



**Lohakit Metal Public Company Limited**

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Public Company Registration No. 0107548000315

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June 27, 2016

**Subject** Notice of the Annual General Meeting of Shareholders for the year 2016

**To** All Shareholders

- Enclosures:**
- (1) Copy of the Minutes of the Annual General Meeting of Shareholders for the year 2015
  - (2) Annual Report of the year 2015, including the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity, Cash Flow Statement, which ended on March 31, 2016, and the auditor's report
  - (3) Preliminary information on the retired directors by rotation and proposed to be re-elected (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) Registration 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 2016 will be called and held at 14.00 hrs. on July 28, 2016 at Ballroom 1, 12th Floor, Ah Yat Abalone Convention Hall, Parking Building, No.43 Thai CC Tower, 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 2015.**

General Information:

The Annual General Meeting of Shareholders for the year 2015 had been held on 28 July 2015, 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 2015, 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, 2016.**

General Information:

The Company's operating report, which ended on March 31, 2016, 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, 2016, to be further acknowledged by the Shareholders' Meeting. Details of the report as appeared in the Company's Annual Report of the year 2015, 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, 2016 and the auditor's report.**

General Information:

The Company's Financial Statement, which ended on March 31, 2016 as appeared in the Annual Report, already reviewed by the audit committee and obtained the examination from the authorized auditor, 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, 2016 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 has to 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.

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, 2016, the Company has a profit of Baht 103,640,380. The Board recommends to propose

the Shareholders' Meeting to approve the dividend payment at Baht 0.24 per share deducting the paid interim dividend at Baht 0.10 per share (in total of Baht 38,300,000). The remaining dividend in the amount of Baht 0.14 per share, or the total of Baht 53,620,000, shall be paid to the shareholders. The record date on which the recorded shareholders have the right to the dividend will be on June 15, 2016. The collection of shareholders' name by closing the share registration will be on June 16, 2016. The dividend payment shall be on August 11, 2016.

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 2014 – 2015 is as follows:

Details	2014	2015
Net profit (Baht)	91,938,126	103,640,380
Reserve for legal reserve	4,600,000	2,492,665
Dividend payment per share (Baht/Share)	0.21	0.24
- First half interim dividend (Baht/Share)	0.11	0.10
- Second half dividend (last 6 months) (Baht/share)	0.10	0.14
Number of Shares (Shares)	383,000,000	383,000,000
Total Dividend Payment (Baht)	80,430,000	91,920,000
Dividend Payment Ratio (%)	87.48	88.69

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 1<sup>st</sup> and 2<sup>nd</sup> year after registration of the Company. For the following years, the directors who remained in office the longest shall be retired. In the year 2016, the directors who shall be retired are as follows:

- (1) Mr. Prasarn Akarapongpisak Director, Chairman of the Executive Director and Chairman of the Risk Management Committee
- (2) Mr. Teera Na Wongkanai Director, Audit Committee and Chairman of the Nomination and Remuneration Committee
- (3) Mr. Somnuik Thanasarn Director, Executive Director and Risk Management Committee

Board's Opinion:

5.1 The Company's director nomination process was not handled by the Nomination and Remuneration Committee as the Nomination and

Remuneration Committee has been appointed on May 26, 2016. However, the non-interested Board of Directors had considered the qualification of nominees on appropriate knowledge, experiences and competence form various professions, including previous performance as Company's director and of the opinion that the Shareholders' Meeting should re-elect Mr. Prasarn Akarapongpisak, Mr. Teera Na Wongkanai and Mr. Somnuik Thanasarn who are retired by rotation to be director of the Company for another term.

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 Akarapongpisak jointly signs with Mr. Somnuik Thanasarn or Mr. Anan Manatchinapisit and 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 2016.**

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.

Board's Opinion: The process to consider the remuneration of directors was not handled by the Nomination and Remuneration Committee as the Nomination and Remuneration Committee has been appointed on May 26, 2016. However, the remuneration of directors was carefully considered by the Board of Directors' Meeting by taking into consideration the followings: former performance, experience, duties, and responsibilities, including the business expansion, financial status and the Company turnover. It is of the opinion that the Shareholders' Meeting should approve the allocation of directors' remuneration for the year 2016.

Table of comparison of directors' remuneration for the year of 2014 – 2016 is as follows:

Directors' Remuneration	2014 (Baht)	2015 (Baht)	2016 (Baht)
Remuneration for the Meeting of the Board - Chairman (per meeting) - Director (per meeting)	20,000 10,000	20,000 10,000	20,000 10,000
Remuneration for the Meeting of the Audit Committee - Chairman (per meeting) - Director (per meeting)	20,000 10,000	20,000 10,000	20,000 10,000
Remuneration for the Meeting of the Nomination and Remuneration Committee - Chairman (per meeting) - Director (per meeting)	- -	- -	20,000 10,000
Bonus (assigned the Board of Directors to allocate)	4,000,000	4,000,000	4,000,000

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 2016.**

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 Securities and Exchange Commission No. KorJor. 39/2548 on the rule, condition and method of report to release the information on financial status and the operation of the Company (No. 20), the Company must rotate the auditors if such auditors have been on the duty for five consecutively accounting years. Such rotation does not require change of new auditor company and the Company may appoint other auditors from the same company. In this regard, EY Office Ltd. has been audited the Company for 27 consecutive years.

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:

1. Mr. Sophon Permsirivallop  
C.P.A. License No. 3182
2. Ms. Pimjai Manitkajohnkit  
C.P.A. License No. 4521
3. Ms. Rungnapa Letsuwankul  
C.P.A. License No. 3516
4. Ms. Sumana Punpongsanon  
C.P.A. License No. 5827

Anyone of the above may carry out the work for the company for the year of 2016. The auditor's fee for annual audit would be Baht 1,110,000 which is the same amount as of the year 2015.

**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 2014 – 2015 is as follows:

Remuneration of the auditor	2014 (Baht)	2015 (Baht)
Audit Fee	1,110,000	1,110,000

**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 2016 will be on June 15, 2016. The collection of shareholders' name in accordance with Section 225 of The Securities and Exchange Act B.E. 2535 by closing the share registration will be on June 16, 2016.

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, Independent Director, Chairman of the Board and Chairman of the Audit Committee
2. Mr. Lert Nittheranont, Independent Director and Member of the Audit 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 2015  
of  
Lohakit Metal Public Company Limited**

The Meeting was held on July 28, 2015 at 14.00 hrs. at Surasak Ballroom I, 11st Floor, Eastin Grand Hotel, No.33/1, South Sathorn Road, Yannawa, Sathorn, Bangkok.

**Attending Directors**

- |    |                            |   |
|----|----------------------------|---|
| 1. | Mr. Wanchai Umpungart      | Chairman of the Board / Chairman of the Audit Committee           |
| 2. | Mr. Prasarn Akarapongpisak | Director / Chairman of the Executive Director / Managing Director |
| 3. | Mr. Teera Na Wangkanai     | Director / Independent Director / Audit Committee                 |
| 4. | Mr. Anurut Vongvanij       | Director / Independent Director                                   |
| 5. | Mr. Lert Nitheranont       | Director / Independent Director / Audit Committee                 |
| 6. | Mr. Anan Manatchinapisit   | Director / Executive Director / Board Secretary                   |
| 7. | Mr. Somnuik Thanasarn      | Director/ Executive Director                                      |

**Absent Director**

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**Auditor**

1. Mrs. Gingkarn Asawarangsarit EY Office Ltd.

**Legal Consultant**

1. Mrs. Nittaya Kiatserikul Seri Manop & Doyle Ltd.
2. Ms. Sathima Chintanaseri Seri Manop & Doyle Ltd.

The Chairman informed the meeting that there were 263 shareholders attended the meeting, both in person and by proxy, together represented 283,719,551 shares with equivalent to 74.0782% of the total issued shares, thus forming a quorum according to Article 39 of the Articles of Association. The Chairman then appointed Ms. Sukonta Kasemsuk to inform 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. 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 submit 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 or present his received number each time 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 Chairman 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 2014**

The Chairman presented the Minutes of the Annual General Meeting of Shareholders for the year 2014, held on July 28, 2014, for approval by the Meeting.

The Meeting has unanimously resolved to approve the minutes of the Annual General Meeting of Shareholders for the year 2014 with the following voting results:

- Approved, representing 283,719,661 votes, equivalent to 100% 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 0 vote, equivalent to 0% 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, 2015**

The Chairman has assigned Mr. Prasarn Akarapongpisak, Chairman of the Executive Director, to propose the Meeting to consider the Company's operating report, which ended on March 31, 2015 as appeared in the enclosure (2), which had already been sent to the Shareholders with the Notice to call the meeting. Details are as follow:

**Total income:** the Company has a net income of 3,416 million Baht which is 0.6% higher than the previous year.

**Gross profit:** the Company has a gross profit of 346 million Baht or 10.27% of sales volume, which is approximately 0.8% lower than the previous year.

**Net profit:** the Company has a net profit of 138 million Baht or 0.1% of the sales volume, or which is approximately 0.03% lower than the previous year.

**Profit per share:** due to such profit, the Company has profit per share equal to 0.36 Baht/share.

Return on Asset (ROA) = 5.86%

Return on Equity (ROE) = 10.59%

Current Liquidity = 2.08 times

Debt to Equity Ratio (D/E RATIO) = 0.58 times



The Meeting unanimously acknowledged the operating report which ended on March 31, 2015.

**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, 2015 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 2015 as appeared in the enclosure (2), which had already been sent to the Shareholders with the Notice to call the meeting.

Mr. Wanchai Umpungart, Chairman of the Board, inquired whether any shareholder having any question or suggestion.

Mr. Sakchai Sakulsri inquired regarding the appraisal of fair value of the steel: what is the impact of decrease and increase of the steel price?

Mr. Anan Manatchinapisit, Executive Director, explained that the market price will be used as basis in appraisal of fair value, which is in accordance with the accounting standard. As for the obsolete products, there shall subtract the amount from the book value of the obsolete inventory, and set aside the difference as a reserve; where the Company's entire inventory is stainless.

The Meeting has unanimously resolved to approve the financial statement, which ended on 31 March 2015 as proposed, with the following voting results:

- Approved, representing 284,002,661 votes, equivalent to 100% 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 0 vote, equivalent to 0% of the total votes of shareholders attending the meeting and having the rights to vote.

**Agenda 4. Consideration on dividend**

The Chairman has assigned Mr. Prasarn Akarapongpisak, Chairman of the Executive Director, to report to the Meeting. Mr. Prasarn report the Meeting that according to the Company's Statement of Comprehensive Income ended on 31 March 2015, the Company has a net profit of Baht 91,938,126, hence proposed the meeting's approval of dividend payment at Baht 0.21 per share deducting the paid interim dividend at Baht 0.11 per share totaling of Baht 42,130,000, the remaining dividend in the amount of Baht 0.10 per share, totaling of Baht 38,300,000 shall be paid to the shareholders.

After due consideration, the Meeting has unanimously approved for the dividend payment of Baht 0.21 per share, deducting the paid interim dividend at Baht 0.11 per share, the remaining dividend in the amount of Baht 0.10 per share, totaling of Baht 38,300,000 shall be paid to the shareholders. The dividend will be paid on 11 August 2015 to the shareholders registered in the Company Share Register on 18 June 2015, with the following voting results:

- Approved, representing 284,002,662 votes, equivalent to 100% 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 0 vote, equivalent to 0% 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 has assigned Mr. Prasarn Akarapongpisak, Chairman of the Executive Director, declared to the Meeting 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. As Mr. Anan Manatchinapisit (Director, Executive Director, Board Secretary) has been in office for the longest term, he will be retired by rotation. The Chairman then proposed the Meeting to appoint new director in replacement of the retired director.

