answered that the Company pays all dividends from the annual net profit and disagreed with the use of retained earnings to pay dividends. The retained earnings will be retained for the Company's financial stability. In regard to reducing the number of employees, the Company considers that reducing the number of employees should not be an important variable to reduce cost. Employees are important resources of the Company since the Company sells services as an important part. The Company has to help customers to store products in the warehouse, select distributors, manage production and quality selection, not just buying and selling. For the Company's strategies, the Company will buy the cheapest raw material by cash and release them at the most appropriate time. In the preparation of other products, it is still a matter of time due to the business problems have impacted every industry. The low deadlock and good cash flow remain our advantage whereas the loss is quite unlikely for the Company according to the good management i.e. knowing when the Company should buy and sell products and when there will be a customer's demand to buy large quantities of products.

- In the year 2016, the Company had a net profit of approximately Baht 0.26 per share, whether at that time the Chinese products have arrived into Thailand yet? In the years 2017 and 2018, the Company made a profit of Baht 0.46 and Baht 0.37 per share respectively; whether the next year Company's net profit will return to be as in the year 2016?

Mr. Prasarn Akarapongpisakdi answered that, in the year 2017, the Company's performance was not as expected due to various construction projects and sky train projects, along with the significantly recovered automobile business, which was not related to arrival of products from China. Moreover, the rise in raw material prices also contributed. The Company sees that 1% of the decrease in net profit was due to the decrease in sales volume and another 1% from lower prices, as the price of stainless steel has dropped by more than 15 - 20 % in that year, regardless of the arrival of products from China. The years 2017 - 2018 were the period in which the price of the products was high and there were many customers' demands. The performance of Company and its customers can be referred from the Gross Domestic Product (GDP) of Thailand and the global economy, which the Company has been aware of for more than 7 - 8 years since the period of good performance. The Company has a plan to proceed in the event that the products do not sell well. Therefore, the Company always has a preventive measure against such situation.

The Chairman declared the Meeting closed at 15.15 p.m.



Signed _____ Chairman
(Mr. Wanchai Umpungart)

Financial Highlight

Performance at a Glance

Financial summary of Lohakit Metal Public Company Limited and the subsidiaries:

For the year ended 31st March

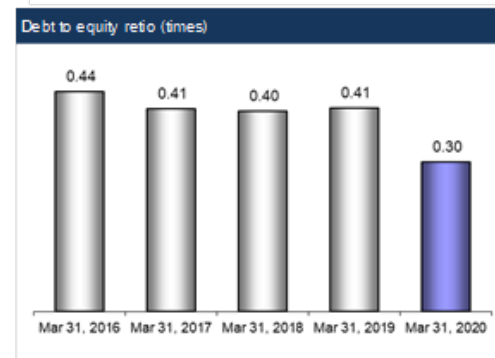
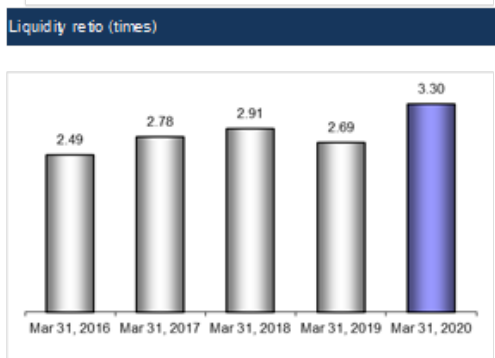
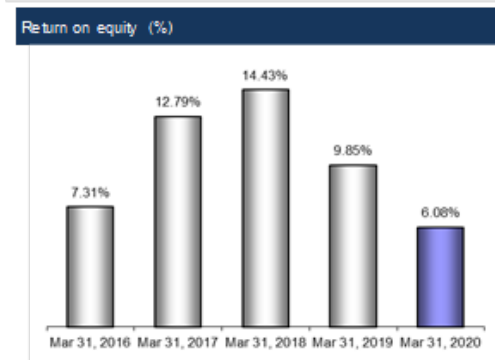
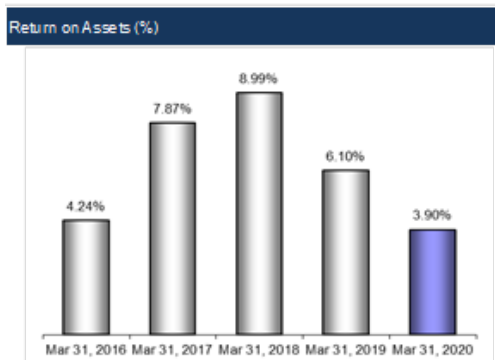
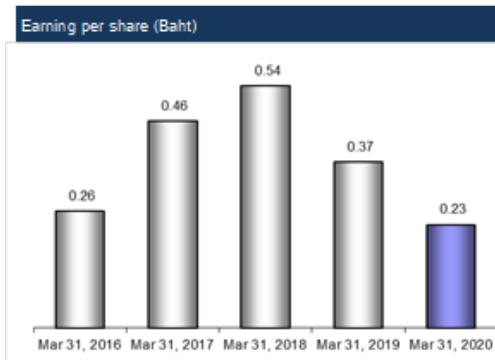
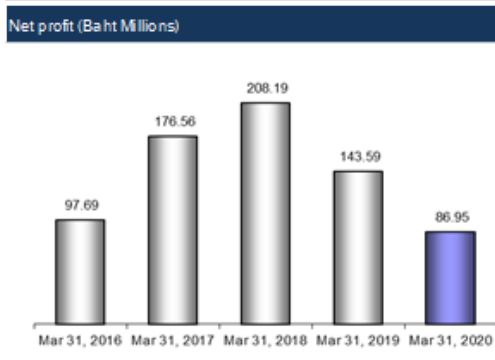
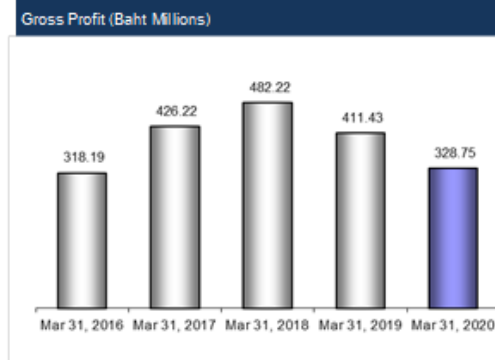
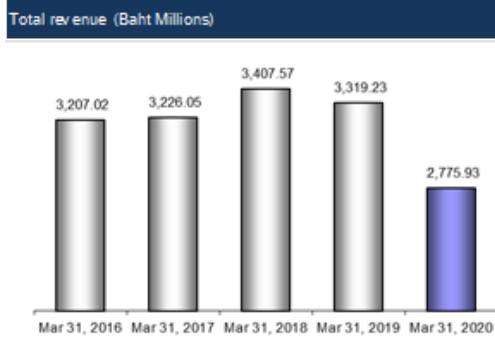
	2016	2017	2018	2019	2020*
Profit and loss statement (Baht millions)					
Total revenue	3,207.02	3,226.05	3,407.57	3,319.23	2,775.93
Revenue from the sales of good and services	3,176.85	3,199.82	3,376.19	3,293.90	2,756.44
Gross profit	318.19	426.22	482.22	411.43	328.75
Net profit provided by operating activities	173.83	279.67	341.41	253.50	159.52
Net profit	97.69	176.56	208.19	143.59	86.95
Balance Sheet (Baht millions)					
Total assets	2,217.41	2,271.46	2,362.03	2,345.53	2,118.54
Total liabilities	678.66	655.42	677.43	679.12	483.41
Total shareholders' equity	1,538.75	1,616.04	1,684.60	1,666.41	1,635.13
Per ordinary share (Baht), at Par 1.00					
Book Value per share (Baht)	3.51	3.70	3.84	3.77	3.70
Earning per share (Baht)	0.26	0.46	0.54	0.37	0.23
Dividend per share (Baht)	0.24	0.34	0.45	0.37	0.22
Ratio Analysis					
Gross profit margin (%)	10.02%	13.32%	14.28%	12.49%	11.93%
Net profit margin (%)	3.05%	5.47%	6.11%	4.33%	3.13%
Return on equity (%)	7.31%	12.79%	14.43%	9.85%	6.08%
Return on Assets (%)	4.24%	7.87%	8.99%	6.10%	3.90%
Liquidity ratio (times)	2.49	2.78	2.91	2.69	3.30
Debt to equity ratio (times)	0.44	0.41	0.40	0.41	0.30

*2020 - Published in the Government Gazette Determine the compensation rate in case the employer terminates the employee Receive compensation 400 days of the final wage rate. The change has been revamped in post-employment benefits.

Consolidated Results of Fiscal Years as of March 31, 2016–March 31, 2020



Consolidated Results of Fiscal Years as of
March 31, 2016 - March 31, 2020



Lohakit Metal Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 March 2020

Independent Auditor's Report

To the Shareholders of Lohakit Metal Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Lohakit Metal Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2020, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Lohakit Metal Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lohakit Metal Public Company Limited and its subsidiaries and of Lohakit Metal Public Company Limited as at 31 March 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures performed in response to each matter are described below.

Revenue recognition

Revenue from sales of the Group are significant amount and the Group sell their goods to a large number of customers under different commercial terms. I therefore determined revenue recognition as a key audit matter and focused on the occurrence of revenue recognition.

I performed audit procedures on the recognition of revenue from sales of the Group including:

- Assessed and tested the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applied a sampling method to select sales documents to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- On a sampling basis, examined supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewed credit notes that the Company issued after the period-end.
- Performed analytical procedures on disaggregated data of sales transactions throughout the period.

Allowance for diminution in value of inventories

As at 31 March 2020, the Group had outstanding inventories of Baht 589 million and inventories are valued at the lower of cost and net realisable value. Estimating the net realisable value of inventory, as disclosed in Note 10 to the consolidated financial statements, is an area of significant management judgment, particularly with regard to the estimation of allowance for diminution in the value of slow-moving and obsolete inventory. This requires detailed analysis of the product life cycle.

I assessed the determination of the allowance for diminution in the value of inventories. The procedures that I performed included:

- Gained an understanding of the methods and assumptions applied by the management in determining the allowance for diminution in value of inventories, and reviewed the consistency of the application of that basis.
- Compared the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Compared proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory for each group of products.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

I am responsible for the audit resulting in this independent audit's report.



Gingkarn Atsawarangsalit
Certified Public Accountant (Thailand) No. 4496

EY Office Limited
Bangkok: 27 May 2020

Lohakit Metal Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
Assets					
Current assets					
Cash and cash equivalents	7	211,322,854	314,319,132	69,421,626	91,751,838
Current investments	8	107,032,279	4,380,304	-	-
Trade and other receivables	9	542,310,563	673,050,945	284,939,103	325,829,569
Inventories	10	588,747,540	716,374,168	341,285,434	390,668,369
Other current assets		4,042,129	5,907,364	1,317,606	3,823,201
Total current assets		1,453,455,365	1,714,031,913	696,963,769	812,072,977
Non-current assets					
Restricted bank deposits	11	46,180,000	46,180,000	6,080,000	6,080,000
Investment in associate	12	11,625,644	9,670,782	4,900,000	4,900,000
Investments in subsidiaries	13	-	-	406,577,212	406,807,303
Long-term investments	14	3,456,729	3,507,940	-	-
Property, plant and equipment	15	581,774,931	544,273,682	308,144,684	262,801,011
Intangible assets	16	1,741,193	367,996	974,843	269,063
Deferred tax assets	22	16,900,023	15,559,492	9,856,175	10,079,350
Other non-current assets		3,402,229	11,935,190	2,394,650	10,534,562
Total non-current assets		665,080,749	631,495,082	738,927,564	701,471,289
Total assets		2,118,536,114	2,345,526,995	1,435,891,333	1,513,544,266

The accompanying notes are an integral part of the financial statements.