After due consideration, the Meeting had unanimously resolved to re-appoint Mr. Anan Manatchinapisit (Director, Executive Director, Board Secretary) as director of the Company, with the following voting results:

- Approved, representing 284,002,662 votes, equivalent to 100% 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 0 vote, equivalent to 0% 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 Akarapongpisak jointly signs with Mr. Somnuik Thanasarn or Mr. Anan Manatchinapisit and affix the Company’s seal.” with the following voting results:

- Approved, representing 284,003,962 votes, equivalent to 100% 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 0 vote, equivalent to 0% of the total votes of shareholders attending the meeting and having the rights to vote.

Mr. Thitipong Sophonudomporn further commented that to appoint Mr. Prasarn Akarapongposak as a main person to sign and bind the Company would be considered at risk in the event that Mr. Prasarn Akarapongposak is absent and unable sign to bind the Company.

Mr. Prasarn Akarapongposak, Chairman of the Executive Director, informed the meeting that it is his intention to have an opportunity in reviewing all relevant documents and information before signing to bind the Company.

**Agenda 6. Consideration for payment of directors’ remuneration for the year 2015**

The Chairman has assigned Mr. Prasarn Akarapongpisak, Chairman of the Executive Director to propose the Meeting to consider the payment of directors’ remuneration for the year 2015, in the same rate as of the year 2014 as follows:

- (1) Remuneration of the Meeting for the Board of directors
  - Baht 20,000 per Meeting for Chairman of the Board.
  - Baht 10,000 per person / Meeting for Director
- (2) Remuneration of the Meeting for the Audit Committee
  - Baht 20,000 per Meeting for Chairman of Audit Committee
  - Baht 10,000 per person / Meeting for Audit Committee
- (3) Bonus shall not exceed Baht 4,000,000

and assigned the Board of Directors to allocate.

Mr. Wanchai Umpungart, Chairman of the Board, inquired whether any shareholder having any question or suggestion.

Mr.Thongchai Lakanavisit asked if the Company has policy to increase remuneration of directors?

Mr. Prasarn Akarapongposak, Chairman of the Executive Director, informed the meeting that the Company's directors carry out a lot of duties and high responsibilities. Each of directors dedicates himself to oversee the management of company's businesses. At present, the Company does not have policy to increase directors' remuneration. However, in the future if the Company has grown significantly, we will propose to the shareholders' meeting to consider the increase of their remuneration.

After due consideration, the Meeting has resolved with the majority votes to approve the remuneration payment as proposed by the Chairman as follows:

- Approved, representing 239,957,561 votes, equivalent to 99.9999579% 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 101 votes, equivalent to 0.0000421% 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 2015**

The Chairman has assigned Mr. Anan Manatchinapisit, the Executive Director to propose the Meeting to approve the appointment of auditor and the auditors' fee in the same rate as of the year 2014.

After due consideration, the Meeting has unanimously resolved to appoint Mrs. Gingkarn Asawangsarit, CPA License No. 4496 or Mr. Sophon Permsirivallop, CPA License No. 3182 or Ms. Sumana Punpongsanon, CPA License No. 5872 of EY Office Ltd. to be the Company's auditor. The audit fee for annual audit would be Baht 1,110,000 with the following voting results:

- Approved, representing 284,023,962 votes, equivalent to 100 % 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 0 vote, equivalent to 0% of the total votes of shareholders attending the meeting and having the rights to vote.

**Agenda 8. Other matters**

Mr. Wanchai Umpungart, Chairman of the Board, inquired whether any shareholder having any question or suggestion.

The shareholders inquired the meeting and the Company has informed the meeting as follows;

Mrs. Rungsri Jieranaikajorn, the proxy from Thai Investors Association inquired as follows:

- As the Company has already declared its intention to join Collective Action Coalition program of the Thailand's Private Sector Collective Action Coalition Against Corruption, how does the Company plan to be certified by the Private Sector Collective Action Coalition Against Corruption Council (CAC)?

Mr. Prasarn Akarapongpisak informed the meeting that the Company regards this anti-corruption matters as a key policy. Mr. Anan Manatchinapisit further explained that the Company would have 18 months from the date the CAC signed the acknowledgement to proceed and the Company has prepared a special team to work on this, including hiring an outsource to assess the Company's anti-corruption policy and guideline.

- Whether the Company has been affected by the relocation of customers or not?

Mr. Prasarn Akarapongpisak explained that the customer relocation to foreign countries has some impact to the company and this is a factor that the company is unable to control. However, the company's customers are in various types of industries (i.e. electronics, construction, automobiles) which we assume that they are unlikely to relocate their manufacturing base to foreign countries.

- Whether the company has been affected by the customer in automotive industry or not?

Mr. Prasarn Akarapongpisak explained that the impact of "First Car" policy in the few past years has caused the artificial demand and caused the problem for domestic sale and purchase of automobiles. However, most automobiles are currently produced for export and it trends to grow continually. Additionally, the company is a manufacturer of heat-resistant stainless steel pipe for most of automobile manufacturers (excluding Toyota) and the company has reduced production cost regularly so we are confident that the company can go through this economic crisis.

Mr. Teetat Vanichsathien inquired as follows:

- Whether the fluctuation of steel and oil price caused any effect to the Company?

Mr. Prasarn Akarapongpisak informed the meeting that the Company's product is stainless so the increase and decrease of steel price would not affect the Company. However, the fluctuation of oil price would affect the commodities price, so having chromium and nickel as stainless major substances, the price of stainless could be affected as well. Accordingly, the Company controls and manages its stock by using FIFO (Fast In, Fast Out) method as we considers that storing of the inventories too long could cause effect to the products price and the Company has no policy to speculate the purchase price.

- What percentage of the market share does the Company have and are there any possibilities to have Toyota as our customer?

Mr. Prasarn Akarapongpisak informed the meeting that the Company does not have detail of market share, however the possibility to have Toyota as our customer is relatively low because all Toyota manufacturing plants would order the raw materials from Nippon Steel.

- As the Company's net profit margin is in good position, so what is Company's the price-earnings ratio (P/E) and what is the overall average percentage of the industry?

Mr. Prasarn Akarapongpisak informed the meeting that Company's P/E ratio is 8.7 times and the P/E ratio of the overall average of logistic and services industry is at approximately 30 times; where the P/E ratio of the steel industry is very low. Therefore, the current Company's P/E ratio that is able to reach above 5 times is considered a very good position.

- Whether the company will expand its business into other industries?

Mr. Prasarn Akarapongpisak informed the meeting that the Company has no policy to expand its business to other businesses. However, the Company would develop and try to provide entire supply chain services to customer by providing inventories management service and manufacture the products that meet standard required by each customer. In addition, the company

would remain focus on the automotive industry and would try to supply other products such as chromium, brass, and copper and so on.

Mr. Thitipong Sophonudomporn inquired that:

- How is the economic situation for year 2015 as the price of the electric appliances started to be dropped?

Mr. Prasarn Akarongpisak informed the meeting that the current economic situation is better than Tom Yam Kung crisis. Although there is news about relocation of electric appliance manufacturing base, the automotive business still has great export volume. Accordingly, we assume that the Company could perform and operate its business well.

Mr. Ekachai Pipitvech inquired that:

- Whether the depreciation of Thai Baht caused any effect to the Company or not?

Mr. Prasarn Akarongpisak informed the meeting that the depreciation of Thai Baht would definitely affect the Company but the Company has hedged all transactions which trade in foreign currencies. Nonetheless, ordering and buying raw materials from Posco Thainox PLC would also be affected since they have to import the raw materials from other countries as well.

Mr. Sakchai Sakulsri suggested the meeting that the Company should explain the amount of legal reserve from the net profit on the agenda of dividend.

Mr. Wanchai Umpungart informed the meeting that the Company will report the amount of legal reserve in the next meeting as suggested.

The Chairman declared the Meeting closed at 3.05 p.m.

Signed Wanchai Umpungart Chairman  
(Mr. Wanchai Umpungart)

# Financial Highlight

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

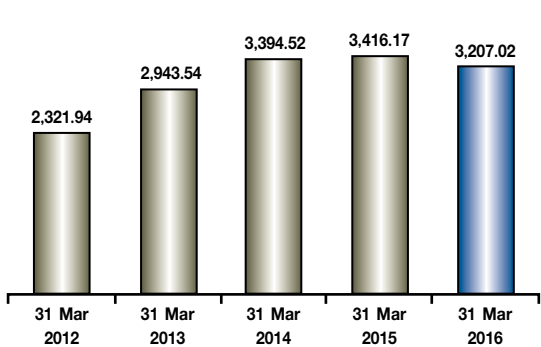
	For the year ended 31 <sup>st</sup> March				
	2012	*2013	2014	**2015	2016
<b>Profit and loss statement (Baht millions)</b>					
Total revenue	2,321.94	2,943.54	3,394.52	3,416.17	3,207.02
Revenue from the sales of good and services	2,287.87	2,889.38	3,358.67	3,372.45	3,176.85
Gross profit	250.18	347.32	371.56	346.26	318.19
Net profit provided by operating activities	166.24	254.20	232.11	212.72	173.83
Net profit	96.72	165.90	148.65	131.92	97.69
<b>Balance Sheet (Baht millions)</b>					
Total assets	1,541.23	2,459.88	2,297.37	2,395.51	2,217.41
Total liabilities	533.99	1,072.66	845.43	875.28	678.66
Total shareholders' equity	1,007.24	1,387.22	1,451.94	1,520.23	1,538.75
<b>Per ordinary share (Baht), at Par 1.00</b>					
Book Value per share (Baht)	2.73	3.17	3.32	3.47	3.51
Earning per share (Baht)	0.30	0.50	0.39	0.34	0.26
Dividend per share (Baht)	0.14	0.22	0.22	0.21	0.24
<b>Ratio Analysis</b>					
Gross profit margin (%)	10.94%	12.02%	11.06%	10.27%	10.02%
Net profit margin (%)	4.17%	5.64%	4.38%	5.01%	3.05%
Return on equity (%)	11.26%	15.91%	11.97%	10.16%	7.31%
Return on Assets (%)	6.38%	8.29%	6.25%	5.62%	4.24%
Liquidity ratio (times)	2.27	1.84	2.06	2.08	2.49
Debt to equity ratio (times)	0.53	0.77	0.58	0.58	0.44

\* 2013 - Restating from apply the new accounting standard "Income Tax"

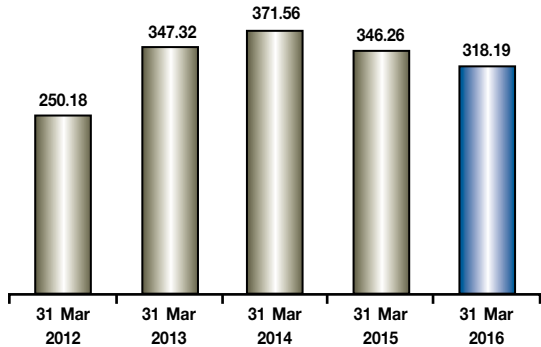
\*\* 2015 - Restating financial statement following the enforcement of Thai Accounting Standard no. 19 (Revise 2014) regarding employee benefit