Lohakit Metal Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	17	55,717,470	92,246,456	31,255,488	13,326,527
Trade and other payables	18	368,073,065	516,820,384	212,254,097	278,028,405
Income tax payable		6,639,739	20,119,614	-	2,039,737
Other current liabilities		9,757,980	8,563,444	5,020,872	3,627,243
Total current liabilities		440,188,254	637,749,898	248,530,457	297,021,912
Non-current liabilities					
Provision for long-term employee benefits	19	43,216,677	41,364,269	22,455,655	25,302,795
Other non-current liabilities		1,200	1,200	-	-
Total non-current liabilities		43,217,877	41,365,469	22,455,655	25,302,795
Total liabilities		483,406,131	679,115,367	270,986,112	322,324,707

The accompanying notes are an integral part of the financial statements.

Lohakit Metal Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
Shareholders' equity					
Share capital					
Registered					
383,000,000 ordinary shares of Baht 1 each		383,000,000	383,000,000	383,000,000	383,000,000
Issued and fully paid-up					
383,000,000 ordinary shares of Baht 1 each		383,000,000	383,000,000	383,000,000	383,000,000
Share premium		519,672,600	519,672,600	519,672,600	519,672,600
Retained earnings					
Appropriated - statutory reserve	20	75,250,000	74,900,000	38,300,000	38,300,000
Unappropriated		438,194,825	467,186,322	223,932,621	250,246,959
Other components of shareholders' equity		811,937	852,906	-	-
Equity attributable to owners of the Company		1,416,929,362	1,445,611,828	1,164,905,221	1,191,219,559
Non-controlling interests of the subsidiary		218,200,621	220,799,800	-	-
Total shareholders' equity		1,635,129,983	1,666,411,628	1,164,905,221	1,191,219,559
Total liabilities and shareholders' equity		2,118,536,114	2,345,526,995	1,435,891,333	1,513,544,266
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

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 Directors

Lohakit Metal Public Company Limited and its subsidiaries

Statement of income

For the year ended 31 March 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Revenues					
Sales and service income		2,756,439,571	3,293,899,384	1,341,392,060	1,545,806,410
Dividend income	12.2, 13.2	171,044	164,873	83,435,629	103,499,612
Other income		19,321,920	25,169,418	27,162,631	27,648,219
Total revenues		2,775,932,535	3,319,233,675	1,451,990,320	1,676,954,241
Expenses					
Cost of sales and service		2,427,693,124	2,882,472,787	1,251,222,059	1,413,944,022
Selling and distribution expenses		65,947,590	67,770,387	42,534,334	45,601,026
Administrative expenses		122,773,854	115,491,441	65,301,046	63,373,577
Total expenses		2,616,414,568	3,065,734,615	1,359,057,439	1,522,918,625
Profit before share of profit from investment					
in associate, finance cost and income tax expenses		159,517,967	253,499,060	92,932,881	154,035,616
Share of profit from investment in associate	12.2	1,954,862	2,144,178	-	-
Income before finance cost and income tax expenses		161,472,829	255,643,238	92,932,881	154,035,616
Finance cost		(3,673,569)	(5,553,055)	(1,440,703)	(1,625,342)
Profit before income tax expenses		157,799,260	250,090,183	91,492,178	152,410,274
Income tax expenses	22	(23,500,322)	(49,392,846)	(2,479,197)	(9,500,039)
Profit for the year		134,298,938	200,697,337	89,012,981	142,910,235
Profit attributable to:					
Equity holders of the Company		86,950,542	143,588,836	89,012,981	142,910,235
Non-controlling interests of the subsidiary		47,348,396	57,108,501		
		<u>134,298,938</u>	<u>200,697,337</u>		
Earnings per share					
	24				
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)		0.23	0.37	0.23	0.37
Weighted average number of ordinary shares (shares)					
		383,000,000	383,000,000	383,000,000	383,000,000

The accompanying notes are an integral part of the financial statements.

Lohakit Metal Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 March 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit for the year		<u>134,298,938</u>	<u>200,697,337</u>	<u>89,012,981</u>	<u>142,910,235</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gain (loss) on changes in value of available-for-sale investments - net of income tax	14, 22	(40,969)	530,124	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss - net of income tax	19, 22	(719,244)	(502,036)	(427,319)	(100,824)
Other comprehensive income for the year		<u>(760,213)</u>	<u>28,088</u>	<u>(427,319)</u>	<u>(100,824)</u>
Total comprehensive income for the year		<u><u>133,538,725</u></u>	<u><u>200,725,425</u></u>	<u><u>88,585,662</u></u>	<u><u>142,809,411</u></u>
Total comprehensive income attributable to					
Equity holders of the Company		86,217,904	143,831,477	<u>88,585,662</u>	<u>142,809,411</u>
Non-controlling interests of the subsidiary		<u>47,320,821</u>	<u>56,893,948</u>		
Total comprehensive income for the year		<u><u>133,538,725</u></u>	<u><u>200,725,425</u></u>		

The accompanying notes are an integral part of the financial statements.

Lohakit Metal Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 March 2020

(Unit: Baht)

Consolidated financial statements									
Equity attributable to owners of the Company									
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	Other comprehensive income			
						Surplus (deficit) on changes in value of available-for-sale investments			
Balance as at 1 April 2018		383,000,000	519,672,600	74,100,000	493,205,357	322,782	1,470,300,739	214,305,852	1,684,606,591
Profit for the year		-	-	-	143,588,836	-	143,588,836	57,108,501	200,697,337
Other comprehensive income for the year		-	-	-	(287,483)	530,124	242,641	(214,553)	28,088
Total comprehensive income for the year		-	-	-	143,301,353	530,124	143,831,477	56,893,948	200,725,425
Dividend paid for subsidiary		-	-	-	-	-	-	(50,400,000)	(50,400,000)
Dividend paid	27	-	-	-	(168,520,388)	-	(168,520,388)	-	(168,520,388)
Transferred to appropriated retained earnings - statutory reserve	20	-	-	800,000	(800,000)	-	-	-	-
Balance as at 31 March 2019		<u>383,000,000</u>	<u>519,672,600</u>	<u>74,900,000</u>	<u>467,186,322</u>	<u>852,906</u>	<u>1,445,611,828</u>	<u>220,799,800</u>	<u>1,666,411,628</u>
Balance as at 1 April 2019		383,000,000	519,672,600	74,900,000	467,186,322	852,906	1,445,611,828	220,799,800	1,666,411,628
Profit for the year		-	-	-	86,950,542	-	86,950,542	47,348,396	134,298,938
Other comprehensive income for the year		-	-	-	(691,669)	(40,969)	(732,638)	(27,575)	(760,213)
Total comprehensive income for the year		-	-	-	86,258,873	(40,969)	86,217,904	47,320,821	133,538,725
Dividend paid for subsidiary		-	-	-	-	-	-	(49,920,000)	(49,920,000)
Dividend paid	27	-	-	-	(114,900,370)	-	(114,900,370)	-	(114,900,370)
Transferred to appropriated retained earnings - statutory reserve	20	-	-	350,000	(350,000)	-	-	-	-
Balance as at 31 March 2020		<u>383,000,000</u>	<u>519,672,600</u>	<u>75,250,000</u>	<u>438,194,825</u>	<u>811,937</u>	<u>1,416,929,362</u>	<u>218,200,621</u>	<u>1,635,129,983</u>
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

Lohakit Metal Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 March 2020

(Unit: Baht)

	Separate financial statements					
	Note	Issued and fully paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	
Balance as at 1 April 2018		383,000,000	519,672,600	38,300,000	275,957,548	1,216,930,148
Profit for the year		-	-	-	142,910,235	142,910,235
Other comprehensive income for the year		-	-	-	(100,824)	(100,824)
Total comprehensive income for the year		-	-	-	142,809,411	142,809,411
Dividend paid	27	-	-	-	(168,520,000)	(168,520,000)
Balance as at 31 March 2019		<u>383,000,000</u>	<u>519,672,600</u>	<u>38,300,000</u>	<u>250,246,959</u>	<u>1,191,219,559</u>
Balance as at 1 April 2019		383,000,000	519,672,600	38,300,000	250,246,959	1,191,219,559
Profit for the year		-	-	-	89,012,981	89,012,981
Other comprehensive income for the year		-	-	-	(427,319)	(427,319)
Total comprehensive income for the year		-	-	-	88,585,662	88,585,662
Dividend paid	27	-	-	-	(114,900,000)	(114,900,000)
Balance as at 31 March 2020		<u>383,000,000</u>	<u>519,672,600</u>	<u>38,300,000</u>	<u>223,932,621</u>	<u>1,164,905,221</u>
		-	-	-	-	-
		-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

Lohakit Metal Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 March 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before tax	157,799,260	250,090,183	91,492,178	152,410,274
Adjustments to reconcile profit before tax to net cash provided by (used in) operating activities:				
Depreciation	53,428,807	55,463,387	32,571,889	37,617,634
Amortisation	301,517	197,121	195,483	138,880
Allowance for doubtful accounts (reversal)	62,379	(3,219,537)	(66,298)	(595,605)
Reduction of inventories to net realisable value (reversal)	4,515,184	(11,443,265)	1,501,170	(11,499,858)
Allowance for impairment of investment in subsidiary	-	-	230,091	930,042
Gain on sale of investments	(62,812)	(3,022)	-	-
Unrealised gain on change in current investments	(189,163)	(25,010)	-	-
Gain on sales of equipment	(2,641,427)	(2,952,158)	(1,547,430)	(1,557,158)
Provision for long-term employee benefits	13,358,553	4,232,245	9,023,911	2,576,019
Unrealised loss on foreign exchange	192,036	632,846	190,010	632,846
Share of profit from investment in associate	(1,954,862)	(2,144,178)	-	-
Dividend income	(171,044)	(164,873)	(83,435,629)	(103,499,612)
Interest income	(567,894)	(677,030)	(107,890)	(92,550)
Interest expenses	2,642,695	4,427,905	893,525	1,051,769
Income from operating activities before changes in operating assets and liabilities	226,713,229	294,414,614	50,941,010	78,112,681
Decrease (increase) in operating assets				
Trade and other receivables	130,661,093	36,206,511	40,955,008	10,808,625
Inventories	123,111,444	(41,613,289)	47,881,765	198,975
Other current assets	1,865,235	(2,667,207)	2,505,595	(1,869,007)
Other non-current assets	8,532,961	(8,223,081)	8,139,912	(7,947,082)
Increase (decrease) in operating liabilities				
Trade and other payables	(149,030,696)	(47,586,893)	(66,055,659)	(60,166,990)
Other current liabilities	1,194,536	(1,764,714)	1,393,629	(1,545,587)
Cash paid for long-term employee benefits	(12,405,200)	-	(12,405,200)	-
Cash flows from operating activities	330,642,602	228,765,941	73,356,060	17,591,615
Cash paid for interest expenses	(2,597,369)	(4,415,241)	(848,199)	(1,039,105)
Cash paid for income tax	(38,130,675)	(57,973,655)	(4,188,929)	(14,309,723)
Net cash flows from operating activities	289,914,558	166,377,045	68,318,932	2,242,787

The accompanying notes are an integral part of the financial statements.

Lohakit Metal Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 March 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Cash paid for purchasing current investments	(143,000,000)	-	-	-
Cash paid for acquisitions of property, plant and equipment and intangible assets	(93,559,025)	(189,303,128)	(79,364,142)	(37,774,295)
Proceeds from sales of current investments	40,600,000	500,000	-	-
Proceeds from capital recovery of investment unit	-	794	-	-
Cash received from dividends	171,044	5,064,873	83,435,629	103,499,612
Proceeds from sale of machinery and equipment	3,595,682	4,587,511	2,094,747	3,176,284
Cash received from interest income	583,048	677,030	107,890	92,550
Net cash flows from (used in) investing activities	(191,609,251)	(178,472,920)	6,274,124	68,994,151
Cash flows from financing activities				
Increase (decrease) in short-term loans from banks	(36,528,986)	56,404,542	17,928,961	13,326,527
Dividend paid	(164,820,370)	(218,920,388)	(114,900,000)	(168,520,000)
Net cash flows used in financing activities	(201,349,356)	(162,515,846)	(96,971,039)	(155,193,473)
Effect of exchange rate to cash and cash equivalents	47,771	(42,200)	47,771	(42,200)
Net decrease in cash and cash equivalents	(102,996,278)	(174,653,921)	(22,330,212)	(83,998,735)
Cash and cash equivalents at beginning of year	314,319,132	488,973,053	91,751,838	175,750,573
Cash and cash equivalents at end of year (Note 7)	211,322,854	314,319,132	69,421,626	91,751,838
	-	-	-	-
Supplemental cash flows information				
Non-cash items:				
Actuarial loss for long-term employee benefits	899,055	627,546	534,149	126,030
Increase (decrease) in revaluation surplus in investments in available-for-sale investment	(51,211)	743,350	-	-

The accompanying notes are an integral part of the financial statements.

Lohakit Metal Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 March 2020

1. General information

1.1 General information of the Company

Lohakit Metal Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the processing, distribution and shearing of stainless steel, steel and metal products. The registered office of the Company is at 66/1 Moo 6 Suksawad Road, Bangjak, Prapradaeng, Samutprakarn.

1.2 Coronavirus disease 2019 Pandemic

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

2. Basis of preparation

2.1 The financial statements have been prepared in accordance Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Lohakit Metal Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) are as follows:

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020 (Percent)	2019 (Percent)
Auto Metal Company Limited	Production, smelting and assembly for all types of metal	Thailand	60	60
Alternative EnMat Company Limited	Distribution of metal and non-ferrous metal products	Thailand	100	100
NSC Metal Company Limited	Distribution of stainless steel, aluminum, brass, copper, zinc and galvanized steel products	Thailand	100	100

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

2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

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

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

TFRS 15 Revenue from Contracts with Customers

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

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

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

This standard does not have any significant impact on the Group's financial statements.

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

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

The management of the Group expects the adoption of these accounting standards to result in the following adjustments.

- Recognition of credit losses - The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Group is to initially recognise derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

TFRS 16 Leases

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

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

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 April 2020, and the comparative information was not restated.

The management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 April 2020 to be to increase the Group's assets by approximately Baht 8 million (the Company only: approximately Baht 8 million) and the Group's liabilities by approximately Baht 8 million (the Company only: approximately Baht 8 million).

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- To lightly weight information relating to the COVID-19 situation in applying the valuation technique to measure the fair value of financial assets in the form of debt instruments using Level 2 or Level 3 inputs.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, *Impairment of Assets*.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts.

Rendering of services

Service revenue is recognised at a point in time upon completion of the service.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

Finished goods and work in process are valued at the lower of cost (weighted average basis) and net realisable value. Cost includes all production costs and attributable factory overheads. Cost of purchased finished goods consists of purchase cost and related direct expenses less discounts and sale rebate.

Raw materials and supplies are valued at the lower of cost (weighted average basis) and net realisable value and are charged to production costs whenever consumed.

Allowance for stock obsolescence is made for damaged, slow-moving and obsolete stock.

4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investment in associated company is accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries and associated company are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

The fair value of unit trusts is determined from their net asset value. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association

The weighted average method is used for computation of the cost of investments.

4.6 Property, plant and equipment and depreciation

Land is stated at cost, buildings and equipment are stated at cost less accumulated depreciation, and less allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment are calculated by reference to their costs on a straight-line basis over the following estimated useful lives.

Buildings, fixture and building improvement	-	20 and 5	years
Machinery and equipment	-	5 and 10	years
Furniture and office equipment	-	5	years
Motor vehicles	-	5	years

Depreciation is included in determining income.

No depreciation is provided on land, land improvement and assets under installation and under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the year they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 Intangible assets

The intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss. The Group have computer software amortised over the economic useful life of 5 years.

4.9 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.10 Long-term leases

Leases of property, plant, equipment or motor vehicles which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

Leases of property, plant, equipment or motor vehicles which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

4.12 Impairment of assets

At the end of each reporting period, the Group perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service cost are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

4.14 Provisions

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

4.15 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, using the tax rates enacted at the end of the reporting period.

The Group 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 Group 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 Group record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 Fair value measurement

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

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

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

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

5. Significant accounting judgements and estimates

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 judgement regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, 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.

Allowance for diminution in value of inventories

In determining an allowance for diminution in value of inventories, the management needs to make judgment in estimating the loss that will be incurred on the sale of the inventories, taking into account net realisable value, aging profile of outstanding inventories and the stock conditions, among other factors.

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 Group's plant and equipment and to review estimate useful lives and residual values when there are any changes.

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

Fair value of financial instruments

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

Impairment of securities investments

The Group treat available-for-sale investments and other 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.

Deferred tax assets

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

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.

6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	For the years ended 31 March				Transfer Pricing Policy
	Consolidated financial statements		Separate financial statements		
	2020	2019	2020	2019	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Sales of goods and service income	-	-	32,811	51,261	Sale of goods: Market price and cost plus a margin at rate of 5% Service income: Close to the market price
Rental income	-	-	2,120	1,728	Contract price that close to the market price
Other service income	-	-	15,250	15,000	Accordance with the negotiation price
Dividend income	-	-	83,436	98,600	As approved by Shareholders' Meeting and Board of Directors' Meeting
<u>Transactions with related companies</u>					
Other service income	-	240	-	240	Fixed fee per month
Commission fee	6,557	7,647	-	-	Not over 2% of sales
Dividend income	-	-	-	4,900	As approved by Shareholders' Meeting

As at 31 March 2020 and 2019, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Trade receivable - related parties (Note 9)</u>				
Subsidiaries	-	-	798	5,517
<u>Other payables - related party (Note 18)</u>				
Associated company	1,429	1,843	-	-

Directors and management's benefits

During the years ended 31 March 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
Short-term employee benefits	59,868	60,025	35,235	35,247
Post-employment benefits	6,215	3,127	4,531	1,829
Total	<u>66,083</u>	<u>63,152</u>	<u>39,766</u>	<u>37,076</u>

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
Cash	140	140	70	70
Bank deposits	211,183	314,179	69,352	91,682
Total	<u>211,323</u>	<u>314,319</u>	<u>69,422</u>	<u>91,752</u>

As at 31 March 2020, bank deposits in saving accounts and fixed deposits carried interests between 0.05 and 0.70 percent per annum (2019: 0.37 and 0.90 percent per annum).

8. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	2020		2019	
	Cost	Fair value	Cost	Fair value
<u>Trading securities</u>				
Investment units in open-end fund	106,794	107,032	4,331	4,380
Total trading securities	106,794	<u>107,032</u>	4,331	<u>4,380</u>
Add: Changes in fair value	238		49	
Total trading securities	<u>107,032</u>		<u>4,380</u>	

As at 31 March 2020, its subsidiaries have investments in Siam Commercial Fixed Income Fund and Asset Plus Fixed Income Daily Plus Fund. The funds focuses on investing in bonds issued by the government or corporate, money market instrument and deposit.

As at 31 March 2019, a subsidiary has investments in Siam Commercial Fixed Income Fund. The fund focuses on investing in bonds issued by the government or corporate, money market instrument and deposit.

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
<u>Trade receivables - related parties</u> (Note 6)				
Aged on the basis of due dates				
Not yet due	-	-	213	3,377
Past due				
Not over 3 months	-	-	585	2,140
Total trade receivables - related parties	-	-	798	5,517
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	425,084	529,472	227,993	266,048
Past due				
Not over 3 months	116,445	140,650	56,141	52,462
Over 3 months but less than 12 months	1,481	2,119	-	738
Over 12 months	4,387	4,751	3,422	3,488
Total	547,397	676,992	287,556	322,736
Less: Allowance for doubtful accounts	(5,127)	(5,064)	(3,422)	(3,488)
Total trade receivables - unrelated parties - net	542,270	671,928	284,134	319,248
Total trade receivables - net	542,270	671,928	284,932	324,765
<u>Other receivables</u>				
Other receivables	7	1,074	7	1,065
Interest receivables	34	49	-	-
Total other receivables	41	1,123	7	1,065
Total trade and other receivables - net	542,311	673,051	284,939	325,830

During the year ended 31 March 2020, certain trade accounts receivable of the Group, amounting to Baht 2 million, were written-off as bad debt (2020: Nil).

10. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
	Finished goods	388,300	457,501	(34,989)	(31,877)	353,311
Raw materials	207,892	250,501	(4,374)	(2,971)	203,518	247,530
Supplies	22,665	22,848	-	-	22,665	22,848
Goods in transit	9,253	20,372	-	-	9,253	20,372
Total	628,110	751,222	(39,363)	(34,848)	588,747	716,374

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
	Finished goods	154,961	187,281	(21,291)	(21,193)	133,670
Raw materials	196,683	214,202	(4,374)	(2,971)	192,309	211,231
Supplies	14,797	11,677	-	-	14,797	11,677
Goods in transit	509	1,672	-	-	509	1,672
Total	366,950	414,832	(25,665)	(24,164)	341,285	390,668

During the current year, the Group recorded the reduction of cost of inventories by Baht 5 million (2019: reversed the reduction of Baht 11 million) (Separate financial statements: reversed the reduction of Baht 2 million (2019: reversed the reduction of Baht 11 million)), to reflect the net realisable value. This was presented as cost of sales.

11. Restricted bank deposits

As at 31 March 2020, the Group have deposits with banks of Baht 46 million (2019: Baht 46 million) which are pledged with the banks to secure credit facilities as described in Note 28.5 to the financial statements.

12. Investment in associated company

12.1 Details of associate

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Separate financial statements		Consolidated financial statements	
			Carrying amount based on equity method		Cost method		Carrying amount based on equity method	
			2020	2019	2020	2019	2020	2019
			(%)	(%)				
Mory Lohakit (Thailand) Co., Ltd.	Agent	Thailand	49	49	4,900	4,900	11,626	9,671

12.2 Share of profit and dividend received

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in associate		Dividend received	
	2020	2019	2020	2019
Mory Lohakit (Thailand) Co., Ltd.	1,955	2,144	-	4,900

12.3 Summarised financial information about material associate

Summarised information about financial position

(Unit: Million Baht)

	2020	2019
Current assets	24.4	20.4
Non-current assets	-	-
Current liabilities	(0.5)	(0.5)
Non-current liabilities	(0.1)	(0.1)
Net assets	23.8	19.8
Shareholding percentage (%)	49.0	49.0
Share of net assets	11.6	9.7
Carrying amounts of associates based on equity method	11.6	9.7

Summarised information of comprehensive income

	(Unit: Million Baht)	
	For the years ended	
	31 March	
	2020	2019
Revenue	6.6	7.7
Profit	4.0	4.4
Other comprehensive income	-	-
Total comprehensive income	4.0	4.4

13. Investments in subsidiaries

13.1 Details of subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost method		Allowance for impairment of investment		Carrying amount based on cost method	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Million Baht)	(Million Baht)	(%)	(%)						
Auto Metal Company Limited	240	240	60	60	144,000	144,000	-	-	144,000	144,000
Alternative EnMat Company Limited	6	6	100	100	5,499	5,499	(1,160)	(930)	4,339	4,569
NSC Metal Company Limited	230	230	100	100	258,238	258,238	-	-	258,238	258,238
Total					<u>407,737</u>	<u>407,737</u>	<u>(1,160)</u>	<u>(930)</u>	<u>406,577</u>	<u>406,807</u>

13.2 Dividend income

	(Unit: Thousand Baht)	
Company's name	2020	2019
Auto Metal Company Limited	74,880	75,600
NSC Metal Company Limited	8,556	23,000
Total	<u>83,436</u>	<u>98,600</u>

Auto Metal Company Limited

On 20 June 2019, the Annual General Meeting of the shareholders of Auto Metal Company Limited passed a resolution to approve the payment of a dividend of Baht 54.00 per share from the operating profit for the year ended 31 March 2019, the subsidiary had paid out the interim dividend of Baht 25.00 per share. The remaining dividend was Baht 29.00 per share and was paid on 26 June 2019.