Consolidated Results of Fiscal years as of March 31, 2012 - March 31, 2016

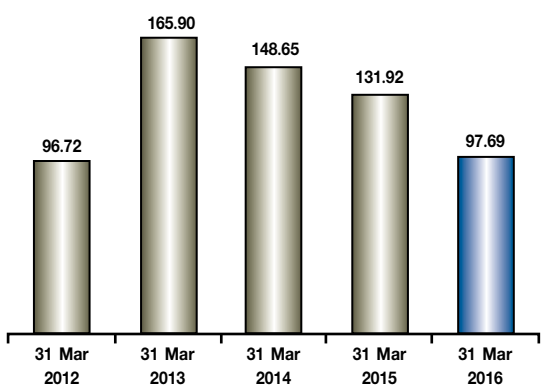
**Total Revenue (Baht Millions)**



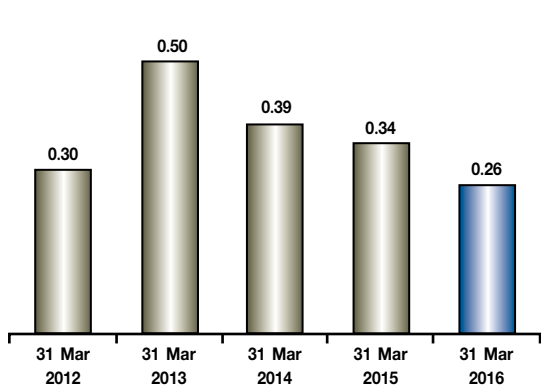
**Gross Profit (Baht Millions)**



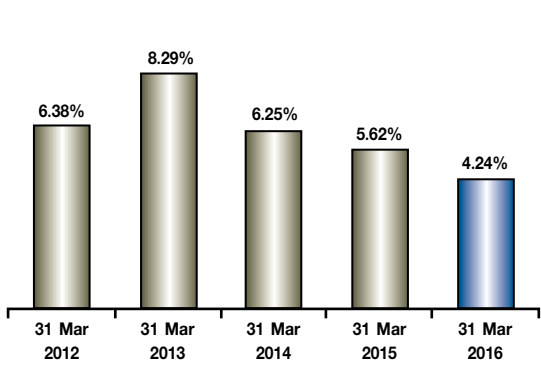
**Net Profit (Baht Millions)**



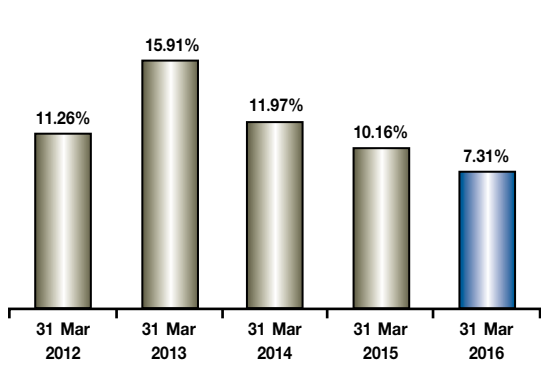
**Earning per share (Baht)**



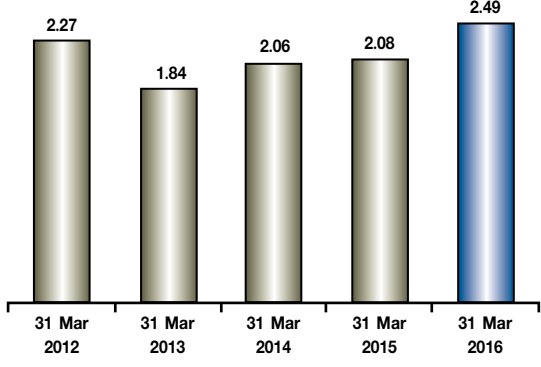
**Return on assets (%)**



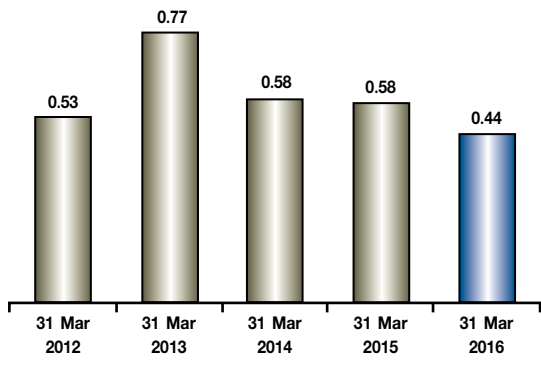
**Return on equity (%)**



**Liquidity ratio (Times)**



**Debt to equity ratio (Times)**



Lohakit Metal Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 March 2016



## **Independent Auditor's Report**

To the Shareholders of Lohakit Metal Public Company Limited

I have audited the accompanying consolidated financial statements of Lohakit Metal Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 March 2016, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Lohakit Metal Public Company Limited for the same period.

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

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lohakit Metal Public Company Limited and its subsidiaries and of Lohakit Metal Public Company Limited as at 31 March 2016, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

A handwritten signature in black ink, appearing to read 'Sumana Punpongsanon', with a long horizontal flourish extending to the right.

Sumana Punpongsanon

Certified Public Accountant (Thailand) No. 5872

EY Office Limited

Bangkok: 26 May 2016

**Lohakit Metal Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 March 2016**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	177,643,146	134,806,623	28,817,101	25,914,367
Current investments	9	4,504,132	20,029,907	-	-
Trade and other receivables	10	762,172,743	778,523,009	402,335,791	471,204,868
Inventories	11	664,351,918	823,798,944	349,927,128	475,742,505
Other current assets		4,972,880	7,906,287	3,741,504	6,999,249
<b>Total current assets</b>		<b>1,613,644,819</b>	<b>1,765,064,770</b>	<b>784,821,524</b>	<b>979,860,989</b>
<b>Non-current assets</b>					
Restricted bank deposits	12	46,500,000	46,000,000	5,500,000	5,000,000
Investment in associate	13	9,330,492	8,131,627	4,900,000	4,900,000
Investments in subsidiaries	14	-	-	406,487,245	403,237,145
Long-term investment	15	3,159,913	3,084,075	-	-
Property, plant and equipment	16	519,216,594	545,456,363	336,884,431	319,756,868
Intangible assets	17	432,910	573,090	159,255	203,013
Deferred tax assets	24	21,493,944	18,665,443	12,824,890	11,152,648
Other non-current assets		3,630,019	8,533,613	2,439,390	7,591,885
<b>Total non-current assets</b>		<b>603,763,872</b>	<b>630,444,211</b>	<b>769,195,211</b>	<b>751,841,559</b>
<b>Total assets</b>		<b>2,217,408,691</b>	<b>2,395,508,981</b>	<b>1,554,016,735</b>	<b>1,731,702,548</b>

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 2016**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from banks	18	252,952,833	378,844,800	180,961,274	335,156,881
Trade and other payables	19	362,818,465	435,811,329	209,672,958	255,657,484
Current portion of financial lease payables	20	3,479,708	4,851,577	3,479,708	4,147,891
Income tax payable		15,167,137	15,541,868	1,667,135	4,072,692
Other current liabilities		13,051,966	12,914,077	7,539,055	10,216,582
<b>Total current liabilities</b>		<b>647,470,109</b>	<b>847,963,651</b>	<b>403,320,130</b>	<b>609,251,530</b>
<b>Non-current liabilities</b>					
Financial lease payables - net of current portion	20	1,167,521	4,647,229	1,167,521	4,647,229
Provision for long-term employee benefits	21	30,018,009	22,662,246	18,679,359	13,994,444
Other non-current liabilities		1,400	1,400	-	-
<b>Total non-current liabilities</b>		<b>31,186,930</b>	<b>27,310,875</b>	<b>19,846,880</b>	<b>18,641,673</b>
<b>Total liabilities</b>		<b>678,657,039</b>	<b>875,274,526</b>	<b>423,167,010</b>	<b>627,893,203</b>

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 2016**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Shareholders' equity</b>					
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	22	65,300,000	57,707,335	38,300,000	35,807,335
Unappropriated		376,513,601	367,016,241	189,877,125	165,329,410
Other components of shareholders' equity	15	(25,279)	(101,117)	-	-
Equity attributable to owners of the Company		1,344,460,922	1,327,295,059	1,130,849,725	1,103,809,345
Non-controlling interests of the subsidiary		194,290,730	192,939,396	-	-
<b>Total shareholders' equity</b>		<b>1,538,751,652</b>	<b>1,520,234,455</b>	<b>1,130,849,725</b>	<b>1,103,809,345</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,217,408,691</b>	<b>2,395,508,981</b>	<b>1,554,016,735</b>	<b>1,731,702,548</b>

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

**Lohakit Metal Public Company Limited and its subsidiaries**

**Statement of income**

**For the year ended 31 March 2016**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015 (Restated)	2016	2015 (Restated)
<b>Revenues</b>					
Sales and service income		3,176,851,447	3,372,450,763	1,675,469,766	1,938,777,139
Dividend income		199,706	207,290	78,623,711	19,583,905
Other income		29,968,986	43,513,714	34,100,894	37,692,508
<b>Total revenues</b>		<b>3,207,020,139</b>	<b>3,416,171,767</b>	<b>1,788,194,371</b>	<b>1,996,053,552</b>
<b>Expenses</b>					
Cost of sales and services		2,858,659,741	3,026,194,020	1,555,587,418	1,766,532,220
Selling expenses		75,202,471	76,299,444	48,486,040	49,261,535
Administrative expenses		99,323,896	100,960,820	57,895,429	58,195,200
<b>Total expenses</b>		<b>3,033,186,108</b>	<b>3,203,454,284</b>	<b>1,661,968,887</b>	<b>1,873,988,955</b>
<b>Profit before share of profit from investment</b>					
<b>in associate, finance cost and income tax expenses</b>		<b>173,834,031</b>	<b>212,717,483</b>	<b>126,225,484</b>	<b>122,064,597</b>
Share of profit from investment in associate	13	1,198,865	691,949	-	-
<b>Income before finance cost and income tax expenses</b>		<b>175,032,896</b>	<b>213,409,432</b>	<b>126,225,484</b>	<b>122,064,597</b>
Finance cost		(14,912,432)	(18,378,290)	(11,950,136)	(15,465,505)
<b>Profit before income tax expenses</b>		<b>160,120,464</b>	<b>195,031,142</b>	<b>114,275,348</b>	<b>106,599,092</b>
Income tax expenses	24	(33,403,779)	(39,521,106)	(7,791,116)	(17,668,168)
<b>Profit for the year</b>		<b>126,716,685</b>	<b>155,510,036</b>	<b>106,484,232</b>	<b>88,930,924</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		97,694,779	131,922,499	106,484,232	88,930,924
Non-controlling interests of the subsidiary		29,021,906	23,587,537		
		<b>126,716,685</b>	<b>155,510,036</b>		
<b>Earnings per share</b>					
26					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.26	0.34	0.28	0.23
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 2016**

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2016	2015 (Restated)	2016	2015 (Restated)
<b>Profit for the year</b>	<b>126,716,685</b>	<b>155,510,036</b>	<b>106,484,232</b>	<b>88,930,924</b>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Gain on changes in value of available-for-sale investments	15	75,838	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial gain (loss) - net of income tax	21, 24	(4,123,938)	(2,843,852)	3,007,202
<b>Other comprehensive income for the year</b>		<b>(4,048,100)</b>	<b>(2,843,852)</b>	<b>3,007,202</b>
<b>Total comprehensive income for the year</b>		<b>122,668,585</b>	<b>103,640,380</b>	<b>91,938,126</b>
<b>Total comprehensive income attributable to</b>				
Equity holders of the Company		93,767,151	103,640,380	91,938,126
Non-controlling interests of subsidiaries		28,901,434		
<b>Total comprehensive income for the year</b>		<b>122,668,585</b>		