On 11 November 2019, the meeting of Board of Directors of Auto Metal Company Limited No. 4/2562 passed a resolution to approve the payment of an interim dividend of Baht 23.00 per share to the Company's ordinary shareholders from the net operating profit from 1 April 2019 to 30 September 2019. This dividend was paid on 26 November 2019.

NSC Metal Company Limited

On 20 June 2019, the Annual General Meeting of the shareholders of NSC Metal Company Limited passed a resolution to approve the payment of a dividend of Baht 6.50 per share from the operating profit for the year ended 31 March 2019, the subsidiary had paid out the interim dividend of Baht 4.50 per share. The remaining dividend was Baht 2.00 per share and was paid on 26 June 2019.

On 6 November 2019, the meeting of Board of Directors of NSC Metal Company Limited No. 4/2562 passed a resolution to approve the payment of an interim dividend of Baht 1.72 per share to the Company's ordinary shareholders from the net operating profit from 1 April 2019 to 30 September 2019. This dividend was paid on 26 November 2019.

14. Long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	2020		2019	
	Cost	Fair value	Cost	Fair value
<u>Investment in marketable unit classified</u>				
<u>as available-for-sale securities</u>				
Industrial freehold and leasehold real estate investment trust	2,441	3,457	2,442	3,508
Less: Capital recovery of investment unit	-	-	(1)	-
Total available-for-sale securities	2,441	<u>3,457</u>	2,441	<u>3,508</u>
Add: Changes in fair value	1,016		1,067	
Total available-for-sale securities	<u>3,457</u>		<u>3,508</u>	

15. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements							
	Land and land improvement	Buildings and buildings improvement fixture	Machinery and equipment	Furniture and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost							
1 April 2018	140,446	320,985	864,501	16,998	84,433	2,445	1,429,808
Acquisitions	-	-	3,810	1,340	9,887	174,265	189,302
Disposals / write-off	-	(284)	(11,659)	(916)	(11,071)	-	(23,930)
Transfer in (out)	53,576	-	255	38	-	(53,869)	-
31 March 2019	194,022	320,701	856,907	17,460	83,249	122,841	1,595,180
Acquisitions	-	65	14,295	1,259	5,087	72,760	93,466
Disposals / write-off	-	(2,230)	(21,552)	(421)	(9,659)	-	(33,862)
Transfer in (out)	-	128,912	18,744	201	-	(149,438)	(1,581)
31 March 2020	194,022	447,448	868,394	18,499	78,677	46,163	1,653,203
Accumulated depreciation							
1 April 2018	-	181,697	765,050	15,341	55,651	-	1,017,739
Depreciation for the year	-	10,835	33,302	844	10,482	-	55,463
Depreciation for disposals / write-off	-	(282)	(11,622)	(881)	(9,511)	-	(22,296)
31 March 2019	-	192,250	786,730	15,304	56,622	-	1,050,906
Depreciation for the year	-	14,663	29,038	958	8,770	-	53,429
Depreciation for disposals / write-off	-	(2,229)	(21,138)	(421)	(9,119)	-	(32,907)
31 March 2020	-	204,684	794,630	15,841	56,273	-	1,071,428
Net book value							
31 March 2019	194,022	128,451	70,177	2,156	26,627	122,841	544,274
31 March 2020	194,022	242,764	73,764	2,658	22,404	46,163	581,775
Depreciation for the year							
2019 (Baht 49 million included in manufacturing cost, and the balance in selling and administrative expenses)							55,463
2020 (Baht 48 million included in manufacturing cost, and the balance in selling and administrative expenses)							53,429

(Unit: Thousand Baht)

	Separate financial statements						Total
	Land and land improvement	Buildings and improvement fixture	Machinery and equipment	Furniture and office equipment	Motor vehicles	Assets under installation and under construction	
Cost							
1 April 2018	94,745	184,196	492,784	8,956	49,698	2,445	832,824
Acquisitions	-	-	2,355	436	8,940	26,043	37,774
Disposals / write-off	-	(284)	(11,659)	(369)	(8,305)	-	(20,617)
Transfer in (out)	-	-	255	38	-	(293)	-
31 March 2019	94,745	183,912	483,735	9,061	50,333	28,195	849,981
Acquisitions	-	65	7,921	382	1,628	69,364	79,360
Disposals / write-off	-	(2,230)	(21,031)	(421)	(5,860)	-	(29,542)
Transfer in (out)	-	38,316	12,184	-	-	(51,396)	(896)
31 March 2020	94,745	220,063	482,809	9,022	46,101	46,163	898,903
Accumulated depreciation							
1 April 2018	-	116,476	405,980	7,877	38,228	-	568,561
Depreciation for the year	-	4,217	27,244	567	5,589	-	37,617
Depreciation for disposals / write-off	-	(282)	(11,621)	(350)	(6,745)	-	(18,998)
31 March 2019	-	120,411	421,603	8,094	37,072	-	587,180
Depreciation for the year	-	4,608	23,610	442	3,912	-	32,572
Depreciation for disposals / write-off	-	(2,229)	(21,024)	(421)	(5,320)	-	(28,994)
31 March 2020	-	122,790	424,189	8,115	35,664	-	590,758
Net book value							
31 March 2019	94,745	63,501	62,132	967	13,261	28,195	262,801
31 March 2020	94,745	97,273	58,620	907	10,437	46,163	308,145
Depreciation for the year							
2019 (Baht 34 million included in manufacturing cost, and the balance in selling and administrative expenses)							37,617
2020 (Baht 30 million included in manufacturing cost, and the balance in selling and administrative expenses)							32,572

As at 31 March 2020, the Group have certain equipment items which have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 864 million (2019: Baht 841 million) (Separate financial statements: Baht 499 million (2019: Baht 483 million)).

The Company and a subsidiary have mortgaged a part of their land with structures thereon and pledged a part of machinery with banks, and another subsidiary has mortgaged unit of condominium with bank, to secure loans and other credit facilities granted to the Group by the banks as described in Note 28.5 to the financial statements.

The book value of machinery of the Company and a subsidiary pledged with banks are summarised below:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Cost	253	284	153	174
Net book value	-	-	-	-

16. Intangible assets

The net book value of intangible assets which are computer software as at 31 March 2020 and 2019 are presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Cost	15,724	14,050	11,954	11,053
Less: Accumulated amortisation	(13,983)	(13,682)	(10,979)	(10,784)
Net book value	<u>1,741</u>	<u>368</u>	<u>975</u>	<u>269</u>

A reconciliations of the net book value of intangible assets for the years 2020 and 2019 are presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Net book value at beginning of year	368	565	269	408
Acquisitions during period - at cost	93	-	5	-
Transfer equipment to intangible assets - net book value as at transfer date	1,581	-	896	-
Amortisation	(301)	(197)	(195)	(139)
Net book value at end of year	<u>1,741</u>	<u>368</u>	<u>975</u>	<u>269</u>

17. Short-term loans from banks

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	2020	2019	2020	2019	2020	2019
Bank overdrafts	-	1.80	-	3,889	-	-
Promissory notes	-	3.65	-	10,000	-	-
Trust receipts	3.25 - 3.70	3.50 - 3.98	55,717	78,357	31,255	13,326
Total			<u>55,717</u>	<u>92,246</u>	<u>31,255</u>	<u>13,326</u>

Bank overdrafts, short-term loans and trust receipts facilities are secured by the Group's land with structures thereon, unit of condominium, machinery and fixed deposit accounts and guarantees provided by the Company as described in Note 28.5 to the financial statements.

18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Trade payable - unrelated parties	344,215	483,219	199,614	269,904
Other payables - unrelated parties	21,072	30,195	11,865	7,204
Other payables - related party (Note 6)	1,429	1,843	-	-
Accrued commission expenses - unrelated parties	17	37	17	37
Accrued expenses	1,340	1,526	758	883
Total	<u>368,073</u>	<u>516,820</u>	<u>212,254</u>	<u>278,028</u>

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire as at 31 March 2020 and 2019, was as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Provision for long-term employee benefits at beginning of year	41,364	36,504	25,303	22,601
Included in profit or loss:				
Current service cost	4,323	3,210	2,716	1,926
Interest cost	1,382	1,022	854	650
Past service cost	7,654	-	5,454	-
Long-term employee benefits paid	(12,405)	-	(12,405)	-
Included in other comprehensive income:				
Actuarial loss arising from				
Demographic assumptions changes	(226)	10	(119)	2
Financial assumptions changes	2,997	35	1,447	122
Experience adjustments	(1,873)	583	(794)	2
Total	898	628	534	126
Provision for long-term employee benefits at end of year	43,216	41,364	22,456	25,303

Long-term employee benefit expenses included in the profit or loss consist of the following:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Selling and administrative expenses	13,359	4,232	9,024	2,576
Total expenses recognised in profit or loss	13,359	4,232	9,024	2,576

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group have additional long-term employee benefit liabilities of Baht 8 million (The Company only: Baht 5 million) as a result. The Group reflect the effect of the change by recognising past service costs as expenses in the income statement of the current year.

The Group expect to pay Baht 18 million of long-term employee benefits during the next year (Separate financial statements: Baht 8 million) (2019: Baht 26 million (Separate financial statements: Baht 15 million)).

As at 31 March 2020, the weighted average duration of the liabilities for long-term employee benefit of monthly and daily employee are 6 - 30 years and 3 - 18 years (Separate financial statements: 11 years and 13 years) (2019: 6 - 15 years and 4 - 19 years (Separate financial statements: 10 years and 13 years)).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	1.21 - 2.09	2.10 - 3.38	1.61 - 1.71	2.55 - 2.92
Salary increase rate	4.00 - 5.00	4.00 - 5.00	4.00 - 5.00	4.00 - 5.00
Turnover rate	0 - 51	0 - 54	0 - 51	0 - 54

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 March 2020 are summarised below:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5%	0.5%
Discount rate	(1.5)	1.6	(0.8)	0.8
Salary increase rate	1.5	(1.4)	0.8	(0.8)
Turnover rate	(1.5)	1.6	(0.8)	0.8

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve of the Company has fully been set aside.

According to Section 1202 of the Civil and Commercial Code, the subsidiaries are required to set aside to a statutory reserve at least 5 percent of its net income each time the subsidiaries pay a dividend, until such reserve reaches 10 percent of its registered share capital. The statutory reserve can neither be used to offset with deficit nor be used for dividend payment.

21. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Salary and wages and other employee benefits	210,933	204,777	118,484	112,937
Depreciation	53,429	55,463	32,572	37,617
Amortisation	302	197	195	139
Raw materials used	1,680,326	1,962,775	1,108,449	1,290,661
Consumables used	27,130	32,116	20,323	23,852
Purchase of finished goods	465,281	726,803	-	-
Changes in inventories of finished goods	69,201	(12,901)	32,320	19,710
Reduce cost of inventories to net realisable value (reversal)	4,515	(11,443)	1,501	(11,500)

22. Income tax

Income tax expenses for the years ended 31 March 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current income tax:				
Current corporate income tax charge	24,651	47,143	2,149	7,533
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,151)	2,250	330	1,967
Income tax expenses reported in profit and loss	23,500	49,393	2,479	9,500

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred tax on loss (gain) from the change in value of available-for-sale investments	10	(213)	-	-
Deferred tax on actuarial losses	180	125	107	25
	<u>190</u>	<u>(88)</u>	<u>107</u>	<u>25</u>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 March 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Accounting profit before tax	<u>157,799</u>	<u>250,090</u>	<u>91,492</u>	<u>152,410</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	31,560	50,018	18,298	30,482
Effects of:				
Promotional privileges (Note 23)	(8,500)	-	-	-
Dividend income from subsidiaries and associate	-	-	(16,657)	(20,700)
Bad debt recoveries	(13)	(119)	(13)	(119)
Non-deductible expenses	584	1,073	173	638
Tax-exempt revenues	(3)	-	-	-
Additional expense deductions allowed	(1,037)	(902)	(941)	(801)
Unused tax loss	-	6	-	-
Others	909	(683)	1,649	-
Total	<u>(8,060)</u>	<u>(625)</u>	<u>(15,819)</u>	<u>(20,982)</u>
Income tax expenses reported in profit and loss	<u>23,500</u>	<u>49,393</u>	<u>2,479</u>	<u>9,500</u>

As at 31 March 2020 and 2019, the components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred tax assets				
Allowance for impairment of investment in subsidiary	-	-	232	186
Allowance for doubtful accounts	341	315	-	-
Allowance for diminution in value of inventories	7,873	6,969	5,133	4,833
Provision for long-term employee benefits	8,643	8,273	4,491	5,060
Unused tax losses	294	215	-	-
Total	17,151	15,772	9,856	10,079
Deferred tax liabilities				
Unrealised gain from current investment	(48)	-	-	-
Unrealised gain from the change in value of available-for-sale investments	(203)	(213)	-	-
Total	(251)	(213)	-	-
Deferred tax assets - net	16,900	15,559	9,856	10,079

23. Promotional privileges

On 29 March 2018, a subsidiary has received promotional privileges by the Board of Investment for the manufacture of stainless steel tubes, pursuant to the promotion certificate No. 61-0357-1-04-1-0 for a project to improve the efficiency of the production of alternative energy pursuant to promotion certificate No. 1407(2)/2548. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax on net income from the promoted business in an amount not exceeding 50% of the capital investment in the project to improve production efficiency, excluding land and working capital, amounting not exceed Baht 8.5 million, for a period of 3 years from the date the promoted operations commenced generating revenues and any losses incurred during the corporate income tax exemption period may be carried forward to be utilised by the Company as a deduction against net income of future years, for up to 5 years after the expiry of the tax exemption period. In addition, the privileges include an exemption from income tax on dividends received from promoted operations which have been granted corporate income tax exemption, throughout the period for which the tax exemption privilege is granted. The subsidiary fully exercised promotional privileges related to exemption from

corporate income tax to the extent of the amount as specified in the promotion certificate during the current year.

On 17 April 2018, the Company has received promotional privileges by the Board of Investment for the manufacture of stainless steel tubes, pursuant to the promotion certificate No. 61-0413-1-04-1-0 for a project to improve the efficiency of the production of alternative energy pursuant to promotion certificate No. 3007/Wo./2550. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax on net income from the promoted business in an amount not exceeding 50% of the capital investment in the project to improve production efficiency, excluding land and working capital, amounting not exceed Baht 14.3 million, for a period of 3 years from the date the promoted operations commenced generating revenues.

24. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

25. Segment 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 decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Managing Director.

For management purposes, the Group are organised into business units based on its products and services and operate 2 segments as follows:

- Production and distribution
- Procurement and distribution.

No operating segments have been aggregated to form the above reportable operating.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Group's operating segments for the years ended 31 March 2020 and 2019, respectively.

(Unit: Million Baht)

	For the year ended 31 March 2020				
	Production and distribution	Procurement and distribution	Total reportable segments	Eliminations	Consolidated
Revenue					
Revenue from external customers	2,183	573	2,756	-	2,756
Inter-segment revenue	33	-	33	(33)	-
Total revenues	2,216	573	2,789	(33)	2,756
Operating result					
Segment profit	278	51	329	-	329
Other income					20
Selling and distribution expenses					(66)
Administrative expenses					(123)
Share of profit from investment in associate accounted for by the equity method					2
Finance cost					(4)
Profit before income tax expense					158
Income tax expenses					(24)
Profit for the year					134
Segment total assets					
Segment total assets	1,741	375	2,116	3	2,119
Investment in associate accounted for by the equity method	12	-	12	-	12
Additions (reduction) to non-current assets other than financial instruments and deferred tax assets	31	(2)	29	2	31

(Unit: Million Baht)

	For the year ended 31 March 2019				
	Production and distribution	Procurement and distribution	Total reportable segments	Eliminations	Consolidated
Revenue					
Revenue from external customers	2,514	780	3,294	-	3,294
Inter-segment revenue	51	-	51	(51)	-
Total revenues	<u>2,565</u>	<u>780</u>	<u>3,345</u>	<u>(51)</u>	<u>3,294</u>
Operating result					
Segment profit	350	61	411	-	411
Other income					25
Selling and distribution expenses					(68)
Administrative expenses					(115)
Share of profit from investment in associate accounted for by the equity method					2
Finance cost					(5)
Profit before income tax expense					250
Income tax expenses					(49)
Profit for the year					<u>201</u>
Segment total assets	1,893	455	2,348	(3)	<u>2,345</u>
Investment in associate accounted for by the equity method	10	-	10	-	<u>10</u>
Additions (reduction) to non-current assets other than financial instruments and deferred tax assets	141	(1)	140	1	<u>141</u>

The Group carry on operations in the main geographic area in Thailand with gained revenue from export sales and domestic sales. As a result, all of revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the year 2020 and 2019, the Group have no major customer with revenue of 10 percent or more of an entity's revenues.

26. Provident fund

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees, the Company and its subsidiaries contributed to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by SCB Asset Management Co., Ltd. will be paid to employees upon termination in accordance with the fund rules. The contributions for the year ended 31 March 2020 amounting to approximately Baht 5 million (2019: Baht 5 million) (Separate financial statements: Baht 3 million (2019: Baht 3 million)) were recognised as expenses.

27. Dividend

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for the year ended 31 March 2019 (net of interim dividend payment)	Annual General Meeting of the shareholders on 25 July 2019	68.94	0.18
Interim dividends for the year ended 31 March 2020	The Board of Directors Meeting on 11 November 2019	45.96	0.12
Total dividends paid during the year ended 31 March 2020		114.90	0.30
Final dividends for the year ended 31 March 2018 (net of interim dividend payment)	Annual General Meeting of the shareholders on 26 July 2018	95.75	0.25
Interim dividends for the year ended 31 March 2019	The Board of Directors Meeting on 9 November 2018	72.77	0.19
Total dividends paid during the year ended 31 March 2019		168.52	0.44

28. Commitments and contingent liabilities

28.1 Operating lease commitments

The Company and its subsidiaries have entered into a lease agreement in respect of the office building space. The terms of the agreements are generally 3 years.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

(Unit: Million Baht)

	As at 31 March	
	2020	2019
Payable:		
In up to 1 year	3	1
In over 1 and up to 5 years	5	-

28.2 Other service commitment

As at 31 March 2020, the Company and a subsidiary had commitments of approximately Baht 7 million relating to a technical assistance service agreement and other agreements (2019: Baht 7 million).

28.3 Other commitments

As at 31 March 2020, the Company had outstanding commitments of Baht 4.5 million (2019: Baht 4.5 million) in respect of uncalled portion of investment in a subsidiary.

28.4 Guarantees

As at 31 March 2020, the Company has guaranteed bank credit facilities for a subsidiary amounting to Baht 350 million (2019: Baht 350 million).

28.5 Credit facilities

As at 31 March 2020, the Group have been granted credit facilities by various banks for which they have placed collaterals, as follows:-

The Company

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 1,461 million, of which totaling Baht 34 million (2019: Baht 24 million) of the utilised amount are outstanding. These credit facilities are secured by the mortgage of the Company's land with structures thereon and machinery.
- Overdraft facilities of Baht 30 million, have not yet been utilised (2019: have not yet been utilised). These credit facilities are secured by the mortgage of the Company's land with structures thereon, machinery and the fixed deposits account.
- Forward foreign exchange contract facilities of Baht 1,000 million, of which Baht 5 million (2019: Baht 3 million) of the utilised amount are outstanding. These credit facilities are secured by the mortgage of the Company's land with structures thereon and machinery.

A subsidiary

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 300 million, have not yet been utilised (2019: have not yet been utilised). These credit facilities are secured by the mortgage of the subsidiary's land with structures thereon and machinery.
- Overdraft facilities of Baht 10 million, have not yet been utilised (2019: have not yet been utilised). These credit facilities are secured by the mortgage of the subsidiary's land with structures thereon.
- Forward foreign exchange contract facilities of Baht 200 million, have not yet been utilised (2019: have not yet been utilised). These credit facilities are secured by the mortgage of the subsidiary's land with structures thereon and machinery.

A subsidiary

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 506 million, of which Baht 36 million (2019: Baht 100 million) of the utilised amount are outstanding. These credit facilities are secured by the mortgage of the subsidiary's unit of condominium which is the subsidiary's office, the subsidiary's fixed deposit accounts and a guarantee provided by the Company.
- Overdraft facilities of Baht 60 million, have not yet been utilised (2019: Baht 4 million) of the utilised amount are outstanding. These credit facilities are secured by the subsidiary's fixed deposit accounts and a guarantee provided by the Company.
- Forward foreign exchange contract facilities, comprising USD 11.7 million (equivalent to Baht 386 million) and Baht 115 million, or a total approximately Baht 501 million, have not yet been utilised (2019: USD 50,000 million (equivalent to Baht 2 million)).

A subsidiary

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 22 million, have not yet been utilised (2019: have not yet been utilised). These credit facilities are secured by the Company.
- Overdraft facilities of Baht 5 million have not yet been utilised (2019: have not yet been utilised). These credit facilities are secured by the Company.
- Forward foreign exchange contract facilities of Baht 30 million, have not yet been utilised (2019: have not yet been utilised). These credit facilities are secured by the Company.

28.6 Capital commitment

As at 31 March 2019, the Company and its subsidiary have commitments of approximately Baht 7.5 million, relating to construction contract, design and installation of solar cells on the roof (2020: Nil).

29. Fair value hierarchy

The Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated Financial Statements as at 31 March 2020				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments	-	107.0	-	107.0
Investment in marketable unit classified as available-for-sale investment	3.5	-	-	3.5
Liabilities for which fair value is disclosed				
Derivatives				
Foreign currency forward contracts (to buy USD 0.15 million, as described in Note 30)	-	0.3	-	0.3

(Unit: Million Baht)

Consolidated Financial Statements as at 31 March 2019				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments	-	4.4	-	4.4
Investment in marketable unit classified as available-for-sale investment	3.5	-	-	3.5

(Unit: Million Baht)

Separate Financial Statements as at 31 March 2020				
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value is disclosed				
Derivatives				
Foreign currency forward contracts (to buy USD 0.15 million, as described in Note 30)	-	0.3	-	0.3

30. Financial instruments

30.1 Financial risk management

The Group financial instruments, as defined under Thai Accounting Standard No. 107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, current investments, trade and other receivables, restricted bank deposits, long-term investments, short-term loans from banks and trade and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group are exposed to credit risk primarily with respect to trade accounts receivable. The Group manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Group do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.