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 2016**

(Unit: Baht)

		Consolidated financial statements									
		Equity attributable to owners of the Company					Other components of equity				
		Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Retained earnings - Unappropriated	Surplus (deficit) on changes in value of available-for-sale investments	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity		
Note											
	<b>Balance as at 1 April 2014</b>	383,000,000	519,672,600	48,492,335	319,110,173	(176,955)	1,270,098,153	181,847,008	1,451,945,161		
4	Profit for the year (restated)	-	-	-	131,922,499	-	131,922,499	23,587,537	155,510,036		
4	Other comprehensive income for the year (restated)	-	-	-	5,628,664	75,838	5,704,502	560,851	6,265,353		
29	Total comprehensive income for the year	-	-	-	137,551,163	75,838	137,627,001	24,148,388	161,775,389		
	Dividend paid	-	-	-	(80,430,095)	-	(80,430,095)	(13,056,000)	(93,486,095)		
	Transferred to appropriated retained earnings - statutory reserve	-	-	9,215,000	(9,215,000)	-	-	-	-		
22	<b>Balance as at 31 March 2015</b>	383,000,000	519,672,600	57,707,335	367,016,241	(101,117)	1,327,295,059	192,939,396	1,520,234,455		
	<b>Balance as at 1 April 2015</b>	383,000,000	519,672,600	57,707,335	367,016,241	(101,117)	1,327,295,059	192,939,396	1,520,234,455		
	Profit for the year	-	-	-	97,694,779	-	97,694,779	29,021,906	126,716,685		
	Other comprehensive income for the year	-	-	-	(4,003,466)	75,838	(3,927,628)	(120,472)	(4,048,100)		
	Total comprehensive income for the year	-	-	-	93,691,313	75,838	93,767,151	28,901,434	122,668,585		
	Increase in non-controlling interests of the subsidiary from changing of investment in subsidiary	-	-	-	-	-	-	1,249,900	1,249,900		
29	Dividend paid	-	-	-	(76,601,288)	-	(76,601,288)	(28,800,000)	(105,401,288)		
	Transferred to appropriated retained earnings - statutory reserve	-	-	7,592,665	(7,592,665)	-	-	-	-		
22	<b>Balance as at 31 March 2016</b>	383,000,000	519,672,600	65,300,000	376,513,601	(25,279)	1,344,460,922	194,290,730	1,538,751,652		

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 2016**

	Note	Separate financial statements					Total shareholders' equity
		Issued and fully paid-up share capital	Share premium	Retained earnings		Total	
				Appropriated - statutory reserve	Unappropriated		
<b>Balance as at 1 April 2014</b>		383,000,000	519,672,600	31,207,335	158,421,284	1,092,301,219	
Profit for the year (restated)	4	-	-	-	88,930,924	88,930,924	
Other comprehensive income for the year (restated)	4	-	-	-	3,007,202	3,007,202	
Total comprehensive income for the year		-	-	-	91,938,126	91,938,126	
Dividend paid	29	-	-	-	(80,430,000)	(80,430,000)	
Transferred to appropriated retained earnings - statutory reserve	22	-	-	4,600,000	(4,600,000)	-	
<b>Balance as at 31 March 2015</b>		383,000,000	519,672,600	35,807,335	165,329,410	1,103,809,345	
<b>Balance as at 1 April 2015</b>		383,000,000	519,672,600	35,807,335	165,329,410	1,103,809,345	
Profit for the year		-	-	-	106,484,232	106,484,232	
Other comprehensive income for the year		-	-	-	(2,843,852)	(2,843,852)	
Total comprehensive income for the year		-	-	-	103,640,380	103,640,380	
Dividend paid	29	-	-	-	(76,600,000)	(76,600,000)	
Transferred to appropriated retained earnings - statutory reserve	22	-	-	2,492,665	(2,492,665)	-	
<b>Balance as at 31 March 2016</b>		383,000,000	519,672,600	38,300,000	189,877,125	1,130,849,725	

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 2016**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015 (Restated)	2016	2015 (Restated)
<b>Cash flows from operating activities</b>				
Profit before tax	160,120,464	195,031,142	114,275,348	106,599,092
Adjustments to reconcile profit before tax to net cash provided by (used in) operating activities:				
Depreciation	91,621,652	88,267,014	38,768,252	31,839,554
Amortisation	140,180	136,312	43,758	32,028
Allowance for doubtful accounts (reversal)	6,440,428	(997,116)	1,353,224	-
Reduction of inventories to net realisable value (reversal)	2,659,734	(9,310,422)	1,698,072	(9,457,757)
Gain on sale of current investments	(88,504)	-	-	-
Unrealised gain on change in current investments	(4,132)	(29,907)	-	-
Gain on sale of equipment	(1,132,167)	(1,014,160)	(96,657)	(962,213)
Movements in provision for long-term employee benefits	2,200,840	2,439,535	1,130,100	1,858,589
Unrealised loss (gain) on foreign exchange	(159,725)	2,585	(169,399)	980
Share of profit from investment in associate	(1,198,865)	(691,949)	-	-
Dividend income	(199,706)	(207,290)	(78,623,711)	(19,583,905)
Interest income	(896,297)	(978,024)	(95,202)	(120,459)
Interest expenses	13,636,157	17,040,255	11,289,496	14,631,154
Income from operating activities before changes in operating assets and liabilities	273,140,059	289,687,975	89,573,281	124,837,063
Decrease (increase) in operating assets				
Trade and other receivables	9,879,633	(19,364,271)	67,502,479	(27,930,811)
Inventories	156,787,292	17,166,267	124,117,305	32,546,821
Other current assets	2,933,407	(271,276)	3,257,745	(552,218)
Other non-current assets	4,903,594	(5,195,395)	5,152,495	(5,157,395)
Increase (decrease) in operating liabilities				
Trade and other payables	(72,392,176)	(63,803,796)	(45,375,973)	(88,261,733)
Other current liabilities	137,889	156,279	(2,677,528)	1,403,795
Cash flows from operating activities	375,389,698	218,375,783	241,549,804	36,885,522
Cash paid for interest expenses	(13,977,707)	(16,655,549)	(11,629,238)	(14,223,795)
Cash paid for income tax	(35,576,027)	(39,383,504)	(11,157,952)	(23,560,389)
<b>Net cash from (used in) operating activities</b>	<b>325,835,964</b>	<b>162,336,730</b>	<b>218,762,614</b>	<b>(898,662)</b>

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 2016**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015 (Restated)	2016	2015 (Restated)
<b>Cash flows from investing activities</b>				
Cash paid for purchasing investment in a subsidiary	-	-	(3,250,100)	-
Cash paid for purchasing current investments	(4,500,000)	(20,000,000)	-	-
Increase in restricted deposits	(500,000)	-	(500,000)	-
Cash paid for acquisitions of building and equipment	(65,474,196)	(82,928,394)	(55,924,603)	(76,886,498)
Proceeds from sales of current investments	20,118,411	5,000,000	-	-
Cash received from dividends	199,706	207,290	78,623,711	19,583,905
Proceeds from sale of equipment	1,224,480	1,031,352	125,446	922,429
Cash received from interest income	913,129	1,005,615	95,202	120,459
<b>Net cash from (used in) investing activities</b>	<b>(48,018,470)</b>	<b>(95,684,137)</b>	<b>19,169,656</b>	<b>(56,259,705)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans from banks	(125,891,967)	105,482,347	(154,195,607)	135,923,001
Repayment of financial lease payables	(4,851,577)	(7,773,683)	(4,147,890)	(6,025,560)
Cash received from increase in share capital of a subsidiary	1,249,900	-	-	-
Dividend paid	(105,401,288)	(93,486,095)	(76,600,000)	(80,430,000)
<b>Net cash from (used in) financing activities</b>	<b>(234,894,932)</b>	<b>4,222,569</b>	<b>(234,943,497)</b>	<b>49,467,441</b>
<b>Effect of exchange rate to cash and cash equivalents</b>	<b>(86,039)</b>	<b>(9,384)</b>	<b>(86,039)</b>	<b>(9,384)</b>
Net increase (decrease) in cash and cash equivalents	42,836,523	70,865,778	2,902,734	(7,700,310)
Cash and cash equivalents at beginning of year	134,806,623	63,940,845	25,914,367	33,614,677
<b>Cash and cash equivalents at end of year</b>	<b>177,643,146</b>	<b>134,806,623</b>	<b>28,817,101</b>	<b>25,914,367</b>
<b>Supplemental cash flows information</b>				
Non-cash items:				
Actuarial gain (loss) for long-term employee benefits	(5,154,923)	7,736,894	(3,554,815)	3,759,002
Increase in revaluation surplus in investments	75,838	75,838	-	-
Motor vehicles purchased under financial lease agreements	-	2,163,551	-	2,163,551

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 2016

#### 1. General information

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.

#### 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 28 September 2011, 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	
			2016	2015
Auto Metal Company Limited	Production, smelting and assembly for all types of metal	Thailand	(Percent) 60	(Percent) 60

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2016	2015
			(Percent)	(Percent)
Alternative EnMat Company Limited (Formerly known as "Alternative Stainless Company Limited")	Distribution of metal and non-ferrous metal products	Thailand	75	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 Company and its subsidiaries 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, joint ventures and associates under the cost method.

### **3. New financial reporting standards**

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

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

The Company and its subsidiaries have adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries financial statements. However, some of these standards involve changes to key principles, which are summarised below:

##### **TAS 19 (revised 2014) Employee Benefits**

This revised accounting standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former accounting standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

The Company and its subsidiaries have changed the recognition of actuarial gains and losses in the current year from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income and adjusted the current period's transactions and restated the prior year's financial statements, presented as comparative information, as if the Company and its subsidiaries had always applied this accounting policy. The cumulative effect of changes in accounting policies is presented in Note 4.

## **TFRS 10 Consolidated Financial Statements**

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 Consolidated and Separate Financial Statements dealing with consolidated financial statements. This financial reporting standard changes the principles used in considering whether control exists. Under this financial reporting standard, an investor is deemed to have control over an investee 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, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This financial reporting standard does not have any impact on the Company's and its subsidiaries' financial statements.

## **TFRS 11 Joint Arrangements**

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This financial reporting standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This financial reporting standard does not have any impact on the Company's and its subsidiaries' financial statements.

### **TFRS 12 Disclosure of Interests in Other Entities**

This financial reporting standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

### **TFRS 13 Fair Value Measurement**

This financial reporting standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this financial reporting standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This financial reporting standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

### **(b) Financial reporting standard that will become effective in the future**

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied.

### **4. Effect of changes in accounting policies due to the adoption of new financial reporting standard**

As described in Note 3, during the current year, the Company and its subsidiaries have changed some of their accounting policies, as a result of the adoption of new and revised financial reporting standards.



The amounts of adjustments affecting the statements of comprehensive income and the statement of changes in shareholders' equity are summarised below.