Interest rate risk

The Group’s exposure to interest rate risk relates primarily to its cash at banks and short-term loans from banks. Most of the Group financial assets and liabilities are short-term. Certain financial assets and liabilities carry floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements as at 31 March 2020

	Fixed interest rate				Total	Effective interest rate (% p.a.)
	Within		Floating interest rate	Non-interest bearing		
	1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	2	-	46	163	211	0.05 - 0.70
Current investments	-	-	-	107	107	-
Trade and other receivables	-	-	-	542	542	-
Restricted bank deposits	46	-	-	-	46	0.45 - 0.70
Long-term investment	-	-	-	3	3	-
	<u>48</u>	<u>-</u>	<u>46</u>	<u>815</u>	<u>909</u>	
Financial liabilities						
Short-term loans from banks	56	-	-	-	56	3.25 - 3.70
Trade and other payables	-	-	-	368	368	-
	<u>56</u>	<u>-</u>	<u>-</u>	<u>368</u>	<u>424</u>	

(Unit: Million Baht)

Consolidated financial statements as at 31 March 2019

	Fixed interest rate				Total	Effective interest rate (% p.a.)
	Within		Floating interest rate	Non-interest bearing		
	1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	2	-	7	305	314	0.37 - 0.90
Current investments	-	-	-	4	4	-
Trade and other receivables	-	-	-	673	673	-
Restricted bank deposits	46	-	-	-	46	0.65 - 1.00
Long-term investment	-	-	-	4	4	-
	<u>48</u>	<u>-</u>	<u>7</u>	<u>986</u>	<u>1,041</u>	
Financial liabilities						
Short-term loans from banks	92	-	-	-	92	1.80 - 3.98
Trade and other payables	-	-	-	517	517	-
	<u>92</u>	<u>-</u>	<u>-</u>	<u>517</u>	<u>609</u>	

(Unit: Million Baht)

Separate financial statements as at 31 March 2020

	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	2	-	2	65	69	0.05 - 0.70
Trade and other receivables	-	-	-	285	285	-
Restricted bank deposits	6	-	-	-	6	0.70
	<u>8</u>	<u>-</u>	<u>2</u>	<u>350</u>	<u>360</u>	
Financial liabilities						
Short-term loans from banks	31	-	-	-	31	3.64 - 3.70
Trade and other payables	-	-	-	212	212	-
	<u>31</u>	<u>-</u>	<u>-</u>	<u>212</u>	<u>243</u>	

(Unit: Million Baht)

Separate financial statements as at 31 March 2019

	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	2	-	4	86	92	0.37 - 0.90
Trade and other receivables	-	-	-	326	326	-
Restricted bank deposits	6	-	-	-	6	0.65 - 0.90
	<u>8</u>	<u>-</u>	<u>4</u>	<u>412</u>	<u>424</u>	
Financial liabilities						
Short-term loans from banks	13	-	-	-	13	3.76 - 3.98
Trade and other payables	-	-	-	278	278	-
	<u>13</u>	<u>-</u>	<u>-</u>	<u>278</u>	<u>291</u>	

Foreign currency risk

The Group exposure to foreign currency risk arises mainly from sales and purchase transactions and short-term borrowing that are denominated in foreign currencies. The Group seek to reduce this risk by entering into forward foreign exchange contracts when they consider appropriate. Generally, the forward contracts mature within one year.

The Company have the balances of financial assets and liabilities denominated in foreign currencies as summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 March		as at 31 March		as at 31 March	
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	0.03	0.1	0.2	0.1	32.63	31.77
Japanese Yen	0.5	0.5	3.4	0.5	0.3006	0.2867

The Company and its subsidiary have outstanding balance of forward foreign exchange contracts which to reduce the exchange rate risk arising from their financial liabilities dominated in foreign currency with the mature within one year. The details are summarised below.

Foreign currency	Bought amount	Sold amount	Contractual exchange rate	
			Bought	Sold
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
<u>As at 31 March 2020</u>				
US Dollar	0.15	-	30.81 - 31.23	-
<u>As at 31 March 2019</u>				
US Dollar	0.14	-	31.33 - 32.85	-

30.2 Fair values of financial instruments

Since the majority of the Group financial assets and financial liabilities are short-term in nature, their fair values are not expected to be materially different from the amounts presented in the statements of financial position. However, the Group estimated fair value of derivatives, their fair value has been determined by using a discounted future cash flows model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Group considered counterparty credit risk when determining the fair value of derivatives.

The estimated fair value of the derivatives is as follows.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	Fair value	Fair value	Fair value	Fair value
	Gain (loss)	Gain (loss)	Gain (loss)	Gain (loss)
Derivatives				
Forward exchange contracts	0.3	-	0.3	-

31. Capital management

The primary objective of the Group capital management is to ensure that they have appropriate capital structure in order to support their business and maximise shareholders value. As at 31 March 2020, the Group total debt-to-equity ratio was 0.30:1 (2019: 0.41:1) and the Company's total debt-to-equity ratio was 0.23:1 (2019: 0.27:1).

32. Events after the reporting period

32.1 On 19 May 2020, the meeting of the Board of Directors of Auto Metal Company Limited (a subsidiary) passed a resolution to propose for approval by the Annual General Meeting of its shareholders, the dividend payment to the subsidiary's shareholders of Baht 73 per share, or totaling Baht 175.20 million from its net operating profit for the year ended 31 March 2020 and retainer earnings as at 31 March 2019. However, by the resolution of the meeting of the subsidiary's Board of Directors No. 4/2019 held on 11 November 2019, the subsidiary had paid out the interim dividend of Baht 23.00 per share, for 2.4 million ordinary shares, to the subsidiary's shareholders totaling Baht 55.2 million on 26 November 2019. The remaining dividend is Baht 50 per share, or totaling Baht 120 million.

32.2 On 25 May 2020, the meeting of the Board of Directors of NSC Metal Company Limited (a subsidiary) passed a resolution to propose for approval by the Annual General Meeting of its shareholders, the dividend payment to the subsidiary's shareholders of Baht 2.66 per share, or totaling Baht 6.12 million from its net operating profit for the year ended 31 March 2020. However, by the resolution of the meeting of the subsidiary's Board of Directors held on 6 November 2019, the subsidiary had paid out the interim dividend of Baht 1.72 per share to the subsidiary's shareholders totaling Baht 3.96 million on 26 November 2019. The remaining dividend is Baht 0.94 per share, or totaling Baht 2.16 million.

32.3 On 27 May 2020, the meeting of the Company's Board of Directors passed a resolution to propose for approval by the Annual General Meeting of its shareholders, the dividend payment to the Company's shareholders of Baht 0.22 per share, or totaling Baht 84.26 million from its net operating profit for the year ended 31 March 2020. However, by the resolution of the meeting of the Company's Board of Directors No. 4/2019 held on 11 November 2019, the Company had paid out the interim dividend of Baht 0.12 per share, for 383 million ordinary shares, totaling Baht 45.96 million on 7 December 2019. The remaining dividend is Baht 0.10 per share, or totaling Baht 38.30 million.

33. Approval of consolidated financial statements

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 27 May 2020.

Information on retired directors by rotation, and who proposed to be re-elected

Name/Surname	:	Mr. Wanchai Umpungart
Age	:	72 Years
Proposed Position	:	Chairman of the Board of Directors, Independent Director, Chairman of the Audit Committee and Member of the Nomination and Compensation Committee. (July 27, 2017)
Educational Background	:	MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University : BA Accounting, Chulalongkorn University
Director Training	:	Thai Institute of Directors Association (IOD) : Directors Accreditation Program (DCP) 35/2005 : Director Accreditation Program (DAP) 102/2008
Work Experience (within 5 years)	:	2005 – Present Director, Chairman of Executive Committee, Chairman of the Risk Management Committee and Managing Director/ Lohakit Metal Public Company Limited : 2002 – Present Independent Director and Audit Committee/ Muramoto Electron (Thailand) Plc. : 2013 – Present Independent Director and Audit Committee/ OCC Public Company Limited : 2007 – 2013 Independent Director and Chairman of the Audit Committee/ Sahapattana Inter Holding Plc. : 2006 – 2011 Director/ Marketing Organization of Farmers
Position in Director of the Board of the Company	:	Chairman of the Board of Directors, Independent Director, Chairman of the Audit Committee and Member of The Nomination and Compensation Committee. (3 years : July 2017 – Present)
Years in director position with the Company	:	Independent Director 3 Years Director 3 Years
Meetings Attended Record	:	Board of Directors 4/4 (or 100%) : Audit committee meeting 4/4 (or 100%) : Nomination and Compensation Committee Meeting 3/3 (or 100%)
Shareholding in the Company (as of March 31, 2020)	:	None (or 0% of total issued shares)
Relation between the Director Member	:	None

Proposed Candidate	Other Listed Companies		Other Organizations (Non-listed Companies)		Position in other Organization that Compete with/related to The Company
	Number	Position	Number	Position	
Mr. Wanchai Umpungart	3	1. Independent Director and Audit Committee Muramoto Electron (Thailand) Plc. 2. Independent Director and Audit Committee OCC Public Company Limited 3. Independent Director and Chairman of the Audit Committee/ Sahapattana Inter Holding Plc.	1	1. Director/ Marketing Organization of Farmers	- None -

Having the following relationship with the Company, parent company, subsidiary company, associated company or any juristic persons who might have a conflict of interest at present or during the past 2 years.

Type of relationship	Qualification
1. Taking part in the management of being and employee, staff member, advisor who receives a regular salary.	None
2. Being professional services provider, e.g., auditor, legal advisor	None
3. Having business relation that is material and could be barrier to independent judgement.	None

Information on retired directors by rotation, and who proposed to be re-elected

Name/Surname	:	Mr. Anurut Vongvanij
Age	:	58 Years
Proposed Position	:	Director and Independent Director (July 27, 2017)
Educational Background	:	MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University : BA. In Economics and Political Science, Hawaii University, Hawaii, U.S.A.
Director Training	:	Thai Institute of Directors Association (IOD) : Directors Certification Program (DCP) 41/2004
Work Experience (within 5 years)	:	2005-Present, Director, Independent Director Lohakit Metal Public Company Limited : 1996-Present, President/ The British Dispensary (L.P.) Co., Ltd. : 1996-Present, President/ The British Dispensary Co., Ltd. : 2004 – Present, President Vongvanij Holding Co., Ltd. : 2008 – Present, President The British Dispensary Pharmacomet Public Company Limited : 2016 – Present, Director Thai Red Cross Organ Donation Centre : 2017 – Present, Director The Thai Chamber of Commerce
Position in Director of the Board of the Company	:	Director and Independent Director (3 years : July 2017 – Present)
Years in director position with the Company :		Independent Director 3 Years Director 3 Years
Meetings Attended Record	:	Board of Directors 4/4 (or 100 %)
Shareholding in the Company (as of March 31, 2020)	:	None (or 0% of total issued shares)
Relation between the Director Member :		None

Proposed Candidate	Other Listed Companies		Other Organizations (Non-listed Companies)		Position in other Organization that Compete with/related to The Company
	Number	Position	Number	Position	
Mr. Anurut Vongvanij	-	-	6	1. President The British Dispensary (L.P.) Co., Ltd. 2. President The British Dispensary Co., Ltd 3. President Vongvanij Holding Co., Ltd. 4. President The British Dispensary Pharmacomet Public Company Limited. 5. Director Thai Red Cross Organ Donation Centre 6. Director The Thai Chamber of Commerce	- None -

Having the following relationship with the Company, parent company, subsidiary company, associated company or any juristic persons who might have a conflict of interest at present or during the past 2 years.

Type of relationship	Qualification
1. Taking part in the management of being and employee, staff member, advisor who receives a regular salary.	None
2. Being professional services provider, e.g., auditor, legal advisor	None
3. Having business relation that is material and could be barrier to independent judgement.	None

Information on retired directors by rotation, and who proposed to be re-elected

Name/Surname : **Mr. Lert Nitheranont**
Age : 58 Years

Proposed Position : Director, Independent Director, Member of Audit Committee and Member of The Nomination and Compensation Committee (July 27, 2017)

Educational Background : Master of Business Administration (International Business) University of Southern California U.S.A.
: Bachelor of Science Mechanical Engineering and Applied Mechanics University of Pennsylvania U.S.A.

Director Training : Directors Accreditation Program (DCP)35/2005

Work Experience (within 5 years) : 2012-Present, Director, Independent Director, Member of Audit Committee and Member Member of the Risk Management Committee/ Lohakit Metal Public Company Limited
: 1984 – Present, Director/ Royal Concord Intertrade Co., Ltd.

Position in Director of the Board of the Company : Director, Independent Director, Member of Audit Committee and Member of The Nomination and Compensation Committee (3 years: July 2017 – Present)

Years in director position with the Company : Director 3 Years

Meetings Attended Record : Board of Directors 3/4 (or 80%)
: Audit committee meeting 3/4 (or 80%)
: Risk Management Committee 3/3 (or 100%)

Shareholding in the Company : None (or 0% of total issued shares)
(as of March 31, 2020)

Relation between the Director Member : None

Proposed Candidate	Other Listed Companies		Other Organizations (Non-listed Companies)		Position in other Organization that Compete with/related to The Company
	Number	Position	Number	Position	
Mr. Lert Nitheranont	-	-	1	1. Director/ Royal Concord Intertrade Co., Ltd	- None -

Having the following relationship with the Company, parent company, subsidiary company, associated company or any juristic persons who might have a conflict of interest at present or during the past 2 years.

Type of relationship	Qualification
1. Taking part in the management of being and employee, staff member, advisor who receives a regular salary.	None
2. Being professional services provider, e.g., auditor, legal advisor	None
3. Having business relation that is material and could be barrier to independent judgement.	None

Proxy (Form B)**(Duty Stamp of Baht 20 is required)**

Share registrar no. _____

Written at _____

Date _____ Month _____ Year _____

(1) I/We _____ Nationality _____ residing at _____
 Road _____ Tambol/Khwaeng _____ Amphur/Khet _____
 Province _____ Postal Code _____

(2) Being a shareholder of Lohakit Metal Public Company Limited (“the Company”) holding the total amount of _____ shares and have the rights to vote equal to _____ votes as follows:

Ordinary share _____ shares and have the right to vote equal to _____ votes.

Preference share _____ shares and have the right to vote equal to _____ votes

(3) Hereby appoint

1. Name _____ age _____ years,
 Residing at _____ Road _____ Tambol/Khwaeng _____
 Amphur/Khet _____ Province _____ Postal Code _____

or

2. Mr. Wanchai Umpungart Age 72 years Chairman of the Board of Directors, Independent Director, Chairman of the Audit Committee and Member of The Nomination and Compensation Committee.

Address : Lohakit Metal Public Company Limited 66/1 Moo 6 Suksawad Rd., Bangjak, Prapradang, Samutprakarn 10130

or

3. Mr. Lert Nittheranont Age 58 years Director, Independent Director, Member of Audit Committee and Member of The Nomination and Compensation Committee

Address : Lohakit Metal Public Company Limited 66/1 Moo 6 Suksawad Rd., Bangjak, Prapradang, Samutprakarn 10130

Only one of them as my/our proxy to attend and vote on my/our behalf at the meeting of **The Annual General Meeting of Shareholders for the year 2020 at 14.00 hrs. On July 24, 2020 at Surasak I Meeting Room, 11th Floor, Eastin Grand Hotel Sathorn, No.33/1, South**

Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok. or such other date, time and place as the meeting may be adjourned.

(4)I/We hereby authorize the Proxy to vote on my/our behalf in this meeting as follows:

Agenda 1 Consideration to certify the Extraordinary General Meeting of Shareholders 2019 on July 25, 2019.

- (a) To grant my/our proxy to consider and vote on my/our behalf as appropriate in all respects
- (b) To grant my/our proxy to vote at my/our desire as follows:
 - Approve Disapprove Abstain

Agenda 2 Consideration to acknowledge the Company's operating report, which ended on March 31, 2020.

- (a) To grant my/our proxy to consider and vote on my/our behalf as appropriate in all respects
- (b) To grant my/our proxy to vote at my/our desire as follows:
 - Approve Disapprove Abstain

Agenda 3 Consideration to approve the Company's Financial Statement, consisting of Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity and Cash Flow Statement, which ended on 31 March 2020.

- (a) To grant my/our proxy to consider and vote on my/our behalf as appropriate in all respects
- (b) To grant my/our proxy to vote at my/our desire as follows:
 - Approve Disapprove Abstain

Agenda 4 Consideration on dividend

- (a) To grant my/our proxy to consider and vote on my/our behalf as appropriate in all respects
- (b) To grant my/our proxy to vote at my/our desire as follows:
 - Approve Disapprove Abstain

Agenda 5 Consideration for appointment of directors in replacement of those retired by rotation and determination the authorized directors

5.1 To consider and approve the election of director to replace those retired by rotation

- Appointment of all directors
 - Approve Disapprove Abstain

Appointment of each individual directors

Mr. Wanchai Umpungart

- (a) To grant my/our proxy to consider and vote on my/our behalf as appropriate in all respects
- (b) To grant my/our proxy to vote at my/our desire as follows:
- Approve Disapprove Abstain

Mr. Anurut Vongvanij

- (a) To grant my/our proxy to consider and vote on my/our behalf as appropriate in all respects
- (b) To grant my/our proxy to vote at my/our desire as follows:
- Approve Disapprove Abstain

Mr. Lert Nitheranont

- (a) To grant my/our proxy to consider and vote on my/our behalf as appropriate in all respects
- (b) To grant my/our proxy to vote at my/our desire as follows:
- Approve Disapprove Abstain

5.2 To consider and determine the authorized directors of the Company

- (a) To grant my/our proxy to consider and vote on my/our behalf as appropriate in all respects
- (b) To grant my/our proxy to vote at my/our desire as follows:
- Approve Disapprove Abstain

Agenda 6 Consideration for payment of directors' remuneration for the year 2020.

- (a) To grant my/our proxy to consider and vote on my/our behalf as appropriate in all respects
- (b) To grant my/our proxy to vote at my/our desire as follows:
- Approve Disapprove Abstain

Agenda 7 Consideration for appointment of Company's auditor and approval of auditors' fee for the year 2020.

- (a) To grant my/our proxy to consider and vote on my/our behalf as appropriate in all respects
- (b) To grant my/our proxy to vote at my/our desire as follows:
- Approve Disapprove Abstain

Agenda 8 Consideration on other business (if any)

- (a) To grant my/our proxy to consider and vote on my/our behalf as appropriate in all respects
- (b) To grant my/our proxy to vote at my/our desire as follows:
- Approve Disapprove Abstain

(5) Any of my votes in any agenda performed by the proxy does not act as my voting intention stated in this proxy shall consider as faulty vote and not the vote of shareholder.

(6) In case I/We have not specified my/our voting intention in any agenda or not clearly specified or in case the meeting considers or passes resolutions in any matters other than those specified above, including in case there is any amendment or addition of any fact, the proxy shall have the right to consider and vote on my/our behalf as he/she may deem appropriate in all respects.

Any acts performed by the proxy in this meeting shall be deemed to be the actions performed by myself/ourselves. Exception in case of the proxy has abstained vote as specified in this proxy form.

Signed	_____	Grantor
	(_____)	
Date	_____	
Signed	_____	Proxy
	(_____)	
Date	_____	
Signed	_____	Proxy
	(_____)	
Date	_____	
Signed	_____	Proxy
	(_____)	
Date	_____	

Remarks

1. The shareholder appointing the proxy must authorize only one proxy to attend and vote at the meeting and may not split the number of shares to many proxies for splitting votes.
2. The proxy may split the votes. In this regard, if the content is too long, it can be specified in the attached supplemental proxy form.

Supplemental Proxy Form

The Proxy is granted by a shareholder of Lohakit Metal Public Company Limited.

For the Annual General Meeting of Shareholders for the year 2020 shall be held at 14.00 hrs. On July 24, 2020 **at Surasak I Meeting Room, 11th Floor, Eastin Grand Hotel Sathorn, No.33/1, South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok.** or such other date, time and place as the meeting may be adjourned.

Agenda _____ Re : _____

(a) To grant my/our proxy to consider and vote on my/our behalf as appropriate in all respects

(b) To grant my/our proxy to vote at my/our desire as follows:

Approve Disapprove Abstain

Agenda _____ Re : _____

(a) To grant my/our proxy to consider and vote on my/our behalf as appropriate in all respects

(b) To grant my/our proxy to vote at my/our desire as follows:

Approve Disapprove Abstain

Agenda _____ Re : _____

(a) To grant my/our proxy to consider and vote on my/our behalf as appropriate in all respects

(b) To grant my/our proxy to vote at my/our desire as follows:

Approve Disapprove Abstain

I/We certify that the statements in this Supplemental Proxy Form are correct, complete and true in all respects.

Signed _____ Grantor
(_____)

Date _____

Signed _____ Proxy
(_____)

Date _____

Signed _____ Proxy
(_____)

Date _____

Signed _____ Proxy
(_____)

Date _____

Signed _____ Proxy
(_____)

Date _____

Documents or Evidence Showing an Identity of the Shareholder or a Representative of the Shareholder Entitled to Attend the Meeting

The policy of the Board of The Stock Exchange of Thailand, dated 19th February 1999, relating to good practices for holding of a shareholders' meeting, aims to establish guidelines for listed companies to follow. This will create confidence to shareholders, investors and all relevant parties. Accordingly, the Company believes that an inspection of documents or evidence showing an identity of the shareholder or a representative of the shareholder entitled to attend the meeting which should be observed by the shareholders, would cause transparency, fair and benefits to the shareholders. However, the Company reserves the right to waive any of these requirements for some of the shareholders on a case by case basis, at the Company's sole discretion.

1. Natural person

1.1 Thai nationality

- (A) identification card of the shareholder (personal I.D. or identification card of government officer or identification card of state enterprise officer); or
- (B) in case of proxy, identification card of the shareholder and identification card or passport (in case of a foreigner) of the proxy.

1.2 Non-Thai nationality

- (A) passport of the shareholder; or
- (B) in case of proxy, passport of the shareholder and identification card or passport (in case of a foreigner) of the proxy.

2. Juristic person

2.1 Juristic person registered in Thailand

- (A) corporate affidavit, issued within 30 days by Commercial Registration Department, Ministry of Commerce; and
- (B) Identification card or passport (in case of a foreigner) of the authorized director(s) who sign(s) the proxy form including identification card or passport (in case of a foreigner) of the proxy.

2.2 Juristic person registered outside of Thailand

- (A) corporate affidavit; and
- (B) identification card or passport (in case of a foreigner) of the authorized director(s) who sign(s) the proxy form including identification card or passport (in case of a foreigner) of the proxy.