	(Unit: Thousand Baht)	
	For the year ended 31 March 2015	
	Consolidated financial statements	Separate financial statements
<b>Statements of income</b>		
Decrease in actuarial gains	(7,737)	(3,759)
Decrease in income tax expenses	1,547	752
Decrease in profit for the year	(6,190)	(3,007)
<b>Statements of comprehensive income</b>		
Increase in actuarial gain - net of income tax	6,190	3,007
Increase in comprehensive income	6,190	3,007
<b>Earnings per share (Baht):</b>		
Decrease in basic earnings per share	(0.02)	(0.01)

## 5. Significant accounting policies

### 5.1 Revenue recognition

#### *Sales of goods*

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

#### *Rendering of services*

Service revenue is recognised when services have been rendered taking into account the stage of completion.

#### *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.

## **5.2 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.

## **5.3 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.

## **5.4 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.

## **5.5 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) Investments in debt securities, which expected to be held to maturity, are recorded at amortised cost.
- d) Investment in associated company is accounted for in the consolidated financial statements using the equity method.
- e) 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.

## **5.6 Property, plant, 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.

## **5.7 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.

## **5.8 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 Company and its subsidiaries have computer software amortised over the economic useful life of 5 years.

## **5.9 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.

## **5.10 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.

## 5.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's and subsidiaries' 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.

## 5.12 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries 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.

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

#### *Defined benefit plans*

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries 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 post-employment benefits are recognised immediately in other comprehensive income.

#### **5.14 Provisions**

Provisions are recognised when the Company and its subsidiaries 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.

#### **5.15 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 Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

## **5.16 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 Company and its subsidiaries 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 Company and its subsidiaries 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 observable 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 Company and its subsidiaries 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.

## **6. 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 Company's and its subsidiaries' 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 Company and its subsidiaries 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.

## **7. Related party transactions**

During the years, the Company and its subsidiaries 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		Separate		
	financial statements		financial statements		
	2016	2015	2016	2015	
<b><u>Transactions with subsidiaries</u></b>					
(Eliminated from the consolidated financial statements)					
Sales of goods and service income	-	-	96,152	137,807	Sale of goods: Market price less discount 2%, and cost plus a margin at rate of 5% Service income: Close to the market price
Rental income	-	-	1,728	1,008	Contract price close to the market price
Other service income	-	-	15,000	10,750	Accordance with the negotiation price
Dividend income	-	-	78,624	19,584	As approved by shareholders' meeting
Purchases of goods	-	-	3,542	280	Market price
Fixed assets acquisition	-	-	-	3,545	Accordance with the negotiation price
Commission fee	-	-	5	64	Not over 2% of sales
<b><u>Transactions with related companies</u></b>					
Other service income	300	300	300	300	Fixed fee per month
Commission fee	5,878	5,619	-	-	Not over 2% of sales
Motor vehicle rental expenses	-	324	-	-	Contract price
<b><u>Transactions with related persons</u></b>					
Building rental expenses	-	1,240	-	-	Contract price close to the market price

As at 31 March 2016 and 2015, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<b><u>Trade receivables - related parties (Note 10)</u></b>				
Subsidiaries	-	-	9,970	14,632
<b><u>Trade and other payables - related parties (Note 19)</u></b>				
Associate	1,669	1,552	-	-
Subsidiary	-	-	481	13
Total trade and other payables - related parties	1,669	1,552	481	13

### Directors and management's benefits

For the years ended 31 March 2016 and 2015, the Company and its subsidiaries 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
	2016	2015	2016	2015
Short-term employee benefits	47,138	42,776	28,138	24,746
Post-employment benefits	3,923	1,897	2,285	1,023
Total	<u>51,061</u>	<u>44,673</u>	<u>30,423</u>	<u>25,769</u>

### 8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2016	2015	2016	2015
Cash	130	130	70	70
Bank deposits	177,513	134,677	28,747	25,844
Total	<u>177,643</u>	<u>134,807</u>	<u>28,817</u>	<u>25,914</u>

As at 31 March 2016, bank deposits in saving accounts and fixed deposits carried interests between 0.38 and 1.00 percent per annum (2015: 0.38 and 1.70 percent per annum).

### 9. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	2016		2015	
	Cost	Fair value	Cost	Fair value
<u>Trading securities</u>				
Investment units in open-end fund	4,500	4,504	20,000	20,030
Total trading securities	4,500	<u>4,504</u>	20,000	<u>20,030</u>
Add: Changes in fair value	4		30	
Total trading securities	<u>4,504</u>		<u>20,030</u>	

As at 31 March 2016 a subsidiary has investment in Siam Commercial (SCBSFF) Fixed Income Fund which is a debt mutual fund. The fund focuses on investing in debentures issued or guaranteed by the government or corporate.

As at 31 March 2015, a subsidiary has investment in Bualuang Thanatavee Fixed Income Fund which is a debt mutual fund. The fund focuses on investing in debentures issued or guaranteed by the government or corporate.

## 10. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<u>Trade receivables - related parties</u> (Note 7)				
Aged on the basis of due dates				
Not yet due	-	-	5,041	6,035
Past due				
Not over 3 months	-	-	4,929	8,597
Total trade receivables - related parties	-	-	9,970	14,632
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	591,612	580,573	296,026	324,194
Past due				
Not over 3 months	164,110	195,416	95,838	130,292
Over 3 months but less than 12 months	11,066	2,230	47	2,031
Over 12 months	18,874	21,205	18,732	17,426
Total	785,662	799,424	410,643	473,943
Less: Allowance for doubtful accounts	(24,045)	(21,292)	(18,779)	(17,426)
Total trade receivables - unrelated parties, net	761,617	778,132	391,864	456,517
Total trade receivables - net	761,617	778,132	401,834	471,149
<u>Other receivables</u>				
Other receivables	502	320	502	56
Interest receivables	54	71	-	-
Total other receivables	556	391	502	56
Total trade and other receivables - net	762,173	778,523	402,336	471,205

During the current year, certain trade accounts receivable of a subsidiary, amounting to approximately Baht 4 million, were written-off as bad debt (2015: Nil).

## 11. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
Finished goods	426,145	486,748	(46,076)	(51,811)	380,069	434,937
Raw materials	264,603	359,794	(11,109)	(2,714)	253,494	357,080
Supplies	20,866	21,753	-	-	20,866	21,753
Goods in transit	9,923	10,029	-	-	9,923	10,029
<b>Total</b>	<b>721,537</b>	<b>878,324</b>	<b>(57,185)</b>	<b>(54,525)</b>	<b>664,352</b>	<b>823,799</b>

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
Finished goods	192,086	253,974	(32,358)	(39,055)	159,728	214,919
Raw materials	186,156	249,009	(11,109)	(2,714)	175,047	246,295
Supplies	11,801	13,063	-	-	11,801	13,063
Goods in transit	3,351	1,466	-	-	3,351	1,466
<b>Total</b>	<b>393,394</b>	<b>517,512</b>	<b>(43,467)</b>	<b>(41,769)</b>	<b>349,927</b>	<b>475,743</b>

During the current year, the Company and its subsidiaries reversed the reduction of cost of inventories by Baht 3 million (2015: recorded the reduction of Baht 9 million) (Separate financial statements: reversed the reduction of Baht 2 million (2015: recorded the reduction of Baht 9 million)), to reflect the net realisable value. This was presented as cost of sales.

## 12. Restricted bank deposits

As at 31 March 2016, the Company and its subsidiary have deposits with banks of Baht 47 million (2015: Baht 46 million) which are pledged with the banks to secure credit facilities as described in Note 30.5 to the financial statements.

### 13. Investment in associated company

#### 13.1 Details of associate

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Separate financial statements		Consolidated financial statements	
			2016	2015	Cost method		Carrying amount based on equity method	
			(%)	(%)	2016	2015	2016	2015
Mory Lohakit (Thailand) Co., Ltd.	Agent	Thailand	49	49	4,900	4,900	9,330	8,132

#### 13.2 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 during the years		Dividend received during the years	
	2016	2015	2016	2015
Mory Lohakit (Thailand) Co., Ltd.	1,199	692	-	-

#### 13.3 Summarised financial information about material associate

Summarised information about financial position

(Unit: Million Baht)

	2016	2015
Current assets	18.9	16.1
Non-current assets	0.6	0.9
Current liabilities	(0.4)	(0.4)
Non-current liabilities	(0.1)	-
<b>Net assets</b>	<b>19.0</b>	<b>16.6</b>
Shareholding percentage (%)	49.0	49.0
<b>Share of net assets</b>	<b>9.3</b>	<b>8.1</b>
<b>Carrying amounts of associates based on equity method</b>	<b>9.3</b>	<b>8.1</b>

## Summarised information of comprehensive income

	(Unit: Million Baht)	
	For the year ended	
	31 March	
	2016	2015
Revenue	5.9	5.6
Profit	2.4	1.4
Other comprehensive income	-	-
Total comprehensive income	2.4	1.4

## 14. Investments in subsidiaries

### 14.1 Details of subsidiaries

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

Company's name	(Unit: Thousand Baht)					
	Paid-up capital		Shareholding percentage		Cost method	
	2016	2015	2016	2015	2016	2015
	(Million Baht)	(Million Baht)	(%)	(%)		
Auto Metal Company Limited	240	240	60	60	144,000	144,000
Alternative EnMat Company Limited (Formerly known as "Alternative Stainless Company Limited")	6	1	75	100	4,249	999
NSC Metal Company Limited	230	230	100	100	258,238	258,238
Total					<u>406,487</u>	<u>403,237</u>

On 24 December 2015, an extraordinary general meeting of Alternative Stainless Company Limited approved the increase of its registered share capital from Baht 1 million (10,000 ordinary shares of Baht 100 each) to Baht 10 million (100,000 ordinary shares of Baht 100 each) through the issuance of 90,000 additional ordinary shares with a par value of Baht 100 each, of which Baht 50 is called up. The subsidiary registered the increase of its capital with the Ministry of Commerce on 4 January 2016. However, the Company invested in 65,002 ordinary shares of Baht 100 each, of which Baht 50 is called up, or a total of Baht 3.25 million. As a result the Company's proportionate shareholding changed from 100% to 75%.

## 14.2 Dividend income

	(Unit: Thousand Baht)	
Company's name	2016	2015
Auto Metal Company Limited	43,200	19,584
NSC Metal Company Limited	33,925	-
Alternative EnMat Company Limited (Formerly known as "Alternative Stainless Company Limited")	1,499	-
Total	78,624	19,584

### Auto Metal Company Limited

On 19 June 2015, the Annual General Meeting of the shareholders of Auto Metal Company Limited passed a resolution to approve the payment of a dividend of Baht 23.00 per share, or a total of Baht 55.2 million, from the net operating profit for the year ended 31 March 2015. The dividend was paid on 29 June 2015.

On 16 November 2015, the meeting of Board of Directors of Auto Metal Company Limited No. 4/2015 passed a resolution to approve the payment of an interim dividend of Baht 7.0 per share or a total of Baht 16.8 million, to the subsidiary's ordinary shareholders from the net operating profit from 1 April 2015 to 30 September 2015. The dividend was paid on 2 December 2015.

### NSC Metal Company Limited

On 19 June 2015, the Annual General Meeting of the shareholders of NSC Metal Company Limited passed a resolution to approve the payment of a dividend of Baht 11.50 per share or a total of Baht 26.45 million, from the net operating profit for the year ended 31 March 2015. The dividend was paid on 29 June 2015.

On 16 November 2015, the meeting of Board of Directors of NSC Metal Company Limited No. 4/2015 passed a resolution to approve the payment of an interim dividend of Baht 3.25 per share or a total of Baht 7.48 million, to the subsidiary's ordinary shareholders from the net operating profit from 1 April 2015 to 30 September 2015. The dividend was paid on 2 December 2015.