A copy of the documents must be certified true copy. In case of any documents or evidence produced or executed outside of Thailand, such documents or evidence should be notarized by a notary public.

A shareholder or a proxy may register and submit the required documents or evidence for inspection at the meeting from 12.00 hrs. On July 24, 2020.

Name List and Details of Independent Director

1. Mr. Wanchai Umpungart

Age	:	72 Years
Position	:	Chairman of the Board of Directors, Independent Director, Chairman of the Audit Committee and Member of The Nomination and Compensation Committee. (July 27, 2017)
Educational Background	:	MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University : BA Accounting, Chulalongkorn University
Director Training	:	Thai Institute of Directors Association (IOD) Director Accreditation Program DAP 35/2005 Directors Certification Program DCP 102/2008
Work Experience (within 5 years)	:	2005 – Present Director, Chairman of Executive Committee, Chairman of the Risk Management Committee and Managing Director/ Lohakit Metal Public Company Limited : 2002 – Present Independent Director and Audit Committee/ Muramoto Electron (Thailand) Plc. : 2013 – Present Independent Director and Audit Committee/ OCC Public Company Limited : 2007 – 2013 Independent Director and Chairman of the Audit Committee/ Sahapattana Inter Holding Plc. : 2006 – 2011 Director/ Marketing Organization of Farmers
Years in director position with the Company	:	Independent Director 3 Years Director 3 Years
Date of being appointed	:	July 27, 2017
Meetings Attended Record	:	Board of Directors 4/4 (or 100%)
Shareholding in the Company (Including spouse and underage children)	:	None (or 0% of total issued shares)
Address	:	Lohakit Metal Public Company Limited 66/1 Moo 6 Suksawad Rd., Bangjak, Prapradang, Samutprakarn 10130
Interest in any agenda	:	Agenda Item 6 - Consideration for payment of directors' remuneration for the year 2020

2. Mr. Lert Nitheranont

Age	:	58 Years
Position	:	Director, Independent Director, Member of Audit Committee and Member of the Nomination and Compensation Committee (July 27, 2017)
Educational Background	:	Master of Business Administration (International Business) University of Southern, California, U.S.A : Bachelor of Science Mechanical Engineering and Applied Mechanical University of Pennsylvania, U.S.A
Director Training	:	Thai Institute of Directors Association (IOD) Director Accreditation Program DAP 35/2005
Work Experience (within 5 years)	:	2005 – Present / Director, Independent Director and Member of Audit Committee/ Lohakit Metal Public Company Limited : 1996 – Present / Director / Royal Concord Intertrade Co., Ltd.
Years in director position with the Company	:	Independent Director 3 years Board of Directors 3 years
Date of being appointed	:	July 27, 2017
Meetings Attended Record	:	Board of Directors 4/4 (or 100%)
Shareholding in the Company (Including spouse and underage children)	:	None (or 0% of total issued shares)
Address	:	Lohakit Metal Public Company Limited 66/1 Moo 6 Suksawad Rd., Bangjak, Prapradang, Samutprakarn 10130
Interest in any agenda	:	Agenda Item 6 - Consideration for payment of directors' remuneration for the year 2020

The Company's article of association with regard to the shareholder's meeting

Chapter 5: The board of directors

Article 21 At every annual general meeting, one-third of the number of directors shall vacate office. If the number is not a multiple of three, then the number nearest to one-third must retire from office.

The directors to retire during the first and second years following the registration of the Company shall be drawn by lots. In every subsequent year, the director who has been in office for the longest term shall retire. A retiring director is eligible for re-election.

Chapter 6: Shareholder Meeting

Article 37 The Board of Directors shall convene an annual general meeting of shareholders within four (4) months from the last day of the accounting period of the Company.

Meetings other than those specified above shall be called the extraordinary meetings. The Board of Directors may summon an extraordinary meeting whenever it deems appropriate.

Shareholders holding shares in aggregate not less than one-fifth of the total number of shares sold, or shareholders numbering not less than twenty-five persons holding shares in aggregate not less than one-tenth of the total number of shares sold, may at any time subscribe their names in a letter requesting the Board of Directors to call an extraordinary meeting, provided that they must clearly give the reasons for such request in the letter. In this case, the Board of Directors shall arrange the shareholders' meeting within 1 month from the date of receipt of such a letter from the shareholders.

Article 38 In summoning the shareholders' meeting, the Board of Directors shall prepare a notice of the meeting specifying the place, date, time, agenda and the matters to be submitted to the meeting together with appropriate details stating clearly which issues will be for acknowledgement, for approval or for consideration, including the opinions of the Board of Directors on the said matters and shall send the same to the shareholder and the company registrar for information not less than 7 days prior to the meeting. Publication of a notice of the meeting shall also be made in a newspaper for 3 consecutive days at least 3 days prior to the meeting.

The shareholders' meeting may be held at the head office of the company or locality in which the Company's head office is situated or other place where the Board of Directors deems appropriate.

Article 39 In order to constitute a quorum, there shall be shareholders and proxies (if any) attending at a shareholder meeting amounting to not less than twenty-five (25) persons or not less than one half of the total number of shareholders and in either case such shareholders shall hold shares amounting to not less than one-third (1/3) of the total number of shares sold of the Company.

At any shareholder meeting, if one hour passed since the time specified for the meeting and the number of shareholders attending the meeting is still inadequate for a quorum as defined in the first paragraph, and if such shareholder meeting was called as a result of a request by the shareholders, the meeting shall be cancelled. If such meeting was not called as a result of a request by the shareholders, the meeting shall be called once again and the notice calling such

meeting shall be delivered to shareholders not less than seven (7) days prior to the date of the meeting, in the subsequent meeting a quorum is not required.

Article 40 The chairman of the board shall be the chairman of shareholder meetings. If the chairman of the board is not present at a meeting or cannot perform his duty, the vice-chairman present at the meeting shall be the chairman of the meeting. If there is no vice-chairman or there is a vice-chairman who is not present at the meeting or cannot perform his duty, the shareholders present at the meeting shall elect one shareholder to be the chairman of the meeting.

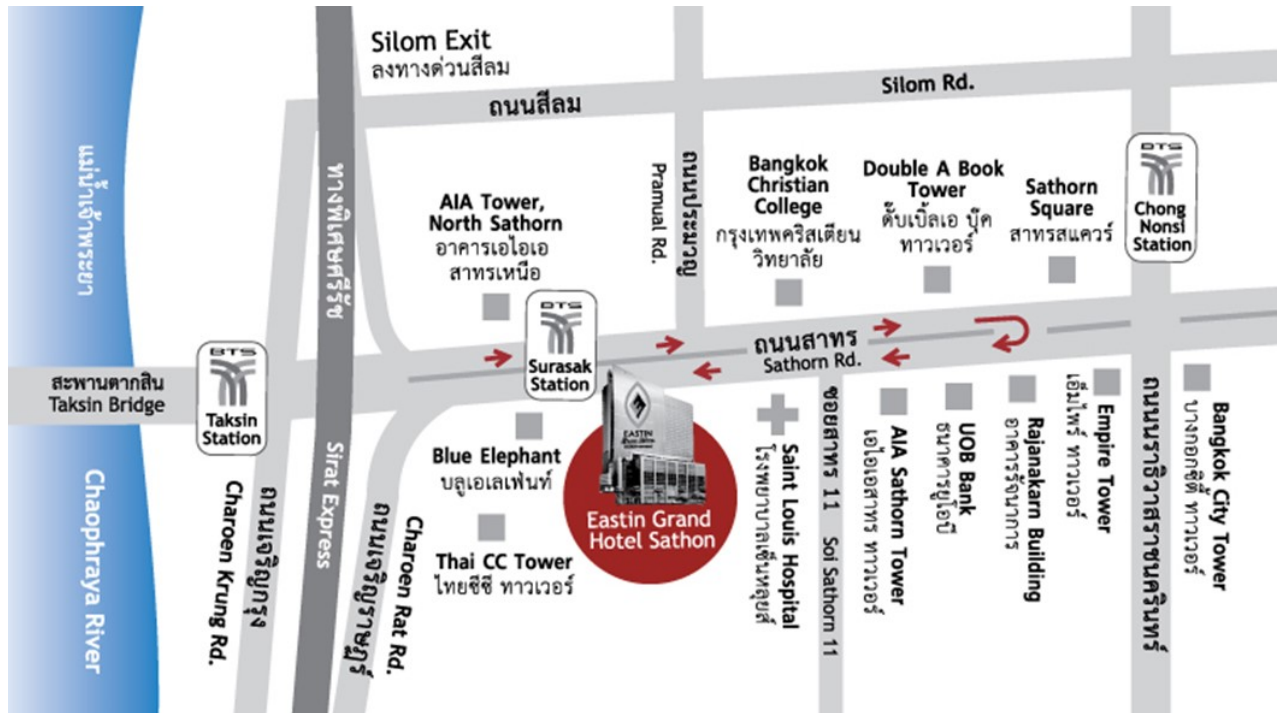
Article 41 The shareholders may appoint any other person to attend the meeting and cast their votes. The proxy form shall be dated and signed by the shareholders where the form shall be in compliance with the form specified by the Registrar.

The eligible proxy form shall be submitted to the chairman of the meeting or to any person assigned and at the place specified by the chairman before attending the meeting.

Article 42 The resolution of the shareholders' meeting shall comprise the following votes:

- (1) In normal case, the majority of votes of shareholders who attend the meeting and cast votes. In case of equality of votes, the Chairman of the Board shall have an additional casting vote;
- (2) In the following cases, a resolution shall be passed by votes of not less than three-fourths of the total number of votes of shareholders who attend the meeting and are entitled to vote:
 - (a) The sale or transfer of the whole or important parts of the business of the Company to other persons;
 - (b) The purchase or acceptance of transfer of the business of other companies or private companies by the Company;
 - (c) the making, amending or terminating of contracts with respect to the granting of a lease of the whole or important parts of the business of the Company, the assignment of the management of the business of the Company to any other persons or the amalgamation of the business with other persons with purpose of profit and loss sharing;
 - (d) Any amendments or addition of the Memorandum of Association or the Articles of Association of the Company;
 - (e) Any increase or decrease of registered capital or any issuance of debentures;
 - (f) The issuance of preferred share, debenture, collateral debenture, convertible debenture, warrant to buy share or debenture or other securities which legalize to issue.
 - (g) The amalgamation or dissolution of the Company

Surasak I Meeting Room, 11th Floor, Eastin Grand Hotel Sathorn, South Sathorn Road, Bangkok



**Meeting Attendance Reservation Form
2020 Annual General Meeting of Shareholders
Lohakit Metal Public Company Limited
July 24, 2020**

To Company Secretary, Lohakit Metal Public Company Limited

Mr. / Mrs. / Ms.

Phone number.....

() A shareholder of Lohakit Metal Public Company Limited;

() A proxy granted by , a shareholder of Lohakit Metal Public Company Limited (Proxy as Attachment no. 4),

Holding the total amount of shares, would like to attend the 2020 Annual General Meeting of Shareholders on Friday 24th of July 2020 at 14.00 hrs., Surasak 1 Meeting Room, 11th Fl., Eastin Grand Hotel Sathorn, No. 33/1, South Sathorn Road, Yannawa Sub-District, Sathorn District, Bangkok

Sign.....Requester

Remark

1) Please be present at the meeting venue at least 30 minutes prior to the meeting time, otherwise the Company may need to allocate your seat to other shareholders.

2) Please send back the filled-up form to the Company by July 15, 2020 via

- Fax: 02 - 673 - 9579 or

- Email: ird@lohakit.co.th or

Corporate Secretary

Tel 0-2673-9559 ext. 210