Alternative EnMat Company Limited

On 23 November 2015, the meeting of Board of Directors of Alternative EnMat Company Limited No. 3/2015 passed a resolution to approve the payment of an interim dividend of Baht 150.00 per share or a total of Baht 1.5 million, to the subsidiary's ordinary shareholders from the retained earnings as at 30 September 2015. The dividend was paid on 4 December 2015.

**15. Other long-term investments**

(Unit: Thousand Baht)

	Consolidated financial statements			
	2016		2015	
	Cost	Fair value	Cost	Fair value
<u>Available-for-sale securities</u>				
Investment units in property fund	3,185	3,160	3,185	3,084
Total available-for-sale securities	3,185	3,160	3,185	3,084
Add: Changes in fair value	(25)		(101)	
Total available-for-sale securities	3,160		3,084	

**16. Property, plant and equipment**

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Land and land improvement	Buildings and fixture	Machinery and equipment	Furniture and office equipment	Motor Vehicles	Assets under installation and under construction	
<b>Cost</b>							
1 April 2014	140,446	245,783	728,187	19,559	85,954	87,825	1,307,754
Acquisitions	-	2,297	19,311	1,794	4,820	56,659	84,881
Disposals	-	(1,765)	(5,438)	(772)	(3,265)	-	(11,240)
Transfer in (out)	-	37,920	23,685	17	-	(61,622)	-
31 March 2015	140,446	284,235	765,745	20,598	87,509	82,862	1,381,395
Acquisitions	-	-	19,775	485	8,454	36,761	65,475
Disposals	-	(47)	(12,043)	(3,558)	(2,700)	-	(18,348)
Transfer in (out)	-	36,797	79,561	-	-	(116,358)	-
31 March 2016	140,446	320,985	853,038	17,525	93,263	3,265	1,428,522

(Unit: Thousand Baht)

## Consolidated financial statements

	Land and land improvement	Buildings and fixture	Machinery and equipment	Furniture and office equipment	Motor Vehicles	Assets under installation and under construction	Total
<b>Accumulated depreciation</b>							
1 April 2014	-	137,862	557,310	16,498	47,078	-	758,748
Depreciation for the year	-	12,022	63,020	1,275	11,950	-	88,267
Depreciation for disposals	-	(1,741)	(5,389)	(757)	(3,189)	-	(11,076)
31 March 2015	-	148,143	614,941	17,016	55,839	-	835,939
Depreciation for the year	-	11,421	66,945	1,240	12,015	-	91,621
Depreciation for disposals	-	(47)	(11,996)	(3,556)	(2,656)	-	(18,255)
31 March 2016	-	159,517	669,890	14,700	65,198	-	909,305
<b>Net book value</b>							
31 March 2015	140,446	136,092	150,804	3,582	31,670	82,862	545,456
31 March 2016	140,446	161,468	183,148	2,825	28,065	3,265	519,217
<b>Depreciation for the year</b>							
2015 (Baht 80 million included in manufacturing cost, and the balance in selling and administrative expenses)							88,267
2016 (Baht 84 million included in manufacturing cost, and the balance in selling and administrative expenses)							91,621

(Unit: Thousand Baht)

## Separate financial statements

	Land and land improvement	Buildings and fixtures	Machinery and equipment	Furniture and office equipment	Motor vehicles	Assets under installation and under construction	Total
<b>Cost</b>							
1 April 2014	94,745	107,787	386,793	11,773	58,704	87,157	746,959
Acquisitions	-	1,738	14,662	1,263	5,675	55,549	78,887
Disposals	-	-	(4,089)	-	(3,155)	-	(7,244)
Transfer in (out)	-	37,920	22,016	17	-	(59,953)	-
31 March 2015	94,745	147,445	419,382	13,053	61,224	82,753	818,602
Acquisitions	-	-	14,112	416	6,051	35,345	55,924
Disposals	-	(46)	(10,874)	(3,558)	(235)	-	(14,713)
Transfer in (out)	-	36,797	78,035	-	-	(114,832)	-
31 March 2016	94,745	184,196	500,655	9,911	67,040	3,266	859,813

(Unit: Thousand Baht)

Separate financial statements							
	Land and land improvement	Buildings and fixtures	Machinery and equipment	Furniture and office equipment	Motor vehicles	Assets under installation and under construction	Total
<b>Accumulated depreciation</b>							
1 April 2014	-	97,831	334,375	9,818	32,225	-	474,249
Depreciation for the year	-	5,126	17,759	774	8,180	-	31,839
Depreciation for disposals	-	-	(4,088)	-	(3,155)	-	(7,243)
31 March 2015	-	102,957	348,046	10,592	37,250	-	498,845
Depreciation for the year	-	4,651	24,944	845	8,327	-	38,767
Depreciation for disposals	-	(46)	(10,846)	(3,556)	(235)	-	(14,683)
31 March 2016	-	107,562	362,144	7,881	45,342	-	522,929
<b>Net book value</b>							
31 March 2015	94,745	44,488	71,336	2,461	23,974	82,753	319,757
31 March 2016	94,745	76,634	138,511	2,030	21,698	3,266	336,884
<b>Depreciation for the year</b>							
2015 (Baht 26 million included in manufacturing cost, and the balance in selling and administrative expenses)							31,839
2016 (Baht 33 million included in manufacturing cost, and the balance in selling and administrative expenses)							38,767

As at 31 March 2016, the Company and its subsidiaries had vehicles under finance lease agreements with net book values amounting to Baht 6 million (2015: Baht 10 million) (Separate financial statements: Baht 6 million (2015: Baht 9 million)).

As at 31 March 2016, the Company and a subsidiary 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 571 million (2015: Baht 466 million) (Separate financial statements: Baht 439 million, (2015: Baht 381 million)).

The Company and a subsidiary have mortgaged most of their land with structures thereon and pledged machineries with banks, and another subsidiary has mortgaged unit of condominium with bank, to secure loans and other credit facilities granted to the Company and its subsidiaries by the banks as described in Note 30.5 to the financial statements.

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Cost	306	306	197	197
Net book value	2	11	-	-

## 17. Intangible assets

The net book value of intangible assets as at 31 March 2016 and 2015 are presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Cost	14,794	15,099	11,797	12,102
Less: Accumulated amortisation	(14,361)	(14,526)	(11,638)	(11,899)
Net book value	433	573	159	203

A reconciliations of the net book value of intangible assets for the years 2016 and 2015 are presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Net book value at beginning of year	573	352	203	32
Acquisitions during the year	-	357	-	203
Amortisation	(140)	(136)	(44)	(32)
Net book value at end of year	433	573	159	203

## 18. Short-term loans from banks

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	2016	2015	2016	2015	2016	2015
Short-term loans from banks	3.60 - 3.75	4.25 - 4.35	50,000	100,000	50,000	100,000
Trust receipts	2.75 - 3.68	3.70 - 4.65	202,953	278,845	130,961	235,157
Total			252,953	378,845	180,961	335,157

Short-term loans from banks represent promissory notes maturing within 1 month.

Bank overdrafts, short-term loans and trust receipts facilities are secured by the Company and its subsidiaries' land with structures thereon, unit of condominium, machineries and fixed deposit accounts and guarantees provided by the Company as described in Note 30.5 to the financial statements.

## 19. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Trade payables - unrelated parties	341,019	407,118	197,914	238,014
Trade payables - related parties (Note 7)	-	-	481	-
Other payables - unrelated parties	18,164	20,856	10,004	12,142
Other payables - related party (Note 7)	1,669	1,552	-	13
Accrued commission expenses - unrelated parties	61	76	61	76
Accrued expenses	1,905	6,209	1,213	5,412
Total	362,818	435,811	209,673	255,657

## 20. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Liabilities under finance lease agreements	4,809	10,236	4,809	9,515
Less: Deferred interest expenses	(161)	(737)	(161)	(720)
Total	4,648	9,499	4,648	8,795
Less: Portion due within one year	(3,480)	(4,852)	(3,480)	(4,148)
Liabilities under finance lease agreements - net of current portion	1,168	4,647	1,168	4,647

The Company and its subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in their operation, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally 3 - 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	2016			2015		
	Less than 1 year	1 - 5 years	Total	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	3,631	1,178	4,809	5,427	4,809	10,236
Deferred interest expenses	(151)	(10)	(161)	(575)	(162)	(737)
Present value of future minimum lease payments	<u>3,480</u>	<u>1,168</u>	<u>4,648</u>	<u>4,852</u>	<u>4,647</u>	<u>9,499</u>

(Unit: Thousand Baht)

	Separate financial statements					
	2016			2015		
	Less than 1 year	1 - 5 years	Total	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	3,631	1,178	4,809	4,706	4,809	9,515
Deferred interest expenses	(151)	(10)	(161)	(558)	(162)	(720)
Present value of future minimum lease payments	<u>3,480</u>	<u>1,168</u>	<u>4,648</u>	<u>4,148</u>	<u>4,647</u>	<u>8,795</u>

## 21. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Provision for long-term employee benefits at beginning of year	22,662	27,960	13,994	15,895
Included in profit or loss:				
Current service cost	2,314	2,102	1,314	1,216
Interest cost	1,005	1,042	617	642
Included in other comprehensive income:				
Actuarial loss (gain) arising from				
Demographic assumptions changes	2,673	511	1,731	376
Financial assumptions changes	1,702	104	1,112	-
Experience adjustments	780	(8,352)	712	(4,135)
Total	5,155	(7,737)	3,555	(3,759)
Benefits paid during the year	(1,118)	(705)	(801)	-
Provision for long-term employee benefits at end of year	<u>30,018</u>	<u>22,662</u>	<u>18,679</u>	<u>13,994</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Selling and administrative expenses	3,319	3,144	1,931	1,858
Total expenses recognised in profit or loss	3,319	3,144	1,931	1,858

The Company and its subsidiaries expect to pay Baht 16 million of long-term employee benefits during the next year (Separate financial statements: Baht 9 million) (2015: Baht 8 million, separate financial statements: Baht 5 million).

As at 31 March 2016, the weighted average duration of the liabilities for long-term employee benefit of monthly and daily employee are 7 - 16 years and 11 - 17 years (Separate financial statements: 10 years and 17 years) (31 March 2015: 8 years and 13 years (Separate financial statements: 8 years and 13 years)).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Discount rate	2.40 - 3.34	4.03 - 4.27	2.57 - 3.34	4.03 - 4.19
Salary increase rate	4.00 - 5.00	3.00 - 5.00	4.00 - 5.00	4.00 - 5.00
Turnover rate	0 - 54	0 - 46	0 - 54	0 - 46

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 March 2016 are summarised below:

	(Unit: million Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(0.8)	0.8	(0.5)	0.5
Salary increase rate	0.8	(0.8)	0.5	(0.5)
Turnover rate	(0.8)	0.9	(0.5)	(0.5)

## 22. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to 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.

## 23. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
			(Restated)	
Salary and wages and other employee benefits	178,490	180,526	104,528	98,074
Depreciation	91,514	88,267	38,766	31,839
Amortisation	140	136	44	32
Raw materials used	1,866,126	2,166,637	1,353,933	1,667,162
Consumables used	39,854	48,016	32,611	38,821
Purchase of finished goods	688,844	660,216	-	-
Changes in inventories of finished goods	64,093	(15,135)	61,887	(23,706)
Decrease of inventories to net realisable value	2,660	(9,311)	1,698	(9,458)

## 24. Corporate income tax

Income tax expenses for the years ended 31 March 2016 and 2015 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
			(Restated)	
<b>Current income tax:</b>				
Current income tax charge	35,201	37,929	8,752	16,148
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(1,747)	1,592	(961)	1,520
Effects of changes in the applicable tax rates	(50)	-	-	-
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>33,404</b>	<b>39,521</b>	<b>7,791</b>	<b>17,668</b>



The amounts of income tax relating to each component of other comprehensive income for the year ended 31 March 2016 and 2015 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	(Restated)		(Restated)	
Deferred tax on actuarial losses (gain)	1,031	(1,547)	711	(752)

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 March 2016 and 2015 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	(Restated)		(Restated)	
Accounting profit before tax	160,120	195,031	114,275	106,599
Applicable tax rate	20%	0 - 20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	31,806	39,086	22,855	21,320
Effects of changes in the applicable tax rates	(50)	-	-	-
Effects of:				
Dividend income from subsidiaries	-	-	(15,725)	(3,917)
Bad debt recoveries	(125)	-	(125)	-
Non-deductible expenses	1,773	435	786	265
Total	1,648	435	(15,064)	(3,652)
Income tax expenses reported in the statement of comprehensive income	33,404	39,521	7,791	17,668

The components of deferred tax assets for the years ended 31 March 2016 and 2015 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	1,449	773	396	-
Allowance for diminution in value of inventories	11,437	10,905	8,693	8,354
Provision for long-term employee benefits	6,003	4,532	3,736	2,799
Unused tax losses	2,605	2,455	-	-
<b>Total</b>	<b>21,494</b>	<b>18,665</b>	<b>12,825</b>	<b>11,153</b>

Corporate income tax of one subsidiary has been calculated for the year ended 31 March 2015 based on following rate of taxable income are as follows:

Taxable profits (Baht)	Tax rate (%)
	2015
1 - 300,000	Exempt
300,001 - 1,000,000	15
Over 1,000,001	20

The Company and its subsidiaries have reflected the changes in the income tax rates in its deferred tax calculation, as presented above.

## 25. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the shearing and converting of flat metal, pursuant to the promotion certificate No. 3007/Wo./2550 issued on 25 May 2007. Subject to certain imposed conditions, the privileges include an exemption from import duty on articles and essential raw materials imported for use in manufacturing for export sales and an exemption from import duty on items imported for re-export, for a period of one year commencing as from the first importation date.

A subsidiary has received promotional privileges from the Board of Investment for the manufacture of stainless steel tubes, pursuant to the promotion certificate No. 1407(2)/2548 issued on 23 March 2005. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 7 years from the date the promoted activity commenced generating revenues (ended in June 2013), and any losses incurred during the corporate income tax exemption period may be carried forward to be utilised by the subsidiary 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.

## **26. 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.

## **27. 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 Company and its subsidiaries 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 Company and its subsidiaries' operating segments for the years ended 31 March 2016 and 2015, respectively.

(Unit: Million Baht)

	For the year ended 31 March 2016				
	Production and distribution	Procurement and distribution	Total reportable segments	Eliminations	Consolidated
Revenue from external customers	2,382	795	3,177	-	3,177
Inter-segment revenue	102	-	102	(102)	-
<b>Total revenues</b>	<b>2,484</b>	<b>795</b>	<b>3,279</b>	<b>(102)</b>	<b>3,177</b>
Segment profit	239	79	318	-	318
Other income					30
Finance cost					(15)
Selling expenses					(75)
Administrative expenses					(99)
Interest in the profit of associate accounted for by the equity method					1
Income tax expenses					(33)
<b>Profit for the year</b>					<b>127</b>
<b>Segment total assets</b>	<b>2,196</b>	<b>428</b>	<b>2,624</b>	<b>(407)</b>	<b>2,217</b>
Investment in associate accounted for by the equity method	9	-	9	-	9
Additions to non-current assets other than financial instruments and deferred tax assets	43	(1)	42	-	42

(Unit: Million Baht)

For the year ended 31 March 2015

	Production and distribution	Procurement and distribution	Total reportable segments	Eliminations	Consolidated (Restated)
Revenue from external customers	2,587	785	3,372	-	3,372
Inter-segment revenue	149	-	149	(149)	-
<b>Total revenues</b>	<b>2,736</b>	<b>785</b>	<b>3,521</b>	<b>(149)</b>	<b>3,372</b>
Segment profit	270	76	346	-	346
Other income					43
Finance cost					(18)
Selling expenses					(76)
Administrative expenses					(101)
Interest in the profit of associate accounted for by the equity method					1
Income tax expenses					(40)
<b>Profit for the year</b>					<b>155</b>
<b>Segment total assets</b>	<b>2,399</b>	<b>408</b>	<b>2,807</b>	<b>(411)</b>	<b>2,396</b>
Investment in associate accounted for by the equity method	8	-	8	-	8
Additions (reduction) to non- current assets other than financial instruments and deferred tax assets	84	(7)	77	(6)	71

The Company and its subsidiaries 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 2016 and 2015, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

#### 28. 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 2016 amounting to approximately Baht 3 million (2015: Baht 3 million) (Separate financial statements: Baht 2 million (2015: Baht 2 million)) were recognised as expenses.

## 29. Dividend

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend per share</u>	<u>Payment date</u>
		(Million Baht)	(Baht)	
Final dividends for 2015	Annual General Meeting of the shareholders on 28 July 2015	38.30	0.10	11 August 2015
Interim dividends for 2016	The Board of Directors Meeting on 16 November 2015	38.30	0.10	15 December 2015
Total dividends paid during the year ended 31 March 2016		<u>76.60</u>	<u>0.20</u>	
Final dividends for 2014	Annual General Meeting of the shareholders on 28 July 2014	38.30	0.10	8 August 2014
Interim dividends for 2015	The Board of Directors Meeting on 12 November 2014	42.13	0.11	12 December 2014
Total dividends paid during the year ended 31 March 2015		<u>80.43</u>	<u>0.21</u>	

## 30. Commitments and contingent liabilities

### 30.1 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)	
	<u>As at 31 March</u>	
	<u>2016</u>	<u>2015</u>
Payable:		
In up to 1 year	1	3
In over 1 and up to 5 years	-	1

### **30.2 Service commitment**

As at 31 March 2016, the Company and a subsidiary had commitments of approximately Baht 10 million relating to a technical assistance agreement and other service agreements (2015: Baht 6 million).

### **30.3 Other commitments**

As at 31 March 2016, the Company had outstanding commitments of Baht 3.25 million (2015: Nil) in respect of uncalled portion of investment in a subsidiary.

### **30.4 Guarantees**

As at 31 March 2016, the Company has guaranteed bank credit facilities for a subsidiary amounting to Baht 320 million (2015: Baht 320 million).

### **30.5 Credit facilities**

As at 31 March 2016, the Company and its subsidiaries 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 232 million (2015: Baht 390 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 (2015: Nil). These credit facilities are secured by the mortgage of the Company's land with structures thereon, machinery and the fixed deposits.
- Forward foreign exchange contract facilities of Baht 1,000 million, of which Baht 48 million (2015: Baht 13 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, of which Baht 4 million (2015: Baht 6 million) of the utilised amount are outstanding. 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 (2015: Nil). 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 of which Baht 1 million (2015: Nil) of the utilised amounts are outstanding. These credit facilities are secured by the mortgage of the subsidiary's land with structures thereon and machinery.

### **Another subsidiary**

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 506 million, of which Baht 68 million (2015: Baht 42 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, fixed deposit accounts and a guarantee provided by the Company.
- Overdraft facilities of Baht 60 million have not yet been utilised (2015: Nil). These credit facilities are secured by fixed deposit accounts and a guarantee provided by the Company.
- Forward foreign exchange contract facilities, comprising USD 11.7 million (equivalent to Baht 413 million) and Baht 6 million, or a total approximately Baht 419 million, of which USD 0.8 million (equivalent to Baht 29 million) (2015: USD 1.2 million (equivalent to Baht 39 million)) of the utilised amount are outstanding. These credit facilities are secured by fixed deposit accounts and a guarantee provided by the Company.



### 31. Fair value hierarchy

As at 31 March 2016, 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			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Current investments	-	4.5	-	4.5
Available-for-sale investments	3.2	-	-	3.2
<b>Liabilities for which fair value is disclosed</b>				
Derivatives				
Foreign currency forward contracts	-	1.1	-	1.1

(Unit: Million Baht)

	Separate Financial Statements			
	Level 1	Level 2	Level 3	Total
<b>Financial liabilities measured at fair value</b>				
Derivatives				
Foreign currency forward contracts	-	0.7	-	0.7

### 32. Financial instruments

#### 32.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, investments, trade and other receivables, short-term loans from banks, trade and other payables and financial lease payables. The financial risks associated with these financial instruments and how they are managed is described below.

### **Credit risk**

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries 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 Company and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks and short-term loans from banks. Most of the Company and its subsidiaries' financial assets and liabilities are short-term, with 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 2016						
Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate	(% p.a.)
Within 1 year	1 - 5 years					
<b>Financial assets</b>						
Cash and cash equivalents	2	-	7	169	178	0.38 - 1.00
Current investments	-	-	5	-	5	1.00
Trade and other receivables	-	-	-	762	762	-
Restricted bank deposits	47	-	-	-	47	0.80 - 1.10
Long-term investment	-	-	-	3	3	-
	<u>49</u>	<u>-</u>	<u>12</u>	<u>934</u>	<u>995</u>	
<b>Financial liabilities</b>						
Short-term loans from banks	253	-	-	-	253	2.75 - 3.75
Trade and other payables	-	-	-	363	363	-
Financial lease payables	4	1	-	-	5	5.96 - 12.40
	<u>257</u>	<u>1</u>	<u>-</u>	<u>363</u>	<u>621</u>	

(Unit: Million Baht)

## Consolidated financial statements as at 31 March 2015

	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	2	-	8	125	135	0.38 - 1.70
Current investments	-	-	-	20	20	-
Trade and other receivables	-	-	-	779	779	-
Restricted bank deposits	46	-	-	-	46	1.10 - 1.70
Long-term investment	-	-	-	3	3	-
	<u>48</u>	<u>-</u>	<u>8</u>	<u>927</u>	<u>983</u>	
<b>Financial liabilities</b>						
Short-term loans from banks	378	-	-	-	378	3.70 - 4.65
Trade and other payables	-	-	-	436	436	-
Financial lease payables	5	5	-	-	10	5.96 - 12.40
	<u>383</u>	<u>5</u>	<u>-</u>	<u>436</u>	<u>824</u>	

(Unit: Million Baht)

## Separate financial statements as at 31 March 2016

	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	2	-	4	23	29	0.38 - 1.00
Trade and other receivables	-	-	-	402	402	-
Restricted bank deposits	6	-	-	-	6	1.10
	<u>8</u>	<u>-</u>	<u>4</u>	<u>425</u>	<u>437</u>	
<b>Financial liabilities</b>						
Short-term loans from banks	181	-	-	-	181	3.46 - 3.75
Trade and other payables	-	-	-	210	210	-
Financial lease payables	4	1	-	-	5	5.96 - 12.40
	<u>185</u>	<u>1</u>	<u>-</u>	<u>210</u>	<u>396</u>	

(Unit: Million Baht)

## Separate financial statements as at 31 March 2015

	Fixed interest rate				Total	Effective interest rate (% p.a.)
	Within		Floating interest rate	Non-interest bearing		
	1 year	1 - 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	2	-	4	20	26	0.38 - 1.70
Trade and other receivables	-	-	-	471	471	-
Restricted bank deposits	5	-	-	-	5	1.70
	<u>7</u>	<u>-</u>	<u>4</u>	<u>491</u>	<u>502</u>	
<b>Financial liabilities</b>						
Short-term loans from banks	335	-	-	-	335	4.05 - 4.65
Trade and other payables	-	-	-	256	256	-
Financial lease payables	4	5	-	-	9	5.96 - 12.40
	<u>339</u>	<u>5</u>	<u>-</u>	<u>256</u>	<u>600</u>	

**Foreign currency risk**

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from sales and purchase transactions and short-term borrowing that are denominated in foreign currencies. The Company and its subsidiaries 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 and its subsidiaries had the significant 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	
	2016	2015	2016	2015	2016	2015
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.2	0.2	0.5	0.2	35.24	32.56
Japanese yen	0.5	0.5	3.2	-	0.3134	0.2683
SG dollar	-	-	0.01	0.02	26.09	23.66

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

Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate	
			Bought (Baht per 1 foreign currency unit)	Sold
<b><u>As at 31 March 2016</u></b>				
US dollar	2.2	-	34.85 - 36.22	-
Japanese yen	3.2	-	0.3136	-
<b><u>As at 31 March 2015</u></b>				
US dollar	1.6	-	32.61 - 33.34	-
SG dollar	0.02	-	23.82	-

### 32.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' 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 Company and its subsidiaries estimated fair value of derivatives, their fair value has been determined by using a discounted future cash flow 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 Company and its subsidiaries 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	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
	Fair value	Fair value	Fair value	Fair value
	Gain (loss)	Gain (loss)	Gain (loss)	Gain (loss)
<b>Derivatives</b>				
Forward exchange contracts	(1.1)	(0.5)	(0.7)	-

### **33. Capital management**

The primary objective of the Company and its subsidiaries' capital management is to ensure that they have appropriate capital structure in order to support their business and maximise shareholder value. As at 31 March 2016, the Company and its subsidiaries' total debt-to-equity ratio was 0.44:1 (2015: 0.58:1) and the Company's total debt-to-equity ratio was 0.37:1 (2015: 0.57:1).

### **34. Event after the reporting period**

- 34.1 On 24 May 2016, the meeting of Board of Directors of Auto Metal Company Limited (a subsidiary) No. 2/2016 passed a resolution to propose an approval by the Annual General Meeting of its shareholders, of the dividend payment to the Company's shareholders of Baht 27 per share from its net operating profit for the year ended 31 March 2016. However, by the resolution of the meeting of the subsidiary's Board of Directors No. 4/2015 held on 16 November 2015, the subsidiary paid out the interim dividend of Baht 7.00 per share, for 2.4 million ordinary shares, to the subsidiary's shareholders totaling Baht 16.8 million on 2 December 2015. The remaining dividend is Baht 20 per share, or totaling Baht 48 million.
- 34.2 On 25 May 2016, the meeting of the Company's Board of Directors of NSC Metal Company Limited (a subsidiary) passed a resolution to propose an approval by the Annual General Meeting of its shareholders, of the dividend payment to the subsidiary's shareholders of Baht 9 per share, from its net operating profit for the year ended 31 March 2016. However, by the resolution of the meeting of the subsidiary's Board of Directors held on 16 November 2015, the subsidiary paid out the interim dividend of Baht 3.25 per share, or totaling Baht 7.5 million, on 2 December 2015. The remaining dividend is Baht 5.75 per share, or totaling Baht 13.2 million.
- 34.3 On 26 May 2016, the meeting of the Company's Board of Directors No. 2/2016 passed a resolution to propose an approval by the Annual General Meeting of its shareholders, of the dividend payment to the Company's shareholders of Baht 0.24 per share from its net operating profit for the year ended 31 March 2016. However, by the resolution of the meeting of the Company's Board of Directors No 4/2015 held on 16 November 2015, the Company paid out the interim dividend of Baht 0.10 per share, for 383 million ordinary shares, to the Company's shareholders totaling Baht 38.3 million on 15 December 2015. The remaining dividend is Baht 0.14 per share, or totaling Baht 53.6 million.

### **35. Approval of consolidated financial statements**

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 26 May 2016.

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

<b>Name/Surname</b>	:	<b>Mr. Prasarn Akarapongpisak</b>
<b>Age</b>	:	58 Years
<b>Proposed Position</b>	:	Director, Chairman of Executive Committee Managing Director, Chairman of the Risk Management Committee
<b>Educational Background</b>	:	MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University : Bachelors of Technology and Industrial Management King Mongkut's University of Technology North Bangkok
<b>Director Training</b>	:	Thai Institute of Directors Association (IOD) : Director Accreditation Program DAP 37/2005 On May 20, 2005 : Director Certification Program DCP 60/2005
<b>Work Experience (within 5 years)</b>	:	1989-Present, Director, Chairman of Executive Committee and Managing Director / Lohakit Metal Public Company Limited : 2001-Present, Director/ Auto Metal Co., Ltd. : 2005-Present, Director/ Alternative EnMat Co., Ltd. : 2013-Present, Director/ NSC Metal Co., Ltd.
<b>Position in Director of the Board of the Company</b>	:	Director, Chairman of Executive Committee, Managing Director and Chairman of the Risk Management Committee
(Years in director position with the Company)	:	(3 years : July 2013 – Present)
<b>Meetings Attended Record</b>	:	Board of Directors 4/4 (or 100%)
<b>Shareholding in the Company</b>	:	13,320,960 (or 3.47 % of total issued shares)

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. Prasarn Akarapongpisak	-	-	4	Director	- 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. Teera Na Wangkanai**  
**Age** : 60 Years  
**Proposed Position** : Director, Independent Director and Member Of Audit Committee and Chairman of the Nomination and Compensation Committee

**Educational Background** : Senior Executive Program Sasin Graduate Institute Of Business Administration of Chulalongkorn University  
: Sugar Technology College, Queensland, Australia  
: Western Australian Institute of Technology, Australia

**Director Training** : Thai Institute of Directors Association (IOD) Director Certification Program DCP 54/2005 On March 2005, ACP 6/2005, FSD 20/2013, MIR 15/2013, MIA 15/2013, MFR 18/2013

**Work Experience (within 5 years)** : 2005-Present, Director, Independent Director and Member of Audit Committee/ Lohakit Metal Public Company Limited  
: 2012-Present, Director/ Wang Sugar Holding Co., Ltd.  
: 2012-Present, Director/ Wang Chainart Co., Ltd.

**Position in Director of the Board of the Company** : Director, Independent Director, Member of Audit Committee and Chairman of the Nomination and Compensation Committee  
(Years in director position with the Company) (3 years: July 2013 – Present)

**Meetings Attended Record** : Board of Directors 3/4 (or 75 %)  
**Shareholding in the Company** : None (or 0% of total issued shares)

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. Teera Na Wangkanai	-	-	11	Director	- 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. Somnuik Thanasarn**  
**Age** : 52 Years  
**Proposed Position** : Director, Member of Executive Committee, Deputy Managing Director, Sales & Marketing Manager and Member of the Risk Management Committee

**Educational Background** : Bachelor of Economics Thammasat University

**Director Training** : Thai Institute of Directors Association (IOD) Director Certification Program DCP 106/2008

**Work Experience (within 5 years)** : 2012-Present, Deputy Managing Director Lohakit Metal Public Company Limited  
: 1999-Present, Director, Member of Executive Committee and Sales & Marketing Manager/ Lohakit Metal Public Company Limited  
: 2008-Present, Director/ Auto Metal Co., Ltd.  
: 2008-Present, Director/ Alternative EnMat Co., Ltd.

**Position in Director of the Board of the Company** : Director, Member of Executive Committee, Deputy Managing Director, Sales & Marketing Manager and Member of the Risk Management Committee

(Years in director position with the Company) (3 years: July 2013 – Present)

**Meetings Attended Record** : Board of Directors 4/4 (or 100%)  
**Shareholding in the Company** : None (or 0% of total issued shares)

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. Somnuik Thanasarn	-	-	2	Director	- 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 68 years Independent Director,  
 Chairman of the Board of Directors, Chairman of the Audit Committee

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

or

3.  Mr. Lert Nittheranont Age 54 years Independent Director,  
 Member of the Audit 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 2016 at 14.00 hrs. On July 28, 2016 at Ballroom 1, 12th Floor, Ah Yat Abalone Convention Hall, Parking Building, No.43 Thai CC Tower, South Sathorn Road, Yannawa, Sathorn, 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 2015 on July 28, 2015.**

- (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, 2016.**

- (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 2016.**

- (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**

**Mr. Prasarn Akarapongpisak**

- (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. Teera Na Wangkanai**

- (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. Somnuik Thanasarn**

- (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 2016.**

- (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 2016.**

- (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 2016 shall be held at 14.00 hrs. On July 28, 2016 at Ballroom 1, 12th Floor, Ah Yat Abalone Convention Hall, Parking Building, No.43 Thai CC Tower, South Sathorn Road, Yannawa, Sathorn, 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 28, 2016.



## Name List and Details of Independent Director

### 1. Mr. Wanchai Umpungart

<b>Age</b>	:	68 Years
<b>Position</b>	:	Independent Director, Chairman of the Board of Directors, Chairman of the Audit Committee and Member of the Nomination and Compensation Committee (March 2005 – Present)
<b>Educational Background</b>	:	MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University BA Accounting, Chulalongkorn University
<b>Director Training</b>	:	Thai Institute of Directors Association (IOD) Director Accreditation Program DAP 35/2005
<b>Work Experience (within 5 years)</b>	:	2002-Present/ Independent Director and Audit Committee/ Muramoto Electron (Thailand) Plc. 2013-Present/ Independent Director and Audit Committee/ OCC Plc. 2013-2016/ Independent Director/ Sahapattana Inter Holding Plc.
<b>Meetings Attended Record</b>	:	Board of Directors 4/4 (or 100%)
<b>Shareholding in the Company</b>	:	None (or 0% of total issued shares)
<b>Address</b>	:	Lohakit Metal Public Company Limited 66/1 Moo 6 Suksawad Rd., Bangjak, Prapradang, Samutprakarn 10130
<b>Interest in any agenda</b>	:	<b>Agenda Item 6</b> - Consideration for payment of directors' remuneration for the year 2016

### 2. Mr. Lert Nitheranont

<b>Age</b>	:	54 Years
<b>Position</b>	:	Independent Director, Member of the Audit Committee and Member of the Nomination and Compensation Committee (March 2005 – Present)
<b>Educational Background</b>	:	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
<b>Director Training</b>	:	Thai Institute of Directors Association (IOD) Director Accreditation Program DAP 35/2005
<b>Work Experience (within 5 years)</b>	:	2005 – Present/ Director, Independent Director and Member of Audit Committee/ Lohakit Metal Public Company Limited 1996 – Present/ Director/ Royal Concord Interrade Co., Ltd.
<b>Meetings Attended Record</b>	:	Board of Directors 4/4 (or 100%)
<b>Shareholding in the Company</b>	:	None (or 0% of total issued shares)
<b>Address</b>	:	Lohakit Metal Public Company Limited 66/1 Moo 6 Suksawad Rd., Bangjak, Prapradang, Samutprakarn 10130
<b>Interest in any agenda</b>	:	<b>Agenda Item 6</b> - Consideration for payment of directors' remuneration for the year 2016

## **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 attend the meeting and are entitled to vote:

who

- (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

### Ah Yat Abalone Convention Hall Map

